

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

**Petition of Peoples Natural Gas
Company, LLC for Approval of its
Third Long-Term Infrastructure
Improvement Plan**

**Public Meeting held December 18, 2025
3057167-TUS
Docket No. P-2025-3057167**

STATEMENT OF CHAIRMAN STEPHEN M. DeFRANK

Before the Commission is the Petition of Peoples Natural Gas Company for approval of its third Long-Term Infrastructure Improvement Plan (LTIIIP). The proposal is a five-year plan, from 2026 through 2030, projected to invest approximately \$3.25 billion to replace and upgrade the utility's infrastructure. Peoples' LTIIIP would invest in four main areas:

- Distribution Lines
- Meter Replacement
- M&R Station Upgrades
- M&R OPP

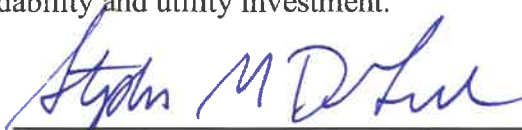
Peoples' filing shows that the vast majority of this spending—just over \$2.9 billion—will be dedicated to replacing approximately 930 miles of transmission and distribution mains. The lines in questions are primarily bare steel and cast-iron pipelines, though a small amount of first-generation plastic pipe will also be replaced in this plan. Given the safety concerns with those materials, their prudent replacement with safer materials is an important goal of this Commission.

Having said that, I have to make note of the very large increase from Peoples' current LTIIIP, which is on track to spend just under \$2 billion from 2021 through 2025. The plan before us represents an increase of 67.5 percent from the current LTIIIP. I acknowledge that LTIIIPs are not an endorsement of cost-recovery, as increased capital costs can be financed through a number of means that need not necessarily require a dollar-for-dollar rate increase, including retained earnings, new debt, and shareholder equity. Nonetheless, LTIIIPs are a reasonable barometer for the future rate outlook of our utilities.

Noting all of this, I implore Peoples, along with other utilities seeing large capital outlay increases, to consider options that can mitigate rate appreciation. The Commission has broad authority to establish new and novel rate designs. As an example, I believe multi-year rate plans may be a tool that the Commission can use to help instill more measured affordability. Further, utilities should consider more targeted investment in areas that manifest significant increases in safety, reliability, and resiliency. Finally, utilities should consider piloting alternatives that have the potential to realize savings when compared to typical distribution infrastructure.

In closing, I encourage our fixed utilities to think outside-the-box for ways to help balance the regulatory compact between customer affordability and utility investment.

December 18, 2025
Date



Stephen M. DeFrank
Chairman