



December 23, 2025

VIA E-FILE

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
400 North Street, Filing Room
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v. Columbia Gas of Pennsylvania, Inc.
Docket No. R-2025-3053499**

Secretary Homsher:

Please find the attached copy of the **Petition of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) for Reconsideration and Modification of the Commission's December 9, 2025 Order** in the above noted proceeding.

As indicated on the attached Certificate of Service, service on the parties was accomplished by email only.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John W. Sweet", with a stylized flourish at the end.

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Honorable Chad Allensworth callenswor@pa.gov (Via e-mail only)
Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2025-3053499
 :
 Columbia Gas of Pennsylvania, Inc. :

Certificate of Service

I hereby certify that I have on this day served copies of the **Petition of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) for Reconsideration and Modification of the Commission’s December 9, 2025 Order** upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54.

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2025-3053499
 :
 Columbia Gas of Pennsylvania, Inc. :

**PETITION OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND
ENERGY EFFICIENCY IN PENNSYLVANIA FOR
RECONSIDERATION AND MODIFICATION
OF THE COMMISSION’S DECEMBER 9, 2025 ORDER**

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Date: December 23, 2025

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 B. The Commission misapplied the law by allowing Columbia’s pilot Weather Normalization Adjustment charge (WNA) to continue on the grounds that it has not enabled the Company to recover more than its authorized revenue requirement. The Commission should reverse its decision based on proper application of Commission policy and substantial record evidence. 13

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I. INTRODUCTION

Pursuant to the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission (Commission), 52 Pa. Code §§ 5.41 and 5.572, the Coalition for Affordable Utility Services and Energy Efficiency (CAUSE-PA), through its counsel at the Pennsylvania Utility Law Project, hereby petitions the Commission for reconsideration of its December 9, 2025 Opinion and Order regarding the proposed base rate increase of Columbia Gas of Pennsylvania (Columbia or the Company).

As explained more fully below, CAUSE-PA urges the Commission to reconsider, clarify, and modify its Opinion and Order on the following grounds:

- The Commission erred as a matter of law and overlooked critical facts in rejecting proposals of CAUSE-PA and OCA to address uncontroverted harm to consumers. The Commission should amend its Opinion and Order to improve Columbia's consumer education about the competitive gas market.
- The Commission misapplied the law by allowing Columbia's pilot Weather Normalization Adjustment charge (WNA) to continue on the grounds that it has not enabled the Company to recover more than its authorized revenue requirement. The Commission should reverse its decision based on application of Commission policy and substantial record evidence.
- The Commission overlooked CAUSE-PA's additional recommended reforms to the WNA. If allowed to continue, the Commission should limit application of the WNA to December through March and should exempt confirmed low income customers consistent with the weight of the evidence in this proceeding.

In support thereof, CAUSE-PA asserts the following:

II. BACKGROUND

1. CAUSE-PA incorporates by reference the Background section contained in its Main Brief, filed with the Commission on August 26, 2025, which provides a detailed explanation of the procedural progression of this proceeding.

2. In this proceeding, CAUSE-PA recommended against the approval of any rate increase and in favor of OCA's recommendation that the Commission decrease Columbia's revenue requirement by \$36,316,933, or -3.96%.¹

3. In relevant part, CAUSE-PA also recommended against approval of Columbia's alternative ratemaking mechanisms, including its pilot Weather Normalization Adjustment charge (WNA), and detailed substantial evidence of harm to Columbia's low income shopping customers and other residential ratepayers which supports the need for improved education consistent with the requirements of the Natural Gas Choice and Competition Act (Choice Act).²

4. In support of these recommendations, CAUSE-PA provided substantial data and factual evidence:

- Columbia's distribution rates have outpaced inflation and are already the highest of any Pennsylvania gas distribution company (NGDC).³
- Since 2008, Columbia has increased its base rates nearly every year – resulting in rates for basic gas distribution service increasing 339%, which far outpaced inflation and radically out of step with the rates of other NGDCs.⁴
- Columbia has an estimated 91,881 low income customers and has confirmed low income status for 70,114 of this estimated group. Just 20,988 of these customers participate in Columbia's Customer Assistance Program (CAP).⁵

¹ CAUSE-PA MB at 14, 19.

² *Id.* at 50-81, 146-154; CAUSE-PA RB at 21-35, 62-65.

³ RD at 91, Finding of Fact 391; CAUSE-PA MB at 19-26.

⁴ CAUSE-PA MB at 14 (Columbia's distribution charges for an average heating customer have increased from \$53.39 to \$181.15).

⁵ RD at 91, Finding of Fact 388 and 389; CAUSE-PA MB at 12-13.

- Columbia’s confirmed low income (non-CAP) customers carry 40% of all residential debt – despite making up 12% of the residential population.⁶
- Termination rates for confirmed low income (non-CAP) households in 2024 was 11%, compared to 2% for non-low income residential customers.⁷
- The termination rate for confirmed low income (non-CAP) shopping customers is 25% - reflecting a trend of excessive pricing within the residential gas market that has gone unaddressed.⁸
- Columbia’s residential and low-income shopping customers are consistently charged commodity rates that, on average, substantially exceed the applicable default service price – adding hundreds of dollars to bills each year and exacerbating the negative consequences of high energy burdens on low income customers.⁹
- Persistently higher average prices in the competitive market are creating a host of consequences for individual consumers and other ratepayers – including higher termination rates, collections costs, and universal service costs.¹⁰
- Since the 2019/2020 heating season, Columbia’s WNA has resulted in net charges to customers of approximately \$78.9 million that they would not have otherwise been charged based on usage.¹¹
- The net charges to customers in the most recent six years of the WNA were more than 16 times larger than the net credits to customers in the first six years of the WNA.¹²
- The WNA is not necessary for Columbia to have a fair opportunity to recover its Commission approved revenue requirement and is not beneficial to customers.¹³
- Adding the WNA during the winter months exacerbates low-income customers’ already unaffordable energy burdens.¹⁴
- Columbia does not exempt CAP participants from application of the WNA, resulting in higher rates for CAP participants and other residential ratepayers who support CAP through rates, including confirmed low income non-CAP customers.¹⁵

⁶ RD at 92, Finding of Fact 395(a); CAUSE-PA MB at 13.

⁷ RD at 92, Finding of Fact 395(b); CAUSE-PA MB at 13.

⁸ RD at 92, Finding of Fact 395(c); CAUSE-PA MB at 13, 22, 147.

⁹ RD at 95, Finding of Fact 405; CAUSE-PA MB at 146-147.

¹⁰ RD at 95, Finding of Fact 406; CAUSE-PA MB at 146-148.

¹¹ RD at 44, Finding of Fact 113; CAUSE-PA MB at 52.

¹² RD at 44; Finding of Fact 114; CAUSE-PA MB at 54.

¹³ RD at 44; Finding of Fact 115; CAUSE-PA MB at 57.

¹⁴ RD at 44; Finding of Fact 116; CAUSE-PA MB at 55.

¹⁵ CAUSE-PA MB at 67-68.

5. On October 3, 2025, Administrative Law Judge Jeffrey A. Watson and Chad L. Allensworth issued a Recommended Decision (RD), in which they recommended in relevant part that the Commission require Columbia to implement CAUSE-PA and OCA's recommendations to improve education of consumers about the competitive gas supply market and that Columbia's WNA expire as of the effective date of rates in this proceeding.¹⁶ Of note, the ALJs expressly included the above data and factual evidence in the Findings of Fact, and the Commission ultimately incorporated those findings by reference without modification – either expressly or by necessary inference.¹⁷

6. On October 14, 2025, Exceptions were filed by Columbia, the Office of Consumer Advocate (OCA), and Pennsylvania State University.

7. On October 21, 2025, Reply Exceptions were filed by CAUSE-PA, OCA, the Office of Small Business Advocate (OSBA), the Bureau of Investigation and Enforcement (I&E), PSU, and Columbia.

8. On December 9, 2025, The Commission issued its Opinion and Order. As pertinent to the current Petition for Reconsideration, the Commission overruled the ALJs recommendations on several grounds, ordering that Columbia be allowed to increase its rates, that Columbia be allowed to continue its WNA as a pilot with certain modifications, and that Columbia not be required to improve education of consumers about the competitive gas supply market.¹⁸

¹⁶ RD at 112-118, 489-497 622-626.

¹⁷ Opinion and Order at 16.

¹⁸ *Id.* at 38-48, 299-303, 388-391.

III. LEGAL STANDARD

A. Standard for Review

9. In any proceeding, to withstand an appeal, the Commission's decision must be supported by substantial evidence.¹⁹ "Substantial evidence" is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact that is sought to be established.²⁰

10. The Commission articulated its standard for granting reconsideration or clarification of a Commission order in *Duick v. Pennsylvania Gas and Water Co.*:

A petition for reconsideration, under the provisions of 66 Pa. C.S. § 703(f), may properly raise any matters designed to convince the Commission that it should exercise its discretion under this code section to rescind or amend a prior order in whole or in part. . . .What we expect to see raised in such petitions are *new and novel arguments, not previously heard, or considerations which appear to have been overlooked or not addressed by the Commission.*²¹

11. Where a party alleges an error of fact or law, a Petition for Reconsideration is properly raised and may properly be granted.²²

12. CAUSE-PA's requests for reconsideration, and revision outlined in this Petition satisfy the standard expressed in *Duick*, in that the Petition raises issues which appear to have been overlooked by the Commission and identifies errors of law and fact that must be addressed.

¹⁹ 2 Pa. C.S. § 704.

²⁰ *Norfolk & W. Ry. Co. v. Pa. PUC*, 413 A.2d 1037 (Pa. 1980); *Erie Resistor Corp. v. Unemployment Comp. Bd. of Review*, 166 A.2d 96 (Pa. Super. 1961); *Pa. Dep't of Pub. Welfare, White Haven Ctr.*, 480 A.2d 382 (Pa. Cmwlth. 1984).

²¹ *Duick v. Pennsylvania Gas and Water Company*, 56 Pa. P.U.C. 553, 559 (1982).

²² *Application of Cressona Trucking Company*, Petition for Reconsideration, 1989 Pa. PUC LEXIS 102 (Pa. PUC, 1989).

IV. REQUESTS FOR RECONSIDERATION.

- A. The Commission erred as a matter of law and overlooked critical facts by rejecting proposals of CAUSE-PA and OCA to address uncontroverted harm to consumers. The Commission should amend its Opinion and Order to improve Columbia’s consumer education about the competitive gas market.**

13. The record in this proceeding is replete with evidence that Columbia’s residential and low income shopping customers are harmed by a lack of understanding of the competitive market.

- In the first three months of 2025, residential and low income shopping customers were charged, on average, over \$190 more than Columbia’s applicable price to compare – equating to an average of more than \$63 in additional costs each month.²³

14. The record further demonstrates that consistently high commodity prices in the competitive market drive up collections, termination, and universal service program costs borne by all residential consumers, and have a particularly harmful impact on low income households.

- One in four (25%) of Columbia’s low income shopping customers faced involuntary termination in 2024. In comparison, 14% of Columbia’s low income default service customers faced involuntary termination that year.²⁴
- When termination rates increase, so too does the collection of costs recovered through rates.²⁵
- Excessive competitive supply rates have a direct, dollar for dollar impact on Customer Assistance Program arrearage management costs, resulting in higher costs to all residential customers.²⁶
- Excessive supply rates also erodes the effectiveness and availability of Columbia’s Hardship Fund Program to help vulnerable households maintain essential gas service.²⁷

15. The record also clearly demonstrates that Columbia does not provide adequate information to consumers about shopping and the price to compare.²⁸

²³ CAUSE-PA MB at 146, CAUSE-PA Exhibits 1 and 2.

²⁴ RD at 93, Finding of Fact 395 (c); CAUSE-PA MB at 20, Table 2.

²⁵ CAUSE-PA MB at 147.

²⁶ *Id.* at 148.

²⁷ *Id.*

²⁸ *Id.* at 152-153.

- On Columbia’s bill, the price to compare is buried in the fine print on the back of the bill and key terms related to shopping, such as price to compare and natural gas supplier, do not appear with other common defined terms.²⁹
- Columbia could point to just one bill insert, in February 2025, that contained definitions for the terms “price to compare” and “natural gas supplier” and no other information was included to help customers compare offers or otherwise assess their eligibility for a lower rate through CAP.³⁰
- While Columbia has a webpage that provides information about shopping, no information about shopping information is discussed on Columbia’s “Understanding Your Bill” webpage, which is the place most customers who are served by a supplier and have questions about their bill would be most likely to look.³¹

16. In response to this specific data and information, and to help reduce the negative consequences to the health, safety, and economic stability of Columbia’s customers, CAUSE-PA and OCA recommended that the Commission require Columbia to improve educational efforts, with focused attention on customers who are enrolled with a Natural Gas Supplier (NGS) and paying rates that are higher than the Company’s Price to Compare.³² CAUSE-PA recommended that education for low-income shoppers include clear instructions for applying to CAP.³³

17. When presented with the overwhelming evidence of harm to its customers, Columbia demonstrated indifference to the excessive charges in the competitive market and the resulting high termination rates and universal service costs, and defiance of any suggestion that Columbia educate consumers about their options.³⁴ Columbia’s CEO went so far as to suggest that low income shopping customers may rather endure the loss of heating, cooking, and hot water than be informed about the availability of universal service programs that can help.³⁵ This indifference

²⁹ CAUSE-PA MB at 152.

³⁰ *Id.*

³¹ *Id.* at 152-153.

³² *Id.* at 148-149; OCA MB at 285.

³³ CAUSE-PA MB at 148-149.

³⁴ *Id.* at 149.

³⁵ *Id.*

runs contrary to Columbia’s obligation to prudently manage collections and minimize costs borne by other ratepayers.

18. In the RD, the ALJs approved CAUSE-PA and OCA’s proposals, pointing to substantial record evidence in support thereof – and explicitly concluding “there was *no credible evidence* presented that the issue raised by OCA and CAUSE-PA did not exist or that their proposed resolution would be unduly costly or burdensome to Columbia or that the proposed remedy would run afoul of any Code provision of Commission Regulation.”³⁶

19. The ALJs articulated the applicable standard of review for CAUSE-PA and OCA’s proposals, explaining:

[T]he standard in addressing such consumer related issues is not whether the Company is doing that which is required by law to address customer issues, where a problem clearly exists and the Company’s approach has not resolved the issue.

...

It is well established that a base rate case is the proper venue for hearing the customer service issues raised in the proceeding. *In addition, it is not required that a specific law, order or policy be in effect that specifically requires the relief requested by OCA and CAUSE-PA to be implemented by the Company.*³⁷

20. Through its Opinion and Order, the Commission agreed with the ALJs “that *some* Columbia shopping customers, including low income shopping customers, *may* be paying rates that are higher than the Company’s PTC” – but nevertheless found that “neither the OCA nor CAUSE-PA proved that Columbia is not fully compliant with its statutory and regulatory outreach and educational responsibilities in this matter.”³⁸ The Commission further concluded that Columbia’s obligation under section 1501 to provide safe, adequate, and reasonable service does not require additional consumer education.³⁹

³⁶ RD at 626 (emphasis added).

³⁷ *Id.* (emphasis added).

³⁸ Opinion and Order at 389.

³⁹ *Id.*

21. CAUSE-PA respectfully asserts that the Commission’s Opinion and Order erred as a matter of law by applying the wrong standard of review for CAUSE-PA and OCA’s proposals. As the ALJs articulated, “it is not required that a specific law, order or policy be in effect that specifically requires the relief requested by OCA and CAUSE-PA.”⁴⁰ To the contrary, CAUSE-PA and OCA need only provide substantial evidence that its proposals are just, reasonable, and in accordance with the law.⁴¹ The degree of proof necessary to meet the substantial evidence standard only requires a preponderance of the evidence, which means that the substantial evidence presented is more convincing than the evidence presented by the other party, not that the utility is required to adopt the recommendation under statute, regulation or order.⁴²

22. In its Opinion and Order, the Commission agreed with the ALJ’s findings that harm is occurring and did not disrupt the ALJs findings that there is “no credible evidence” that CAUSE-PA and OCA’s proposals are unduly costly or burdensome – or would otherwise run afoul of any provision of the Code or Commission regulation. Rather, the Commission rejected CAUSE-PA and OCA’s proposals primarily on its summary finding that Columbia is generally compliant with the Code, the Choice Act, the Company’s tariffs, and Commission Regulation and Orders - and that “neither the OCA nor CAUSE-PA proved that Columbia is not fully compliant with its statutory and regulatory outreach and educational responsibilities.”⁴³ CAUSE-PA asserts that this misapplication of the evidentiary standard and burden of proof constitutes an error of law that must be addressed.

⁴⁰ 66 Pa. C.S. § 315(a); *Pa. Publ. Util. Comm’n v. Metropolitan Edison Company*, Docket No. R-00061366 p. 117, 2007 Pa. PUC LEXIS 5 (January 11, 2007); *NRG Energy, Inc. v. Pa. PUC*, 233 A.3d 936, 939 (Pa. Commw. Ct. 2020).

⁴¹ *Pa. Publ. Util. Comm’n v. Metropolitan Edison Company*, Docket No. R-00061366 p. 117, 2007 Pa. PUC LEXIS 5 (January 11, 2007).

⁴² *NRG Energy, Inc. v. Pa. PUC*, 233 A.3d 936, 939 (Pa. Commw. Ct. 2020).

⁴³ Opinion and Order at 389.

23. CAUSE-PA is also concerned that the Commission appears to have overlooked the extent of the harm documented in the record. In its Opinion and Order, the Commission suggests that the evidence of harm was limited to “some” shopping customers who “may” be paying more than the PTC.⁴⁴ This is a gross mischaracterization of the evidence before the Commission. As summarized above, the unrefuted evidence is that – on an average and net basis across the *entire* residential customer base – shopping customers are paying hundreds of dollars more *per customer* for basic gas service each year. This is driving up collections costs and termination rates, which in turn is driving up rates for ALL of Columbia’s residential customers through higher uncollectible expenses and higher universal service costs. Indeed, contrary to the Commission’s suggestions, this is not a case of “some” Columbia customers who “may” be paying more – it is a case of all Columbia customers, including those who choose not to shop, paying significantly more for basic gas service to their home.

24. In overlooking the true extent of harm documented in Columbia’s service territory, including the substantial increase in termination rates of low income shopping customers and increased costs to other ratepayers, the Commission appears to have overlooked the impact of this issue on its statutory universal service obligations. CAUSE-PA submits that this, too, constitutes an error of law. The Choice Act defines the term “universal service and energy conservation programs” as: “Policies, practices and services that help residential low-income retail customers ... to maintain natural gas supply and distribution services.”⁴⁵ The Act mandates that Columbia operate universal service and energy efficiency programs, subject to the direct oversight of the Commission – which is in turn obligated under the Act to ensure the programs are appropriately funded, cost effective, and available to help low income customers afford and maintain gas service

⁴⁴ Opinion and Order at 389.

⁴⁵ 66 Pa. C.S. § 2202 (emphasis added).

to their home.⁴⁶ By ignoring clear evidence that high costs in the competitive market are driving higher universal service costs, the Commission effectively eschews its responsibility to ensure universal service programs are cost effective and available to help low income consumers maintain natural gas service to their home.

25. In deferring CAUSE-PA and OCA’s proposals to a potential future statewide proceeding, the Commission also appears to have overlooked the extensive evidence of clear and unrefuted harm *in Columbia’s service territory*. While CAUSE-PA acknowledges that there are deep and widespread issues in the competitive market that *also* require a statewide look, the issues presented in this case are unique to Columbia – and the proposals approved by the ALJs are responsive to identified shortcomings in Columbia’s approach to competitive market education. There is no basis for the Commission to delay implementation of basic outreach and education in Columbia’s service territory – to address specific identified concerns – merely because similar issues may also be occurring in other jurisdictions. As the ALJs correctly found, there is no credible evidence that such measures are costly or burdensome warranting delay to a statewide proceeding.⁴⁷

26. Similarly, the Commission’s suggestion that this issue is not “best handled at this time in this case” because NGSs did not intervene in the case⁴⁸ overlooks the fact that NGS parties were notified of the proceeding and chose not to participate. The current proceeding was publicly noticed and all stakeholders, including NGSs, were provided the opportunity to participate.⁴⁹ NGSs clearly understand that issues regarding supplier pricing may arise in the context of a rate

⁴⁶ 66 Pa. C.S. § 2203(7), (8) (“The commission shall ensure that universal service and energy conservation policies, activities and services are appropriately funded and available in each natural gas distribution service territory. ... Programs under this paragraph shall be subject to the administrative oversight of the commission, which shall ensure that the programs are operated in a cost-effective manner.”).

⁴⁷ RD at 626.

⁴⁸ Opinion and Order at 389-390.

⁴⁹ See *Respond Power, LLC v. Pa. PUC*, 250 A.3d 547 (Pa. Commw. Ct. 2021) (citing *Snyder Brothers Inc. v. Pa. PUC*, 224 A.3d 450 (Pa. Commw. 2020))

proceeding, as they often intervene and participate in proceedings.⁵⁰ The Commission should not forego addressing demonstrated harm to consumers merely because a group of stakeholders who are responsible for imposing that harm have failed to intervene in a proceeding, despite being provided the opportunity to do so.

27. CAUSE-PA is not opposed to the initiation of a statewide proceeding to address the harm being imposed on residential consumers participating in the competitive market and asserts that the Commission should initiate such a proceeding without delay. If the harm is as extensive in other jurisdictions as it is in Columbia's service territory, which we believe it may well be, there is a need for overarching statewide directives that protect consumers from excessive pricing in the retail energy markets and the consequences that result for all residential consumers. However, statewide policies and regulations take years to complete⁵¹ – years that Columbia's residential consumers cannot afford to wait. The Commission should not forego addressing the real and immediate harm to Columbia's residential and low income consumers demonstrated in this proceeding in anticipation of a potential future statewide proceeding.

28. For the reasons outlined above, CAUSE-PA submits that the Commission erred as a matter of law and overlooked critical facts in rejecting CAUSE-PA and OCA's proposal to address certain and substantial harm to residential and low income consumers as a result of excessive prices in the competitive market. As such, we urge the Commission to reconsider its decision and order Columbia to provide improved education and outreach about the competitive market to its customers consistent with the ALJs recommended decision.

⁵⁰ For example, multiple supplier parties intervened in the UGI Gas rate proceeding earlier this year, where similar issues were raised and discussed. *See Pa. PUC v. UGI Utilities, Inc. – Gas Division*, Docket No. R-2024-3052716.

⁵¹ For example, the Commission solicited informal comments on potential amendments to its marketing regulations in late 2019 – yet never released any formal proposed policies.

B. The Commission misapplied the law by allowing Columbia’s pilot Weather Normalization Adjustment charge (WNA) to continue on the grounds that it has not enabled the Company to recover more than its authorized revenue requirement. The Commission should reverse its decision based on proper application of Commission policy and substantial record evidence.

29. In this proceeding, Columbia sought to make its WNA Pilot program permanent.⁵² The WNA is an alternative ratemaking mechanism that allows Columbia to adjust a customer’s base rate bill outside the scope of a base rate case and without requiring the Commission’s approval.⁵³ Columbia has presented the WNA as a way to “levelize revenues for both customers and the Company to better reflect the level of revenues that are authorized for recovery...”⁵⁴ However, Columbia’s WNA Pilot has been in effect for over ten years and has resulted in a net \$74.2 million in additional charges to customers that they would not have otherwise been charged in the absence of the WNA.⁵⁵ In just the past six years, the WNA has resulted in a net \$78.9 million in additional charges to consumers – eclipsing any consumer savings in earlier years.⁵⁶

30. In addition to extensive analysis of applicable precedent proving the WNA is not necessary for Columbia to have a fair opportunity to recover its Commission-approved revenue requirement, CAUSE-PA, OCA, and I&E provided in depth, factor-by-factor analysis under the Commission’s Alternative Ratemaking Policy Statement demonstrating that Columbia’s WNA violates the principals set forth in the Commission’s Alternative Ratemaking Policy Statement.⁵⁷

- Applying longstanding ratemaking principles, the record demonstrates that the WNA perverts the fundamental premise of monopoly ratemaking to provide an *opportunity* for profit, *not a guarantee*.⁵⁸

⁵² Opinion and Order at 287.

⁵³ RD at 490.

⁵⁴ CPA MB at 155.

⁵⁵ CAUSE-PA St. 21 at 45-46; CAUSE-PA St. 2-SR at 13 (*see fn. 39*).

⁵⁶ CAUSE-PA MB at 53.

⁵⁷ *Id.* at 50-78; OCA MB at 205-242; I&E MB at 66-69; 52 Pa. Code §§ 69.3301-.3302.

⁵⁸ CAUSE-PA St. 2 at 49; 66 Pa. C.S. § 1301; *City of Lancaster Sewer Fund v. Pa. PUC*, 793 A.2d 978 (982 (Pa. Commw. Ct. 2002); *Lloyd v. Pa. PUC*, 904 A.2d 1010, 1019-21 (Pa. Commw. Ct. 2006).

- Further, the evidence showed that the WNA has imposed a net \$78.9 million in additional charges to consumers since the 2019/2020 heating season – and over the last 6 years has produced charges that are 16 times higher than the net credits produced in the first 6 years of the WNA.⁵⁹ These one-sided results over the last six years of the pilot’s operation makes it clear that the original basis for approval – namely, that the WNA would *equally* insulate consumers and the Company from extreme weather – is illusory.⁶⁰
- Finally, the record showed that the benefit of the WNA to Columbia’s shareholders is outweighed by the multitude of detriments to consumers and detracts from other critical policy objectives. Among other concerns, the WNA undermines efficiency and conservation and exacerbates energy insecurity for low income households across its service territory – eroding their ability to reduce overall energy costs through efficiency and conservation.⁶¹

31. In the RD, the ALJs thoroughly analyzed all relevant facts – including application of longstanding precedent and the factors enumerated in the Commission’s 2019 Policy Statement – and recommended that the Commission allow Columbia’s WNA pilot to expire, and that no permanent WNA be put in place.⁶²

32. At the outset of their decision, the ALJs discuss the fundamental principles of the regulatory compact – and application of those principles to Columbia’s WNA:

The regulatory compact requires checks on utilities in order to function, including ensuring that a utility does not abuse its monopoly franchise and captive customer base in a manner which would not be permissible in a competitive market. In the time between rate cases, a utility must be disciplined in how it incurs expenses and makes capital investment....

In pursuit of revenue stability, Columbia requests that volumetric risks be shifted to ratepayers through ... the conversion of its sunseting the WNA Pilot into a permanent mechanism Columbia has provided no substantial or credible evidence of benefit to consumers through these initiatives.

Columbia is well aware of the risks inherent in providing gas distribution service, including that customers’ usage of natural gas has been declining over time as a result of improved efficiency in home appliances and reduced throughput for heating purposes. We agree with OCA that the billing

⁵⁹ CAUSE-PA MB at 53.

⁶⁰ See CAUSE-PA St. 2 at 45; I&E St. 3 at 13-15.

⁶¹ CAUSE-PA MB at 70; CAUSE-PA RB at 24.

⁶² RD at 493.

determinants used by Columbia, which were not challenged by any party in this proceeding, establish that the current customer and volumetric charge structure are sufficient to meet the Company's revenue requirement. That is all that is required for the Company to have a reasonable opportunity to recover its authorized revenue. **The inclusion of revenue stability assurances for the Company merely increase rates to the Company's captive customers without providing more efficient or satisfactory service.**⁶³

The ALJs found no evidence that Columbia is "unable to earn sufficient revenue to comply with the obligation to serve and provide reliable, safe, and adequate service or that, in the absence of revenue stability mechanisms, it is deprived of a reasonable opportunity to earn its authorized revenue."⁶⁴ As the ALJs recognized, the same of gas for home heating has always been a weather dependent industry, and it is incumbent upon Columbia to adjust its business model to accommodate changes in weather and circumstances in the market.

33. The ALJs found that Columbia's WNA Pilot has systematically overcharged customers without providing commensurate benefits to customers and that the WNA has functioned as a one-sided charge, imposing consistent financial burdens on ratepayers while failing to deliver measurable bill stability or balance.⁶⁵ The RD states:

Furthermore, upon considering the Company's proposed WNA in the context of the Commission's guiding policy statements on alternative ratemaking methods, as well as the statutory basis for such methods, we agree with CAUSE-PA and conclude the Company's proposal should be rejected because **it undermines cost-of service principles, reduces consumer incentives to reduce energy usage, obscures price signals and makes customer bills more unpredictable, has a disproportionate impact on low-income customers, is difficult to understand for consumers, and lacks any meaningful consumer protections.**⁶⁶

⁶³ RD at 112-115 (emphasis added).

⁶⁴ *Id.* at 113-114.

⁶⁵ *Id.* at 493.

⁶⁶ *Id.* at 494 (emphasis added).

34. In the its Opinion and Order, the Commission granted, in part, Columbia’s exception and overruled the ALJs’ recommendation that the WNA be allowed to expire.⁶⁷ The Commission summarily reasoned that the WNA allows Columbia a “reasonable opportunity” to earn up to its Commission-authorized revenue requirement.⁶⁸ The Commission rests its decision on Columbia’s contention that the WNA protects against lost revenue due to “extreme and abnormal warming trends” that “prevent the company from recovering its authorized revenue requirement.”⁶⁹ The Commission concludes that ongoing authorization of Columbia’s pilot WNA is warranted because the WNA “has not enabled the Company to recover revenue outside of the Commission-authorized revenue requirement and has received very few complaints.”⁷⁰

35. CAUSE-PA respectfully asserts that the Commission misapplied the law in ruling that the WNA is necessary to provide Columbia with a reasonable opportunity to recover its authorized revenue requirement and has not enabled recovery outside its Commission-authorized revenue requirement. The relevant inquiry is not whether Columbia collected more than its authorized revenue requirement, it is whether - absent the WNA - Columbia would not have otherwise had a *reasonable opportunity* to collect its authorized revenue requirement.⁷¹

36. Allowing for continuation of an alternative ratemaking mechanism, such as the WNA, simply on the grounds that it does not allow the utility to over collect sets a dangerous precedent and signals entitlement to Commission authorized revenue, which is not the law. Indeed, *Columbia is not guaranteed recovery of a specific revenue requirement*; rates are set at a point in time prospectively and are designed to recover an authorized revenue requirement, but there is no

⁶⁷ Opinion and Order at 299-302.

⁶⁸ *Id.* at 301.

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ *Federal Power Comm’n v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944), *citing FPC v. Natural Gas Pipeline Co.* 315 U.S. 575, 590 (1942) (regulation does not insure that the business shall produce net revenues).

guarantee of that recovery.⁷² This is a critical distinction. In Pennsylvania, there is no statutory guarantee of net revenues, nor is there any judicial or Commission precedent which supports a guarantee of recovering the full authorized revenue requirement, and the public interest weighs against guaranteeing levels of revenues.⁷³ While the WNA may insulate Columbia from lost revenue, it does so at the expense of protections afforded the customers of monopoly utility service through the regulatory compact; namely, the ability to encourage operational efficiency and improve management performance. Indeed, the “lack of any guaranteed revenue is one of the most important protections that regulation and traditional cost of service ratemaking provides to consumers.”⁷⁴

37. The Commission’s ruling incorrectly presumes that rates and rate projections are outside of Columbia’s control and ignores the fact that when Columbia is setting rates it gets the benefit of projecting rates into the future, based on a Fully Projected Future Test Year.⁷⁵ In reality, Columbia has all the tools that it needs to course correct if its earnings are falling short of projected and authorized revenues, including by filing a rate case.⁷⁶ As acknowledged by the Commission elsewhere in its Opinion and Order, Columbia is quite proficient in its ability to seek and obtain general base rate increases from the Commission having filed 13 distribution rate cases since 2008 and obtaining nearly \$500 million in additional annual revenue during this period.⁷⁷

38. In its Opinion and Order, the Commission effectively provides Columbia a revenue *guarantee* – yet overlooks all of the ways in which the WNA effectively penalizes consumers for warming weather, undermines energy efficiency and conservation goals, and otherwise detracts

⁷² *Hope*, 320 U.S. 591, 603 (1944), citing *FPC v. Natural Gas Pipeline Co.* 315 U.S. 575, 590 (1942).

⁷³ *Pa. Elec. Co. v. Pa. PUC*, 502 A.2d 130, 133-35 (Pa. 1985) (determining just and reasonable rates does not require setting rates which are guaranteed to ensure continued net revenues).

⁷⁴ CAUSE-PA MB at 60.

⁷⁵ *Id.* at 57-58.

⁷⁶ *Id.* at 59.

⁷⁷ Opinion and Order at 16-17.

from other critically important policy objectives. It is not the case that customers are just as likely to benefit as they are to be harmed, the WNA effectively only works in one direction – it allows Columbia to surcharge customers for energy they do not use. Columbia is in the better position to be able to weather the risk than consumers.

39. As the proponent of the WNA, Columbia has the burden to demonstrate, based on substantial evidence, that its WNA results in just and reasonable rates.⁷⁸ The *degree* of proof necessary to meet the substantial evidence standard requires a preponderance of the evidence, which means that the substantial evidence presented is more convincing than the evidence presented by the other party.⁷⁹ It is not the responsibility of the other parties to prove that Columbia’s WNA is unjust, unreasonable, or contrary to the public interest, yet that is precisely the burden the Commission has placed on the parties in this proceeding. In the RD, the ALJs provided extensive analysis of the relevant facts and data – appropriately weighing all costs and benefits consistent with the Commission’s formal policy statement.⁸⁰ However, when presented with these extensive facts and evidence, the Commission overruled the ALJs without providing any rationale about how its decision to overturn the ALJ’s decision relates to the factors of its 2019 Alternative Ratemaking Policy Statement.⁸¹

40. Additional pilot time is not necessary. More than a decade worth of evidence has already demonstrated that Columbia’s WNA shores up profits and eliminates Columbia’s normal business risks by shifting the cost of climate change onto consumers, but – in balancing all relevant factors – does not produce just and reasonable rates. Columbia has failed to carry its burden to demonstrate

⁷⁸ 66 Pa. C.S. §§ 315(a), 1301, 1330; *see also Burlison v. Pa. PUC*, 461 A.2d 1234, 1236 (Pa. 1983); *Lansberry v. Pa. PUC*, 578 A.2d 600, 602 (Pa. Commw. Ct. 1990); *NRG Energy, Inc. v. Pa. PUC*, 233 A.3d 936, 939 (Pa. Commw. Ct. 2020).

⁷⁹ *NRG Energy, Inc. v. Pa. PUC*, 233 A.3d 936, 939 (Pa. Commw. Ct. 2020).

⁸⁰ RD at 489-497.

⁸¹ 52 Pa. Code §69.3302.

that the over \$74 million in charges generated by the WNA since its inception are just and reasonable. The Commission should reconsider its decision and allow Columbia's WNA Pilot to expire as of the effective date of rates in this proceeding.

C. The Commission overlooked CAUSE-PA's additional recommended reforms to the WNA. If allowed to continue, the Commission should limit application of the WNA to December through March and should exempt confirmed low income customers consistent with the weight of the evidence in this proceeding.

41. As noted above, CAUSE-PA, I&E, and OCA all recommended that Columbia's WNA Pilot be discontinued,⁸² and the ALJs agreed with this recommendation in the RD.⁸³ CAUSE-PA and I&E also included alternative recommendations to reform the WNA if the Commission were to allow mechanism to continue. Specifically, CAUSE-PA recommended that the Commission limit application of the WNA to December through March, to coincide with the Commission's winter termination protections. CAUSE-PA also recommended that Columbia exempt confirmed low income customers from the WNA to prevent acute harm to low income households and, in turn, to prevent compounding costs to the Customer Assistance Program (CAP) that are ultimately borne by both participants and other residential ratepayers. The ALJs agreed with the alternative recommendations of both CAUSE-PA and I&E.⁸⁴

42. In its Opinion and Order, the Commission overruled the ALJs' recommendation that Columbia's WNA Pilot be allowed to expire and permits Columbia's WNA to continue as a pilot.⁸⁵ The Commission briefly – and in part – acknowledges the ALJ's alternative recommendation that if the Commission were to allow the WNA to continue, then the recommended modifications

⁸² CAUSE-PA MB at 50-78; OCA MB at 205-242; I&E MB at 66-69.

⁸³ RD at 493-497.

⁸⁴ RD at 497.

⁸⁵ Opinion and Order at 300, n.182; RD at 495-497.

proposed by I&E *and CAUSE-PA* should be adopted.⁸⁶ However, while the Commission discussed the prudence of and ultimately adopted I&E's alternative recommended reforms, it failed to address CAUSE-PA's recommendations or explain why it chose to deviate from the ALJs' recommendation that these critical reforms also be adopted. CAUSE-PA asserts that the Commission overlooked the critical rationale supporting its recommended reforms, and urges the Commission's reconsideration.

43. The Commission stated it agrees with I&E that May is not a winter or traditional heating month in Pennsylvania but more appropriately a shoulder month when customers can expect to start seeing their heating bills decline.⁸⁷ In a footnote, the Commission noted that the ALJs agreed with the alternate recommendation of CAUSE-PA to confine the WNA to the period between December through March.⁸⁸ However, the Commission failed to provide any rationale or point to any substantial evidence why it declined to adopt the ALJ's recommendation that the additional shoulder months of November and April should also be removed.⁸⁹

44. The Commission also failed to address the ALJs' recommendation that confirmed low income customers should be exempt from WNA.⁹⁰ CAUSE-PA explained, and the ALJs agreed, that low income customers already face acute affordability challenges each month and the addition of surprise charges on their bill because the weather is warmer than historical averages is both unfair in general and unreasonable as applied to economically vulnerable households.⁹¹

45. CAUSE-PA submits that the Commission overlooked extensive data and information about the uniquely harmful impact of the WNA on confirmed low income customers. Confirmed low

⁸⁶ Opinion and Order at 300, citing RD at 494

⁸⁷ Opinion and Order at 301.

⁸⁸ *Id.* at 300, f.n. 182.

⁸⁹ *See* RD at 494-497.

⁹⁰ *Id.* at 496.

⁹¹ *Id.*

income customers who are not enrolled in CAP (the vast majority of low income households served by Columbia) already struggle to meet categorically unaffordable energy costs.⁹² Any additional surcharges from the WNA only place the cost of maintaining gas service further out of reach – in turn driving up the cost of universal service and energy conservation programs to support growing need for assistance to maintain safe and stable home energy services.

46. The Commission also overlooked extensive information and data demonstrating that the WNA’s application to CAP participants is also uniquely harmful – compounding energy insecurity for CAP participants and other residential customers (including the majority of low income households not enrolled in CAP) that support CAP through rates. The WNA serves to increase costs to CAP participants and other ratepayers in multiple ways. For CAP participants that receive Columbia’s percentage of income CPA rate, capped at a percentage of household income, application of the WNA increases the cost of CAP to other ratepayers.⁹³ For CAP customers that receive Columbia’s percent of budget CAP rate, application of the WNA increases CAP bills directly – dollar for dollar – up to their applicable percent of income.⁹⁴ As a result, more percent of bill CAP rate participants are likely to transition to the percent of income CAP rate – again increasing the cost of CAP to other ratepayers.⁹⁵ In other words, applying the WNA to CAP participants forces other residential customers to pay twice for the WNA – compounding energy insecurity while driving up overall universal service costs.

47. In failing to address or adopt CAUSE-PA’s proposed modifications to Columbia’s WNA, it appears the Commission has overlooked the documented hardships that the WNA charges impose on low income households. These hardships are especially acute for Columbia’s nearly

⁹² CAUSE-PA MB at 26-28.

⁹³ *Id.* at 79-80; RD at 496.

⁹⁴ CAUSE-PA MB at 79-80; RD at 496.

⁹⁵ CAUSE-PA MB at 79-80; RD at 496.

70,000 low income customers who are not enrolled in CAP.⁹⁶ These customers already suffer unaffordable energy burdens and disproportionate termination rates and will bear the full impact of the rate increase that the Commission has approved in this proceeding. They simply cannot afford the additional charges levied through the WNA.

48. CAUSE-PA notes that UGI's recently approved WNA exempts all confirmed low income customers. While UGI's WNA was approved as part of a comprehensive settlement, it is notable that the Commission found the exemption of low income customers just and reasonable in that proceeding.⁹⁷

49. CAUSE-PA explained, and the ALJs agreed, that if December through March are the only months when economically vulnerable households must retain service because of the possibility of cold weather, it is unreasonable to allow Columbia to assess a weather-related charge in the additional months of November, April, or May.⁹⁸ The Commission acknowledged the ALJs' agreement on this point and fails to provide any reason or cite to any evidence why it would overrule this recommendation.⁹⁹

50. The Commission's Order provides no mention of CAUSE-PA's recommendations other than indicating the ALJ's agreement and points to no substantial evidence or rationale why it would disagree with the ALJs on these points. CAUSE-PA's therefore respectfully asserts that the Commission has overlooked these points and should amend its Opinion and Order to exempt all confirmed low income customers (including those enrolled in CAP) from the WNA charge and limit the WNA to December through March.

⁹⁶ CAUSE-PA MB at 19-20.

⁹⁷ *Pa. PUC v. UGI Utilities, Inc.*, R-2024-3052716, Joint Petition for Settlement at 12, ¶ 58(c) (submitted July 10, 2025); approved by Commission Order (Sep. 11, 2025).

⁹⁸ CAUSE-PA MB at 80; RD at 494-495, 496-497.

⁹⁹ Opinion and Order at 300, f.n. 182.

V. CONCLUSION

WHEREFORE, for the reasons enumerated above, CAUSE-PA respectfully requests that the Commission reconsider, clarify, and revise its December 9, 2025 Order to require Columbia to improve consumer education about the competitive gas supply market and discontinue the WNA or, alternatively, exempt all confirmed low income customers and limit application of the WNA to December through March.

Respectfully submitted,
Counsel for CAUSE-PA

A handwritten signature in blue ink that reads "John Sweet". The signature is stylized with a horizontal line above the name and a large, sweeping flourish underneath.

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Date: December 23, 2025

VERIFICATION

I, Elizabeth R. Marx, hereby state that the facts contained in the foregoing pleading are true and correct to the best of my knowledge, information and belief, that I am duly authorized to make this Verification, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).



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Date: December 23, 2025