

COMMONWEALTH OF PENNSYLVANIA



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December 30, 2025

**Via Electronic Filing**

Matthew L. Homsher, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

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

Dear Secretary Homsher:

Attached for electronic filing please find the Office of Consumer Advocate's Answer to CAUSE-PA's Petition for Reconsideration in the above-referenced proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectively,

/s/ Jacob D. Guthrie  
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cc: The Honorable Jeffrey A. Watson (Email Only: jeffwatson@pa.gov)  
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Office of Special Assistants (Via Email: ra-osa@pa.gov)  
Certificate of Service

CERTIFICATE OF SERVICE

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

I hereby certify that I have this day filed electronically on the Commission’s electronic filing system and served a true copy of the following document, the Office of Consumer Advocate’s Answer to CAUSE-PA’s Petition for Reconsideration, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 30th day of December 2025.

**(\*) Can receive CONFIDENTIAL information**

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

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ANSWER OF THE OFFICE OF CONSUMER ADVOCATE  
IN SUPPORT OF THE PETITION FOR RECONSIDERATION OF  
THE COALITION FOR AFFORDABLE UTILITY SERVICES  
AND ENERGY EFFICIENCY IN PENNSYLVANIA

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**I. INTRODUCTION**

In accordance with 52 Pa. Code Section 5.572(e), the Office of Consumer Advocate (OCA) files this Answer in Support of the Petition for Reconsideration and Modification (Petition) filed by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) on December 23, 2025. CAUSE-PA seeks reconsideration and modification of the Pennsylvania Public Utility Commission’s (Commission) December 9, 2025, Order (*December 9 Order*) regarding Columbia Gas of Pennsylvania, Inc.’s (Columbia’s or the Company’s) request for a general rate increase pursuant to Section 1308(d) of the Public Utility Code.

In the *December 9 Order*, the Commission declined to adopt the recommendations of Administrative Law Judges (ALJs) Jeffrey A. Watson and Chad Allensworth that Columbia:

develop a targeted letter for low income shopping customers that are enrolled with a supplier at a rate which exceeds the applicable PTC. The ALJs

recommended that this letter inform these customers of the availability of CAP and other universal service programs, including the benefits of each program and how to enroll. Further, the ALJs recommended that the Commission direct Columbia to send this letter at least once every six months.<sup>1</sup>

The Commission explained its determination not to adopt the ALJs' recommendation by concluding that neither the OCA nor CAUSE-PA proved Columbia's non-compliance with a statutory or regulatory provision, or order of the Commission, and that the concerns raised by the OCA and CAUSE-PA are better addressed on an industry-wide basis.<sup>2</sup>

The Commission similarly declined to adopt ALJs Watson and Allensworth's full recommendation to reject the Company's proposed Weather Normalization Adjustment (WNA), instead adopting the Company's proposed WNA on a one-year pilot basis subject to several modifications supported by the Commission's Bureau of Investigation and Enforcement (I&E).<sup>3</sup> CAUSE-PA also supported modifications to the proposed WNA, which were not discussed in the Disposition portion of the *December 9 Order* despite the ALJs' recommendation that several of CAUSE-PA's modifications be adopted.<sup>4</sup>

In the Petition, CAUSE-PA requests reconsideration on three issues: (1) the Commission's rejection of well-supported consumer education proposals regarding the competitive natural gas supply market; (2) the Commission's lack of adequate foundation to continue Columbia's proposed WNA, and; (3) the Commission's lack of consideration

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<sup>1</sup> *December 9 Order* at 385.

<sup>2</sup> *Id.* at 388-90.

<sup>3</sup> *Id.* at 299-302.

<sup>4</sup> Compare *December 9 Order* at 293-94 (describing ALJs' recommendation that CAUSE-PA's modifications be adopted) with *December 9 Order* at 301-02 (no discussing CAUSE-PA's modifications but declining to adopt the ALJs' recommendation).

of CAUSE-PA's reforms to the proposed WNA, if the WNA were approved.<sup>5</sup> Based on the numerous concerns raised by CAUSE-PA regarding the *December 9 Order*, CAUSE-PA requests that the Commission exercise its discretion to modify and clarify the *Order* and grant the relief fully supported by record evidence.

For the reasons set forth below, the OCA supports CAUSE-PA's request and urges the Commission to grant the Petition and modify the *December 9 Order* consistent with the Petition.

## II. ANSWER

A party may seek reconsideration of a final order, and the Commission may “rescind or amend any order made by it.”<sup>6</sup> The Commission's standard for determining whether reconsideration or clarification is an appropriate relief was established in *Duick*.<sup>7</sup> As the Commission explained:

In *Duick*, the Commission reasoned that, while a petition under Section 703(g) of the Code may raise any matter designed to convince the Commission that it should exercise its discretion to amend or rescind a prior order, at the same time “[p]arties . . ., cannot be permitted by a second motion to review and reconsider, to raise the same questions which were specifically considered and decided against them.” Under the standards of *Duick*, such petitions for reconsideration and/or rehearing, are likely to succeed only when they raise “new and novel arguments” not previously heard or considerations which appear to have been overlooked or not addressed by the Commission.

The considerations of *Duick*, on application, essentially, require a two-step analysis. The first step is that we determine whether a party has offered new and novel arguments or identified considerations that appear to have been overlooked or not addressed by the Commission in its previous order. The

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<sup>5</sup> Petition at 1.

<sup>6</sup> 66 Pa. C.S. § 703(g); 52 Pa. Code § 5.572.

<sup>7</sup> *Duick v. Pa. Gas and Water Co.*, 56 Pa. P.U.C. 553, 559 (1985) (*Duick*).

second step of the *Duick* analysis is to evaluate the new or novel argument, or overlooked consideration that is alleged, in order to determine whether to modify our previous decision. We will not necessarily modify our prior decision just because a party offers a new and novel argument or identifies a consideration that was overlooked or not addressed by the Commission in its previous order.<sup>8</sup>

In sum, a petition for reconsideration must not only raise an issue which is new or novel and has not been previously addressed by the Commission, it must also be of sufficient merit for the Commission to rescind or modify its original order.<sup>9</sup>

Here, the Commission did not consider the issues raised by CAUSE-PA in its *December 9 Order*, either overlooking them or failing to address them. Further, for the reasons set forth fully below, CAUSE-PA's arguments are meritorious and warrant the Commission's exercise of its discretion to reconsider, clarify, and/or modify the *December 9 Order* due to lack of consideration of essential evidence, failure to provide sufficient factual and legal support for its conclusions, or for other reasons set forth fully by CAUSE-PA in the Petition. As a result, the OCA respectfully requests that the Commission grant reconsideration and modify the *December 9 Order* as described in the Petition.

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<sup>8</sup> *Commonwealth v. Blue Pilot Energy, LLC*, Docket No. C-2014-2427655 (Order entered July 11, 2019) at 8-9 (citations omitted).

<sup>9</sup> *Pittsburgh v. Pa. Dep't of Transp.*, 416 A.2d 461, 465 (Pa. 1980) (modification or rescission of the Commission's orders "must be granted judiciously and only under appropriate circumstances.").

**A. The Commission overlooked and did not address the evidence presented by CAUSE-PA and the OCA that Columbia, specifically, is under-educating its customers regarding natural gas shopping and applied the incorrect legal standard to assess that evidence.**

In the Petition, CAUSE-PA argues that the *December 9 Order* overlooks and fails to address the evidence and supportive arguments presented by CAUSE-PA and the OCA in Briefs and Replies to Exceptions regarding Columbia’s failure to adequately educate its low-income customers regarding shopping for natural gas suppliers.<sup>10</sup> The OCA agrees that the Commission overlooked the substantial evidence presented, applied the incorrect legal standard, and that its holding is inconsistent with recent orders regarding quality of service.

Importantly, the Commission overlooked and did not address the Columbia-specific evidence presented by CAUSE-PA and the OCA when it determined that “a better approach to address the issue of whether changes or additions to the consumer education activities of NGDCs are necessary, if a party wants to pursue it, would be through a separate proceeding.”<sup>11</sup> As set forth in the Petition, *Columbia’s* residential customers are paying higher natural gas distribution rates due to the presence of higher uncollectible expenses and universal service costs as a result of other customers shopping and overpaying for natural gas supply.<sup>12</sup> *Columbia* is content with this *status quo*, and is unwilling to undertake efforts to better educate its customers on natural gas supply shopping.<sup>13</sup> Based on the *December 9 Order*, it appears that the Commission overlooked or did not consider that the

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<sup>10</sup> Petition at ¶¶ 21-28.

<sup>11</sup> *December 9 Order* at 390.

<sup>12</sup> Petition at ¶ 23.

<sup>13</sup> *Id.* at ¶ 25.

substantial evidence presented regarding the harms of natural gas supply shopping for low-income customers, and Columbia’s response to those harms, is Columbia-specific.

To expand on CAUSE-PA’s contention that natural gas suppliers (NGSs) had the opportunity to intervene in this proceeding in order to comment on issues related to shopping, the Commission could also craft a remedy which requires Columbia to solicit participation from NGSs regarding any updates to educational materials. In Commissioner Zerfuss’s Motion – and, as a result, the *December 9 Order* – regarding Columbia’s payment plans and policies, Columbia was directed to evaluate its payment plans and policies in collaboration with its Universal Service Advisory Committee (USAC).<sup>14</sup> As the Commission directed Columbia to collaborate with relevant stakeholders in the *December 9 Order*, the Commission either overlooked or did not consider that it could similarly direct Columbia to work with CAUSE-PA and the OCA regarding revisions to its competitive shopping education materials, and provide NGSs an opportunity to provide comments should they choose to do so.<sup>15</sup> The OCA requests that the Commission reconsider whether a collaborative approach with the relevant stakeholders would address its concerns.

Similarly, the Commission’s view in the *December 9 Order*, that it needs to identify a violation of Section 1501 of the Public Utility Code to order a utility to make adjustments to its quality of service, is not only internally inconsistent, but also inconsistent with its

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<sup>14</sup> Motion of Commissioner Zerfuss (entered Dec. 4, 2025) at 2; *December 6 Order* at 321.

<sup>15</sup> See, e.g., *Pa. PUC v. Aqua Pa., Inc.*, Docket Nos. R-2021-3027385 *et al* (Order entered May 16, 2022) at 375-76 (directing “Aqua, the OCA and I&E to engage in collective exchanges regarding the spreadsheet data and cooperatively apprise each of how this data will be developed into a RCA [root cause analysis] that can reflect meaningful trends so as to, potentially, reduce contested issues in future proceedings.”).

own recent orders. For example, in Columbia's most recent fully litigated base rate proceeding, the Commission ordered Columbia to perform a root cause analysis regarding the correlation between the number of leaks and the amount of pipeline replaced and inspect all field-assembled risers without finding that Columbia's service was deficient under Section 1501 to do so.<sup>16</sup> Additionally, in Pennsylvania-American Water Company's most recent fully-litigated base rate proceeding, without finding that Pennsylvania-American Water Company's quality of service was deficient under Section 1501 or applicable environmental standards, the Commission ordered a root cause analysis into the utility's quality of service.<sup>17</sup>

As a result, the Commission erred as a matter of law when it applied an excessively stringent legal standard which is internally inconsistent with the *December 9 Order* as well as inconsistent with the Commission's orders in recent litigated rate proceedings. Columbia's customer education regarding competitive supply shopping bears not only on its quality of its service, but also on the justness and reasonableness of its rates, which are set based on the level of service provided and include bad debt and universal service costs associated with inadequate customer education.<sup>18</sup> The Commission overlooks and does not address the interrelation between Columbia's rates and the quality of its customer education

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<sup>16</sup> *Pa. PUC v. Columbia Gas of Pa., Inc.*, Docket No. R-2020-3018835 (Order entered Feb. 19, 2021) at 183-86.

<sup>17</sup> *Pa. PUC v. Pa.-American Water Co.*, Docket Nos. R-2023-3043189 *et al* (Opinion and Order entered July 22, 2024) at 10-13.

<sup>18</sup> *Nat'l Utils. v. Pa. PUC*, 709 A.2d 972, 973 (Pa. Cmwlth. 1998) (holding that whether rates are just and reasonable is inextricably intertwined with the quality of service provided).

in this regard. For this reason, and for the reasons set forth by CAUSE-PA in the Petition, reconsideration is warranted and the Commission should modify the *December 9 Order* consistent with the recommendation of CAUSE-PA in the Petition.<sup>19</sup>

**B. The Commission overlooked and did not address the arguments and evidence presented by CAUSE-PA and the OCA in the *December 9 Order* when it failed to provide adequate factual or legal support for the determination that the proposed WNA provides Columbia with a reasonable opportunity to earn its authorized revenue requirement.**

As CAUSE-PA describes in the Petition, I&E, the OCA, and CAUSE-PA presented substantial evidence as well as an extensive analysis under the Commission’s stated policy factors for assessment of proposed alternative ratemaking mechanisms that Columbia’s proposed WNA does not result in just reasonable rates.<sup>20</sup> In the *December 9 Order*, the Commission did not address any evidence presented regarding Columbia’s proposed WNA or any analysis done in Briefs regarding the proposed WNA.<sup>21</sup> Rather, the Commission merely approved Columbia’s proposed WNA on a one-year pilot basis, subject to several modifications supported by I&E.<sup>22</sup>

The Commission is obligated by statute to ensure that its findings are “in sufficient detail to enable the court on appeal, to determine the controverted question presented by

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<sup>19</sup> Petition at ¶ 28.

<sup>20</sup> Petition at ¶¶ 29-33; *see also* 52 Pa. Code § 69.3302(a) (providing the Commission’s 14 policy factors for assessment of alternative ratemaking mechanisms); *Fixed Service Utilities Distribution Rates Policy Statement*, Docket No. M-2015-2518883 (Order entered July 18, 2019) (establishing the Commission’s policy regarding alternative ratemaking mechanisms).

<sup>21</sup> Petition ¶ 34; *December 9 Order* at 299-302.

<sup>22</sup> *December 9 Order* at 299-302.

the proceeding, and whether proper weight was given to the evidence.”<sup>23</sup> The Commonwealth Court in *Greene Twp.*<sup>24</sup> stated:

A review of the PUC’s decision and order in this case reveals that the PUC modified the recommended decision of the ALJ without making additional findings of fact. Moreover, the PUC failed to give any indication as to the relevant factors which it took into consideration in reaching its decision and the weight it afforded the evidence.<sup>25</sup>

This includes making all findings necessary to resolve the issues raised by the evidence which are relevant to the Commission’s ultimate determination.<sup>26</sup>

In the *December 9 Order*, the Commission overlooked and failed to address the evidence presented by CAUSE-PA, I&E, and the OCA which supported denial of Columbia’s proposed WNA. Columbia, as the proponent of the proposed WNA, bears the burden of proving by a preponderance of the evidence that the proposed WNA would result in just and reasonable rates; however, the Commission pointed to no place in the evidentiary record to support the conclusion that Columbia had satisfied that burden.<sup>27</sup> Instead, the Commission’s only support for approval of the implementation of Columbia’s proposed WNA, as modified, is that it provides Columbia with a “reasonable opportunity to earn up to its Commission-authorized revenue requirement” when Columbia has not over-earned as a result of its 10-year WNA Pilot.<sup>28</sup> The record does not indicate that, in the

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<sup>23</sup> 66 Pa. C.S. § 703(e); *Lansberry v. Pa. PUC*, 578 A.2d 600, 602 (Pa. Cmwlth. Ct. 1990)

<sup>24</sup> *Greene Twp. Bd. of Supervisors v. Pa. PUC*, 642 A.2d 541 (Pa. Cmwlth. 1994).

<sup>25</sup> *Id.* at 544.

<sup>26</sup> *City of Phila. v. Pa. PUC*, 458 A.2d 1026, 1030 (Pa. Cmwlth. 1983) (*citing Page’s Dep’t Store v. Velardi*, 346 A.2d 556, 561 (Pa. 1975)).

<sup>27</sup> Compare *id.* with 66 Pa. C.S. § 315(a) and *Burleson v. Pa. PUC*, 461 A.2d 1234, 1236 (Pa. 1983).

<sup>28</sup> *December 9 Order* at 301.

absence of the WNA, Columbia lacks a reasonable opportunity to earn its Commission-authorized revenue requirement, when the Company's rates are designed to produce revenue equal to its authorized revenue requirement based on the billing determinants which were proposed by Columbia and were not disputed by any party.<sup>29</sup> While ALJs Watson and Allensworth fully supported their recommendation that the proposed WNA be denied with citations to the evidentiary record, the Commission's decision lacks the same evidentiary foundation, citing only to Columbia's Briefs and Exceptions which, in turn, provide no citations to the factual record to support the relied-upon averments.<sup>30</sup>

The OCA submits that a court on appeal would be unable to effectively review the *December 9 Order's* determination regarding the proposed WNA due to the absence of factual support for its authorization.<sup>31</sup> As a result, reconsideration is an appropriate remedy in this proceeding because the Commission's Order overlooks or does not fully consider the breadth of the factual record which formed the basis for the ALJs' recommendation.<sup>32</sup> The OCA fully supports CAUSE-PA's request for reconsideration in light of this deficiency.

Furthermore, the Commission does not address its policy factors used to weigh whether an alternative ratemaking mechanism would result in just and reasonable rates or its precedential determination which rejected PECO Energy Company – Gas Division's

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<sup>29</sup> OCA M.B. at 40-41 (*citing* Columbia St. 2 at 10-12); R.D. at 114.

<sup>30</sup> *See* Columbia Exc. at 12; Columbia M.B. at 161-62; Columbia R.D. at 82-84.

<sup>31</sup> *See* R.D. at 43-45 (Findings of Fact numbers 110-19) (FOF No. 115 “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.”).

<sup>32</sup> *See also* Petition at ¶¶ 35-39.

(PECO Gas’s) recent request to implement a WNA similar to that proposed by Columbia.<sup>33</sup> In *PECO Gas 2024*, the Commission upheld the Recommended Decision of ALJs Guhl and Heep after analyzing the WNA proposed in that proceeding according to the Commission’s 14 policy factors.<sup>34</sup> However, in the absence of such analysis in the *December 9 Order*, the Commission has diverged from its most recent, and only, discussion regarding a fully litigated WNA proposal. The Commission either overlooked or did not address the analytical framework established for proposing, and challenging, such mechanisms.

Furthermore, the Commission stated in *PECO Gas 2024* that “[w]e agree with the ALJs that PECO is not guaranteed a return on service that is not used.”<sup>35</sup> However, the Commission, in the *December 9 Order*, takes the contrary position that Columbia is entitled to its proposed WNA in order to guarantee a return on service that is not used due to warmer-than-normal weather.<sup>36</sup> As CAUSE-PA accurately describes in the Petition, Columbia is provided no such guarantee under the applicable law, and the *December 9 Order* overlooks or does not consider the absence of supportive legal authority.<sup>37</sup>

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<sup>33</sup> 52 Pa. Code § 69.3302(a); *Pa. PUC v. PECO Energy Company – Gas Division*, Docket No. R-2024-3046932 (Order entered Dec. 12, 2024) (*PECO Gas 2024*) at 94-101; *Bell Atl.-Pa., Inc. v. Pa. PUC*, 672 A.2d 352, 354 (Pa. Cmwlth. 1995) (administrative agencies are not bound by the rule of *stare decisis*, but are, instead, tasked with rendering consistent opinions that affirm, overrule, or distinguish prior opinions).

<sup>34</sup> *PECO Gas 2024* at 94-101.

<sup>35</sup> *PECO Gas 2024* at 95.

<sup>36</sup> *December 9 Order* at 301.

<sup>37</sup> Petition at ¶ 35 (citing *Fed. Power Comm’n v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944) citing in turn *Fed. Power Comm’n v. Natural Gas Pipeline Co.* 315 U.S. 575, 590 (1942)).

Columbia’s customers testified at the Public Input Hearings in this proceeding that the proposed WNA has the potential to create serious rate harm, based on their experience with Columbia’s WNA Pilot.<sup>38</sup> These customers are facing significant affordability concerns and lack agency through the commodity portion of their bills to effectively alleviate the monthly surcharges associated with the WNA.<sup>39</sup> Despite falling usage per customer, Columbia’s revenue per customer has increased steadily over time in part because the Company modifies its billing determinants to capture changing usage trends, including reduced throughput for heating purposes.<sup>40</sup>

The existing regulatory framework in Pennsylvania<sup>41</sup>, including the significant 10.0% return on equity adopted in the *December 9 Order* and the continued use of the Equal Life Group procedure for calculating depreciation rates, ensures that Columbia has ample cash flow to make all needed infrastructure investment and to attract capital from investors.<sup>42</sup> In the absence of the WNA, Columbia is well-positioned to earn a significant return on its investment. The volume and weight of evidence presented in opposition to the proposed WNA – from CAUSE-PA, I&E, the OCA, and Columbia’s own customers – is

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<sup>38</sup> Tr. 169, 172-73, 181, 187-88, 218-19, 233-34; OCA M.B. at 25-27, 223-25. *Compare with December 9 Order* at 301 (Columbia’s WNA Pilot “has received very few complaints.”).

<sup>39</sup> OCA M.B. at 18-21, 22-23; Evans. Exh. 1.

<sup>40</sup> *See* OCA St. 1 at 27-28; OCA Exh. MWD-5; *see also* Columbia St. 2 at 10-12.

<sup>41</sup> *See* Statement of Vice Chair Barrow (entered Dec. 4, 2025) at 2; *see also* OCA St. 1 at 6, 16, 39, 56; OCA M.B. at 39. In the *December 9 Order*, the Commission specifically encouraged Columbia to utilize a distribution system improvement charge, which would reduce regulatory lag without requiring annual or near-annual rate filings. *December 9 Order* at 46-47.

<sup>42</sup> *See* I&E St. 2 at 86-87 (the average authorized return on equity for natural gas utilities in the first quarter of 2025 was 9.73%).

supported by the application of a legal framework consistent with that adopted by the Commission in its policy statements and *PECO Gas 2024* and stands in sharp contrast to the sparsely supported *December 9 Order*. For these reasons, not only is reconsideration appropriate, but the modification and clarification of the *December 9 Order* is as well.

Because the Commission overlooked or did not address the evidence presented before it regarding the proposed WNA, or the legal framework established through its policy statements and precedential prior actions, the OCA submits that the requirements of *Duick* are satisfied and that the Petition should be granted, as a result. Based on the evidentiary and legal support provided by CAUSE-PA in the Petition, the OCA requests that the Commission exercise its discretion, as is warranted by the substantial rate impact of the WNA, to modify and clarify its holdings regarding the proposed WNA in the *December 9 Order*.<sup>43</sup>

**C. The Commission overlooked and did not address CAUSE-PA's recommended modifications to the proposed WNA when it determined to adopt only I&E's recommended modifications.**

CAUSE-PA recommended that, if the Commission permitted Columbia to implement its proposed WNA:

the Commission limit application of the WNA to December through March, to coincide with the Commission's winter termination protections... [and] 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.<sup>44</sup>

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<sup>43</sup> Petition at ¶¶ 35-40.

<sup>44</sup> Petition at ¶ 41 (*citing* CAUSE-PA M.B. at 50-78; OCA M.B. at 205-42; I&E M.B. at 66-69).

As CAUSE-PA correctly identifies, “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.”<sup>45</sup>

The Commission does not discuss CAUSE-PA’s recommendations except to the limited extent needed to describe the ALJs’ recommendation; there is no statement of the Commission’s own opinion or weighing of evidence regarding CAUSE-PA’s recommendations.<sup>46</sup> As a result, the *December 9 Order* clearly overlooked and did not address the recommendations of CAUSE-PA and reconsideration should be granted.

Though the OCA does not support Columbia’s proposed WNA, even with the modifications supported by I&E and CAUSE-PA, the OCA asserts that CAUSE-PA’s additional recommended modifications will make the proposed WNA less unjust and unreasonable than if the modifications were not in place. Due to the unjust and unreasonable nature of the WNA, the OCA requests that, if the Commission does not modify the *December 9 Order* as described *supra* to reject the proposed WNA, the Commission should use its discretion to adopt the proposed modifications of CAUSE-PA to the WNA.

Namely, there is a clear regulatory basis for defining the heating season as December 1 through March 31, as the Commission defines this period in its regulations as “winter” and prevents electric and natural gas distribution utilities from terminating customers for

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<sup>45</sup> *Id.* at 42.

<sup>46</sup> *December 9 Order* at 293-94.

nonpayment if the customer earns at or below 250% of the Federal poverty level except upon request.<sup>47</sup> While ALJs Watson and Allensworth did not provide a specific basis for adopting CAUSE-PA's proposed modification, CAUSE-PA's proposal is consistent with the Commission's own definition of the heating season, and the Commission did not provide a basis to deviate from that definition in the *December 9 Order*.

Furthermore, as described in detail in the OCA's Main Brief, low-income customers have different natural gas usage patterns as compared to non-low-income customers, meaning that the assumptions which underlie the WNA are not applicable to low-income customers. Specifically, the OCA stated:

Identified by [OCA witness] Mr. Colton as the "Energy Equity Gap," customers facing the difficult choice of whether to heat their homes, feed their family, or pay their medical expenses – often referred to as "heat, eat, or treat" – low-income customers have a lower elasticity of demand for natural gas heating than non-low-income customers. This means that, as natural gas bills increase, low-income customers are less responsive in terms of adjusting their usage to curb higher bills than non-low-income customers. According to Mr. Colton, low-income customers turn their heating units on earlier in the heating season and leave them on later into the heating season in part due to "less well-weatherized homes and less efficient heating systems." Further, "when winters are warmer than normal, low-income customers will not correspondingly adjust their indoor heating systems and will thus receive" greater WNA charges than non-low-income customers. In this way, low-income customers are harder hit by WNA charges than non-low-income customers, due to "the underlying assumption of the WNA that all customers react similarly to changes in outdoor temperature."<sup>48</sup>

While the OCA provided this argument to demonstrate the potential harms of adopting the proposed WNA at all, the evidence presented by OCA witness Colton supports the

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<sup>47</sup> 52 Pa. Code § 56.100(b).

<sup>48</sup> OCA M.B. at 234-35 (*citing* OCA St. 5 at 92-96).

recommendation made by CAUSE-PA that low-income customers should be excluded from the proposed WNA, in addition to the reasons provided by CAUSE-PA in the Petition, and was overlooked and not addressed by the Commission in the *December 6 Order*.<sup>49</sup>

The proposed WNA is not designed to properly address weather-related revenue risk for low-income customers – which is lower than for non-low-income customers due to a greater inelasticity of demand – and universal service programs are not properly designed to address the bill fluctuations caused by the WNA. The interaction between the WNA and CAP results in intraclass subsidization during colder-than-normal weather, in the rare occasions it may occur, and in wealth transfers from the Company’s most vulnerable customers to its earnings statement during warmer-than-normal weather.

The Commission did not address this undisputed evidence in the *December 9 Order*, as identified in the Petition.<sup>50</sup> CAUSE-PA’s recommendation to exempt confirmed low-income customers from the WNA is the simplest way to address these concerns, and warrants the Commission’s exercise of its discretion to modify the *December 9 Order*.

### **III. CONCLUSION**

For these reasons, the OCA respectfully requests that the Commission (1) grant CAUSE-PA’s Petition for Reconsideration and Modification and (2) modify the *December 9 Order* to require Columbia to implement the reforms to its customer choice-related education materials supported by ALJs Watson and Allensworth, deny the proposed WNA,

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<sup>49</sup> Petition at ¶¶ 45-46.

<sup>50</sup> Petition at ¶¶ 44-46.

and, if the proposed WNA is not denied, to adopt CAUSE-PA's recommended modifications to the proposed WNA.

Respectfully submitted,

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