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File #: 203798

January 2, 2026

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
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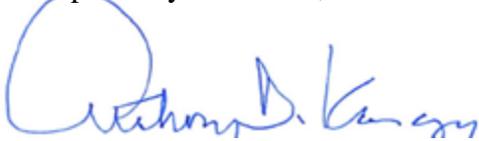
Re: **Pennsylvania Public Utility Commission, et al. v. Columbia Gas of Pennsylvania, Inc.**
Docket Nos. R-2025-3053499, et al.

Dear Secretary Homsher:

Enclosed for filing is the Answer of Columbia Gas of Pennsylvania, Inc. to the Petition for Reconsideration and Modification of the Coalition for Affordable Utility Services and Efficiency in Pennsylvania in the above-referenced proceeding.

Copies are being provided as indicated on the Certificate of Service.

Respectfully submitted,



Anthony D. Kanagy

ADK/dmc
Attachment

cc: The Honorable Chad Allensworth (*via email; w/attachment*)
The Honorable Jeffrey A. Watson (*via email; w/attachment*)
Office of Special Assistants (*via email; w/attachment*)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

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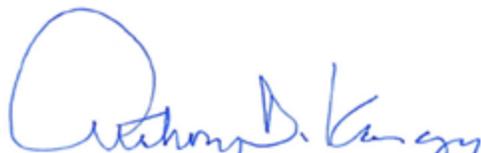
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Dated: January 2, 2026



Anthony D. Kanagy

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2025-3053499
Office of Small Business Advocate	:	C-2025-3054550
Office of Consumer Advocate	:	C-2025-3054484
The Pennsylvania University	:	C-2025-3054780
Terri Walker	:	C-2025-3054662
Linda Slick	:	C-2025-3054552
Linda Allison	:	C-2025-3054434
Alexandra Garlitz	:	C-2025-3055233
Daniel and Stacy Chronister	:	C-2025-3056194
	:	
v.	:	
	:	
Columbia Gas of Pennsylvania, Inc	:	

**ANSWER OF COLUMBIA GAS OF PENNSYLVANIA, INC. TO
THE COALITION FOR AFFORDABLE UTILITY SERVICE
IN PENNSYLVANIA’S PETITION FOR RECONSIDERATION**

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Date: January 2, 2026

Counsel for Columbia Gas of Pennsylvania, Inc.

I. INTRODUCTION

Columbia Gas of Pennsylvania, Inc. (“Columbia” or the “Company”), pursuant to 52 Pa. Code §§ 5.61 and 5.572, hereby submits this Answer to the Petition for Reconsideration and Modification filed by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) on December 23, 2025 (“CAUSE-PA Petition”), which asks the Pennsylvania Public Utility Commission (“Commission”) to revisit certain aspects of its Order entered on December 9, 2025 (“Final Order”).

As explained below, CAUSE-PA has failed to meet the legal standards for reconsideration set forth in *Duick v. Pennsylvania Gas and Water Co.*, 56 Pa. P.U.C. 553 (1982) (“*Duick*”). CAUSE-PA has not raised new or novel arguments that were overlooked by the Commission. CAUSE-PA’s Petition also fails on the merits. Under its first request for reconsideration, CAUSE-PA is asking the Commission to force Columbia to intervene in the competitive market by direct communication to shopping customers that are paying more than the Price To Compare (“PTC”). CAUSE-PA is attempting to create a legal duty for Columbia to intervene in the unregulated market that simply does not exist. It is undisputed that Columbia is meeting all of its statutory and regulatory obligations with respect to shopping customers. Columbia does not believe that it is appropriate to intervene in the unregulated, competitive market as requested by CAUSE-PA.

As to the Weather Normalization Adjustment (“WNA”), CAUSE-PA argues that the Commission has misapplied the law. However, it is CAUSE-PA that is misapplying the law by attempting to argue that traditional cost of service ratemaking principles developed by courts apply to alternative ratemaking mechanisms that are expressly authorized by statute. CAUSE-PA’s erroneous application of the law dooms its attempts to deny the WNA. Likewise, CAUSE-PA’s request for reconsideration related to additional modifications to the WNA fail because they have been considered by the Commission and are unreasonable.

For these reasons, and as explained further herein, the CAUSE-PA Petition fails to meet the *Duick* standard and should be denied.

II. BACKGROUND

1. Columbia is a “public utility” and “natural gas distribution company” (“NGDC”) as those terms are defined in Sections 102 and 2202 of the Public Utility Code, 66 Pa.C.S. §§ 102 and 2202. Columbia provides natural gas sales, transportation, and/or supplier of last resort services to approximately 446,000 retail customers in portions of 26 counties of Pennsylvania, primarily in the western half of the state, but also including parts of Northwest, Southern and Central Pennsylvania.

2. On March 20, 2025, Columbia filed Supplement No. 392 to Tariff Gas Pa. P.U.C. No. 9 at Docket No. R-2025-3053499, with an effective date of May 19, 2025. Columbia proposed to increase overall rates by approximately \$110.5 million per year, based upon data for a Fully Projected Future Test Year (“FPFTY”) ending December 31, 2026.

3. On April 24, 2025, the Commission issued an Order suspending Columbia’s Supplement No. 392 by operation of law until December 19, 2025.¹

4. The Commission’s Bureau of Investigation and Enforcement (“I&E”), the Office of Small Business Advocate (“OSBA”), the Office of Consumer Advocate (“OCA”), The Pennsylvania State University (“PSU”), CAUSE-PA, and the Pennsylvania Weatherization Providers Task Force (“PWPTF”) participated in the proceeding. The parties conducted discovery and submitted several rounds of testimony.²

¹ On April 28, 2025, Columbia filed Supplement No. 399 pursuant to the Commission’s April 24, 2025, Suspension Order. Supplement No. 399 suspended the proposed rates contained in Tariff Supplement No. 392 until December 19, 2025.

² Formal Complaints were also filed by Terri Walker, Linda Slick, Linda Allison, Alexandra Garlitz, and Daniel and Stacy Chronister.

5. Hearings were held on August 6 and 7, 2025. Several parties conducted cross-examination. In addition, the parties' evidence and testimony were admitted into the record.

6. Following the hearing, parties submitted Main Briefs on August 26, 2025, and Reply Briefs on September 5, 2025.

7. On October 3, 2025, the Commission issued the Recommended Decision ("RD") of Administrative Law Judges Jeffrey A. Watson and Chad L. Allensworth (the "ALJs"), which recommended that the Commission deny the Company's requested rate increase.

8. Columbia, the OCA, and PSU filed Exceptions to the RD on October 14, 2025. Columbia, OSBA, I&E, OCA, PSU, and CAUSE-PA filed Replies to Exceptions on October 21, 2025.

9. On December 9, 2025, the Commission issued its Final Order, which approved a base rate increase of \$55,627,800, granted in part and denied in part the Exceptions of the Company, the OCA, and PSU, and made other modifications and corrections to the RD.

10. On December 23, 2025, CAUSE-PA filed its Petition for Reconsideration and Modification.

III. LEGAL STANDARD

11. The Commission's standard for granting reconsideration following final orders is set forth in *Duick*:

A petition for reconsideration, under the provisions of 66 Pa.C.S. § 703(g), 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. In this regard we agree with the Court in the Pennsylvania Railroad Company case, wherein it was said that "[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..." 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.

56 Pa. P.U.C. 553, 559 (emphasis added).

12. The Commission has cautioned that the last portion of the operative language of the *Duick* standard – “by the Commission” – focuses on the deliberations of the Commission, not the arguments of the parties. *See Pa. PUC v. PPL Electric Utilities Corp.*, Docket No. R-2012-2290597, p. 3 (May 22, 2014). Therefore, a petition for reconsideration cannot be used to raise new arguments or issues that should have been but were not previously raised.

IV. ARGUMENT

A. CAUSE-PA’S PETITION FOR RECONSIDERATION DOES NOT MEET THE *DUICK* STANDARD.

13. CAUSE-PA argues that its Petition meets the *Duick* standard because it raises issues which appear to have been overlooked by the Commission and because of errors of law and fact. CAUSE-PA Petition, p. 5. Contrary to CAUSE-PA’s assertions, the Commission clearly considered CAUSE-PA’s concerns and explained why it was not adopting them. See Order, pp. 381-390. As to CAUSE-PA’s first issue attempting to force Columbia to intervene in the competitive market, the Commission specifically noted in the Disposition section of the Order that some customers are paying more than the PTC but that Columbia was meeting all of its regulatory obligations with respect to shopping customers. The Commission also explained that given the circumstances of this case, it would be better to address CAUSE-PA’s concerns in a statewide proceeding. Order, p. 390.

14. As to the WNA, CAUSE-PA simply repeats and rehashes its argument that the WNA is not fair to customers. CAUSE-PA fails to recognize that the WNA is needed for the Company to have a reasonable opportunity recover its authorized revenues due to abnormally warm weather that is outside of the Company’s control because the Company is required to recover

most of its fixed costs through volumetric rates. This mismatch between cost incurrence and cost recovery causes significant revenue loss when weather is warmer than normal. CAUSE-PA also fails to acknowledge that the WNA mechanism is symmetrical in operation and reduces customers' bills in winter months when weather is colder than normal.

15. CAUSE-PA simply re-hashes arguments that it made below. This is not sufficient to meet the *Duick* standard, especially where the Commission expressly recognized CAUSE-PA's arguments and denied CAUSE-PA's proposal.

B. THE COMMISSION SHOULD NOT GRANT RECONSIDERATION OF CAUSE-PA'S REQUEST TO FORCE COLUMBIA TO INTERVENE IN THE COMPETITIVE MARKET.

1. The Commission Did Not Err as a Matter of Law in Rejecting CAUSE-PA's Proposal to Require Columbia to Intervene in the Competitive Market.

16. CAUSE-PA argues that the Commission erred as a matter of law by failing to require Columbia to "improve ... consumer education about the competitive market." CAUSE-PA Request A, p. 6. To be clear, in this proceeding, CAUSE-PA specifically requested that Columbia be required to send targeted communications to customers who are enrolled with a Natural Gas Supplier ("NGS") and who are paying supplier rates that are higher than the PTC. Order, p. 388. The issue is not, as CAUSE-PA seems to suggest, one of general education about the competitive market but whether Columbia has any lawful obligation to target outreach to certain shopping customers regarding the price they are paying for unregulated, competitive supply.

17. CAUSE-PA argues that the Commission erred as a matter of law because, although CAUSE-PA admits that Columbia is not violating any specific law, order or policy, CAUSE-PA argues that it must only show that its proposals are just, reasonable and in accordance with the law. CAUSE-PA Petition, p. 9. CAUSE-PA's legal analysis is in error because CAUSE-PA is

attempting to use a burden of proof standard to create a duty under law where none otherwise exists. All of the statutory and legal citations offered by CAUSE-PA in support of this argument relate to the burden of proof. See CAUSE-PA Petition, p. 9, fns 40-42. CAUSE-PA does not and cannot cite to any statute, regulation or order that requires utilities such as Columbia to send targeted notices to shopping customers that are paying more than the PTC. Under CAUSE-PA's legal theory, it could require the Commission to force Columbia to do any action that CAUSE-PA deems to be just and reasonable even when there is no underlying legal duty. This is certainly not the law. Moreover, the Commission has broad discretion to determine whether to adopt parties' proposals.³

18. CAUSE-PA's attempts to impose this duty on Columbia are also improper. The competitive market is unregulated, and Columbia should not be required to conduct targeted outreach to a certain category of shopping customers taking unregulated service to highlight that they are paying more than they could be paying in a veiled attempt to convince these customers to switch to regulated service.

19. In an apparent attempt to get around this issue, CAUSE-PA also argues that the Commission should force Columbia to act pursuant to the Company's obligations under the Competition Act to provide universal service and energy conservation programs. CAUSE-PA Petition, p. 10. This argument also fails because nothing in the Competition Act requires or could be read to require Columbia to intervene in the competitive market in the way that CAUSE-PA is suggesting.

20. Columbia is in full compliance with the Competition Act's requirements to provide universal service programs that help residential low-income retail gas customers maintain natural

³ *Phila. Elec. Co. v. Pa. P.U.C.*, 93 Pa. Cmwlt. 410, 429 (Dec. 11, 1985).

gas supply and distribution service. 66 Pa. C.S. §§ 2202-2203. Columbia meets its statutory obligations by providing well-funded universal service programs that are available to all eligible customers that elect to participate in them. *See* Columbia St. No. 9, pp. 4-8. The statute does not create a duty for Columbia to intervene in the competitive supply market to monitor customers' shopping choices and then attempt to influence customers not to shop for competitive supply if Columbia determines they are paying more than the PTC.

21. The Commission did not err as a matter of law in rejecting CAUSE-PA's proposal to force Columbia to intervene in the competitive market.

2. Columbia Already Provides Reasonable Notice to Customers About Shopping and the PTC.

22. CAUSE-PA's arguments that Columbia is not providing sufficient notice to customers about shopping and the PTC is also factually incorrect. In testimony, Columbia explained the actions that it takes to educate customers, including:

- Publishing the PTC as a benchmark to NGS rates;
- Maintaining a calculator on its website for customers to make rate and savings comparisons;
- Maintaining a list of suppliers on its website;
- Messaging on customers' bills; and
- Call center scripting regarding.

Columbia St. No. 1-RJ, p. 7.

23. Columbia provides reasonable education and information to customers about the competitive market. It is not Columbia's duty or obligation to ensure that shopping customers are paying less than the PTC. It is unreasonable for CAUSE-PA to attempt to force Columbia to intervene in the competitive market under these circumstances, especially where Columbia would be required to incur the costs to do so.

24. Contrary to CAUSE-PA's assertions, Columbia is not indifferent to customers paying more than the PTC. *See* Columbia RB, p. 152. As explained herein, Columbia does not believe that it is appropriate for it to monitor customers' shopping choices and then intervene for a targeted class of shopping customers in a veiled attempt to sway their competitive decisions.

3. The Commission Properly Held That This Issue Is Better Addressed in a Statewide Proceeding.

25. CAUSE-PA also disputes the Commission's decision that CAUSE-PA's issue would be better addressed in a statewide proceeding where all stakeholders could participate. CAUSE-PA Petition, p. 12. The Commission should not revise its decision as to this issue.

26. Columbia did not propose to interfere in the competitive market in this proceeding, and therefore, NGSs were not notified that this would be an issue. As a result, no NGSs participated in the proceeding. Therefore, this proceeding did not allow for a comprehensive review of all issues related to CAUSE-PA's request to force Columbia to notify certain shopping customers that they were paying more than the PTC. Other issues such as whether such action would be discriminatory, would competitively interfere with NGS contracts or would improperly discourage competition were also not fully developed. *See* Columbia St. No. 1-RJ, p. 7; Order, p. 390.

27. The Commission's decision that this issue is better addressed in a statewide proceeding was well-reasoned and should not be reversed.

C. THE COMMISSION SHOULD NOT GRANT RECONSIDERATION OF CAUSE-PA'S REQUEST TO DENY THE WNA.

1. The Commission Did Not Err as a Matter of Law in Approving the WNA.

28. CAUSE-PA argues that the Commission applied the wrong legal standard when approving the WNA. CAUSE-PA Petition, p. 13. According to CAUSE-PA, the relevant legal

analysis is “whether – absent the WNA – Columbia would have otherwise had a *reasonable opportunity* to collect its authorized revenue requirement.” CAUSE-PA Petition, p. 16, ¶ 35. In support of this argument, CAUSE-PA cites to *Federal Power Comm’n v. Hope Natural Gas Co.*, 320 U.S. 591 (1944).

29. As was the case above in Section IV(B) related to CAUSE-PA’s first request for reconsideration, it is CAUSE-PA that misapplies the law – not the Commission. The Commission has classified a WNA as a limited decoupling mechanism.⁴ Section 1330(b) of the Public Utility Code allows the Commission to approve alternative ratemaking mechanisms, including decoupling mechanisms.⁵ The statute defines a decoupling mechanism, in part, as:

(1) A rate mechanism that reconciles authorized distribution rates or revenues for difference between the projected sales used to set rates and actual sales, which may include, but not be limited to, adjustments resulting from fluctuations in the market of customers served and other adjustments deemed appropriate by the commission.

30. No provision of Section 1330 or any other provision of the Public Utility Code imposes the legal standard that CAUSE-PA argues should apply. The Commission is not required to find that a utility does not have a reasonable opportunity to recover its revenue requirement before approving any alternative ratemaking mechanism under Section 1330, including decoupling mechanisms, performance-based rates, formula rates and multi-year rate plans. CAUSE-PA is improperly attempting to read into the statute a requirement that does not exist in order to try to adversely limit the application of alternative ratemaking mechanisms. This is not only unlawful, but unreasonable from a policy perspective given Columbia’s and other NGDCs’ funding

⁴ See *Alternative Ratemaking Methodologies*, Docket No. M-2015-2518883, Tentative Order entered March 2, 2017, p. 7.

⁵ 66 Pa. C.S. § 1330(b)(1)(i).

requirements that are necessary to meet Long Term Infrastructure Improvement Plan (“LTIIIP”) obligations. As noted in the Policy Section of 1330:

It is the policy of the Commonwealth that utility ratemaking should encourage and sustain investment through appropriate cost-recovery mechanisms to enhance the safety, security, reliability or availability of utility infrastructure and be consistent with the efficient consumption of utility service.

66 Pa. C.S. § 1330(a)(2).

31. The revenues that the Company has received from the WNA have been used to provide service to customers, including funding the Company’s LTIIIP. As noted in the Company’s Exceptions, the Company has invested several billion dollars in its system in order to replace aging infrastructure and has not paid a dividend to its parent over the past 10 years. Columbia Exc., pp. 1-2. The WNA helps to sustain this investment by allowing the Company to recover a portion of authorized revenues that would otherwise be lost due to abnormally warmer weather.

32. CAUSE-PA argues that there is no “statutory guarantee of net revenue” in Pennsylvania citing a 1985 Commonwealth Court decision. CAUSE-PA Petition, p. 17, ¶ 36. This case was decided well before the enactment of the alternative ratemaking statutory provisions in 2018. 66 Pa. C.S. § 1330. Contrary to CAUSE-PA’s suggestion, there is express statutory authority for the WNA.

33. CAUSE-PA further argues that the “lack of any guaranteed revenue is one of the most important protections that regulation and traditional cost of service ratemaking provides to customers.” CAUSE-PA Petition, p. 17, ¶ 36. This statement makes it clear that CAUSE-PA is confusing traditional cost of service ratemaking principles that have been developed by the courts with alternative ratemaking mechanisms, which are expressly allowed by statute in Pennsylvania. CAUSE-PA’s attempts to conflate these legal standards is improper and should not be accepted.

34. In addition, as explained in this proceeding, the WNA exists in 29 states and most members of the proxy group have one. See Columbia St. No. 17-R, p. 10; Columbia St. No. 8-R, pp. 17-18. If the Commission denies Columbia the opportunity to have the WNA, Columbia’s market required return will be even more understated. Columbia St. No. 8-R, p. 18.

2. The WNA Does Not Guarantee Recovery of the Company’s Authorized Revenue Requirement.

35. CAUSE-PA argues that approval of the WNA sets a “dangerous precedent and signals entitlement to Commission-authorized revenue.” CAUSE-PA Petition, p. 16, ¶ 36. There are multiple flaws with this argument, and it should be rejected.

36. First, the WNA does not guarantee that the Company will recover its authorized revenue requirement. The WNA only adjusts revenues for weather in certain months of the year and does not account for other variables. Columbia St. No. 17-R, p. 13. Without a WNA, abnormal weather conditions do not allow the Company a reasonable opportunity to recover its reasonable and fair costs as authorized by the Commission, given the significant recovery of the Company’s revenues in volumetric charges. Columbia St. No. 17-R, p. 12. The Commission noted this when it approved the WNA. Final Order, p. 301.

37. Second, approving a WNA does not set a “dangerous precedent” in Pennsylvania. Columbia has had its WNA for over 10 years. Columbia St. No. 17-R, pp. 9-10. The Commission has previously approved a WNA for Peoples Natural Gas Company in a litigated proceeding over OCA’s objections.⁶ The Commission has also approved WNA mechanisms for UGI Utilities, Inc. – Gas Division (“UGI Gas”), National Fuel Gas Distribution Corporation (“National Fuel”) and

⁶ *PA PUC v. Peoples Natural Gas Company*, Docket Nos. R-2023-3044549, *et al.*, (Order entered Sept. 12, 2024).

Philadelphia Gas Works (“PGW”).⁷ CAUSE-PA’s “dangerous precedent” argument is contrary to statute and Commission precedent and should not be accepted.

3. Columbia Met Its Burden of Demonstrating that the WNA Results in Just and Reasonable Rates.

38. CAUSE-PA argues that Columbia has the burden of demonstrating that the WNA results in just and reasonable rates. CAUSE-PA Petition, p. 18, ¶ 39. Columbia has met its burden. Columbia provided extensive evidence in testimony supporting why the WNA is just and reasonable, including addressing the Commission’s Policy Factors. *See* Columbia St. No. 17, pp. 28-42; Columbia St. No. 17-R, pp. 4-20; Columbia St. No. 17-RJ, pp. 3-5. Columbia also explained why the WNA was just and reasonable, addressing the other parties’ arguments in the Company’s Briefs and Exceptions. Columbia MB, pp. 155-171; Columbia RB, pp. 81-95; Columbia Exc., pp. 22-25.

39. In testimony and its Briefs, Columbia explained that the WNA adjusts customer bills for both colder than normal and warmer than normal weather to better reflect the normalized heating degree days (“HDDs”) that are used to develop rates in this proceeding. Columbia St. No. 17-R, p. 7. The Company further explained that the purpose of the WNA is to levelize revenues for both customers and the Company to better reflect the level of revenues that are authorized for recovery. The WNA adjusts residential customers’ monthly charges based on the actual temperatures experienced during the month. Under the existing WNA, the Company and customers are protected, in part, from usage variations due to weather. The WNA adjusts only the temperature sensitive portion of customers’ bills to reflect normal weather levels. Customers receive a credit on their bills when weather is more than three percent colder than normal and

⁷*PA PUC v. UGI Utils., Inc. – Gas Division*, Docket Nos. R-2021-3030218 *et al.* (Order entered Sept. 15, 2022); *PA PUC v. National Fuel Gas Distribution Corporation*, Docket Nos. R-2022-3035730, *et al.* (Order entered June 15, 2023); *Pa. PUC v. Phila. Gas Works*, Docket No. R-00017034 (Order entered Aug. 8, 2002).

receive a charge on their bills when weather is more than three percent warmer than normal.⁸ See Columbia MB, pp. 155-156. The WNA methodology is symmetrical in operation – the only variable is weather, which is outside the control of the Company. See Columbia St. No. 17-R, pp. 12-13 for a more in-depth discussion.

40. The Company further explained that the WNA is necessary to provide an NGDC a reasonable opportunity to recover the revenues authorized in a base rate proceeding, because fixed distribution costs are recovered through volumetric rates and, as a result, revenue recovery is subject to deviations in heating demand caused by weather. Columbia MB, pp. 157-158. As noted in this proceeding, if Columbia did not have the WNA in place, it would have lost approximately \$74 million since the inception of the WNA due to warmer than normal weather and would not have been able to recoup those losses without a WNA. Winter weather has been abnormally getting warmer, and the Company should not be required to bear the risk of abnormally warming weather.

41. CAUSE-PA focuses on the net \$74 million that customers paid under the WNA since its inception and argues that this is unreasonable. CAUSE-PA Petition, pp. 18-19, ¶ 40. CAUSE-PA fails to acknowledge that the \$74 million was authorized revenue that the Company would have lost due to abnormal warming weather. CAUSE-PA also fails to acknowledge that the Company did not recover its full authorized revenue requirement due to the deadband. CAUSE-PA further fails to recognize that all of the Company's distribution system costs are fixed – yet the Company is put at substantial risk of under-recovery due to the majority of these fixed costs being recovered through volumetric rates. The Commission recognized these factors in its Final Order when approving the WNA. Order, p. 300.

⁸ Pursuant to the Commission's Final Order, the deadband utilized in Columbia's WNA will change to five percent. CITE.

42. The WNA is a just and reasonable rate mechanism that mitigates the Company's revenue loss during periods when weather is warmer than normal and reduces customers' bills when weather is colder than normal. Columbia met its burden of proof in this proceeding.

4. Columbia Cannot Simply File Another Rate Case to Recover Revenues That Are Lost Due to Abnormally Warm Weather.

43. CAUSE-PA argues that the Company can simply file another rate case if earnings fall short of authorized revenues. CAUSE-PA Petition, p. 17, ¶ 37. CAUSE-PA's argument is a red herring that is unrelated to the actual issue. The Company explained in its Reply Brief that filing a new rate case does not allow the Company to recover previously authorized revenues that were lost due to weather. Columbia RB, p. 84. Without the WNA, the Company will always be put in a position of under-recovering its fixed costs through volumetric rates when weather is warmer. This is unfair to the Company and is completely disregarded by CAUSE-PA.

D. THE COMMISSION SHOULD NOT GRANT RECONSIDERATION OF CAUSE-PA'S REQUEST TO INCLUDE ADDITIONAL MODIFICATIONS TO THE WNA.

44. CAUSE-PA argues that the Commission "overlooked" its recommendations to limit the application of the WNA to December-March and to exempt confirmed low-income customers from the WNA. CAUSE-PA Petition, p. 19. The Commission did not overlook CAUSE-PA's recommendations, and CAUSE-PA's Petition for Reconsideration on this issue should not be granted.

45. First, the Commission expressly recognized CAUSE-PA's recommendations on pages 294 and 299 of the Final Order. Just because the Commission does not specifically address CAUSE-PA's recommendations in the disposition section does not mean that the Commission overlooked them. In addition, the Commission expressly noted in its Order that any issue which

was not specifically addressed was deemed to be duly considered and denied without further discussion. Order, p. 16.

46. Second, CAUSE-PA's recommendations are not reasonable and should not be adopted. CAUSE-PA's first recommendation is to drop November and March from the WNA. CAUSE-PA Petition, p. 19. This recommendation is unreasonable because November and March are cold months in Pennsylvania that experience significant weather variations. Columbia St. No. 17-R, p. 17. In addition, the Commission has already removed the month of May from the WNA calculation in response to CAUSE-PA's and I&E's concerns.

47. The Commission also should not adopt CAUSE-PA's recommendations to exempt confirmed low-income and CAP customers from the WNA. As the Company explained in its Main Brief, the WNA levelizes bills for low-income customers and reduces bills when they are the highest in cold winter months. Columbia MB, p. 171. The Company also explained that it does not have a separate customer class for confirmed low-income customers.

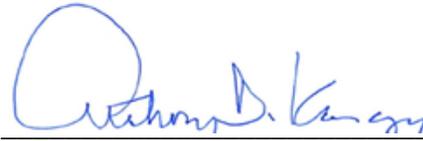
48. CAUSE-PA attempts to exclude CAP customers on the basis that the WNA increases costs to CAP participants and other residential customers that pay CAP costs. CAUSE-PA Petition, p. 21. CAUSE-PA again ignores several key points. First, most CAP customers pay a percentage of income for their usage, and the WNA does not increase the amount that they pay each month. Other CAP customers pay a percentage of bill, and this is also limited by percentage of income. All CAP bills are reviewed monthly to ensure the customer is on the lowest option available. Final Order, pp. 352-53. Second, CAUSE-PA's argument that other customers will "pay twice" for the WNA misunderstands the operation of the CAP. Amounts not recovered from CAP customers due to income-based payment caps are recovered from non-CAP customers through existing CAP cost-recovery mechanisms. Any over or under recovery associated with the

WNA does not result in duplicative recovery, but instead affects the total CAP-related amounts recovered from non-CAP customers, which may increase or decrease accordingly. This argument also ignores the fact that the WNA provides credits when weather is colder than normal, which benefits other customers. As noted by Company witness Taylor in this proceeding, customers have received WNA credits approximately 40% of the time since inception. Columbia St. No. 17-R, pp. 11-12. Finally, the WNA helps to recover fixed costs that are not otherwise recovered due to warmer than normal weather and should apply to all residential customers, not just a subclass.

V. CONCLUSION

For all the foregoing reasons, Columbia Gas of Pennsylvania, Inc. respectfully requests that the Pennsylvania Public Utility Commission deny the Petition for Reconsideration and Modification of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania.

Respectfully submitted,



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