

BOOK III

**NATIONAL FUEL GAS
DISTRIBUTION CORPORATION**

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Information Submitted Pursuant to

Section 53.51 et seq of the Commission's Regulations

**NATIONAL FUEL STATEMENT NO. 1 – REBECCA E. HILLERY
NATIONAL FUEL STATEMENT NO. 2 – DONALD N. KOCH
NATIONAL FUEL STATEMENT NO. 3 – ANTHONY T. FORMATO
NATIONAL FUEL STATEMENT NO. 4 – VALERIE L. HAWTHORN
NATIONAL FUEL STATEMENT NO. 5 – MICHAEL P. WEIDNER
NATIONAL FUEL STATEMENT NO. 6 – MONIKA M. DUSZENKO
NATIONAL FUEL STATEMENT NO. 7 – MICHAEL J. MAGGIOLI
NATIONAL FUEL STATEMENT NO. 8 – JOHN J. SPANOS
NATIONAL FUEL STATEMENT NO. 9 – MARK C. SCHAEFER
NATIONAL FUEL STATEMENT NO. 10 – JOSHUA C. NOWAK**

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION
GAS - PA P.U.C. NO. 9
SUPPLEMENT NO. 294**

DOCKET NO. R-2025-3059428

Issued: January 28, 2026

Effective: March 29, 2026

NATIONAL FUEL STATEMENT NO. 1

REBECCA E. HILLERY

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Docket No. R-2025-3059428

**National Fuel Gas Distribution Corporation
Pennsylvania Division**

Statement No. 1

**Direct Testimony of
Rebecca E. Hillery**

Topics Addressed:

- Rate Filing Overview**
- Key Drivers of Rate Relief**
- Other Key Proposals**
- Management Effectiveness and Performance**
- Introduction of Witnesses**

Dated: January 28, 2026

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Rebecca E. Hillery. My business address is 6363 Main Street, Williamsville,
4 NY 14221.

5
6 **Q. By whom and in what capacity are you employed?**

7 A. I am employed by National Fuel Gas Distribution Corporation (“NFGDC”) as the
8 Managing Director of Rates and Regulatory Affairs.

9
10 **Q. Please briefly describe your responsibilities in that capacity.**

11 A. As Managing Director, I am responsible for managing all aspects of the Rates and
12 Regulatory Affairs department. This includes sales and revenue forecasting, tariff
13 administration and compliance, Pennsylvania Section 1307(f) purchased gas cost filings,
14 base rate case filings, and a broad range of regulatory reporting and compliance activities
15 for NFGDC’s Pennsylvania (“National Fuel” or “Company”) and New York (“National
16 Fuel – NY”) divisions.

17
18 **Q. Please provide your educational background.**

19 A. I received a Bachelor of Science in Business Administration from the State University of
20 New York at Buffalo in May 2004 with a concentration in Accounting.

1 **Q. Please provide your professional experience.**

2 A. I began my professional career with Ernst & Young, LLP in McLean, VA in September
3 2004 as an Assurance Associate. I joined NFGDC in June 2006 as a Financial Auditor in
4 the Audit Services department. I advanced within Audit Services over the course of nine
5 years to Manager of Financial Audits. I then transferred internally within National Fuel
6 to an unregulated subsidiary where I served as Accounting and Risk Manager from April
7 2015 through August 2019. In August 2019, I transferred back to NFGDC where I
8 served as Chief Auditor for National Fuel Gas Company and all its subsidiaries until
9 September 2025 when I became the Managing Director of the Rates and Regulatory
10 Affairs department. I have been a Certified Public Accountant in New York State since
11 2007.

12
13 **Q. Have you previously testified in other proceedings before the Pennsylvania Public
14 Utility Commission (“PAPUC” or the “Commission”) or any other state or federal
15 agency?**

16 A. I have not previously testified in any proceedings before the PAPUC or any other state or
17 federal agency.

18
19 **Q. Please provide a brief overview of NFGDC’s utility business operations.**

20 A. NFGDC owns and operates local natural gas distribution systems serving approximately
21 214,000 customers and 543,000 customers in its northwest Pennsylvania and western
22 New York service territories, respectively. National Fuel maintains headquarters and a
23 customer service call center in Erie, Pennsylvania, and operates approximately 4,900

1 miles of main and transmission natural gas pipelines and 13 service centers across
2 northwest Pennsylvania. For the fiscal year ended September 30, 2025, the Company’s
3 total normalized throughput was approximately 45.5 billion cubic feet (Bcf), with
4 residential, commercial & public authority, and industrial customer classes making up
5 41%, 21% and 38%, respectively, of the annual load. Nearly all its 195,000 residential
6 customers use natural gas for space heating purposes.

7
8 **Q. Discuss NFGDC’s relationship with its parent, National Fuel Gas Company, and**
9 **affiliated subsidiaries.**

10 A. NFGDC is a wholly owned subsidiary of National Fuel Gas Company (“NFG”). NFG is
11 a publicly traded holding company headquartered in Williamsville, New York, that owns
12 and operates businesses across the natural gas value chain from the well-head to the
13 customer’s burner tip. The following is a summary of each affiliated company owned by
14 NFG and a brief description of their relationship with National Fuel.

- 15 • National Fuel Gas Supply Corporation (“NFG Supply”) and Empire Pipeline, Inc.
16 (“Empire”) own and operate interstate natural gas pipeline and storage assets in
17 Pennsylvania and New York that are regulated by the Federal Energy Regulatory
18 Commission (“FERC”). National Fuel is a customer of NFG Supply and Empire,
19 contracting for firm transportation and storage services that deliver Appalachian
20 natural gas supplies at direct interconnects with the Company’s system.
- 21 • National Fuel Gas Midstream Company, LLC (“NFG Midstream”) builds and
22 operates natural gas gathering and processing assets for Seneca and third-party

1 Appalachian producers in Pennsylvania. National Fuel does not have a customer
2 relationship with NFG Midstream.

- 3 • Seneca Resources Company, LLC (“Seneca”) holds the rights to 1.2 million net
4 acres in Pennsylvania, where it develops and produces approximately 1.2 billion
5 cubic feet per day of natural gas in Appalachia. National Fuel does not contract
6 with Seneca to purchase any of its gas production.

7
8 **Q. Have there been any changes to NFGDC’s service territory since the last rate case?**

9 A. There have not been any material changes to NFGDC’s service territory since the last rate
10 case. NFGDC filed a Joint Application with North East Heat & Light Company
11 (“NEHL”) on October 7, 2025 (Docket No. A-2025-3057864) requesting approval for
12 NFGDC to acquire certain natural gas distribution facilities and rights from NEHL in the
13 Borough of North East, Erie County, Pennsylvania and North East Township, Erie
14 County, Pennsylvania. The Joint Application remains pending before the Commission.

15
16 **Q. Please describe the Joint Application with NEHL and its impact on this proceeding.**

17 A. As described further in the Joint Application, the proposed transaction will be carried out
18 pursuant to an Asset Purchase Agreement. The proposed transaction, if approved, is
19 anticipated to close during the Future Test Year (“FTY”). The Company will not be
20 recovering any acquisition premium related to the proposed transaction and is not seeking
21 rate recovery for any of the transactional or transitional costs. Furthermore, while
22 NFGDC intends to move NEHL customers to the Company’s Commission-approved
23 tariff (Tariff – Gas – Pa.P.U.C No. 9) (“Tariff”), the Company has proposed to add a

1 temporary tariff Rate Schedule for former NEHL customers for delivery rate purposes as
2 further described in the Joint Application. The Company has not included any costs
3 related to NEHL in this proceeding and is not seeking to change NEHL's current delivery
4 rates in this rate proceeding.

6 **II. PURPOSE OF TESTIMONY**

7 **Q. Please describe the purpose of your testimony.**

8 A. My testimony addresses several items. First, I present an overview of the rate filing,
9 including a summary of why the Company is seeking rate relief, a review of customer bill
10 impacts, and an explanation for why the Company's proposed rate increase is just and
11 reasonable. Second, I present in further detail the key drivers of the Company's need for
12 rate relief at this time. Third, I provide an overview of certain key proposals that will be
13 discussed in the case. Next, I discuss and present evidence of National Fuel's
14 outstanding management performance and propose how it should be recognized in this
15 case. Finally, I introduce the witnesses who are providing direct testimony on behalf of
16 the Company in this rate filing.

17
18 **Q. Are you sponsoring any exhibits or filing requirements in this proceeding?**

19 A. No.

21 **III. OVERVIEW OF RATE FILING**

22 **Q. Please summarize the relief that National Fuel is requesting through this rate filing.**

23 A. National Fuel is seeking an increase in its annual base delivery revenues of \$19.7 million,
24 or 7.4% on a total revenue basis. The base rate increase requested in this filing utilizes a

1 fully projected future test year ending October 31, 2027 (“FPFTY”). The Company is
2 also proposing, among other things, to make permanent the Weather Normalization
3 Adjustment (“WNA”) mechanism that was successfully implemented as a pilot program
4 following the last rate case to protect ratepayers and the Company from volatility in
5 weather, and a new energy efficiency pilot program to benefit customers that would
6 recover an additional \$0.7 million from residential customers annually in a separate rider.

7
8 **Q. When was the last time National Fuel sought a base rate increase?**

9 A. National Fuel’s last base rate filing was in 2022, with new rates effective August 1, 2023.

10
11 **Q. Is National Fuel choosing to voluntarily comply with the order associated with
12 Docket L-2012-2317273 with regard to rate case data filing requirements?**

13 A. Yes. Docket L-2012-2317273 establishes filing requirements, data standards, and
14 evaluation procedures for utilities that choose to base general rate increase requests on a
15 FPFTY. Utilities have until May 30, 2026 to comply with this order, however National
16 Fuel has chosen to voluntarily comply in conjunction with this rate filing.

17
18 **Q. Why is National Fuel seeking a rate increase at this time?**

19 A. For many years, National Fuel has successfully operated a safe and reliable system,
20 provided high-quality customer service, and earned a reasonable rate of return. In recent
21 years, the Company has experienced the effects of significant cost inflation that is driving
22 continued increases in labor expenses and other operating costs. Additionally, the
23 Company is continuing to accelerate its infrastructure replacement and system

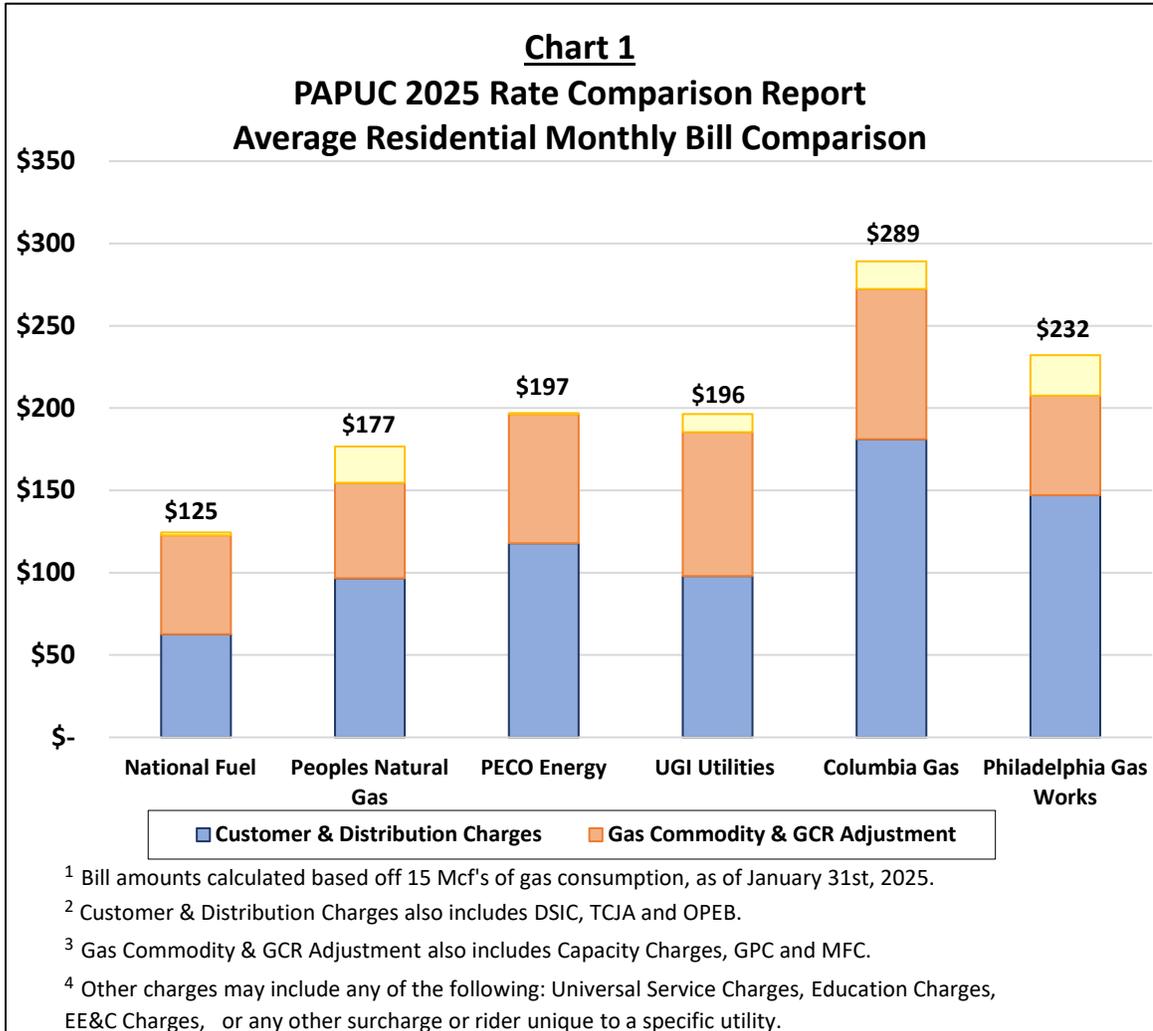
1 modernization investments to enhance safety and reliability and reduce emissions. As a
2 result of these cost increases and the inflationary pressures impacting the U.S. economy,
3 along with declines in customer usage due to warming weather trends, National Fuel's
4 current rates do not provide it with a reasonable opportunity to earn a fair rate of return
5 on its investments in rate base.

6
7 **Q. Explain why National Fuel's current rates are insufficient to support its current and**
8 **planned operations.**

9 A. As reflected in National Fuel Exhibit A (FPFTY) Schedule A-1, the Company's
10 operations are projected to produce an overall return on rate base of 6.30%, and a return
11 on common equity of 6.87%, during the FPFTY. As explained by National Fuel witness
12 Mr. Josh Nowak (National Fuel Statement No. 10), these levels of returns are not
13 adequate based on an analysis of applicable financial market data and the risks
14 confronted by the Company and are well below the rates of return generally afforded to
15 public utilities. Unless National Fuel receives the requested rate relief, the Company's
16 returns will continue to erode and jeopardize its ability to attract the capital needed to
17 make the reasonable and necessary investments in gas infrastructure and the human
18 resources that are necessary to maintain and enhance the provision of safe and reliable
19 natural gas service to its customers.

20
21 **Q. How do National Fuel's current rates compare to other gas utilities in**
22 **Pennsylvania?**

1 A. A comparison of residential heating bills in Chart 1 below from the PAPUC 2025 Rate
 2 Comparison Report issued in April 2025 illustrates that National Fuel has the lowest total
 3 monthly bills and the lowest customer and distribution charges in the Commonwealth
 4 amongst large gas utilities.
 5



6 On a total bill basis, National Fuel’s average monthly bill for residential heating
 7 customers using 15 Mcf per month was \$124.56, which is \$78.11 lower than the group
 8 average of \$202.67. This favorable variance compared to the group has widened since the
 9 Company’s last rate case filed in 2022. Specifically, in its 2022 rate case, National Fuel

1 was \$56.98 lower than the group average compared to the current favorable variance of
2 \$78.11 stated above. Looking at just the delivery charge portion of the bill (customer and
3 distribution charges, including impact of OPEB surcredits), the average National Fuel
4 residential heating customer using 15 Mcf per month currently pays just \$62.61 per
5 month, which is \$54.63 lower than the group average of \$117.24 and \$34.10 lower than
6 the next lowest gas utility.

7 The PAPUC 2025 Rate Comparison Report also found that National
8 Fuel's small commercial, medium commercial, large commercial, and industrial
9 customers pay an average of 30-43% less for their natural gas bills than customers served
10 by other large gas utilities in the Commonwealth.

11
12 **Q. Has National Fuel evaluated the impact of its proposed rate increase on average**
13 **customer bills?**

14 A. Yes. As presented in Table 1 below, the Company has evaluated the impact of its
15 proposed rate increase on the average monthly bill of residential heating and commercial
16 heating customers. The residential heating customer impact includes the proposed energy
17 efficiency pilot program rider and reactivation of Rider I related to OPEB surcredits. At
18 current rates, the Company's proposed new rates will increase residential customer bills
19 by 5.9%.

1

Table 1 - AVERAGE MONTHLY BILL IMPACT

<u>Customer Class</u>	<u>Average Usage per Month</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>(\$) Increase</u>	<u>(%) Increase</u>
Residential	80 ccf	\$83.49	\$88.44	\$4.95	5.9%
<i>Commercial / Public Authority</i>					
SCPA < 250	103 ccf	\$101.91	\$107.85	\$5.95	5.8%
SCPA > 250	412 ccf	\$276.57	\$288.37	\$11.80	4.3%
LCPA	340 Mcf	\$1,113.90	\$1,143.80	\$29.89	2.7%

2

3

4 **Q. Why are the projected customer bill increases fair and reasonable?**

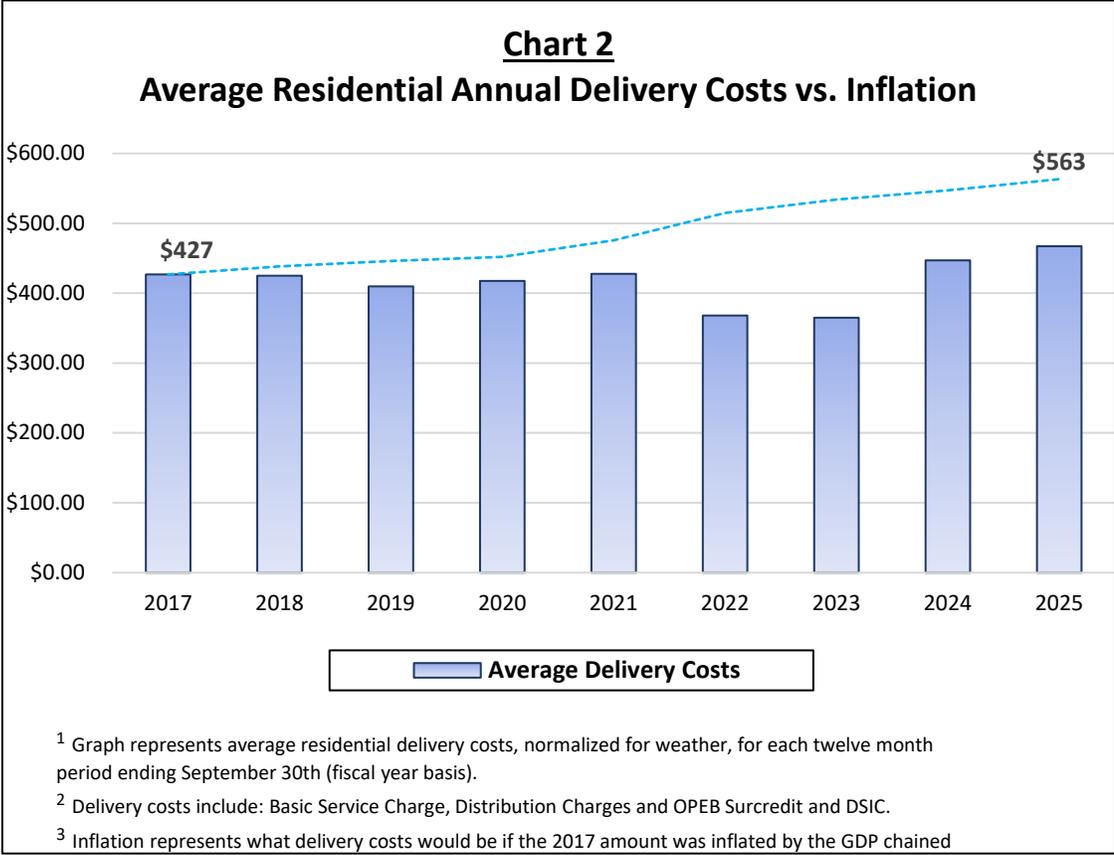
5 A. The average customer bill impacts set forth in Table 1 above are fair and reasonable for
6 several reasons.

7

- 8 • First, the increase in delivery rates support the Company’s ability to provide safe
9 and reliable gas distribution service for its customers, including critical
10 investments to replace aging gas infrastructure and modernize the Company’s
11 facilities. The additional revenues are also necessary to address inflationary
12 pressures on the Company’s operating expenses and lower customer usage trends,
13 both of which have been outside of the Company’s control.

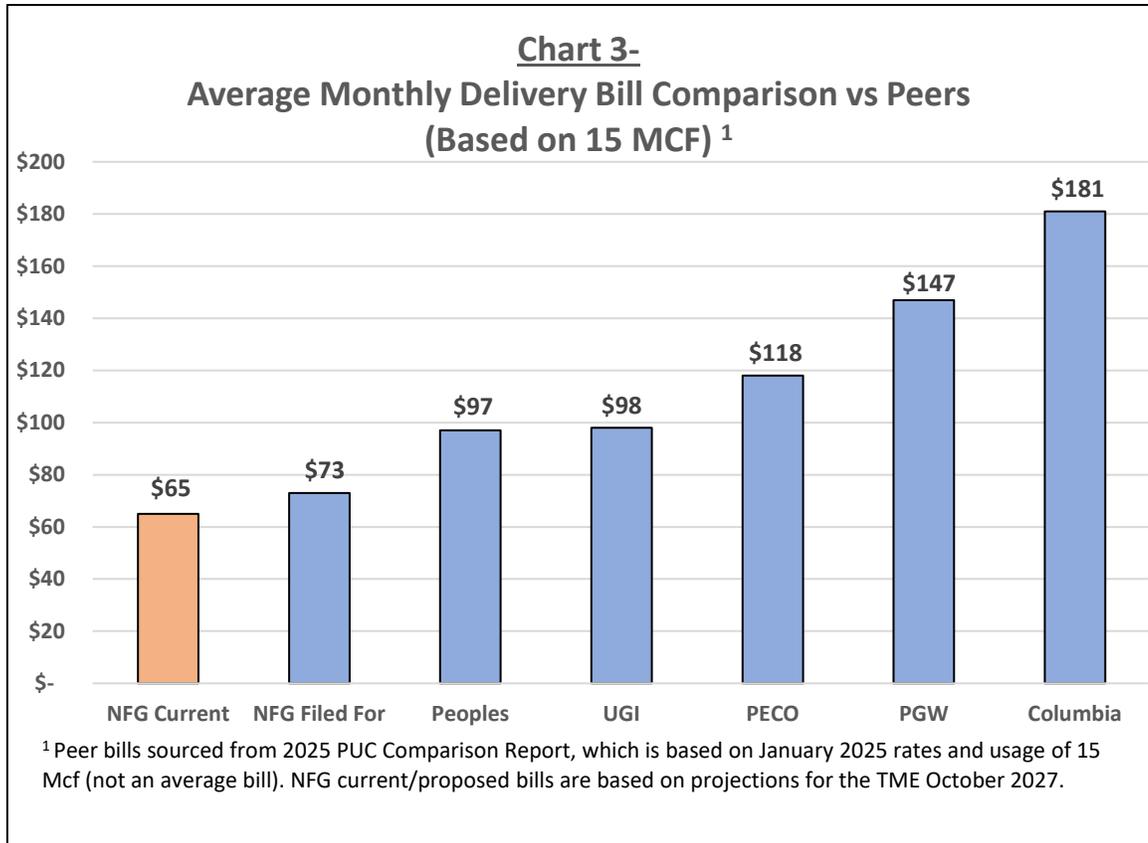
- 14 • Second, this is only the second requested increase to delivery rates that National
15 Fuel has had since 2007. As demonstrated in Chart 2 below, the Company’s
16 average annual delivery charges normalized for weather have increased
17 marginally from \$427 per customer in 2017 to \$467 per customer in 2025. Had
the Company’s delivery rates kept pace with inflation since 2017, as measured by

1 the U.S. Bureau of Labor Statistics' Consumer Price Index ("CPI"), the average
2 residential customer would be paying \$563 annually.



- 5 • Third, even with this increase, we anticipate that National Fuel's residential
6 heating customers will continue to have the lowest average total bill and lowest
7 average delivery charges in the Commonwealth, as demonstrated in Chart 3
8 below.

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- Finally, National Fuel continues to demonstrate exceptional management performance and diligence in mitigating rate increases for customers. Specifically, as discussed further below, National Fuel continues to be a leader in customer service and emergency response within the state. Additionally, management also continues to be prudent in its spending and operation of the business which can be seen through no requested rate recovery for Defined Benefit Pension and Other Post Employment Benefit costs (refer to Mr. Michael P. Weidner’s Direct Testimony No. 5), reduced rate recovery requested for Research, Development & Demonstration (“RD&D”) initiatives (refer to Mr. Erik M. Solomon’s Direct Testimony No. 18), prudent management of O&M expenses as discussed later in my testimony, and the benefit customers receive from the repairs deduction that

1 has a meaningful impact on income tax expense and revenue requirement in this
2 case (refer to Ms. Erica L. Forcucci's Direct Testimony No. 12).

3
4 **IV. RATE RELIEF DRIVERS**

5 **Q. What are the key drivers of the Company's need for rate relief?**

6 A. The Company's need for rate relief is largely being driven by the following three items:

- 7
- 8 • Increasing investment in rate base, which is expected to grow as the Company
9 accelerates its leak-prone pipeline replacement and system modernization
10 activities to ensure and enhance the safety of its distribution system.
 - 11 • Increasing levels of operating costs, which are principally being influenced by
12 broader macroeconomic trends. More specifically, higher employee wages and
13 compensation are necessary to stay competitive with the current labor market,
14 additional information technology and cybersecurity costs are required to ensure
15 digital security and reliability, and continued inflation on materials and services
16 are driving overall costs higher.
 - 17 • Declining levels of residential and commercial customer usage for heating due to
18 warming weather trends.

19 I address each of these key drivers in greater detail below.

20
21 **1. Investment in Rate Base**

22 **Q. How does the Company's current investment in net plant compare to the net plant**
23 **that was included in the last rate case?**

1 A. The investment in net plant in-service for the FPFTY ended October 31, 2027 is
2 projected to be \$637 million. When the Company last requested a rate increase for the
3 FPFTY ended July 31, 2024, the Company's investment in net plant was approximately
4 \$496 million. The \$141 million increase in net plant has largely been the result of
5 continued investments necessary to enhance and maintain the safety and reliability of the
6 Company's distribution system, which include the replacement of aging gas plant
7 infrastructure. Since 2016, the Company's Systematic Replacement Program has
8 eliminated over 371 miles of leak-prone bare steel and wrought iron pipeline and 7,337
9 base steel services. The Company's distribution system does not have any cast iron pipe.
10 At its current pace of replacing approximately 57 miles per year, National Fuel plans to
11 target retirement of all leak-prone pipe by 2039.

12
13 **Q Does the Company utilize the Distribution System Improvement Charge ("DSIC")**
14 **as a way to manage the recovery of incremental investments in plant in-service**
15 **between rate cases?**

16 A. Yes. The Company implemented the DSIC on January 1, 2025 and has calculated an
17 appropriate and allowable surcharge to customers in accordance with the tariff.

18
19 **Q. Why isn't the DSIC providing enough return to avoid the need to file this rate case**
20 **and request for additional recovery?**

21 A. The DSIC is currently capped at 5% of distribution revenues. National Fuel projects that
22 this cap will be met during the first calendar quarter of 2026. As such, the Company will
23 not be able to earn a return on incremental plant investments placed in-service after the

1 DSIC cap it exceeded. As discussed in the direct testimony of Mark C. Shaefer (National
2 Fuel Statement No. 9), the Company has seen a significant increase in the cost of Leak
3 Prone Pipe (“LPP”) replacements and filed an Amended Long-Term Infrastructure
4 Improvement Plan (“LTIPP”) in December 2025.

6 **2. Operating Cost Inflation**

7 **Q. Present and discuss the trends in the Company’s levels of operating expenses since**
8 **its last rate case in 2022.**

9 A. Like most businesses today, National Fuel has been impacted generally by the
10 inflationary pressures that continue to challenge our economy. Despite these challenges,
11 management has been successful in holding several categories of costs relatively steady
12 for the last three years, noting both increases and decreases in operating expenses, as
13 discussed in the Direct Testimony and exhibits of Company Witness Mr. Anthony
14 Formato (National Fuel Statement No. 3). When considering the net impact of operating
15 expenses since the last rate case, the biggest item impacting the increase in operating
16 expenses is net labor.

17
18 **Q. Why is net labor the biggest driver of the increase in operating expenses since the**
19 **last rate case in 2022?**

20 A. National Fuel’s net labor expenses have been impacted in two ways. First, the Company
21 continues to manage employee retention through competitive wages and benefits to
22 ensure that qualified and trained employees are not lost to other employers. The net labor
23 expenses are higher as a result of annual merit increases, forecasted variable pay

1 incentives and a small increase in headcount from the HTY ended September 30, 2025.
2 Second, net labor has increased due to the results of recent negotiations and ratification of
3 collective bargaining agreements impacting approximately half of National Fuel's
4 workforce. As discussed further in the Direct Testimony of Company witness Ms. Valerie
5 L. Hawthorn Wagner (National Fuel Statement No. 4), the resulting contract will include
6 an average increase of 13% to hourly labor rates in the FTY and an additional 3% in the
7 FPFTY. These changes, along with a persistently tight and competitive labor market,
8 have placed upward pressure on salaried and non-union employee wages.
9

10 **2. Weather Impacts on Usage**

11 **Q. How has customer usage changed since the Company's last rate case in 2022?**

12 A. The Company's residential and commercial usage has been significantly impacted by a
13 trend of warmer winters in the Company's service territory. As noted in Table 4 below,
14 the actual heating degree days reported by the National Oceanic and Atmospheric
15 Administration ("NOAA") for Erie, PA over the last four fiscal years have been warmer
16 than the normal heating degree days for the 15 years calculated from 2010 – 2024.
17 National Fuel used a 15-year heating degree day average during its last rate case in 2022.
18 The trend of warmer winters and extreme volatility in heating degree days from year to
19 year has had a significant impact on the Company's throughput and revenues.

TABLE 4 - NOAA HEATING DEGREE DAYS - ERIE, PA

TME	Heating Degree Days	Colder / (Warmer) than 2010-2024 Avg. ¹
2010-2024 Avg.	5,654	Normal ²
Sep 2022	5,318	(6%)
Sep 2023	5,537	(2%)
Sep 2024	4,816	(15%)
Sep 2025	5,585	(1%)
FPFTY ³	5,485	(3%)

⁽¹⁾ Percentages represent difference between actual experienced HDD vs. normal HDD based on a 15-year average.

⁽²⁾ Normal weather established based on 15-year average normal HDD from 2010-2024.

⁽³⁾ Twelve months ended July 31st, 2024. HDD are based on 10-year average (2015 - 2024).

1

2

3 **Q. How does the Company address the impact of warmer and volatile weather trends**
4 **on customer usage in this rate filing?**

5 A. The Company proposes taking two steps to consider and mitigate the adverse impact of
6 warmer weather trends on customer usage:

- 7 • First, the Company modified its volumetric forecasting approach to use a 10-year
8 average of heating degree days data published by NOAA as observed at the Erie,
9 Pennsylvania International Airport from 2015 to 2024. Prior to the last rate case,
10 the Company had used a 30-year average for forecasting purposes. However, as
11 recent winters have trended significantly warmer than normal, the Company
12 moved to a 15-year average of annual heating degree days in the last rate case in

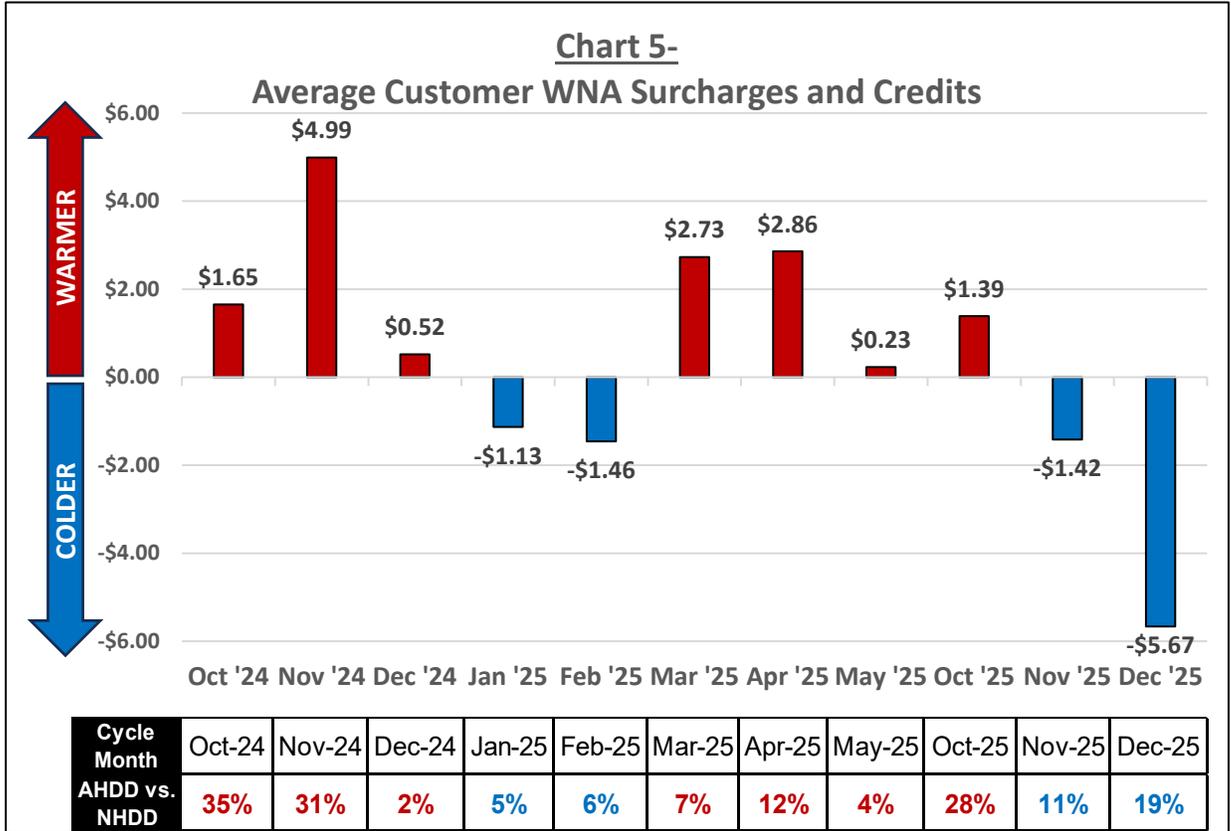
1 2022 and believes that further update to a 10-year average is more indicative of a
2 normal winter in the Company's service territory. This is consistent with
3 Columbia Gas of Pennsylvania's recent rate case (R-2025-3053499) where the
4 Commission adopted a 10-year HDD average for WNA purposes. Company
5 witness Cathryn E. Hilliard provides additional details in her direct testimony
6 (National Fuel Statement No. 13).

- 7 • Second, the Company is proposing to make the Weather Normalization
8 Adjustment ("WNA") mechanism permanent to help insulate the Company's
9 delivery revenues when actual weather is warmer than normal and protect
10 customers from higher bills when actual weather is colder than normal. Company
11 witness Mr. John D. Taylor will testify in his direct testimony (National Fuel
12 Statement No. 19) to the details of the Company's WNA mechanism, benefits to
13 ratepayers, and why the mechanism is fair and reasonable for the Company.

14
15 **Q. What has been the experience with the current pilot WNA mechanism implemented**
16 **in the last rate case?**

17 A. In the last rate case, a pilot WNA mechanism was approved that provides for a surcharge
18 or credit to customer bills, outside of a 3% deadband, from October to May to address
19 volatility in weather as discussed above. The pilot program has worked as designed since
20 implementation with no significant customer issues. The WNA is a symmetrical
21 mechanism, benefiting both the Company and customers. Chart 5 below shows historical
22 surcharges or credits on average per customer account from October 2024 through
23 December 2025, demonstrating that the WNA mechanism is working as intended to

1 reduce volatility for customers and provide predictability for the Company to earn
 2 authorized revenues without being impacted by weather factors outside the Company’s
 3 control.



5

6 Normal heating degree days (“NHDD”) are based on NOAA 2006-2020 set. Values
 7 shown represent the average for that month’s billing controls. Billed WNA is based on
 8 the degree days for the customer-specific billing periods.

9

10 **MANAGEMENT EFFECTIVENESS AND PERFORMANCE**

11 **Q. Why is the Company’s record on management effectiveness and performance**
 12 **relevant to this rate filing?**

1 A. As I will demonstrate in my testimony to follow, National Fuel continues to have an
2 exceptional record on management effectiveness and performance that provides
3 significant value to our customers in the provision of safe, reliable, and affordable natural
4 gas utility service, and supports why the Company’s proposed rate increase is just and
5 reasonable.

6
7 **Q. Identify the key areas where National Fuel’s management effectiveness and
8 performance record excels and provides added value for customers.**

9 A. I will discuss the following key areas related to National Fuel’s management
10 effectiveness and performance:

- 11 • Safety Culture
- 12 • Quality Customer Service
- 13 • Information Technology and Cybersecurity
- 14 • Affordability and Operational Efficiencies
- 15 • Universal Services and Customer Payment Assistance
- 16 • Community Engagement and Impact on Local Economies

17 NFG’s 2024 Corporate Responsibility report provides additional data and disclosure
18 related to the topics identified above. The report is publicly available on National Fuel’s
19 website at <https://www.nationalfuel.com/corporate/our-guiding-principles/>

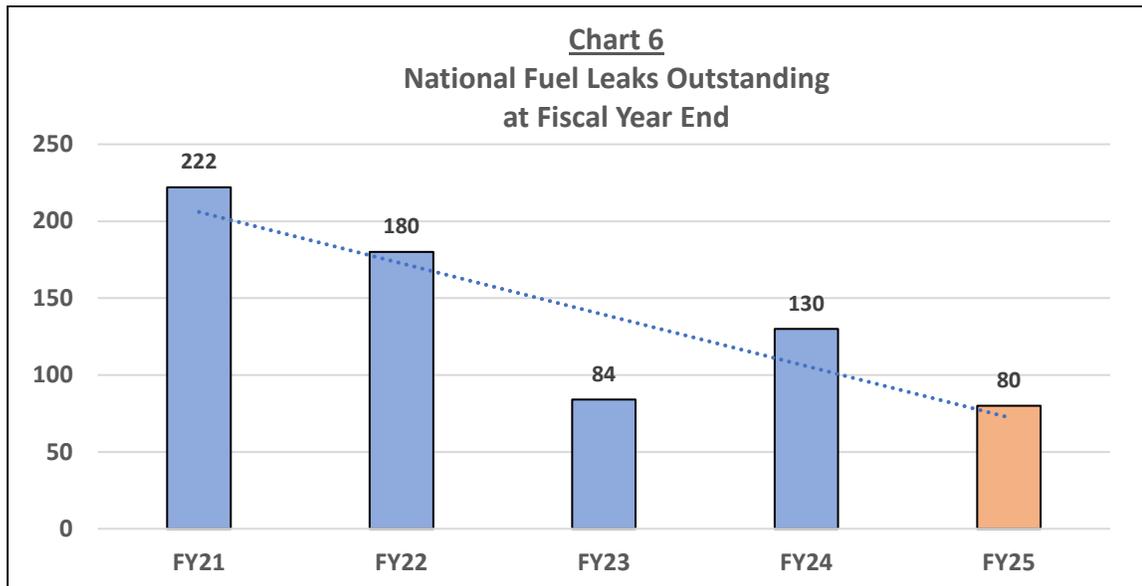
20
21 **Q. Discuss the initiatives and performance related to National Fuel’s Safety Culture.**

22 A. National Fuel’s highest priority is safety. We value all of our customers, employees,
23 contractors and communities, and work diligently to establish a culture of safety that is

1 embraced throughout the entire organization. To that end, National Fuel has a long-
2 standing culture of safety that encourages continuous improvement of our safety
3 performance, with demonstrated success in the following areas:

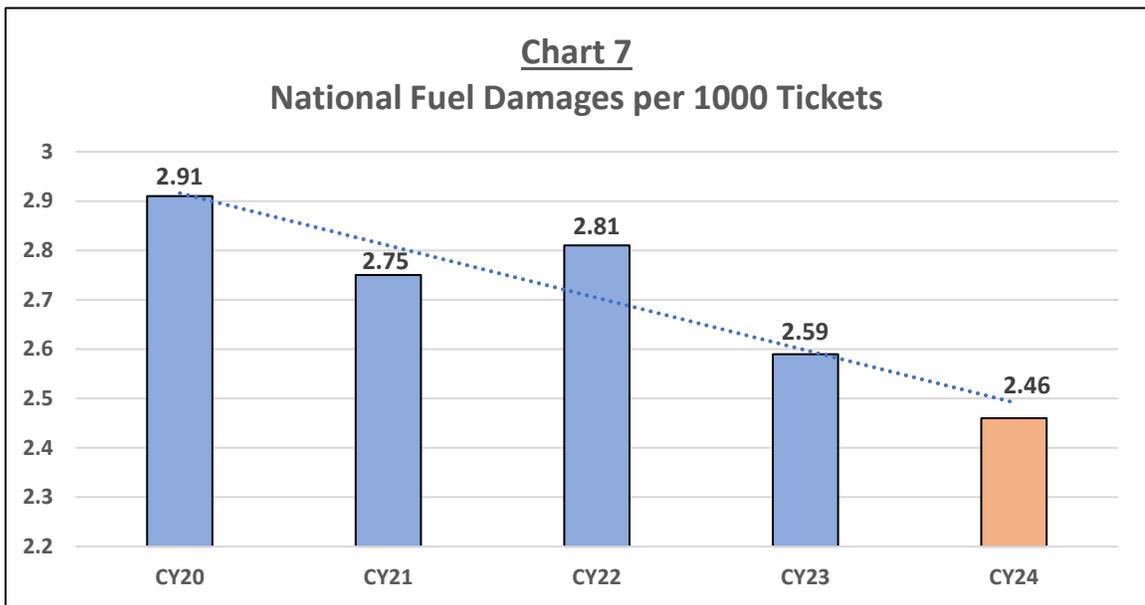
4
5 **Gas System Integrity:** As noted previously in my testimony, the Company has
6 accelerated its pipeline replacement program so that all remaining bare steel and
7 wrought-iron mains and transmission lines will be removed by 2039.

8
9 The Company continues to be focused on finding and repairing leaks on its
10 system. The number of outstanding leaks at year end and the number of leaks discovered
11 during the year continues to trend lower. As shown in Chart 6 below, the number of leaks
12 outstanding at the end of FY25 was reduced by more than 50% over the last 5 years.
13 Leaks outstanding have been reduced by more than 80% over the last 10 years.



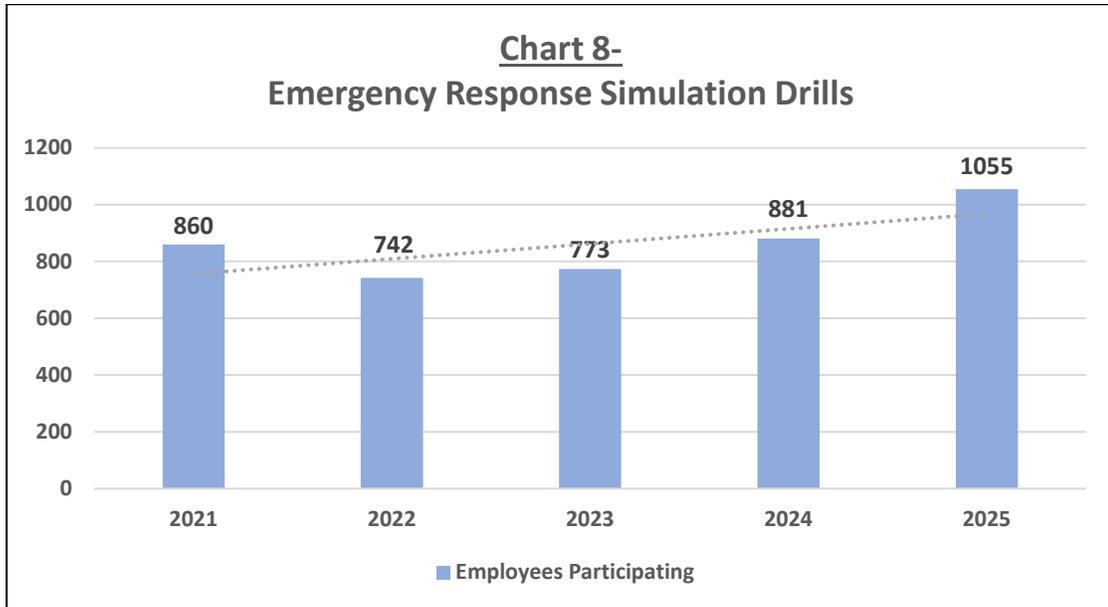
14
15 Damage prevention continues to be a top priority for National Fuel. The Company
16 dedicates significant resources to educate and train contractors, customers, and the public

1 on the importance of damage prevention and safe excavation practices and ensure that the
2 Company's facilities are properly marked before excavation begins. The Company
3 utilizes pipeline safety mailers, social media, billboards, television, and radio advertising
4 to spread awareness on damage prevention which continues to yield exceptional results.
5 As shown in Chart 7 below, the Company's damages continue to trend lower and as of
6 the end of calendar year 2024, the Company experienced a 28% decrease in excavation
7 damages over the last five years.
8

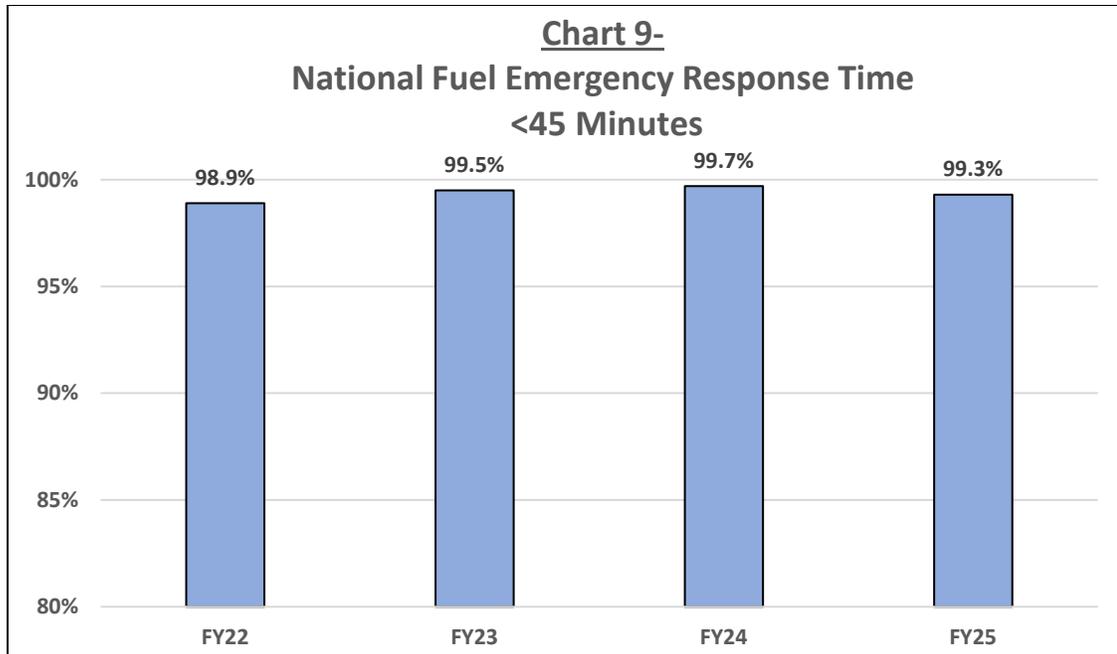


9
10 **Customer Safety:** National Fuel continues to educate and build awareness with its
11 customers, so they know what to do if they smell gas in their homes. We also work with
12 local first responders to provide appropriate gas emergency training. In calendar year
13 2025, the Company held more than 25 meetings with over 900 participants including
14 local emergency responders. Additionally, the Company held 60 emergency response
15 simulation drills with more than 1,000 participants. As shown in Chart 8 below, this is an

1 increase of more than 20% over five years, which demonstrates the Company’s continued
2 commitment to safety.



3
4
5 When emergencies occur, the Company places a high priority on having a rapid
6 response and conducting a thorough investigation once we arrive onsite. As shown in
7 Chart 9 below, the Company’s average emergency response time is less than 45 minutes
8 more than 99% of the time, which is exceptional given the rural nature of National Fuel’s
9 service territory.



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Employee Safety: Safety programs and management practices ensure that a safety culture is prioritized throughout the Company. National Fuel continues to enhance and expand upon long standing safety training and education initiatives. The Company’s safety focus has yielded tremendous results. In 2025, NFG’s consolidated operations reported the lowest Occupational Safety and Health Administration ‘Days Away, Restricted or Transferred’ Rate in its history. In addition, the Company has successfully implemented a Safety Improvement Team (“SIT”) whose primary job is to proactively identify potential areas of continuous safety improvement. Through the efforts of the SIT, the Company holds Safety Days which are hands-on training days that bring Operations employees together to reinforce our commitment to safety. These sessions focus on essential safety topics such as personal protective equipment, emergency response procedures, damage prevention, trenching and shoring practices, and overall hazard awareness. The SIT has also facilitated increased involvement in safety leadership

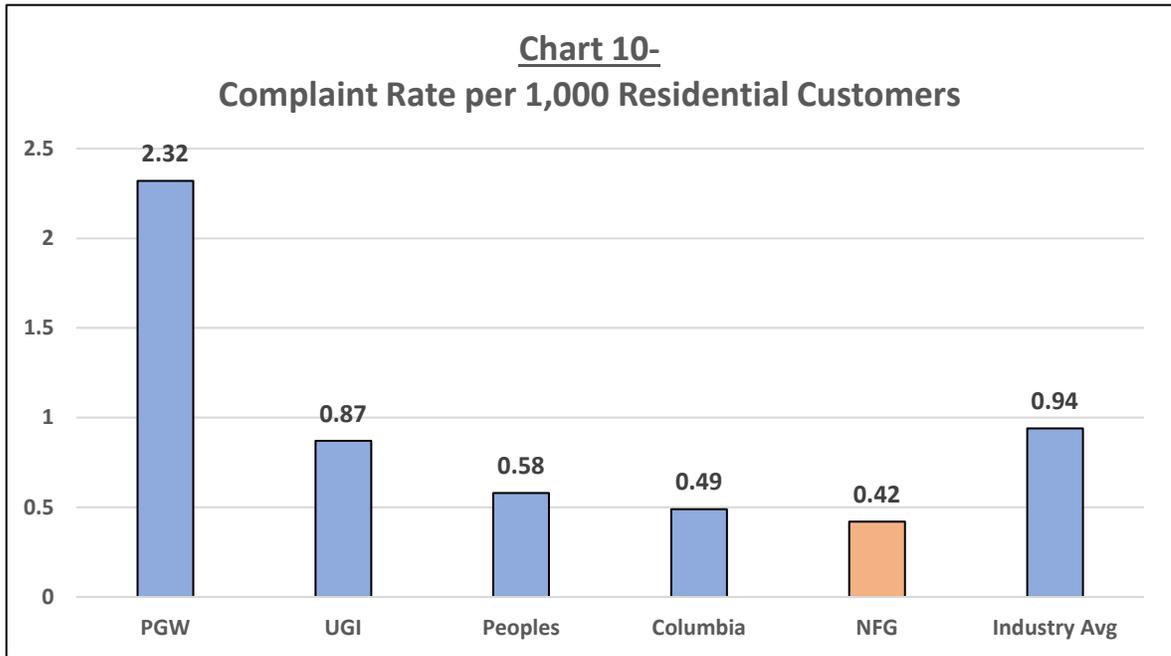
1 meetings to include all levels within the organization, including hourly employees. This
2 has led to a meaningful enhancement of safety culture throughout the Company and
3 quality recommendations for continuous improvement.

4
5 Company witness Mr. Jason Scouten’s direct testimony (National Fuel Statement No. 16)
6 provides additional detail on National Fuel’s safety culture and our efforts to
7 continuously improve our safety performance across the Company.

8
9 **Q. Discuss the initiatives and management’s performance related to National Fuel’s**
10 **Quality Customer Service.**

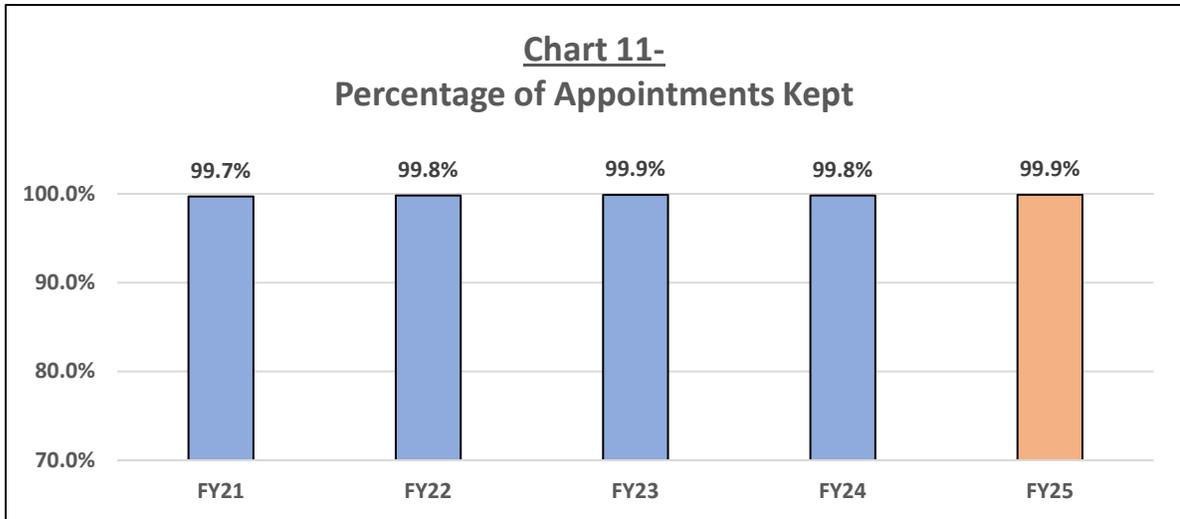
11 A. National Fuel strives to deliver the quality service that our customers expect and deserve.
12 As a result of this customer-driven approach, National Fuel continues to achieve high
13 levels of customer satisfaction. We rate consistently with our natural gas utility peers in
14 Pennsylvania but at significantly lower cost, as discussed further in my testimony below.
15 Information published in the Commission’s 2024 Customer Service Performance Report
16 and Evaluation (the “Report”) in December 2025 supports the quality of National Fuel’s
17 customer service. In the Report, National Fuel scored at or above the Pennsylvania state
18 average for natural gas distribution companies in many of the report’s satisfaction survey
19 categories, including lowest in call abandonment, satisfaction with representative’s
20 handling of the contact and ease of reaching the Company, and second only to one other
21 utility in answering customer calls within 30 seconds. This is particularly impressive
22 since the Company does not employ an automated voice system to handle customer calls.
23 The Report also highlights National Fuel’s low complaint rate compared to our peers. As

1 shown in Chart 10 below, National Fuel’s Residential Consumer Complaint Rate per
2 1,000 residential customers is the lowest among companies rated and is significantly
3 better than the industry average:
4



6

7 The Company also demonstrates strong customer service by acknowledging that
8 customers’ time and schedules are important. As shown in Chart 11 below, the Company
9 has consistently maintained over 99% of appointments kept for the last five years. This
10 strong performance is attributed, in part, to improved appointment windows for
11 customers of four-hour time frames instead of eight hours, continued evaluation of
12 improved customer communication channels and effective management of our workforce
13 in a manner that ensures appointments are kept.



1

2 **Q. Discuss the initiatives and management’s performance related to National Fuel’s**
 3 **Information Technology and Cybersecurity.**

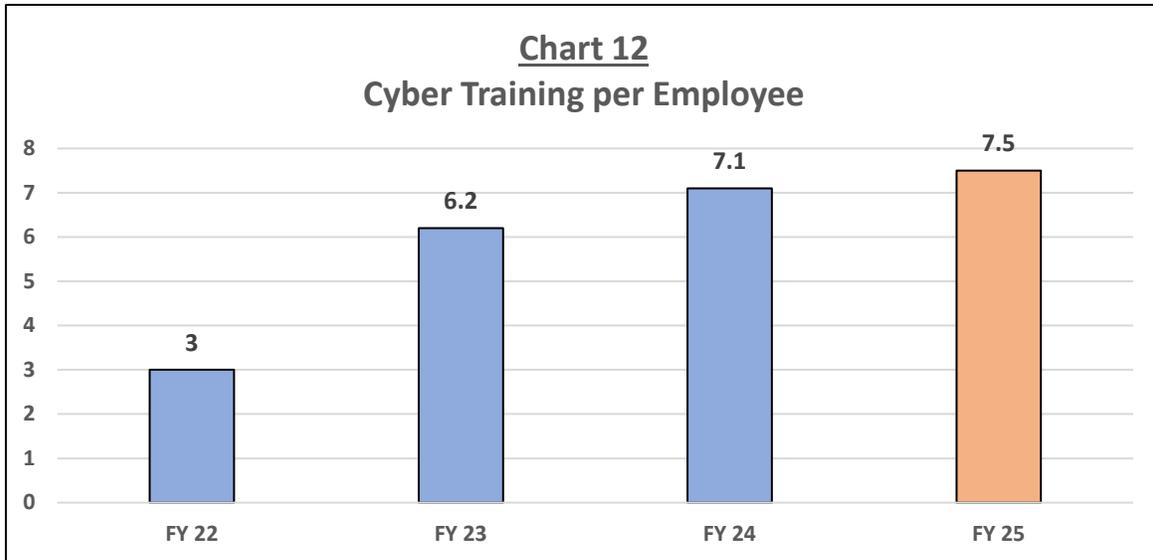
4 A. Strong information security is critical to the Company’s success and impacts our ability
 5 to provide safe and reliable service and protect customer data. National Fuel has made
 6 significant enhancements to continue to strengthen the Company’s cybersecurity posture.
 7 These include, among other things, increasing the number of applications with single
 8 sign-on (“SSO”) capabilities, increasing the nature and frequency of cyber trainings for
 9 employees, aggressively managing our patch management practices for applications and
 10 actively addressing system vulnerabilities, and improved response times for Security
 11 Information and Event Management (“SIEM”) alerts. I will discuss each of these in detail
 12 below. The metrics provided are on a company-wide basis based on the nature of the
 13 Information Technology department and how cybersecurity is managed.

14

15 National Fuel has significantly expanded its use of SSO applications since 2022,
 16 increasing the total number to 85% of enterprise applications in calendar year 2025. This

1 growth reflects a strategic shift toward stronger security, streamlined access, and
2 improved user experience across the organization. Aside from access to applications, the
3 Company has also improved the way employees access the Company's network through
4 enhancements to multi-factor authentication and facial recognition capabilities. Another
5 important area of cybersecurity that the Company has seen strong performance and
6 results is in our management of system vulnerabilities and SIEM alerts. Compared to the
7 rest of the natural gas industry, National Fuel has notably fewer vulnerabilities. In a
8 recent review completed by the Transportation Security Administration of cybersecurity
9 practices at the top 100 gas companies throughout the country, National Fuel Gas
10 Company ranked among the top 10%. In 2025 the Company put a Command Center in
11 place to further enhance both physical and cyber security monitoring and response. The
12 Command Center is designed to reinforce efforts already in place to provide safe and
13 reliable service and protect customer data.

14
15 All cybersecurity practices are enhanced or supported by regular training of employees.
16 Management has shown excellent progress in increasing the frequency of trainings that
17 employees take and ensuring that employees hear from information technology leaders
18 during live training sessions and company-wide meetings. Trainings have evolved in the
19 last five years to include quarterly training and phishing tests with remedial training as
20 necessary, approximately eight targeted educational awareness sessions per year on a
21 variety of topics, and focused engagement during Cyber Security Awareness month. As
22 shown in Chart 12 below, employee training and engagement related to cybersecurity has
23 more than doubled in the last four years.



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2

3 **Q. Discuss the initiatives and management’s performance related to National Fuel’s**
 4 **Affordability and Operational Efficiencies.**

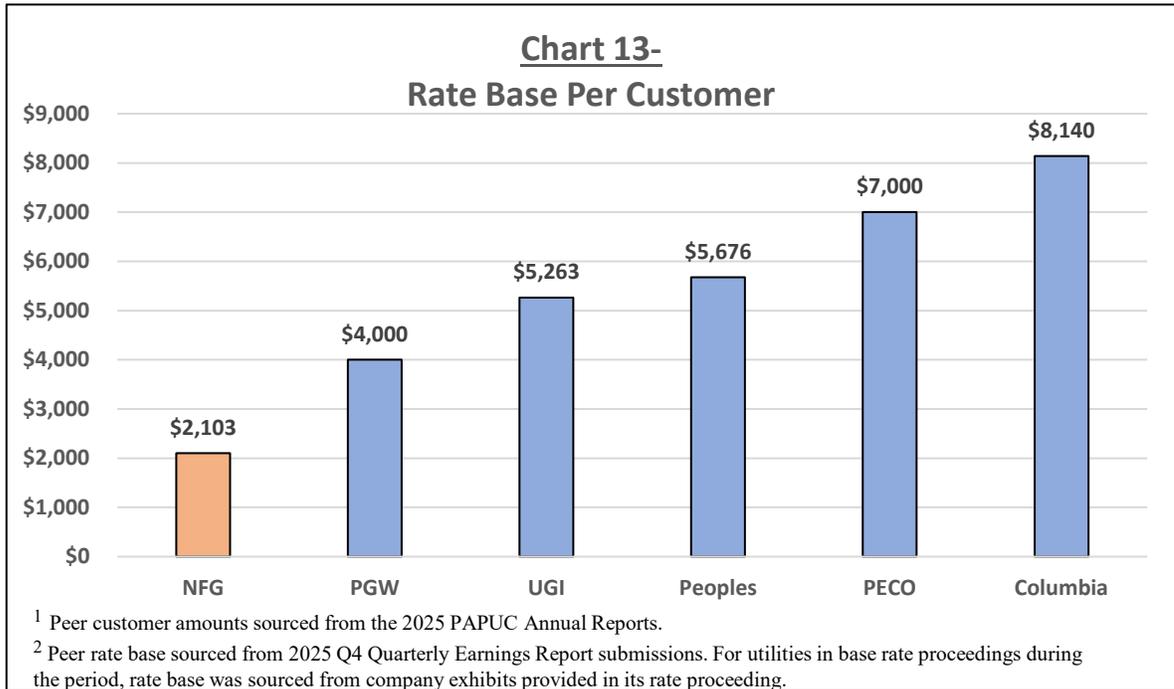
5 A. As I presented earlier in my testimony, National Fuel currently has the lowest total bills
 6 and delivery rates in the Commonwealth amongst large natural gas utilities. National
 7 Fuel’s customers have benefited from consistently low delivery rates for more than a
 8 decade while benefiting from access to the competitively priced natural gas supplies
 9 produced in Pennsylvania. Even with the proposed rate increase, the Company anticipates
 10 that it will continue to lead its Pennsylvania natural gas peers in affordability.

11

12 National Fuel’s focus on cost control, productivity, and ability to optimize
 13 operational efficiencies is a major driver of the Company’s ability to keep its delivery
 14 rates low. As Company witness Ms. Valerie Hawthorn Wagner presents in her direct
 15 testimony (National Fuel Statement No. 4), the Company is able to efficiently utilize

1 shared back-office departments, such as Accounting and Finance, Human Resources,
2 Purchasing and Procurement, and Engineering, with employees that provide services and
3 spread costs across multiple affiliated companies. The Company can also deploy and
4 utilize field employees more efficiently, leveraging its overlapping operational footprint
5 with NFG Supply to share resources to meet day-to-day needs of maintaining our
6 infrastructure and serving our customers.

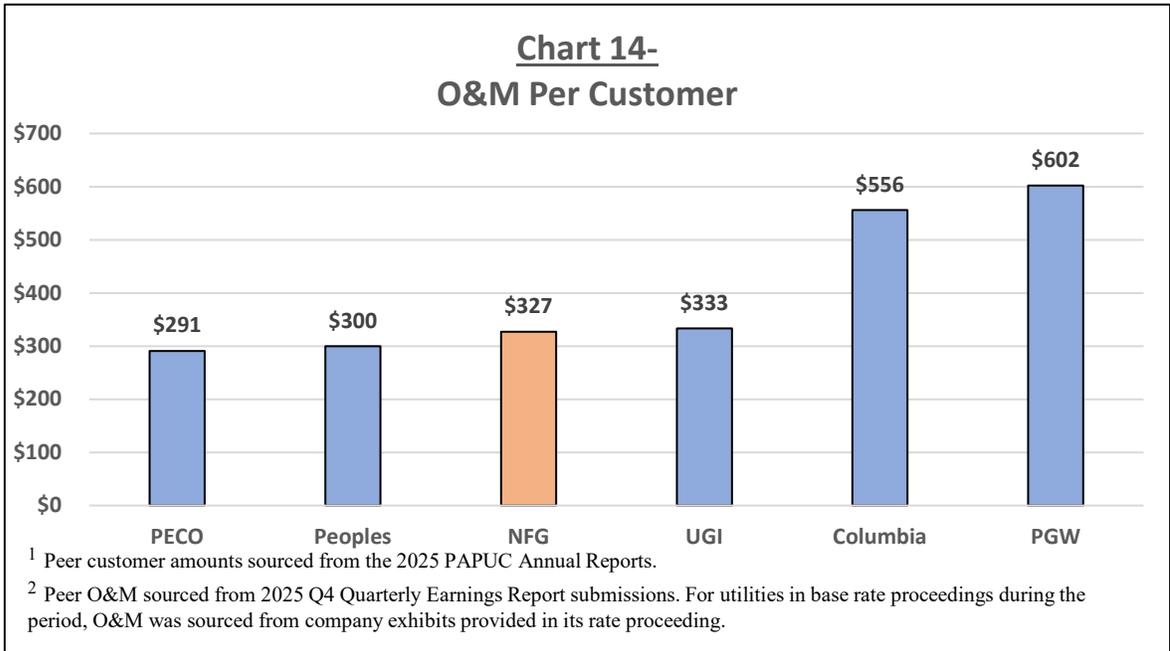
7 As a result of the synergies created by NFG’s integrated structure, the Company is
8 able to operate the business at a much lower cost than if it was a standalone utility. As
9 demonstrated in Chart 14 below, National Fuel has the lowest rate base per customer in
10 the Commonwealth.



12
13 National Fuel also ranks favorably among its gas utility peers in Pennsylvania for O&M
14 expense per customer as shown in Chart 15 below. National Fuel falls in line with

1 PECO, Peoples and UGI, but, importantly, has significantly fewer customers than each of
2 those utilities. Many O&M expenses are fixed and would benefit from economies of scale
3 if National Fuel served more customers, which would further lower our O&M expenses
4 per customer.

5



6

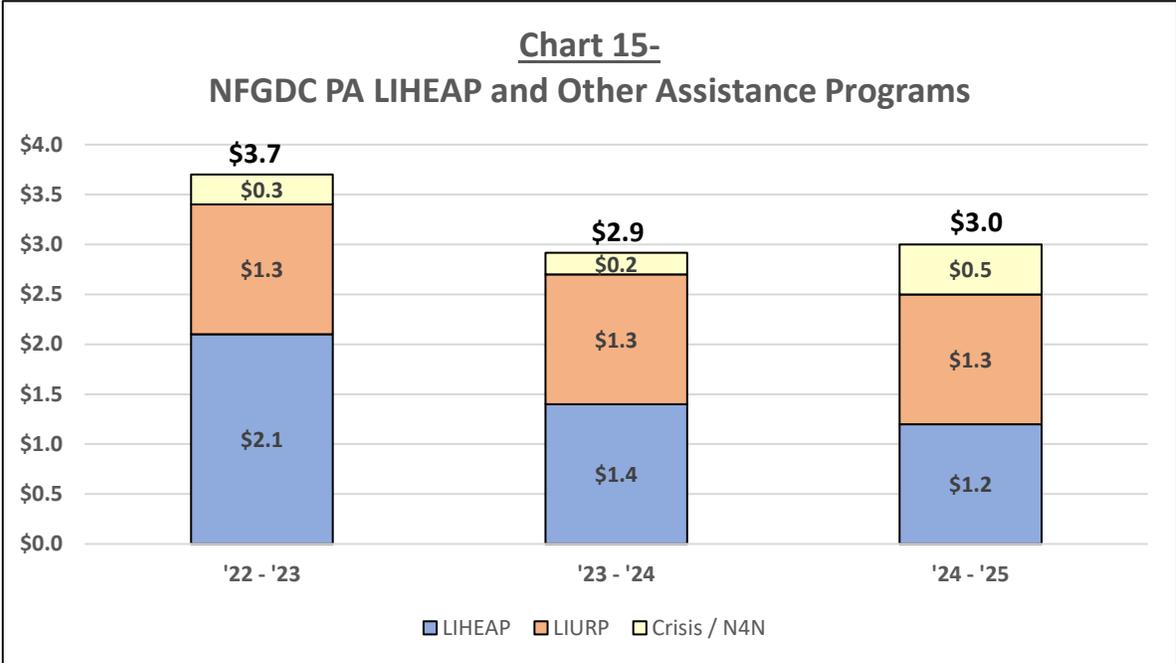
7

8 **Q. Discuss the initiatives and management’s performance related to National Fuel’s**

9 **Customer Assistance Programs.**

10 A. National Fuel continues to be attentive to meeting the needs of its low-income customers
11 through its customer assistance programs. In 2024, National Fuel voluntarily converted
12 its legacy low income discount based program (Low Income Residential Assistance
13 Program) to the current Customer Assistance Program (CAP) to better meet the needs of
14 customers. Additionally, National Fuel successfully petitioned the Commission to

1 approve a modification to the existing Low Income Usage Reduction Program (LIURP)
 2 through the Low Consumption-LIURP (LC-LIURP) pilot program to expand eligibility to
 3 customers based on 200% of Federal Poverty Income Guidelines and lowered
 4 consumption thresholds from 1300 ccf to 900 ccf. In his direct testimony (National Fuel
 5 Statement No. 17), Company witness Mr. Matthew W. Stoops Jr. further explains the
 6 Company’s CAP, LIURP, Neighbor for Neighbor program, as well as the Company’s
 7 diligent efforts to connect its low-income and payment troubled customers with all
 8 available forms of assistance (e.g., LIHEAP). Lastly, Company witness Courtney T.
 9 Mann (National Fuel Statement No. 14) provides an overview of the Company’s proposal
 10 for Rider I that would reinstate that refund of OPEB funds (also discussed above) and
 11 proposes a one-time bill credit of \$30 totaling \$1.025 million to CAP, Level 1 and Level
 12 2 customers. Chart 16 below shows the Company’s consistent efforts in meeting the
 13 needs of low-income customers.



14

1 **Q. Discuss the initiatives and management’s performance related to National Fuel’s**
2 **Community Engagement and Impact on Local Economies.**

3 A. In 2025, NFG, the National Fuel Gas Company Foundation (“Foundation”), and our
4 employees supported the communities where we live and work by donating more than
5 \$1.7 million. The Foundation’s Employee Charitable Giving program aligns a large
6 portion of National Fuel’s charitable support with the wishes and generosity of our
7 employees. Through this gift program, the Foundation matches employee donations
8 dollar-for-dollar up to \$750 a year to employee-chosen nonprofits. In addition, the
9 Company’s “Faces of Fuel” volunteer program provides opportunities for employees to
10 volunteer and participate in philanthropic efforts in our local communities. In 2025,
11 employees donated more than 4,000 hours by participating in volunteer events.

12 In addition to philanthropic endeavors, National Fuel, and NFG as a whole
13 continue to have a significant impact on the local economies of the communities we
14 serve. We contribute to the regional economy through employee wages, payments to
15 local vendors, taxes, royalties and capital investment.

16 National Fuel remains committed to hiring and developing qualified individuals
17 who can enhance and contribute to the diversity of our workforce and reflect the
18 communities that we serve. In support of this effort, over the last two years the Company
19 has provided several trainings related to mitigating bias, harassment and discrimination,
20 and customer respect. The Company also collaborates with colleges and universities in its
21 Pennsylvania service territory for diverse candidate referrals and works alongside and
22 supports organizations that promote diversity. These include, but are not limited to,

1 Booker T. Washington Center, Multicultural Community Resource Center, Charter
2 School of Excellence, Erie VA Medical Center, and Veterans Leadership Program.

3
4 **Q. How does the Company propose that its exceptional management effectiveness and
5 performance record be considered in this rate filing.**

6 A. As my testimony demonstrates above, National Fuel is a leader and sets the bar in many
7 of the areas and metrics that indicate exceptional management effectiveness and
8 performance. National Fuel's management effectiveness and performance provides
9 significant value to its customers and the communities we serve, namely through the
10 provision of safe and reliable natural gas service with quality customer care at the most
11 affordable rates in the Commonwealth. As a result, the Company is requesting in this rate
12 filing that an additional 25 basis points be included in the recommended rate of return on
13 common equity to reflect the value of National Fuel's management effectiveness and
14 performance record. Mr. Joshua C. Nowak, the Company's rate of return expert, includes
15 and provides further discussion on the 25-basis point adjustment in his direct testimony
16 (National Fuel Statement No. 10).

17
18 **INTRODUCTION OF COMPANY WITNESSES**

19 **Q. Please identify and introduce the other witnesses providing direct testimony on
20 behalf of National Fuel in this proceeding and the subject matter of their testimony.**

21 A. In addition to my testimony, the following witnesses are providing testimony in support
22 of the Company's rate request:
23

1 **Donald N. Koch** (National Fuel Statement No. 2) is a Lead Rate Analyst in National
2 Fuel's Rates and Regulatory Affairs department. Mr. Koch will present the Company's
3 revenue requirement model supporting the Company's proposed rate increase (National
4 Fuel Exhibit A (Fully Projected)). Mr. Koch also sponsors the revenue requirement
5 models for the HTY and FTY periods.

6
7 **Anthony T. Formato** (National Fuel Statement No. 3) is a Director of Finance at
8 National Fuel. Mr. Formato will provide testimony related to the O&M expense
9 projections included in the Company's proposed revenue requirement, with the exception
10 of employee benefits. Mr. Formato will explain in his testimony the inflationary
11 pressures that the Company has experienced with labor and other operating costs, which
12 is expected to persist through the FPFTY. Mr. Formato will also explain the Company's
13 O&M and capital budgeting processes.

14
15 **Valerie L. Hawthorn Wagner** (National Fuel Statement No. 4) is the Managing Director
16 of Human Resources for National Fuel. Ms. Hawthorn's testimony will discuss National
17 Fuel's staffing and compensation programs, including ongoing programs designed to
18 address employee recruitment and retention challenges, and to remain competitive with
19 the current job market. Ms. Hawthorn will note that these initiatives, which are critical to
20 maintain a safe system and quality customer service, have and are projected to result in
21 higher labor costs for the Company.

1 **Michael P. Weidner** (National Fuel Statement No. 5) is the Senior Director of Human
2 Resources for National Fuel. Mr. Weidner’s testimony will discuss the nature and costs
3 of the Company’s employee benefits package, including costs relating to retirement and
4 medical benefits anticipated in the FPFTY.

5
6 **Monika M. Duszenko** (National Fuel Statement No. 6) is a Rate Analyst II in National
7 Fuel’s Rates and Regulatory Affairs department. Ms. Duszenko’s testimony will discuss
8 and sponsor the schedules supporting the Company’s projected net plant balances and
9 rate base for the HTY, FTY, and FPFTY. Ms. Duszenko will also support the
10 Company’s cash working capital requirement included in rate base employing a lead-lag
11 study on the Company’s revenues and expenses.

12
13 **Michael Maggioli** (National Fuel Statement No. 7) is a Lead Accountant in National
14 Fuel’s Accounting department. Mr. Maggioli’s testimony will discuss the Company’s
15 accounting process and sponsor exhibits and requirements that support the financial
16 results for the HTY.

17
18 **John J. Spanos** (National Fuel Statement No. 8) is President of the firm of Gannett
19 Fleming Valuation and Rate Consultants, LLC (“Gannett Fleming”). Mr. Spanos
20 developed and supports National Fuel’s claim for annual depreciation expense, the
21 accumulated depreciation reserve, and the recovery of negative net salvage. His studies
22 are presented in National Fuel Exhibit C (HTY), National Fuel Exhibit C (FTY), and
23 National Fuel Exhibit C (FPFTY).

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Mark C. Schaefer (National Fuel Statement No. 9) is a Senior Director in National Fuel’s Engineering department. Mr. Schaefer’s testimony supports the Company’s capital budget and the projected capital additions to utility plant during the FTY and FPFTY periods. Mr. Schaefer will discuss the Company’s LPP Systematic Replacement Program and plans to accelerate its replacement activities over the next 5 years. Finally, Mr. Schaefer will outline the Company’s efforts to reduce leaks across the system, which has resulted in gas safety and environmental benefits.

Josh Nowak (National Fuel Statement No. 10) is a Vice President with Concentric Energy Advisors. Mr. Nowak presents expert testimony supporting the Company’s claimed capital structure, cost of common equity and overall rate of return, as well as supplementing Mr. Welch’s testimony on cost of debt in National Fuel Statement No. 11. Schedules and workpapers supporting Mr. Nowak’s findings are presented in National Fuel Exhibit B (Rate of Return).

James C. Welch (National Fuel Statement No. 11) is a Vice President in National Fuel’s Finance department. Mr. Welch’s testimony discusses the Company’s approach to financing, reviews the financial information provided to Mr. Nowak that supports the Company’s claimed capital structure, and presents information that supports the Company’s claimed cost of debt.

1 **Erica L. Forcucci** (National Fuel Statement No. 12) is the Managing Director of
2 National Fuel’s Tax department. Ms. Forcucci’s testimony supports the Company’s
3 claims for federal and state income tax expense and the accumulated deferred income
4 taxes included as an offset to rate base in the HTY, FTY and FPFTY periods. Ms.
5 Forcucci’s testimony also explains the tax adjustments included in the aforementioned
6 periods.

7
8 **Cathryn E. Hilliard** (National Fuel Statement No. 13) is a Lead Utility Analyst in
9 National Fuel’s Rates and Regulatory Affairs department. Ms. Hilliard’s testimony
10 discusses the Company’s volumetric demand forecasting process and provides schedules
11 that support the Company’s customer count and retail and transportation throughput
12 forecast for the FTY and FPFTY periods.

13
14 **Courtney T. Mann** (National Fuel Statement No. 14) is a Rate Analyst in National
15 Fuel’s Rates and Regulatory Affairs department. Ms. Mann’s testimony and exhibits
16 support the development of the revenue forecast at current and proposed rates for the
17 FTY and FPFTY periods, as well as the normalized revenues at current and proposed
18 rates for the HTY period. Ms. Mann’s testimony also addresses the Company’s proposed
19 rate design.

20
21 **Wanya’ D. Bruce** (National Fuel Statement No. 15) is a Rate Analyst in the Company’s
22 Rates and Regulatory Affairs department. Mr. Bruce’s testimony explains and supports
23 significant revisions to the Company’s tariff.

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Jason Scouten (National Fuel Statement No. 16) is the Superintendent of National Fuel’s Pennsylvania Operations department. Mr. Scouten’s testimony will provide an overview of National Fuel’s natural gas distribution system in Pennsylvania, discuss the Company’s operations and construction activities, and support the Company’s numerous programs and initiatives aimed at promoting and enhancing customer and employee safety, damage prevention, emergency response, leak management and service reliability.

Matthew W. Stoops Jr. (National Fuel Statement No. 17) is a Senior Manager in National Fuel’s Consumer Business department. Mr. Stoops’ testimony will discuss the Company’s customer assistance activities and initiatives, including those related to Universal Services Programs.

Erik M. Solomon (National Fuel Statement No. 18) is the Senior Director of National Fuel’s Energy Services department. Mr. Solomon’s testimony supports the Company’s proposals to implement the EE pilot program. Mr. Solomon will also discuss the Company’s competitive position, including by-pass threats, and the Company’s research, development and demonstration activities.

John D. Taylor (National Fuel Statement No. 19) is the Managing Partner of Atrium Economics LLC. Mr. Taylor’s testimony supports the development and provides the results of the cost of service study that allocates the Company’s gas distribution costs to

1 its rate classes. Additionally, Mr. Taylor’s testimony supports the Company’s proposal to
2 convert the WNA pilot to a permanent mechanism.

3
4 **Daniel C. Czechowicz** (National Fuel Statement No. 20) is a Director in the Gas Supply
5 Administration department. Mr. Czechowicz’s testimony supports proposed changes to
6 the Company’s transportation programs.

7

8 **Q. Does this conclude your direct testimony at this time?**

9 A. Yes.

NATIONAL FUEL STATEMENT NO. 2

DONALD N. KOCH

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Docket No. R-2025-3059428

**National Fuel Gas Distribution Corporation
Pennsylvania Division**

Statement No. 2

**Direct Testimony of
Donald N. Koch**

**Topics Addressed: Revenue Requirement
 Operating Revenues and Expenses**

Dated: January 28, 2026

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Donald N. Koch. My business address is 6363 Main Street, Williamsville,
4 NY 14221.

5
6 **Q. By whom and in what capacity are you employed?**

7 A. I am employed by National Fuel Gas Distribution Corporation (“NFGDC”) as a Lead
8 Rate Analyst in the Rates and Regulatory Affairs department. NFGDC is comprised of a
9 Pennsylvania Division (“National Fuel” or “Company”) and a New York Division
10 (“National Fuel – NY”).

11
12 **Q. Please provide your educational background.**

13 A. I received a Bachelor of Science degree in Business Administration from SUNY Geneseo
14 in May 2004. I received a Master of Business Administration degree with a
15 specialization in Accounting/Finance from St. Bonaventure University in December
16 2009.

17
18 **Q. Please provide your professional experience.**

19 A. Prior to joining NFGDC, I worked in banking for 11 years at M&T Bank specializing in
20 various compliance and financial roles. In June 2015, I was hired by the Company as a
21 Rate Analyst II in the Rates and Regulatory Affairs department. In February 2020, I was
22 promoted to the position of Rate Analyst III. In February 2023, I was promoted to my
23 current position of Lead Rate Analyst.

1 **Q. Have you previously testified in other proceedings before the Pennsylvania Public**
2 **Utility Commission (“PAPUC” or the “Commission”) or any other state or federal**
3 **agency?**

4 A. Yes, I have testified before this Commission on behalf of NFGDC in numerous Section
5 1307(f) Purchased Gas Cost (“PGC”) proceedings. I testified in the Company’s last base
6 rate case proceeding (Docket No. R-2022-3035730). I also have testified in the Other
7 Post Employment Benefit (“OPEB”) refund case (Docket No. R-2021-3027406), the
8 Distribution System Improvement Charge Petition (“DSIC”) (Docket No. P-2022-
9 3034957), and the Joint Application for acquisition of North East Heat & Light Company
10 (“NEHL Acquisition”) (Docket No. A -2025-3057864). I have testified before the New
11 York State Public Service Commission (“NYPSC”) on behalf of National Fuel – NY in a
12 base rate case proceeding (Docket 16-G-0257). My testimony in that case before the
13 NYPSC covered net plant and rate base.

14
15 **II. PURPOSE OF TESTIMONY**

16 **Q. Please describe the purpose of your testimony.**

17 A. The purpose of my testimony is to present the Company’s proposed revenue requirement
18 based on the twelve months (ending October 31, 2027) of operating costs and revenues,
19 as adjusted. First, I provide an overview of the Company’s primary accounting exhibits
20 for the historic test year ended September 30, 2025 (“HTY”), the future test year ending
21 September 30, 2026 (“FTY”), and the fully projected future test year ending October 31,

1 2027 (“FPFTY”). Second, I describe the Company’s ratemaking presentation for the
2 FPFTY and certain *pro forma* adjustments.

3
4 **Q. Are you sponsoring any exhibits or filing requirements in this proceeding?**

5 A. I am sponsoring National Fuel Exhibit A (FPFTY), National Fuel Exhibit A (FTY), and
6 National Fuel Exhibit A (HTY). National Fuel Exhibit A is further supported by
7 additional Company witnesses, which include:

- 8 • Anthony T. Formato (National Fuel Statement No. 3), addressing operating and
9 maintenance (“O&M”) expenses;
- 10 • Monika M. Duszenko (National Fuel Statement No. 6), addressing the Company’s
11 rate base;
- 12 • Joshua C. Nowak (National Fuel Statement No. 10), addressing fair rate of return;
- 13 • Erica L. Forcucci (National Fuel Statement No. 12), addressing taxes; and
14 • Courtney T. Mann (National Fuel Statement No. 14), addressing operating
15 revenues.

16
17 **III. OVERVIEW OF PRIMARY ACCOUNTING EXHIBIT**

18 **Q. Please describe the primary accounting exhibits used to support National Fuel’s**
19 **claims in this proceeding.**

20 A. National Fuel Exhibit A (FPFTY) demonstrates the Company’s revenue requirement for
21 the FPFTY ending October 31, 2027. National Fuel Exhibit A includes primary
22 accounting exhibits, rate base claims, O&M expenses, taxes and *pro forma* adjustments.
23 National Fuel Exhibit A (FTY) provides the same information for the FTY ending
24 September 30, 2026. National Fuel Exhibit A (HTY) provides the per book information

1 for the HTY ending September 30, 2025, with ratemaking and certain *pro forma*
2 adjustments.

3
4 **Q. Please further describe the primary accounting exhibits used to support National**
5 **Fuel’s claims in this proceeding.**

6 A. National Fuel Exhibit A for all test periods is separated into several sections. Section A
7 provides the income statement, or measure of value at present rates and at proposed rates,
8 which includes the proposed revenue requirement. Section B includes basic accounting
9 exhibits, rate of return, and cost of debt exhibits. Section C includes exhibits that provide
10 net plant in service, rate base, and various exhibits utilized by the Company in its lead lag
11 study. Section D details *pro forma* revenue and expense adjustments, including rate
12 making tax calculations. National Fuel Exhibit A is intended to aid in compliance with
13 all Commission filing requirement regulations.

14
15 **Q. How was the data sourced for the National Fuel Exhibit A primary accounting**
16 **exhibits?**

17 A. The HTY per book data was sourced from the books and records of the Company.
18 Annualizations or ratemaking adjustments were then applied to the per book data. For
19 the projected periods of the FTY and FPFTY, Company witnesses prepared various
20 analyses and projections based upon Company budgets, ratemaking adjustments, and
21 other Company specific practices. Please refer to the Index of Direct Testimony for a
22 listing of specific Company witnesses and areas of expertise covered. Descriptions and
23 further detail can be found in the direct testimony of each witness.

1 **IV. REVENUE REQUIREMENT FOR THE FPFTY**

2 **Q. How was the revenue requirement for the FPFTY established?**

3 A. ____ The summary level revenue requirement is presented on Schedule A-1, column 4 within
4 National Fuel Exhibit A (FPFTY). Lines 1 – 9 summarize total rate base. Lines 10 – 19
5 summarize operating revenues. Finally, lines 21 – 28 present the requested revenue
6 increase.

7
8 **Q. What is the overall requested revenue increase?**

9 A. Revenue requirement is the total allowable revenues – the sum of current revenues and
10 the increase. The overall requested revenue increase is \$19.7 million. This amount
11 represents a 14.1% increase to delivery revenues and a 7.4% increase to total revenues.

12
13 **Q. How were revenues at present rates determined?**

14 A. Please refer to the Direct Testimony of Courtney T. Mann, National Fuel Statement No.
15 14 for a discussion of revenue forecast and calculations. Revenue calculations were
16 prepared by or under the supervision of Ms. Mann.

17
18 **Q. Please describe the O&M expense claims presented.**

19 A. O&M expense projections were prepared by or under the supervision of Anthony
20 Formato. Please refer to the direct testimony of Anthony Formato, National Fuel
21 Statement No. 3 for a discussion of O&M expense projections and calculations.

1 **Q. Does the Company budget O&M expense by Federal Energy Regulatory**
2 **Commission (“FERC”) account?**

3 A. No. The Company does not budget O&M expenses by FERC account. The Company’s
4 O&M expenses are presented by budget item, or cost element.

5
6 **Q. Did the Company present O&M expense by FERC account in National Fuel**
7 **Exhibit A?**

8 A. Yes. The Company presented O&M expense in National Fuel Exhibit A by FERC
9 account for all three test periods. The Company used historic data as a basis for
10 allocation to FERC accounts for the FTY and FPFTY periods by developing a percentage
11 of each FERC account contained in each cost element. That percentage was then applied
12 to the projected amount for each cost element to derive a FERC account balance.

13
14 **Q. How were the Company’s rate base items determined?**

15 A. Please refer to the Direct Testimony of Monika M. Duszenko, National Fuel Statement
16 No. 6, for a complete discussion on rate base projections and calculations. Rate base
17 projections were prepared by or under the supervision of Ms. Duszenko.

18
19 **Q. Please summarize the adjustments shown in Schedule D of National Fuel Exhibit A.**

20 A. Schedule D of National Fuel Exhibit A consists of the following schedules:

- 21 • Schedule D-1: Summary of Revenues and Expenses with proposed revenue
22 increase;
- 23 • Schedule D-2: Summary of Pro Forma Revenues and Expenses with proposed
24 revenue increase;

- 1 • Schedule D-3: Summary of Pro Forma Adjustments;
- 2 • Schedule D-4: N/A to FPFTY;
- 3 • Schedule D-5: Revenue Summary;
- 4 • Schedule D-6: Rate Case Expense;
- 5 • Schedule D-7: Uncollectible Expense;
- 6 • Schedule D-8: Depreciation Expense;
- 7 • Schedule D-9: OTAX Summary;
- 8 • Schedule D-10: Payroll Tax Adjustment;
- 9 • Schedule D-11: Income Tax Calculation;
- 10 • Schedule D-12: Tax Depreciation;
- 11 • Schedule D-13: Gross Revenue Conversion Factor; and
- 12 • Schedule D-14: Regulatory Asset/Liability 3 Year Amortization Adjustment.

13

14 **Q. Please summarize the amortization adjustments on Schedule D-14.**

15 A. Schedule D-14 contains two regulatory deferral accounts that the Company is proposing
16 to amortize over three years. The first is an amortization of a regulatory liability account
17 relating to Medicare subsidy in the amount of \$921,648, or the three-year amount of
18 \$307,216. Please refer to the Direct Testimony of Erica L Forcucci, National Fuel
19 Statement No. 12, for more details. The second adjustment is an amortization of a
20 regulatory asset account of the Tax Cuts and Jobs Act (“TCJA”) surcredit in the amount
21 of \$242,147, or the three-year amount of \$80,716. The Company over-refunded the
22 TCJA surcredit to customers and has this regulatory asset remaining on its books.

1 **Q. Have any of the potential impacts relating to the potential acquisition of NEHL been**
2 **reflected in National Fuel Exhibit A (FPFTY)?**

3 A. No. Due to the pending status of the proposed acquisition and the de minimis impact, no
4 adjustments have been made to National Fuel Exhibit A (FPFTY) for any potential
5 NEHL impacts at this time. Please refer to the Direct Testimony of Rebecca E. Hillery,
6 National Fuel Statement No. 1, for a more in-depth discussion of the potential NEHL
7 Acquisition.

8

9 **Q. Does this conclude your direct testimony at this time?**

10 A. Yes.

NATIONAL FUEL STATEMENT NO. 3

ANTHONY T. FORMATO

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Docket No. R-2025-3059428

**National Fuel Gas Distribution Corporation
Pennsylvania Division**

Statement No. 3

Direct Testimony of Anthony T. Formato

Topics Addressed: O&M Expense & Budget Process (Capital & O&M)

Dated: January 28, 2026

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Anthony T. Formato. My business address is 6363 Main Street,
4 Williamsville, NY 14221.

5
6 **Q. By whom and in what capacity are you employed?**

7 A. I am employed by National Fuel Gas Distribution Corporation (“NFGDC”) as a Director
8 of Finance. NFGDC is a wholly owned subsidiary of National Fuel Gas Company
9 (“NFG”).

10
11 **Q. Please provide your educational background.**

12 A. I received an undergraduate degree in Finance and Business Management from Canisius
13 University in 2008. Additionally, I received a Master of Business Administration degree
14 from the University at Buffalo in 2013.

15
16 **Q. Please provide your professional experience.**

17 A. I started my professional career with NFGDC in 2008 in the Finance department as a
18 member of the Cash Management team, which provides the day-to-day treasury functions
19 for NFG. From 2012-2013, I worked in the Internal Audit department as a Staff Auditor
20 where I was responsible for controls testing as well as operational audits. I then moved
21 over to become an Office Manager in Operations in 2014 at our Mineral Springs service
22 center in Buffalo, NY, where I was responsible for the New York dispatch function, off-
23 hours emergency calls & the New York Operations clerical staff. In 2017, I moved back

1 to the Finance department as an analyst and have held various positions within Finance
2 since 2017, including my present role as a Finance Director with responsibility for the
3 O&M and Capital Budgets as well as the Accounts Payable function.

4
5 **Q. Have you previously testified in other proceedings before the Pennsylvania Public**
6 **Utility Commission (“PAPUC” or the “Commission”) or any other state or federal**
7 **agency?**

8 A. Yes, I have previously testified before the PAPUC in Docket No. R-2022-3035730 and
9 the New York Public Service Commission (Case 23-G-0627).

10
11 **II. PURPOSE OF TESTIMONY**

12 **Q. Please describe the purpose of your testimony.**

13 A. I am providing testimony to support the revenue requirement proposed by NFGDC’s
14 Pennsylvania Division (“National Fuel” or the “Company”) in this proceeding. My
15 testimony is specific to operations and maintenance (“O&M”) expense, with the
16 exception of employee benefits, which are covered in the Direct Testimony of Michael
17 Weidner (National Fuel Statement No. 5). Additionally, I will explain the Company’s
18 current O&M and capital budgeting process and detail the adjustments made to O&M
19 expense for the historic test year ended September 30, 2025 (“HTY”), future test year
20 ending September 30, 2026 (“FTY”), and the fully projected future test year ending
21 October 31, 2027 (“FPFTY”).

1 **Q. Are you sponsoring any exhibits or filing requirements in this proceeding?**

2 A. I am sponsoring National Fuel Exhibits ATF-1 through ATF-4, as well as a series of
3 Regulation Filing Requirements and standard data requests.

4

5 **III. BUDGET PROCESS**

6 **Q. Please explain National Fuel’s O&M budget process.**

7 A. O&M Budgets are prepared based on the Company’s fiscal year (“FY”) of October 1st
8 through September 30th using a zero-based budgeting approach. Each department
9 reviews its business needs for the upcoming year across each of the major budget items
10 (cost elements) to determine exact needs. These budgets are developed in the spring,
11 presented to the senior management team in the summer, and then finalized before the
12 start of the next FY in October. Between the budget presentations and the start of the FY,
13 senior management and department staff hold subsequent discussions to review new
14 initiatives and spending trends. The senior management team then communicates any
15 requested modifications to the proposed budgets, such that departments can make any
16 necessary revisions and finalize their budget in advance of the start of the FY. Once the
17 FY begins, monthly review of budget to actuals is performed. On a quarterly basis,
18 departments are required to submit any expected known and measurable changes to the
19 budgeted amounts for the remainder of the fiscal year.

20

21 **Q. How is the budget information used in the requested revenue increase?**

22 A. The actuals from the HTY (FY 2025) were the starting point for the O&M forecast used
23 for both the FTY and the FPFTY. The approved Company budget for FY 2026 was used

1 as a reference for known and measurable adjustments that were made for the FTY and
2 FPPTY figures.

3
4 **Q. Please explain National Fuel's Capital budget process.**

5 A. Each May, the Finance department solicits updated 5-year capital projections from
6 department managers across the organization, such as Engineering, Operations,
7 Information Technology ("IT"), Land, Fleet Management, and Corrosion. Spending is
8 budgeted and tracked by Federal Energy Regulatory Commission ("FERC") plant
9 account and activity type. Allocations by plant account and activity type are guided by
10 regulatory requirements, system integrity and reliability, historical spending, expected
11 new business, public improvement projects and corporate objectives. The Finance
12 department aggregates this data and prepares an initial consolidated forecast that is
13 reviewed with Engineering, Operations and Finance senior management. Modifications
14 are made throughout the summer to the five-year forecast, and a preliminary one-year
15 capital budget is signed off on by the Company president before the start of the fiscal
16 year on October 1st. A final budget is then prepared, approximately one month later,
17 which incorporates any final modifications such as spill-over spending from the prior
18 fiscal year. On a monthly basis, actual additions are tracked relative to the approved
19 budget and reviewed with Engineering and Finance senior management.

20
21 **Q. How is the capital budget information used in this proceeding?**

22 A. The five-year capital forecast shown in ROR-014, is the basis for the Company's plant
23 additions used to calculate the FTY and FPPTY rate base values.

1 **IV. O&M METHODOLOGY & ADJUSTMENTS**

2 **A. Labor Expense**

3 **Q. Explain the methodology used to develop the labor forecast presented in National**
4 **Fuel Exhibit ATF-4.**

5 A. Schedule 1 of the exhibit presents a summary of the Company’s labor forecast, which is
6 made up of labor from the Company (detailed on Schedule 2), as well as borrowed labor
7 from affiliated companies, primarily NFGDC’s New York Division (“National Fuel –
8 NY”) and National Fuel Gas Supply Corporation. Affiliated labor details are found in
9 Schedule 3. The Company utilizes several shared services departments which charge
10 expenses to each NFG subsidiary in accordance with the Company’s accounting policies.
11 Procedures are in place to direct charge subsidiaries where appropriate and utilize a
12 Commission sanctioned allocation methodology to distribute shared common expenses to
13 each subsidiary. This shared service approach allows the Company to operate with a
14 lower overall headcount, thus reducing the cost burden to ratepayers. For each
15 component of Company labor, current wages were annualized to normalize the HTY
16 amount. In the case of union employees, contractual increases for the FTY and FPFTY
17 were used. Refer to National Fuel Statement No. 4 (the Direct Testimony of Valerie L.
18 Hawthorn Wagner) for further details on the union contracts. For supervisory and
19 executive employees, a 4.75% annual increase was utilized, while a 4% annual increase
20 was used for the Company’s “excluded” and non-union hourly positions. Additionally,
21 Ms. Hawthorn Wagner discusses one-time salary adjustments that were made in the
22 amounts of \$145,000 for salaried employees and \$526,000 for the Company’s non-union
23 hourly staff. These adjustments are effective in January 2026. These increases are

1 supported by the Direct Testimony of Valerie Hawthorn Wagner (National Fuel
2 Statement No. 4), which describes the Company's commitment to retaining and
3 rewarding existing employees in the current labor market. In addition to annual
4 increases, this figure is also designed to capture promotions which will occur throughout
5 the FTY & FPFTY. Non-executive labor from affiliated companies was normalized
6 using an average of the most recent nine months of FY25.

7
8 **Q. What is the O&M percentage used in National Fuel Exhibit ATF-4?**

9 A. An O&M percentage of 73.14% is used for the applicable Company labor on National
10 Fuel Exhibit ATF-4, Schedule 2 (PAD Labor). The O&M percentage represents the
11 amount of Company labor that stays with the home Company and is not charged out to an
12 affiliated subsidiary or capitalized. This percentage is a three-year average based on the
13 Company's most recent three fiscal years (FY 2023 through FY 2025). There is no O&M
14 percentage used on the labor forecast for the borrowed labor from National Fuel – NY or
15 the borrowed labor from other subsidiaries, as the starting point for these forecasts is
16 already a net O&M figure.

17
18 **Q. Is there incremental headcount assumed in the labor forecast for the FTY or
19 FPFTY?**

20 A. National Fuel Exhibit ATF-4, Schedule 5 lists the 23 new positions the Company plans to
21 onboard over the FTY and FPFTY time periods as well as the Company's share of the
22 labor expense for each role. There are no incremental positions assumed for the labor
23 borrowed from affiliated companies except for three incremental Information Technology

1 (“IT”) positions which are included in the FTY and FPFTY. The Company’s share of
2 these three positions is shown in the IT line rather than in Labor due to the way IT
3 expenses are recorded and then allocated to the various subsidiaries.

4
5 **Q. Are there any retirements included in the labor forecast for the FTY or FPFTY?**

6 A. As shown in RR-21, six retirements are forecasted. While it is assumed for the FTY and
7 FPFTY that all six of these positions are filled, a downward adjustment to labor is shown
8 in National Fuel Exhibit ATF-4, Schedule 2 to account for the fact that the replacements
9 will be hired at a lower starting salary.

10
11 **Q. How does the labor forecast address natural attrition and employment lag?**

12 A. The Company addresses this topic in RR-21 by utilizing a three-year average headcount
13 relative to budgeted headcount to calculate labor savings, which are then worked into the
14 labor exhibit (National Fuel Exhibit ATF-4, Schedule 2) as savings on the “Forecasted
15 Headcount Differential” line.

16
17 **Q. What is included in the “Payroll not subject to wage increases” line shown on
18 National Fuel Exhibit ATF-4, Schedule 2?**

19 A. This line item includes components of payroll such as shift differential, meter reader and
20 damage prevention incentives, tuition reimbursement, healthcare opt-outs, lump sum
21 payouts, and car allowances. The value for this line item was held constant from the
22 HTY for the FTY and FPFTY labor forecast.

1 **Q. What does the “Variable Pay” line shown on National Fuel Exhibit ATF-4,**
2 **Schedule 2 represent?**

3 A. This line item represents the net O&M portion applicable to the Company of the Annual
4 Cash Bonus Program referred to in the Direct Testimony of Valerie Hawthorn Wagner
5 (National Fuel Statement No. 4). It includes the net O&M portion for the Company’s
6 employees as well as the applicable borrowed amounts from National Fuel – NY and
7 other subsidiaries. The figure is based on 100% achievement and assumes wage growth
8 of 4.75%, consistent with the Company’s increase for salaried employees.

9

10 **B. Uncollectibles**

11 **Q. Please explain the Company’s write-off process.**

12 A. The Company will write off an account typically three months after the due date of the
13 final bill, which is generated once a customer’s account is terminated for non-payment
14 (collections). This represents a change from the Company’s prior cases as the duration
15 was shortened from twelve months to three months starting in January 2025. This change
16 was made to better align the timing between recovery of uncollectible expense from
17 customers and the actual write-offs themselves. The residential collection season runs
18 each year from April to November, during which time field service representatives
19 attempt to obtain payment or terminate service for non-payment. There is also a small
20 amount of non-collection related write-offs, for matters such as bankruptcies and
21 customer disputes that do not follow the 3-month cycle and are written off sooner.

1 **Q. Historically, what approach has been utilized to determine the Uncollectibles**
2 **Expense for a given year?**

3 A. Historically, the Company has used an annual average write-off factor from the prior
4 three years. This factor would be applied to the current year revenue forecast to arrive at
5 the estimated Uncollectible Expense for the year.

6

7 **Q. Please explain the methodology used to calculate the Uncollectibles Expense for the**
8 **FTY and the FPFTY.**

9 A. The Company has not been through a full year under the new shortened write-off
10 timeline. As shown in National Fuel ATF-2, Schedule 5, the Company is using a three-
11 year average write-off factor of write-offs from FY 2022 through FY 2024 compared to
12 gross revenue from FY 2021 through FY 2023. This dynamic of staggering the write-
13 offs to the revenue by one year is consistent with prior filings as it aligns with the prior
14 12-month write-off timeline. Per book write-offs and revenue for each of these time
15 periods were adjusted for the impact of the OPEB bill credits that were in-place during
16 these time periods which had the impact of lowering customer bills and subsequently
17 resulting in lower write-offs. Revenues were adjusted by the amounts of the bill credits
18 and per book write-offs were adjusted to simulate what write-offs would have been if the
19 bill credits were not in place. To do so, the OPEB bill impact was multiplied by 1.56%
20 which represents the Company's write-off factor in their prior rate proceeding. Finally, a
21 management adjustment of 0.02% was applied to the write-off factor to account for the
22 impact of higher projected write-offs as a result of increased customer bills. This
23 adjusted three-year average of 1.55% is then multiplied by forecasted revenue to arrive at

1 the uncollectible expense for the FTY & FPFTY. This figure is further reduced to back
2 out the three-year average of the Customer Assistance Program (“CAP”) arrearage
3 forgiveness portion. The 1.55% is consistent with the Company’s prior case which
4 utilized a 1.56% write-off factor.

5
6 **C. Other Adjustments**

7 **Q. Explain the methodology used to develop the Outside Services adjustment that is**
8 **shown in National Fuel Exhibit ATF-2, Schedule 1.**

9 A. The starting point for this line item was HTY actuals. The forecast for the FTY was
10 derived by adjusting out the amount of expense in the HTY associated with the CAP (as
11 shown on National Fuel Exhibit ATF-2, Schedule 11), which the Company has brought
12 in-house and is no longer using contracted labor for. Additional adjustments were made
13 to increase mowing and close interval survey costs to levels above HTY amounts due to
14 higher planned activity and to normalize restoration costs using a three-year average.

15
16 **Q. Explain the methodology used to develop the Office Employee Expense adjustment**
17 **that is shown in National Fuel Exhibit ATF-2, Schedule 2.**

18 A. Embedded in the HTY actuals, which were the starting point for this calculation, was
19 only one quarter’s worth of Oracle Database Management System and Exadata licensing.
20 As such, an adjustment was made to reflect a full year of the Company’s applicable share
21 of these costs. Additionally, the HTY amount was increased by 3.67%, which represents

1 the compound annual growth rate from FY 2023 to FY 2025 for this line item. This same
2 3.67% rate was also used to project the FPFTY expense.

3
4 **Q. Explain the methodology used to develop the Research & Development adjustment
5 that is shown in National Fuel Exhibit ATF-2, Schedule 3.**

6 A. The Company develops a new research and development plan each year. As such, an
7 adjustment was made as shown on the schedule to incorporate the full-year planned
8 activity for the FTY and an adjustment was made for the difference between the HTY
9 amount and the planned costs for the FTY. Further details on the Company's Research,
10 Development and Demonstration program are contained in National Fuel Statement
11 No. 18 (the Direct Testimony of Erik M. Solomon).

12
13 **Q. Explain the methodology used to develop the Other Expense adjustment that is
14 shown in National Fuel Exhibit ATF-2, Schedule 4.**

15 A. ___As shown in National Fuel Exhibit ATF-1, Schedule 1, the starting point for this line item
16 was the normalized HTY value of \$809,203. This value was then adjusted to incorporate
17 a three-year average (FY 2023 through FY 2025) of the Company's line hit collections.
18 This adjustment was made due to the variability that exists in receiving reimbursements
19 of line hit damages from external parties.

1 **Q. Explain the methodology used to develop the Injuries & Damages adjustment that is**
2 **shown in National Fuel Exhibit ATF-2, Schedule 6.**

3 A. Due to the unpredictable nature of the expense associated with injuries and damages, a
4 three-year average (FY 2023 through FY 2025) of actual expense was used to calculate
5 the FTY expense for this line item.

6
7 **Q. Explain the methodology used to develop the Postage adjustment that is shown in**
8 **National Fuel Exhibit ATF-2, Schedule 7 & ATF-3, Schedule 2.**

9 A. As shown in National Fuel Exhibit ATF-1, Schedule 1, the starting point for the FTY
10 postage expense is the normalized HTY amount. At the beginning of calendar year 2023,
11 the postage rate for a 1 oz. stamp was \$0.60. As of the end of calendar year 2025, the
12 same stamp is now \$0.78. This increase represents a 3-year compound annual growth
13 rate of 9.14%. The USPS continues to publicize continued future increases in postage
14 rates and as such the Company used the 9.14% historical trend to project the FTY postage
15 expense (ATF-2, Schedule 7) and FPFTY postage expense (ATF-3, Schedule 2).

16

17 **Q. Explain the Company's current IT program.**

18 A. ___The Company operates a centralized IT program that provides shared services across
19 subsidiaries, with capabilities spanning program and project management, application
20 development, infrastructure, end-user computing, quality assurance, service management
21 and access management under a defined organizational structure. The program's
22 priorities emphasize operational resilience, technology optimization, customer
23 experience/self-service, strategic growth and innovation. The program is anchored by

1 initiatives such as software-defined wide area network deployment, phone system
2 upgrades, Windows server lifecycle remediation and continued Enterprise Resource
3 Planning software transformation and collaboration platform rollouts, all managed
4 through a structured agile methodology.

5
6 **Q. Explain the methodology used to develop the IT adjustment that is shown in**
7 **National Fuel Exhibit ATF-2, Schedule 7 & ATF-3, Schedule 8 & ATF-3,**
8 **Schedule 3.**

9 A. The IT line represents the Company's share of internal IT labor/benefits and other
10 expenses incurred in the operation of the IT department including software, software
11 maintenance, database storage, hardware, consulting services and telecommunications.
12 IT charges are accumulated in clearing accounts and are distributed monthly to the
13 appropriate business unit. As such, the HTY value for this line item was adjusted for the
14 Company's share of projected higher expense in three main buckets:

15 1) New Applications/Incremental Licensing – includes costs associated with net new
16 products such as Perplexity and a Security Information and Event Management
17 (SEIM) solution as well as incremental licensing for data backup solutions and
18 Kloudgin (dispatch software). This will include incremental groups of employees
19 utilizing the dispatch technology as well as the rollout of the mobile platform.

20 2) 3 New Hires – Company's share of planned new hires in the IT department:

- 21 1. Application Architect
- 22 2. Senior Application Architect
- 23 3. Senior UX Designer

1 3) Annual wage increases for IT employees – consistent with the 4.75% annual
2 increase in the labor schedule for Salaried employees

3 The Company’s share of these three adjustments was added to the HTY value to arrive at
4 the FTY amount. As shown in National Fuel Exhibit ATF-3, Schedule 3, the same
5 annual labor increase (4.75%) shown above in number 3 was used as the basis for the
6 adjustment for the FPFTY.

7
8 **Q. Explain the Company’s current cybersecurity program including the newly created**
9 **security command center.**

10 A. NFG maintains a comprehensive Information Security Program aligned with the National
11 Institute of Standards and Technology’s Cybersecurity Framework and the
12 Transportation Security Administration Security Directive. This alignment ensures that
13 the program meets industry standards and regulatory requirements for critical
14 infrastructure protection. The program’s mission is to safeguard the confidentiality,
15 integrity, and availability of both IT and Operational Technology systems across the
16 organization. The cybersecurity program is built on a risk-based approach that utilizes
17 regular assessments to guide investment decisions and monitor the effectiveness of
18 controls. It employs a layered defense strategy that combines administrative, technical,
19 and physical safeguards to prevent unauthorized access and reduce exposure to cyber
20 threats. To ensure resilience, the program includes a robust incident response framework
21 supported by immutable backups, annual disaster recovery testing, and a business
22 continuity plan designed to include ransomware scenarios. In recent years, NFG has
23 strengthened its cybersecurity posture by enhancing the vulnerability management

1 program, deploying a data security platform to protect sensitive information across on-
2 premises, cloud, and software as a service environments, and formalizing third-party risk
3 governance throughout the vendor lifecycle. The Company also established a 24x7
4 command center for continuous monitoring, significantly improving detection and
5 response capabilities for both physical and cybersecurity threats, while also tracking
6 system uptime and availability to enable immediate action when issues arise.

7
8 **Q. Explain the methodology used to develop the Command Center/Cyber adjustment**
9 **that is shown in National Fuel Exhibit ATF-2, Schedule 9 & ATF-3, Schedule 4.**

10 A. This line item represents the Company's share of NFG's consolidated cybersecurity and
11 security command center. It is inclusive of both labor related costs as well as third-party
12 subscriptions and licenses. NFG began staffing for the security command center in the
13 HTY, so an adjustment was made to account for the Company's share of a full year of
14 labor and benefit expense. As this line also includes the Company's share of labor and
15 benefit expense associated with cybersecurity, an additional adjustment was made to
16 increase the HTY amount of labor and benefits by 4.75%, consistent with the Company's
17 annual increase for salaried employees. These two adjustments are shown on National
18 Fuel Exhibit ATF-2, Schedule 9 and are the basis for the FTY adjustment. The FPPTY
19 adjustment is shown on National Fuel Exhibit ATF-3, Schedule 4 and incorporates that
20 same 4.75% annual increase on the labor and benefit base established in the FTY for the
21 Company's share of cybersecurity and security command center personnel.

1 **Q. How are rate case expenses presented in the O&M exhibits?**

2 A. Projected total rate case O&M expense is shown in National Fuel Exhibit ATF-2,
3 Schedule 10. These costs are normalized over three years such that one-third of the
4 projected rate case expense is included in the O&M projection for the FTY and the
5 FPFTY. A three-year period was chosen as it aligns with the time between the
6 Company's prior case and this case.

7
8 **Q. Explain why vehicle depreciation costs were removed from the Transportation line**
9 **item.**

10 A. These costs are being excluded from O&M as they are being shown in this case as
11 depreciation expense. This cost represents the depreciation expense associated with the
12 Company's transportation and construction equipment.

13
14 **Q. Explain why CAP related costs were removed from O&M.**

15 A. As stated in the Direct Testimony of Donald Koch (National Fuel Statement No. 2), the
16 Company recovers CAP related costs through Rider F rather than as part of base rates.
17 As such, CAP related components were removed from O&M, the largest of which being
18 uncollectible expense, as shown in National Fuel Exhibit ATF-2, Schedule 11.

19
20 **Q. Explain the methodology used to develop the Advertising adjustment that is shown**
21 **in National Fuel Exhibit ATF-2, Schedule 12.**

1 A. An adjustment of \$26,000 was made to reflect program costs for the FTY that are
2 projected to be in excess of the HTY amounts. The same FTY total advertising amount
3 of \$787,275 was also used for the FPFTY.

4

5 **Q. Explain the remaining FTY and FPFTY adjustments shown in National Fuel**
6 **Exhibit ATF-1, Schedule 1.**

7 A. In addition to the specific adjustments mentioned in the above testimony, the compound
8 annual growth rate from FY 2023 to FY 2025 was applied to the following line items:

- 9 • Rents: 5.35%
- 10 • Transportation: 6.58%
- 11 • Regulatory Assessment: 14.08%
- 12 • Other Insurance: 9.83%
- 13 • UNICAP: 11.21%

14 For the Materials line item, the HTY amount was increased by 5.28% to arrive at the
15 FTY amount. The FTY amount was further increased by 5.28% for the FPFTY. The
16 5.28% represents the year over year change in this line item which is being impacted by
17 tariffs and inflationary pressures. Additionally, as mentioned in National Fuel Statement
18 No. 20 (the Direct Testimony of Daniel J. Czechowicz), the HTY utilities amount was
19 increased by \$45,000 for the FTY to account for additional telemetering expenses.
20 Finally, as mentioned in National Fuel Statement No. 18 (the Direct Testimony of Erik
21 M. Solomon), the Company is proposing to lower the Delta Fund allowance to \$300,000
22 for the FPFTY. This line item is shown as GTI on National Fuel Exhibit ATF-1,
23 Schedule 1.

1

2 **Q. Does this conclude your direct testimony at this time?**

3 **A. Yes.**

NATIONAL FUEL EXHIBIT ATF-1

O&M EXPENSE SUMMARY

Pennsylvania Distribution O&M Expense														
	Per Books	Normalize	Re-class	Re-class	Re-class	Re-class	Remove	Remove	Annualize	Normalized	Schedule	FTY	Schedule	FPFTY
	TME 9/30/25	Benefits	AAA	Other Exp. To OEE	Other Exp. To Potsage	Clearing to Cyber	Vehicle Depr.	CAP Costs	Labor	TME 9/30/25	Adj.	TME 9/30/26	Adj.	TME 10/31/27
Net Labor	34,569,322								529,856	35,099,178	2,798,508	37,897,686	2,694,369	40,592,056
Material	1,477,041									1,477,041	78,023	1,555,065	82,145	1,637,210
Rents	1,315,632									1,315,632	70,407	1,386,039	74,175	1,460,214
Transportation	3,874,753						(2,404,146)			1,470,607	96,775	1,567,382	103,144	1,670,525
Utilities	923,765							(143)		923,622	45,000	968,622		968,622
Outside Services	3,512,725							(95,755)		3,416,970	358,901	3,775,871		3,775,871
Gas Purchases	(2,380)									(2,380)		(2,380)		(2,380)
Equipment Purchases	967									967		967		967
Employee Benefits	6,497,279	1,588,661								8,085,939	719,988	8,805,928	691,720	9,497,648
Office - Employee Expenses	1,556,889			199,516					(2,849)	1,753,556	179,533	1,933,090	70,958	2,004,048
Advertising - Sales	761,275									761,275	26,000	787,275		787,275
Research/Development	39,697									39,697	136,523	176,220		176,220
Dues and Memberships	234,266									234,266		234,266		234,266
Other Expense	2,196,801			(199,516)	(1,188,082)					809,203	155,892	965,096		965,096
Revenue Income	(421,718)									(421,718)		(421,718)		(421,718)
Uncollectibles	4,619,000		(243,149)						(914,078)	3,461,774	(207,363)	3,254,411	111,940	3,366,351
Regulatory Assessment	954,163									954,163	134,349	1,088,512	153,266	1,241,778
Other Insurance	1,021,080									1,021,080	100,372	1,121,451	110,239	1,231,690
Injuries & Damages	128,826									128,826	51,009	179,835		179,835
UNICAP	(1,291,538)									(1,291,538)	(144,809)	(1,436,347)	(161,046)	(1,597,393)
Postage	40,067				1,188,082				(3,500)	1,224,649	111,924	1,336,573	122,153	1,458,726
Information Services	5,906,584									5,906,584	746,737	6,653,321	185,959	6,839,280
Clearing Budget Item	1,275,192									31,259		31,259		31,259
Cyber/Command Center	-									1,243,933	153,318	1,397,251	34,446	1,431,697
Messenger Expense	89,985									89,985		89,985		89,985
Environmental	52,546									52,546		52,546		52,546
Accounting Adj & Accr	1,674,317									-		-		-
LIURP										1,391,000		1,391,000		1,391,000
GTI										526,466		526,466	(226,466)	300,000
Rate Case Expense										-	343,952	343,952		343,952
	71,006,536	1,588,661	-	-	-	-	(2,404,146)	(1,016,325)	529,856	69,704,582	5,955,041	75,659,623	4,047,002	79,706,625

NATIONAL FUEL EXHIBIT ATF-2
O&M EXPENSE FTY ADJUSTMENTS

National Fuel Gas Pennsylvania Distribution
Before the Pennsylvania Public Utility Commission
Future Test Year - 12 Months Ended September 30, 2026
(\$ in Thousands)

Adjustment - Outside Services

		[1]	[2]
Line #	Description	Amount	Total
Adjustment #1 - Mowing			
1	Increased mowing activity		\$ 65
Adjustment #2 - Close Interval Surveys			
2	Increased close interval survey activity		189
Adjustment #3 - Restorations: Three-Year Average			
3	FY23	588	
4	FY24	605	
5	FY25	440	
6	Three-Year Average	<u>544</u>	
7	Adjustment to bring FTY to three-year average		105
Total Outside Services Adjustment			
9	Pro Forma Adjustment		<u>\$ 359</u>

National Fuel Gas Pennsylvania Distribution
Before the Pennsylvania Public Utility Commission
Future Test Year - 12 Months Ended September 30, 2026
(\$ in Thousands)

Adjustment - Office Employee Expenses

[1] [2]

Line #	Description	Amount	Total
Adjustment #1: Items in excess of TME 9/30/2025 - Consolidated Oracle DBMS & Exadata			
1	Full Year of Consolidated Oracle DBMS & Exadata licensing	\$ 622	
2	Less: TME 9/30/2025 Consolidated Oracle DBMS & Exadata licensing	<u>(155)</u>	
3	Subtotal of Increase	\$ 466	
4	PAD Portion of expense	<u>24.70%</u>	
5	Pro-Forma Adjustment #1		\$ 115
Adjustment #2: Inflation			
6	Normalized TME 9/30/25 Office Employee Expense	\$ 1,754	
7	CAGR	<u>3.67%</u>	
8	Pro-Forma Adjustment #3		<u>\$ 64</u>
Total OEE Adjustment			
9	Pro Forma Adjustment		<u><u>\$ 180</u></u>

National Fuel Gas Pennsylvania Distribution
Before the Pennsylvania Public Utility Commission
Future Test Year - 12 Months Ended September 30, 2026
(\$ in Thousands)

Adjustment - Research/Development

[1] [2]

Line #	Description	Amount	Total
Adjustment #1 - FTY Planned RD&D Projects			
1	Commercial	\$ 46	
2	Industrial	61	
3	Admin. Costs	47	
4	Operations	<u>23</u>	
5	Subtotal		\$ 176
6	Less: Normalized TME 9/30/25 Research/Development		\$ (40)
Total Research/Development Adjustment			
7	Pro Forma Adjustment		<u>\$ 137</u>

National Fuel Gas Pennsylvania Distribution
 Before the Pennsylvania Public Utility Commission
 Future Test Year - 12 Months Ended September 30, 2026
 (\$ in Thousands)

Adjustment - Other Expense

[1] [2]

Line #	Description	Amount	Total
<u>Line Hit Collections - 3 Year Average</u>			
1	FY23	\$ (232)	
2	FY24	(199)	
3	FY25	<u>(449)</u>	
4	3 Year Average	\$ (293)	
<u>Adjustment for FTY</u>			
5	HTY (FY25)	\$ (449)	
6	3 Year Average	<u>(293)</u>	
7	Pro Forma Adjustment		<u>\$ 156</u>

National Fuel Gas Pennsylvania Distribution
 Before the Pennsylvania Public Utility Commission
 Future Test Year - 12 Months Ended September 30, 2026
 (\$ in Thousands)

Adjustment - Injuries & Damages

[1] [2]

Line #	Description	Amount	Total
<u>Injuries & Damages- 3 Year Average</u>			
1	FY23	\$ 154	
2	FY24	257	
3	FY25	<u>129</u>	
4	3 Year Average	\$ 180	
<u>Adjustment for FTY</u>			
5	HTY (FY25)	\$ 129	
6	3 Year Average	<u>180</u>	
7	Pro Forma Adjustment		<u>\$ 51</u>

National Fuel Gas Pennsylvania Distribution
 Before the Pennsylvania Public Utility Commission
 Future Test Year - 12 Months Ended September 30, 2026
 (\$ in Thousands)

Adjustment - Postage

[1] [2]

Line #	Description	Amount	Total
<u>Historic Postage Rates - 1oz. Stamp</u>			
1	Jan 1, 2023	\$ 0.600	
2	Jan 22, 2023	\$ 0.630	
3	Jul 9, 2023	\$ 0.660	
4	Jan 21, 2024	\$ 0.680	
5	July 14, 2024	\$ 0.730	
6	July 13, 2025	\$ 0.780	
7	2023 to 2025 (3-year) CAGR	9%	
<u>Postage Adjustment</u>			
8	TME 9/30/25 Normalized Postage Expesnse	1,225	
9	3-year CAGR (from above)	9%	
10	FTY Adjustment		112

**National Fuel Gas Pennsylvania Distribution
Before the Pennsylvania Public Utility Commission
Future Test Year - 12 Months Ended September 30, 2026
(\$ in Thousands)**

Adjustment - Information Services

[1] [2]

Line #	Description	Amount	Total
Info Services Adjustment #1: Items in excess of TME 9/30/2025			
1	New applications	\$ 552	
2	Incremental software licensing	1,450	
3	Subtotal of Increases	<u>\$ 2,001</u>	
4	PAD Portion of IT expenses	<u>24.70%</u>	
5	Pro-Forma Adjustment #1		\$ 494
Info Services Adjustment #2: New Hires			
6	Incremental 3 positions	\$ 300	
7	PAD Portion of IT labor expenses	<u>24.96%</u>	
8	Pro-Forma Adjustment #2		\$ 75
Info Services Adjustment #3: Labor & Benefits Increase			
9	TME 9/30/25 PAD Information Services Labor & Benefits Expense	\$ 4,017	
10	TME 9/30/25 PAD IS - Incentive Compensation	<u>\$ (279)</u>	
11	Subtotal	<u>\$ 3,737</u>	
12	Supervisory Wage Increase	<u>4.75%</u>	
13	Pro-Forma Adjustment #3		<u>\$ 178</u>
Total Info Services Adjustment			
14	Pro Forma Adjustment		<u><u>\$ 747</u></u>

National Fuel Gas Pennsylvania Distribution
Before the Pennsylvania Public Utility Commission
Future Test Year - 12 Months Ended September 30, 2026
(\$ in Thousands)

Adjustment - Command Center/Cyber

[1] [2]

Line #	Description	Amount	Total
Cyber/Command Center Adjustment #1: Command Center Labor & Benefits			
1	TME 9/30/26 Projected Command Center Labor - fully staffed	\$ 1,006	
2	PAD Portion of Command Center expenses	<u>14.83%</u>	
3	PAD TME 9/30/26 Command Center Labor	\$ 149	
4	Less: PAD TME 9/30/25 Command Center Labor	<u>22</u>	
5	Pro-Forma Adjustment #1		<u>\$ 127</u>
Cyber/Command Center Adjustment #2: Cyber Labor & Benefits			
6	TME 9/30/25 PAD Cyber Labor & Benefits	\$ 595	
7	TME 9/30/25 PAD Cyber - Incentive Compensation	(45)	
8	Subtotal	<u>\$ 550</u>	
9	Supervisory Wage Increase	<u>4.75%</u>	
10	Pro-Forma Adjustment #2		<u>\$ 26</u>
Total Info Services Adjustment			
11	Pro Forma Adjustment		<u><u>\$ 153</u></u>

National Fuel Gas Pennsylvania Distribution
 Before the Pennsylvania Public Utility Commission
 Future Test Year - 12 Months Ended September 30, 2026
 (\$ in Thousands)

Adjustment - Rate Case Expense

[1] [2]

Line #	Description	Amount	Total
<u>Rate Case Expenditures</u>			
1	External Consultants	\$ 382	
2	External Legal	480	
3	Advertising / Other Misc. Costs	<u>170</u>	
4	Subtotal		\$ 1,032
<u>Total Expenditures for Rate Case Filing</u>			
5	Total Rate Case Expenses		\$ 1,032
6	Normalized over 3 years		<u>3</u>
7	Pro Forma Adjustment		<u>\$ 344</u>

National Fuel Gas Pennsylvania Distribution
 Before the Pennsylvania Public Utility Commission
 Future Test Year - 12 Months Ended September 30, 2026
 (\$ in Thousands)

Adjustment - CAP

Line #	Description	[1] Amount	[2] Total
Remove LIRA Program Costs in TME 9/30/25			
1	Uncollectible Expense	\$ 914	
2	Postage	4	
3	Office - Employee Expenses	3	
4	Outside Services	96	
5	Utilities	<u>0</u>	
6	Subtotal of Program Costs	\$ 1,016	
7	Program Costs to Remove		<u>\$ (1,016)</u>

**National Fuel Gas Pennsylvania Distribution
Before the Pennsylvania Public Utility Commission
Future Test Year - 12 Months Ended September 30, 2026
(\$ in Thousands)**

Adjustment - Advertising

[1]

[2]

Line #	Description	Amount	Total
Items in excess of HTY:			
1	Smell Gas Leave Fast Campaign	\$ 15	
2	Call Before You Dig	11	
Total Advertising Adjustment			
3	Pro Forma Adjustment		<u>\$ 26</u>

NATIONAL FUEL EXHIBIT ATF-3
O&M EXPENSE FPFTY ADJUSTMENTS

National Fuel Gas Pennsylvania Distribution
 Before the Pennsylvania Public Utility Commission
 FPFTY - 12 Months Ended November 30, 2027
 (\$ in Thousands)

Adjustment - Postage

[1] [2]

Line #	Description	Amount	Total
<u>Historic Postage Rates - 1oz. Stamp</u>			
1	Jan 1, 2023	\$ 0.600	
2	Jan 22, 2023	\$ 0.630	
3	Jul 9, 2023	\$ 0.660	
4	Jan 21, 2024	\$ 0.680	
5	July 14, 2024	\$ 0.730	
6	July 13, 2025	\$ 0.780	
7	2023 to 2025 CAGR		9%
<u>Postage Adjustment</u>			
8	FTY Postage Expense	1,337	
9	3 year CAGR (from above)	9%	
10	FTY Adjustment		122

**National Fuel Gas Pennsylvania Distribution
 Before the Pennsylvania Public Utility Commission
 FPPTY - 12 Months Ended November 30, 2027
 (\$ in Thousands)**

Adjustment - Information Services

[1] [2]

Line #	Description	Amount	Total
Info Services Adjustment #1: Labor & Benefits Increase			
1	TME 9/30/26 PAD Information Services Labor & Benefits Expense	\$ 3,915	
2	Supervisory Wage Increase	<u>4.75%</u>	
3	Pro-Forma Adjustment #1		\$ 186

National Fuel Gas Pennsylvania Distribution
 Before the Pennsylvania Public Utility Commission
 FPPTY - 12 Months Ended November 30, 2027
 (\$ in Thousands)

Adjustment - Cyber/Command Center

[1] [2]

Line #	Description	Amount	Total
Info Services Adjustment #1: Labor & Benefits Increase			
1	TME 9/30/26 PAD Cyber & Command Center Labor & Benefits Expense	\$ 725	
2	Supervisory Wage Increase	<u>4.75%</u>	
3	Pro-Forma Adjustment #1		\$ 34

NATIONAL FUEL EXHIBIT ATF-4
O&M EXPENSE - LABOR ADJUSTMENTS

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operation and Maintenance Adjustments to Labor
 Twelve Months Ended 9/30/25 & TME 9/30/26

	Per Book TME 9/30/25	Adjustment	Normalized HTY TME 9/30/25	Adjustment	Normalized FTY 9/30/26
Pennsylvania Division Labor	\$27,125,240	\$525,075	\$27,650,314	\$2,398,815	\$30,049,129
New York Division Labor	5,375,527	13,226	5,388,752	315,318	5,704,070
Other Subsidiaries Labor	2,068,556	(8,445)	2,060,111	84,376	2,144,487
Total Labor	<u>\$34,569,322</u>	<u>\$529,856</u>	<u>\$35,099,178</u>	<u>\$2,798,508</u>	<u>\$37,897,686</u>
Percentage Change					
Pennsylvania Division Labor		1.94%		8.68%	
New York Division Labor		0.25%		5.85%	
Other Subsidiaries Labor		-0.41%		4.10%	

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operation and Maintenance Adjustments to Labor
 For the Link Month Oct 2026 and Twelve Motnhs Ending Oct '27

	Normalized FTY 9/30/26	Adjustment	Link Month TME Oct '26	Adjustment	Rate Year Nov '26 - Oct '27
Pennsylvania Division Labor	\$30,049,129	\$249,458	\$30,298,587	\$2,038,244	\$32,336,831
New York Division Labor	5,704,070	18,592	5,722,663	259,007	5,981,670
Other Subsidiaries Labor	2,144,487	10,801	2,155,288	118,267	2,273,555
Total Labor	<u>\$37,897,686</u>	<u>\$278,851</u>	<u>\$38,176,537</u>	<u>\$2,415,518</u>	<u>\$40,592,056</u>
Percentage Change					
Pennsylvania Division Labor		0.83%		6.73%	
New York Division Labor		0.33%		4.53%	
Other Subsidiaries Labor		0.50%		5.49%	

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations And Maintenance Expense Adjustments To Labor
 Pennsylvania Labor
 Normalized TME 9/30/25

Classification	(1)	(2)	(3)	(4)	(5)= (3)x(4)
	Total	Factor to Annualize	Adjustment to Normalize Twelve Months Ended 9/30/25		Net O&M
			Gross Annualized	O&M %	
<u>Non-Supervisory Wages for the Week ended Sept 27, 2025</u>					
2154 PA Suppl 93-2003	\$ 1,578	52.14	\$82,261	73.14%	\$60,165
Excluded	\$ 8,125	52.14	423,650	73.14%	309,858
IBFO Local 22 Supplemental	\$ 127,692	52.14	6,658,230	73.14%	4,869,829
Local 2154 PA New Supplemental	\$ 143,844	52.14	7,500,452	73.14%	5,485,830
Local 2154 PA Production	\$ 3,333	52.14	173,771	73.14%	127,096
Local 22 Firemen/Oilers	\$ 1,563	52.14	81,510	73.14%	59,616
PA Non-Union Hourly	\$ 96,677	52.14	5,041,029	73.14%	3,687,008
<u>Total Salaries for the pay period Sept 30, 2025</u>					
Supervisory	\$ 589,853	24.00	14,156,462	73.14%	10,354,036
<u>Other Annualized Payroll</u>					
Temporary Payroll (Summer Help/Interns)	\$ 46,534	1.00	46,534	73.14%	34,035
Payroll not subject to wage increases	\$ 269,964	1.00	269,964	73.14%	197,451
Overtime - Total for All Nonsalaried Employees	\$ 1,319,913	1.00	<u>1,319,913</u>	73.14%	<u>965,384</u>
Subtotal			\$35,753,774		\$26,150,310
<u>O&M Specific Items (not impacted by O&M % on this schedule)</u>					
Variable Compensation (see Labor Adj. Schedule)					1,500,004
Total NYD O&M Labor					<u>\$27,650,314</u>

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Labor Expense
 Pennsylvania Labor
 Oct 2025 to Oct 2026 (FTY & Link Period)

Net O&M		Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	FTY	Oct-26
2154 PA Suppl 93-2003	Normalized TME 9/30/25	5,014	5,014	5,014	5,666	5,666	5,666	5,666	5,666	5,666	5,666	5,666	5,666	66,032	5,666
Excluded	Monthly	25,821	25,821	25,821	26,854	26,854	26,854	26,854	26,854	26,854	26,854	26,854	26,854	319,154	26,854
IBFO Local 22 Supplemental		405,819	405,819	405,819	446,401	446,401	446,401	446,401	446,401	446,401	446,401	446,401	446,401	5,235,067	446,401
Local 2154 PA New Supplemental		457,153	457,153	457,153	516,582	516,582	516,582	516,582	516,582	516,582	516,582	516,582	516,582	6,020,699	516,582
Local 2154 PA Production		10,591	10,591	10,591	11,968	11,968	11,968	11,968	11,968	11,968	11,968	11,968	11,968	139,488	11,968
Local 22 Firemen/Oilers		4,968	4,968	4,968	5,465	5,465	5,465	5,465	5,465	5,465	5,465	5,465	5,465	64,087	5,465
PA Non-Union Hourly		307,251	307,251	307,251	319,541	319,541	319,541	319,541	319,541	319,541	319,541	319,541	319,541	3,797,619	319,541
Supervisory		862,836	862,836	862,836	903,821	903,821	903,821	903,821	903,821	903,821	903,821	903,821	903,821	10,722,899	903,821
Temporary Payroll (Summer Help/Interns)		2,836	2,836	2,836	2,836	2,836	2,836	2,836	2,836	2,836	2,836	2,836	2,836	34,035	2,836
Payroll not subject to wage increases		16,454	16,454	16,454	16,454	16,454	16,454	16,454	16,454	16,454	16,454	16,454	16,454	197,451	16,454
Overtime - Total for All Nonsalaried Employees		80,449	80,449	80,449	89,700	89,700	89,700	89,700	89,700	89,700	89,700	89,700	89,700	1,048,649	89,700
Base Amount															
Forecasted Retirements	Monthly	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(46,448)	(3,871)
Forecasted Headcount Differential		(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(446,079)	(37,173)
Non-Union Hourly - Salary Adjustment		43,833	43,833	43,833	43,833	43,833	43,833	43,833	43,833	43,833	43,833	43,833	43,833	394,500	43,833
Supervisory - Salary Adjustment		12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	108,750	12,083
New Hires		68,498	68,498	68,498	68,498	68,498	68,498	68,498	68,498	68,498	68,498	68,498	68,498	821,974	68,498
Variable Pay		392,814		392,814		392,814		392,814		392,814		392,814		1,571,255	
Total PAD Labor		2,206,646	2,206,646	2,599,460	2,428,659	2,428,659	2,821,473	2,428,659	2,428,659	2,821,473	2,428,659	2,428,659	2,821,473	30,049,129	2,456,104

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Labor Expense
 Pennsylvania Labor
 Fiscal Year 2027: Nov 2026 to Oct 2027 (Rate Year)

	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Rate Year
2154 PA Suppl 93-2003	5,666	5,666	5,666	5,666	5,666	5,751	5,836	5,836	5,836	5,836	5,836	5,836	\$ 69,092
Excluded	26,854	26,854	27,929	27,929	27,929	27,929	27,929	27,929	27,929	27,929	27,929	27,929	\$ 332,994
IBFO Local 22 Supplemental	477,649	477,649	477,649	477,649	477,649	477,649	491,979	491,979	491,979	491,979	491,979	491,979	\$ 5,817,766
Local 2154 PA New Supplemental	516,582	516,582	516,582	516,582	516,582	524,331	532,080	532,080	532,080	532,080	532,080	532,080	\$ 6,299,722
Local 2154 PA Production	11,968	11,968	11,968	11,968	11,968	12,148	12,327	12,327	12,327	12,327	12,327	12,327	\$ 145,953
Local 22 Firemen/Oilers	5,847	5,847	5,847	5,847	5,847	5,847	6,023	6,023	6,023	6,023	6,023	6,023	\$ 71,221
PA Non-Union Hourly	319,541	319,541	332,322	332,322	332,322	332,322	332,322	332,322	332,322	332,322	332,322	332,322	\$ 3,962,305
Supervisory	903,821	903,821	946,753	946,753	946,753	946,753	946,753	946,753	946,753	946,753	946,753	946,753	\$ 11,275,168
Temporary Payroll (Summer Help/Interns)	2,836	2,836	2,836	2,836	2,836	2,836	2,836	2,836	2,836	2,836	2,836	2,836	\$ 34,035
Payroll not subject to wage increases	16,454	16,454	16,454	16,454	16,454	16,454	16,454	16,454	16,454	16,454	16,454	16,454	\$ 197,451
Overtime - Total for All Nonsalaried Employees	92,840	92,840	92,840	92,840	92,840	94,232	95,625	95,625	95,625	95,625	95,625	95,625	\$ 1,132,181
Forecasted Retirements	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	\$ (46,448)
Forecasted Headcount Differential	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	(37,173)	\$ (446,079)
Non-Union Hourly - Salary Adjustment	43,833	43,833	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	\$ 543,533
Supervisory - Salary Adjustment	12,083	12,083	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	\$ 150,740
New Hires	95,942	95,942	95,942	95,942	95,942	95,942	95,942	95,942	95,942	95,942	95,942	95,942	\$ 1,151,309
Variable Pay		411,472			411,472			411,472			411,472		\$ 1,645,889
Total PAD Labor	\$ 2,490,874	\$ 2,902,347	\$ 2,549,989	\$ 2,549,989	\$ 2,961,461	\$ 2,859,396	\$ 2,583,305	\$ 2,994,778	\$ 2,583,305	\$ 2,583,305	\$ 2,994,778	\$ 2,583,305	\$ 32,336,831

Retirements

<u>PAD</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>AVG</u>
Supv	1	1	2	1
Hourly	8	2	4	5
Total	9	3	6	6

Headcount Differential

<u>PAD</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>AVG</u>	<u>Factor</u>
Avg. Non Exec Labor Budget	433	444	446		
Average Actual Count	419	437	441		
Differential	14	7	5		
	3.2%	1.6%	1.1%	2.0%	

Projected Supv. Retirements	1
Avg. Rate Retirees	\$ 57.69
Avg. Rate New Hire	\$ 31.25
Duration (hours)	1,040
O&M %	73.14%
O&M Labor Savings	\$ 26,818

Projected Hourly Retirements	5
Avg. Rate Retirees	\$ 39.44
Avg. Rate New Hire	\$ 33.91
Duration (hours)	1,040
O&M %	73.14%
O&M Labor Savings	\$ 19,630

	<u>FTY</u>	<u>FPFTY</u>
Proposed Non-Executive Headcount FY26	453	459
Forecasted Staffing Level	98.0%	98.0%
Forecasted Headcount for RR	444	450
Headcount Differential	9	9
O&M Factor	73.14%	73.14%
Avg. Wage Rate	\$ 67,766	\$ 67,766
Labor Savings	\$ 446,079	\$ 446,079

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations And Maintenance Expense - Labor
 New Hires

National Fuel Exhibit ATF-4
 Schedule 5 (New Hire)
 Page 1

Number	Job Title	Department	O&M%	Labor Group	Annual Salary	PAD O&M Impact	Add Year
1	Service Representative	Consumer Business	98.2%	Non-Union Hourly	\$ 48,610	\$ 47,735	FTY
2	Service Representative	Consumer Business	98.2%	Non-Union Hourly	\$ 48,610	\$ 47,735	FTY
3	Service Representative	Consumer Business	98.2%	Non-Union Hourly	\$ 48,610	\$ 47,735	FTY
4	Service Representative	Consumer Business	98.2%	Non-Union Hourly	\$ 48,610	\$ 47,735	FTY
5	Service Representative	Consumer Business	98.2%	Non-Union Hourly	\$ 48,610	\$ 47,735	FTY
6	Service Representative	Consumer Business	98.2%	Non-Union Hourly	\$ 48,610	\$ 47,735	FTY
7	Service Representative	Consumer Business	98.2%	Non-Union Hourly	\$ 48,610	\$ 47,735	FTY
8	Service Representative	Consumer Business	98.2%	Non-Union Hourly	\$ 48,610	\$ 47,735	FTY
9	Meter Reader	Operations	78.9%	2154 PA Suppl	\$ 38,272	\$ 30,206	FTY
10	General Fitter	Operations	78.9%	2155 PA Suppl	\$ 67,704	\$ 53,435	FTY
11	Gas Mechanic	Operations	78.9%	Local 22 Suppl	\$ 69,514	\$ 54,863	FTY
12	Service Specialist	Operations	78.9%	Local 22 Suppl	\$ 61,443	\$ 48,494	FTY
13	Meter Reader	Operations	78.9%	Local 22 Suppl	\$ 37,523	\$ 29,615	FTY
14	Meter Reader	Operations	78.9%	Local 22 Suppl	\$ 37,523	\$ 29,615	FTY
15	Business Support Analyst	Operations	78.9%	Salaried	\$ 70,250	\$ 55,445	FTY
16	Corporate Recruiter	Human Resources	97.2%	Salaried	\$ 65,250	\$ 63,423	FTY
17	Field Operations Development Supervisor	Mechanical	100.0%	Salaried	\$ 75,000	\$ 75,000	FTY
18	Consumer Business Manager (CAP)	Consumer Business	98.2%	Salaried	\$ 72,000	\$ 70,704	FPFTY
19	Service Representative (CAP)	Consumer Business	98.2%	Non-Union Hourly	\$ 48,610	\$ 47,735	FPFTY
20	Service Representative (CAP)	Consumer Business	98.2%	Non-Union Hourly	\$ 48,610	\$ 47,735	FPFTY
21	Gas Mechanic	Operations	78.9%	2154 PA Suppl	\$ 69,514	\$ 54,863	FPFTY
22	Gas Mechanic	Operations	78.9%	2154 PA Suppl	\$ 69,514	\$ 54,863	FPFTY
23	General Fitter	Operations	78.9%	2154 PA Suppl	\$ 67,704	\$ 53,435	FPFTY
						\$ 1,151,309	

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations And Maintenance Expense - Labor
 PA Raises

National Fuel Exhibit ATF-4
 Schedule 6 (Raises)
 Page 1

	<u>2026</u>	<u>2027</u>	<u>2027</u>	Raise Dates
2154 PA Suppl 93-2003	13.00%	0.00%	3.00%	1/1/26 & 4/11/27
Excluded	4.00%	4.00%		1/1/26 & 1/1/27
IBFO Local 22 Supplemental	10.00%	7.00%	3.00%	1/1/26, 11/1/26, 5/1/27
Local 2154 PA New Supplemental	13.00%	0.00%	3.00%	1/1/26 & 4/11/27
Local 2154 PA Production	13.00%	0.00%	3.00%	1/1/26 & 4/11/27
Local 22 Firemen/Oilers	10.00%	7.00%	3.00%	1/1/26, 11/1/26, 5/1/27
PA Non-Union Hourly	4.00%	4.00%		1/1/26 & 1/1/27
Supervisory	4.75%	4.75%		1/1/26 & 1/1/27

NATIONAL FUEL STATEMENT NO. 4

VALERIE L. HAWTHORN

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Docket No. R-2025-3059428

**National Fuel Gas Distribution Corporation
Pennsylvania Division**

Statement No. 4

**Direct Testimony of
Valerie L. Hawthorn Wagner**

**Topics Addressed: Labor Market, Employee Retention and Total
Rewards**

Dated: January 28, 2026

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Valerie L. Hawthorn Wagner. My business address is 6363 Main Street,
4 Williamsville, NY 14221.

5
6 **Q. By whom and in what capacity are you employed?**

7 A. I am employed by National Fuel Gas Distribution Corporation (“NFGDC”) as the
8 Managing Director of Human Resources.

9
10 **Q. Please provide your educational background.**

11 A. I possess a Master of Business Administration degree and a Bachelor of Science in
12 Business Administration degree, both from the State University of New York at Buffalo.

13
14 **Q. Please provide your professional experience.**

15 A. I began my employment with NFGDC in January 2005, as an Intern in the Human
16 Resources department. Upon completion of this internship, I joined the Human
17 Resources department in a full-time capacity as an HR Specialist in July 2005, focusing
18 on recruitment and employment. Over the last twenty years, I’ve assumed roles of
19 increasing responsibility in the Human Resources department, including becoming the
20 Manager of Employment in 2013. Since February 2022, I have held the role of
21 Managing Director (General Manager) of Human Resources. In my current capacity, I
22 am responsible for the employment, benefits and payroll functions for active employees
23 and retirees of NFGDC and affiliates.

1 **Q. Have you previously testified in other proceedings before the Pennsylvania Public**
2 **Utility Commission (“PAPUC” or the “Commission”) or any other state or federal**
3 **agency?**

4 A. Yes, I have provided testimony before the Commission in the Company’s last base rate
5 proceeding at Docket No. R-2022-3035730 and before the New York Public Service
6 Commission at Case 16-G-0257 and Case 23-G-0627.

7

8 **II. PURPOSE OF TESTIMONY**

9 **Q. Please describe the purpose of your testimony.**

10 A. The purpose of my testimony is to discuss the labor market, retention and total rewards
11 related to NFGDC’s Pennsylvania Division (“National Fuel” or “Company”).

12

13 **Q. Are you sponsoring any exhibits or filing requirements in this proceeding?**

14 A. Yes, CONFIDENTIAL National Fuel Exhibit VLH-1 (Annual Cash Bonus Program).

15

16 **III. EMPLOYEE RECRUITMENT AND RETENTION**

17 **Q. What is the current employee count for National Fuel?**

18 A. As of September 30, 2025, National Fuel employed 436 employees. These employees
19 are geographically spread among 17 different locations within our northwestern
20 Pennsylvania service territory.

1 **Q. Are there any additional employees who contribute to National Fuel’s operations?**

2 A. National Fuel receives loaned labor from its affiliates when economically efficient and
3 feasible to do so. For example, I provide Human Resources services to National Fuel
4 even though I am an employee of NFGDC New York Division (“National Fuel – NY”)
5 and am located at corporate headquarters in Williamsville, NY. This allows National
6 Fuel to benefit from the purchasing power of a larger corporate entity when negotiating
7 benefit plan costs and also provides operating efficiencies with respect to recruitment,
8 payroll and employee relations. This model of loaned labor eliminates the need for
9 duplicate functions to be performed by separate administrative support functions like
10 Human Resources, Information Technology, Accounting and Finance. This model also
11 includes executive employees who have responsibilities across our corporate footprint,
12 even if they are not physically located in NFGDC’s Pennsylvania Division’s geographic
13 territory. National Fuel derives operational synergies provided by shared service
14 departments and executives that National Fuel – NY and other subsidiaries provide.
15 Controls are in place surrounding direct charging to and from these other subsidiaries.

16
17 **Q. How do you define your employee population?**

18 A. National Fuel employs two groups of Fair Labor Standards Act (“FLSA”) non-exempt
19 employees: those who are members of a collective bargaining unit (“union hourly”) and
20 those who are not affiliated with a collective bargaining unit (“non-union hourly”).
21 Approximately 48% of the employees (over 66% of the FLSA non-exempt workforce)
22 within National Fuel are represented by a bargaining unit. Those employees are
23 represented by either the International Brotherhood of Electrical Workers, Local 2154-P,

1 also known as “IBEW” or the National Conference of Fireman and Oiler’s, Chapter 22,
 2 also known as “F&O”. Additionally, National Fuel employs two groups of FLSA
 3 exempt employees: salaried, non-executives (“salaried”) and salaried executives
 4 (“executives”). As described in the prior section of my testimony, National Fuel derives
 5 the benefit of loaned executive labor (portions of labor allocated or direct charged) and
 6 operational synergies from executives located at National Fuel – NY and other
 7 subsidiaries. See table below for NFGDC’s Pennsylvania Division employee counts.

Employee Type	Employee Count (9/30/2025)	Employee Count - FPFTY (10/31/2027)
Union Hourly	210	215
Non-Union Hourly	104	112
Salaried	122	123
Executive	0	0
TOTAL	436	450

8
 9 **Q. What assumptions are incorporated into the employee counts for the fully projected**
 10 **future test year?**

11 A. Employee counts for the fully projected future test year (“FPFTY”) ending October 31,
 12 2027 take into account historic vacancy rates and have therefore been adjusted
 13 accordingly to 450 employees.

14
 15 **Q. What is the average length of service for your employee population?**

16 A. Across all employee categories, the average length of service for employees at National
 17 Fuel is 8.75 years. See the table below for average length of service within each
 18 employee group. While overall, these averages have remained relatively stable, the
 19 Company experienced modest increases in length of service averages for the union hourly

1 and salaried employee groups compared to data provided in the Company's last rate
2 filing.

Employee Type	Average Years of Service (as of 9/30/25)
Hourly	7.06
Non-Union Hourly	8.65
Salaried	11.76
Executive	N/A
TOTAL	8.75

3
4 **Q. Are there different benefit offerings for these various employee groups?**

5 A. Yes. Benefit offerings for the various employee groups are established based on the
6 negotiation of labor contracts (where applicable) along with the Company's need to
7 remain cost efficient yet competitive in the labor market. Certain benefit programs have
8 also evolved over the years, most notably the elimination in 2003 of the defined benefit
9 pension plan for new hires. As of September 30, 2025, only 4% of employees at National
10 Fuel were eligible for the defined benefit pension plan.

11
12 **Q. Does National Fuel hire often?**

13 A. Yes. As average years of service at National Fuel have decreased over time, recruiting
14 new hires to National Fuel is an important part of the Human Resources department's
15 responsibilities. We must attract and retain talent through a competitive total rewards
16 package which includes compensation and benefits, and a desirable work environment.
17 Attracting and retaining qualified employees remains critical to National Fuel's continued
18 ability to provide safe, efficient and cost-effective service to ratepayers. As of September
19 30, 2025, National Fuel had 18 open positions actively being recruited for or with known
20 incumbents scheduled to start.

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Q. What, if any, attraction challenges does National Fuel face?

A. Providing a competitive compensation and benefits package and ensuring this package meets the desires and demands of the labor market continues to be an ongoing area of emphasis for National Fuel. A competitive total rewards package is critical to attracting and retaining the most qualified individuals. The elimination in 2003 of the defined benefit pension plan for new hires has required National Fuel to continuously evaluate the competitiveness of the overall total rewards offered to various employee groups to be sure benefits offered are comparable to other companies. National Fuel competes for talent against companies within the energy industry as well as outside of the energy industry and offering competitive compensation and benefits at the start and throughout an employee’s career is required to engage and retain top talent. Stability is no longer the primary driver for job seekers, and the attraction of working for a traditional utility company has seemed to evolve with time. Therefore, Human Resources must design, continually reassess, and offer competitive total rewards packages. These packages must be designed to incent individuals to consider National Fuel as an employer and ensure that we offer total rewards comparable to other companies. Continuing to provide a competitive total rewards package throughout an individual’s employment with National Fuel is equally critical. These total rewards are designed to aid in the retention of top talent and to ensure stability within our workforce, continued transfer of knowledge and the opportunity for individuals to grow their expertise within the organization. Retention and workforce stability remains a critical focus for National Fuel since the average length of service across our workforce is 8.75 years, which is down from the average 11.80

1 years of service on September 30, 2015. Additionally, the changing nature and
2 prevalence of remote work opportunities means National Fuel is competing for
3 prospective talent beyond just local competitors.

4
5 **Q. Has National Fuel experienced a change to employee complement?**

6 A. National Fuel's headcount has evolved for a variety of reasons. First, there is a time lag
7 that occurs when replacing individuals who terminate from National Fuel. A retiree who
8 possessed many years of experience is not easily replaced with someone from the
9 external labor market, and finding a suitable replacement often requires extensive
10 recruiting time. But, since an overwhelming majority of employees are not in the defined
11 benefit pension plan, lengthy notice periods prior to termination are no longer customary.
12 Continuity of operations and succession planning challenges increase when employee
13 departures are only predicated by a few weeks' advance notice. Because of this, the
14 recruitment lag to replace someone generally surpasses the amount of transition time that
15 occurs before someone departs National Fuel. Secondly, managing through the learning
16 curve for new employees can contribute to the need for increased headcount. As new
17 employees are building efficiency and other employees have to devote time to teaching
18 and training, more resources may be required to perform work previously done by those
19 with more experience and efficiency. Attrition can also lead to needing to have more
20 employees trained in various areas so there are no gaps in the coverage needed to be
21 provided. While cross training remains desirable for various reasons, it is equally
22 important to retain individuals already trained to perform the work that needs to be done.
23 The time it takes to identify, hire and adequately train a new hire to be productive places

1 additional strain on our remaining workforce. Therefore, we must continue to place
2 emphasis on rewarding and retaining our existing workforce.

3
4 **Q. How have these recruitment needs impacted employment costs at National Fuel?**

5 A. The recruitment process has evolved alongside the complexity of the job market. This
6 complexity introduces additional costs at various points throughout the process including
7 advertising, screening/interviewing, potential agency placement fees, increased salary
8 expectations and training costs. Specifically, scarce talent requires recruiters to spend
9 additional time finding qualified applicants, as well as ensuring that the screening pool
10 includes enough candidates to ensure viable options remain through the completion of the
11 pre-employment process. Additionally, it is common for jobs to be reposted due to the
12 scarcity of qualified talent mentioned above, which generally results in additional time
13 and cost conducting interviews during the screening process. Additional costs are also
14 incurred when advertising for job postings on various recruiting sites and through staffing
15 agencies who charge a placement fee upon placement of a successful candidate. Starting
16 salary expectations have continued to increase, both for inexperienced and experienced
17 talent. There are additional costs associated with the training time incurred by managers
18 in order to ensure new employees understand how to perform their function upon initial
19 onboarding, as well as to regularly monitor and train new employees as they progress in
20 their new role. As discussed in a previous question, there is also a cost element
21 associated with the time spent by current employees and supervisors to cover open
22 positions created when individuals exit the organization.

1 **Q. How does National Fuel monitor employee engagement?**

2 A. All employees are encouraged to share their feedback regarding job satisfaction
3 informally with their managers or with the Human Resources department directly. There
4 are also numerous formal channels in which feedback from salaried employees can be
5 communicated. Those include annual performance appraisals, annual career
6 conversations with executives, new hire evaluations sent by the Human Resources
7 department at 6, 12, and 18 months of service, and through employee engagement
8 surveys that are conducted periodically.

9

10 **Q. How is National Fuel addressing retention as a measure of engagement?**

11 A. National Fuel must offer a competitive total rewards package in order to retain our
12 current workforce. If we fail to remain competitive in these areas, we will be unable to
13 effectively manage attrition, which creates additional pressure on the current workforce
14 and decreases the total amount of experience that exists within our remaining workforce.
15 If we fail to maintain a market-competitive total rewards package, like those being
16 offered by competitors, employees will resign, making it very difficult to manage
17 replacement rates and the workload burden that inevitably falls to the staff that remains.
18 It is critical to invest in the employees we have and be able to attract quality individuals
19 to the vacancies currently available so that we can prevent burnout for employees,
20 provide a productive work environment that encourages retention and ensure ratepayers
21 are receiving safe, reliable and efficient service from an experienced workforce.

1 **Q. What terms of compensation and benefits resulted from collective bargaining?**

2 A. Negotiations with “F&O” recently took place for the employees represented by that
3 collective bargaining unit. The resulting contract, which will go into effect May 1, 2026,
4 included an average increase of 10% to hourly labor rates in the future test year and 10%
5 to hourly labor rates in the fully projected future test year when all job categories are
6 combined. Additionally, negotiations resulted in an updated 401(k) matching schedule,
7 prescription drug coverage enhancements, the availability of a vision plan and longevity
8 rewards. The terms of this labor contract are in effect through April 30, 2030.

9 Negotiations with “2154” recently took place for the employees represented by that
10 collective bargaining unit. The resulting contract, which will go into effect April 13,
11 2026, included an initial average increase of 13% to hourly labor rates in the future test
12 year when all job categories are combined and an average increase of 3% to hourly labor
13 rates in the fully projected future test year. Additionally, negotiations resulted in an
14 updated 401(k) matching schedule, prescription drug coverage enhancements, the
15 availability of a vision plan and longevity rewards. The terms of this labor contract are
16 in effect through April 12, 2030.

17

18 **Q. What other considerations result from collective bargaining?**

19 A. Following the conclusion of negotiations and the ratification of bargaining agreements,
20 the Company evaluates any corresponding impacts to other employees in the workforce.
21 Specifically, the salaries of individuals managing the bargaining unit members are
22 evaluated for compression issues, given the newly negotiated pay rates. It is critical to
23 maintain an appropriate delta between pay rates for work performed at the hourly level

1 and salaries for those managing the hourly workforce. Not only does this distinction in
2 salary ensure roles with increasing responsibility are appropriately compensated, it also
3 preserves an important incentive for hourly employees who may want to be considered
4 for promotional opportunities into salaried positions.

5
6 **Q. Were there resulting financial impacts from this evaluation of pay rate**
7 **compression?**

8 A. Following the final ratification and activation of the collective bargaining agreements, the
9 Company expects there will be a need to adjust the salaries of various salaried
10 employees. There is expected to be approximately \$145,000 of financial impact resulting
11 from base salary adjustments within the salaried workforce.

12
13 **Q. What rewards are used to remain competitive for non-union hourly talent?**

14 A. Approximately 24% of National Fuel's employee complement is comprised of
15 individuals performing administrative roles, in a non-union hourly capacity. These
16 individuals staff the customer response center (i.e., call center) as well as provide
17 administrative support services throughout various departments within National Fuel.
18 The Company must provide competitive wages and benefits in order to attract and retain
19 these critical employees and in order to remain on par with the wages and benefits
20 offered by organized labor. In January 2026, a market-based wage adjustment for 94
21 non-union hourly employees, at an annual cost of approximately \$526,000, went into
22 effect. The Human Resources Department considered the differential in wage rates for
23 administrative employees covered by a collective bargaining agreement in a different

1 jurisdiction in order to identify a more appropriate wage rate for the non-union hourly
2 employee group. Following this market adjustment, all non-union hourly employees
3 remained eligible for a January 2026 merit-based increase, from the 3.5% annual salary
4 budget that had been established for this employee group. In response to increasing labor
5 market demands for increased employee flexibility, a significant complement of non-
6 union hourly employees are provided with the opportunity to work a hybrid or fully
7 remote work schedule.

8
9 **Q. What rewards are used to remain competitive for salaried (non-executive) talent?**

10 A. National Fuel must offer compensation and benefits comparable to competitors in order
11 to remain competitive in the labor market and to promote attraction and retention. A
12 4.75% annual salary budget was approved for 2026 merit and promotion increases. This
13 projection is consistent with salary budget survey responses that are reported by
14 individual organizations and consolidated by compensation specialists like WorldatWork
15 and Willis Towers Watson. National Fuel evaluates the data provided by multiple
16 external resources in order to develop salary budget recommendations that are both
17 reasonable and market competitive. In 2022, “National Fuel – NY” engaged the services
18 of an external consultant, Willis Towers Watson, to provide benchmarking data for
19 salaried positions across National Fuel’s affiliates. The confidential results provided by
20 the external consultant in conjunction with further analysis conducted by the Human
21 Resources department, resulted in numerous market adjustments for salaried employees
22 at that time. Since then, National Fuel has strived to maintain market competitive pay by
23 continuing to utilize external salary survey data to establish new hire salary offers,

1 evaluate existing salaries, age salary structures and recommend appropriate salary
2 increase budgets.

3
4 **Q. When did National Fuel implement an incentive-based compensation program?**

5 A. Effective October 1, 2022, National Fuel established an Annual Cash Bonus Program.

6 This Annual Cash Bonus Program is intended to provide greater incentive to the
7 Company's salaried employees to work toward the achievement of the Company's
8 business goals and objectives and enable the Company to attract, retain and motivate
9 valuable employees. National Fuel's Annual Cash Bonus Program is described in
10 CONFIDENTIAL National Fuel Exhibit VLH-1. Following an initial bonus payment in
11 October 2022 to National Fuel's salaried employees as a first step towards this Annual
12 Cash Bonus Program, the first full-year Annual Cash Bonus payment was made
13 following the conclusion of the Company's 2023 fiscal year which on ended September
14 30, 2023.

15
16 **Q. What impact does this incentive-based compensation program have in the Future
17 Test Year ("FTY")?**

18 A. As noted in National Fuel Exhibit ATF-4 Schedule 2 (pg. 2), the full-year expense for the
19 Annual Cash Bonus Program projected to be incurred and recorded in the Company's
20 FTY ended September 30, 2026 is \$1,571,255.

21
22 **Q. What is the expected cost of incentive-based compensation in the FPFTY?**

23 A. Incentive-based compensation will be paid only if certain shared organizational goals are

1 achieved during each fiscal year. Shortly following the start of the fiscal year, specific
2 goals are defined and are focused on metrics that provide customer benefits. The goals
3 established for the program include customer service/satisfaction rates, operational safety
4 measures, methane emissions reductions, employee safety (injury) rates and human
5 capital/inclusion initiatives. In order to calculate the bonus payment, employee base
6 salaries will be multiplied by the eligibility percentage for their grade level (level of
7 experience or responsibility) in the organization and then multiplied by the goal
8 achievement level. As noted in National Fuel Exhibit ATF-4 Schedule 2 (pg. 3), the
9 projected O&M expense for National Fuel for the FPFTY is \$1,645,889.

10
11 **Q. What other benefits or rewards are utilized in the attraction or retention of salaried**
12 **employees?**

13 A. In addition to base salaries, stock-based compensation, in the form of time-vested
14 restricted stock, is provided as a retention tool to select non-executive employees. These
15 shares vest over three equal annual installments as service is provided to National
16 Fuel. This benefit is included as part of the overall compensation package to retain high-
17 caliber salaried employees while encouraging their investment in National Fuel, as it
18 motivates recipients to remain employees throughout the vesting period. Given the
19 increasing operational complexities and regulatory requirements experienced by utilities
20 and energy companies, and the expanded efforts to modernize pipeline and distribution
21 systems, a competitive compensation package encouraging retention and longevity,
22 including time-vested restricted stock, is critical to the continued success of National Fuel
23 and aligns with the interests of all stakeholders (including ratepayers, local communities,

1 employees, retirees, and shareholders). Finally, in response to significant employee
2 demand and to address the needs of the labor market, National Fuel allows for hybrid
3 work schedules, where possible. National Fuel must continue to adapt to the needs and
4 demands of employees in order to remain competitive on both attraction and retention.

5
6 **Q. What rewards are used to remain competitive for executive talent?**

7 A. Given the increasing operational complexities and regulatory requirements experienced
8 by utilities and energy companies and the expanded efforts to modernize pipeline and
9 distribution systems, it is critical for National Fuel to remain competitive in its total
10 rewards package provided to executives in order to retain quality and experience among
11 the executive workforce for the benefit of all its stakeholders (including ratepayers, the
12 local communities, employees, retirees, and shareholders). To that end, National Fuel's
13 named executive pay practices are subject to an extensive review and approval process as
14 outlined in National Fuel Gas Company's ("NFG") proxy statement. For officers not
15 identified in the proxy, the review and approval process is similarly extensive. To assist
16 in the effort, NFG's Compensation Committee retains the services of Korn Ferry Group,
17 a nationally recognized firm that performs compensation analyses and reviews for
18 companies in the energy and other business sectors. Key findings of the most recent
19 national compensation data indicate that total compensation (base salary, annual and
20 long-term incentives) for National Fuel's executives is at or below the median when
21 compared with nationwide utility and general industry executives. Long-term incentives
22 are provided via stock-based compensation. Incorporated into the projections for the
23 FPFTY are performance shares linked to long-term performance from total shareholder

1 return, total return on capital and emission reduction targets as measured over a three-
2 year period in comparison to peer companies. Another form of long-term incentive is the
3 award of time vested restricted stock, which vest over three equal annual installments as
4 service is provided to National Fuel. These forms of stock-based compensation
5 encourage long-term perspective and performance from the management of National Fuel
6 and encourage significant, personal investment. The financial success, as measured by
7 long-term total shareholder return and long-term total return on capital of NFG (including
8 National Fuel) is achieved through continued focus and commitment on numerous
9 factors, which include efficiently investing in rate base, prudently operating the business,
10 and providing safe, reliable, and affordable service to its customers. As a result, the
11 utilization of performance shares to reward this focus and commitment is appropriate as it
12 aligns with the interests of the ratepayers. Since time vested restricted stock vests in
13 equal installments over a three-year period, it encourages recipients to remain employees
14 over the vesting period and the utilization of time vested restricted stock is appropriate as
15 it aligns with the interests of the ratepayers. The amounts related to these long-term
16 incentive stock-based compensation awards are disclosed at National Fuel Exhibit MPW-
17 1 Schedule 2, Pages 13 and 14.

18
19 **Q. Does this conclude your direct testimony at this time?**

20 **A. Yes.**

NATIONAL FUEL EXHIBIT VLH-1

CONFIDENTIAL

NO PUBLIC VERSION

NATIONAL FUEL STATEMENT NO. 5

MICHAEL P. WEIDNER

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Docket No. R-2025-3059428

**National Fuel Gas Distribution Corporation
Pennsylvania Division**

Statement No. 5

Direct Testimony of Michael P. Weidner

Topics Addressed: Benefits Including Retirement

Dated: January 28, 2026

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Michael P. Weidner. My business address is 6363 Main Street,
4 Williamsville, NY 14221.

5
6 **Q. By whom and in what capacity are you employed?**

7 A. I am employed by National Fuel Gas Distribution Corporation (“NFGDC”) in the
8 position of Senior Director within the Human Resources department.

9
10 **Q. Please provide your educational background.**

11 A. I graduated from St. Bonaventure University, in May 1998 with a Master of Business
12 Administration Degree and Bachelor of Business Administration Degree, concentrating
13 in Accounting and Finance.

14
15 **Q. Please provide your professional experience.**

16 A. In September 1998, I joined Ernst & Young, LLP as a Staff Accountant and I was
17 promoted to Senior Accountant in 2000. I have been a Certified Public Accountant since
18 December 1999. I began my employment with NFGDC in October 2000 in the Audit
19 Services department. In July 2005, I transferred to the Financial Accounting department
20 where I became Manager in September 2013. In February 2018, I was promoted to my
21 current position.

1 **Q. Have you previously testified in other proceedings before the Pennsylvania Public**
2 **Utility Commission (“PAPUC” or the “Commission”) or any other state or federal**
3 **agency?**

4 A. Yes, I have testified before the PAPUC (NFGDC Supplement No. 228 to Tariff Gas –
5 Pa.P.U.C. No. 9 – Docket Nos. R-2021-3027406 and C-2021-3028654 (collectively the
6 “2021 OPEB Dockets”), as well as Docket No. R-2022-3035730 (the “2022 Rate Case”).
7 I have also testified before the New York Public Service Commission in Cases 16-G-
8 0257 and 23-G-0627.

9

10 **II. PURPOSE OF TESTIMONY**

11 **Q. Please describe the purpose of your testimony.**

12 A. The purpose of my testimony is to discuss the costs related to the employee benefits
13 package for NFGDC’s Pennsylvania Division (“National Fuel” or the “Company”).

14

15 **Q. Are you sponsoring any exhibits or filing requirements in this proceeding?**

16 A. I am sponsoring National Fuel Exhibit MPW-1, Schedules 1 and 2. I am also responding
17 to various Standard Data Requests.

18

19 **III. EMPLOYEE BENEFITS EXPENSE**

20 **Q. Please describe National Fuel Exhibit MPW-1 Schedule 1 (Benefits) and Schedule 2**
21 **(Benefits) - Pages 1-16.**

22 A. The exhibit and schedules show the adjustment to National Fuel’s operation and
23 maintenance (“O&M”) expense for employee benefits. National Fuel Exhibit MPW-1,

1 Schedule 1 summarizes these adjustments. I will describe the adjustments in further
2 detail.

3
4 **A. Retirement Benefits**

5 **Q. Are there any retirement related benefits in the exhibits?**

6 A. Yes, NFGDC’s parent company National Fuel Gas Company (“NFG”) has Annuity
7 benefits (otherwise known as Defined Benefit Pensions) and Other Post-Employment
8 Benefits (“OPEBs”), which were closed to new participants in 2003. NFG also has Tax
9 Deferred Savings Plans (i.e., 401(k)), and contributions to Retirement Savings Accounts
10 (“RSA”), which are accounts set up within the Tax Deferred Savings Plans (“TDSP”) for
11 those employees that were hired after Defined Benefit Pensions were no longer offered to
12 new entrants. See Table 1 below for the number of the Company’s participants in the
13 Defined Benefit Pensions, TDSPs, RSAs, and OPEBs.

Table 1: Retirement Benefit Participants (2025)

Normalized Participants	Annuity	TDSPs	RSAs	OPEBs
Eligible Active Participants	23	436	417	23
Inactive Participants	499	75	48	335
Total	522	511	465	358

14 NFG and the Company have made strides in minimizing retirement-related costs,
15 resulting in lower O&M expense for employee benefits. Specifically, NFG (including the
16 Company) has prudently managed the assets set aside for Defined Benefit Pensions and
17 OPEBs and has taken steps to control costs. These steps have led to the Company not
18 requesting any rate recovery for Defined Benefit Pension or OPEB costs in this rate case.

1 **Q. Are any applicable costs associated with these retirement benefits included in any**
2 **exhibits?**

3 A. Yes, these costs are covered in National Fuel Exhibit MPW-1 (Benefits) Schedule 2 -
4 Pages 5-6 (401(k)), Pages 9-10, and Pages 11-12 (RSA), but as noted above there is no
5 requested rate recovery.

6
7 **Q. Please explain the adjustment to National Fuel Exhibit MPW-1, Schedule 2**
8 **(Benefits) - Pages 9 - 10.**

9 A. This section adjusts the Company's O&M expense for the cost of the Defined Benefit
10 Pensions (i.e., annuity benefits), which are based on the level of contributions made
11 during the fiscal year. For the historic test year ended September 30, 2025 ("HTY"), the
12 normalized defined benefit pension expense was zero. This was based on the fiscal year
13 allocation contributions and a 73.14% factor (see Direct Testimony of Anthony Formato,
14 National Fuel Statement No. 3) used to determine the amounts to be expensed (herein
15 referred to as "Factor A"). Even though there were contributions within the prior three
16 years, calculating a forward-looking rate request for annuity benefits based on historic
17 contributions would be inappropriate. As a result, based on the projected level of
18 contributions, the forecasted expense during the fully projected future test year ending
19 October 31, 2027 ("FPFTY") is expected to remain zero.

20

21 **Q. What OPEBs do NFG and the Company currently provide?**

22 A. OPEBs refer to benefits provided to retirees other than pensions. The Company currently
23 provides medical coverage for substantially all employees hired prior to January 1, 2003,

1 and to a few union employees hired prior to November 1, 2003. The Company also
2 provides prescription drug coverage and life insurance benefits.

3
4 **Q. Aside from prudent asset management, have NFG and the Company taken any**
5 **steps to control future OPEB costs?**

6 A. Yes. In January 2003, NFG and the Company implemented a change to the eligibility
7 criteria for OPEBs, whereby non-union employees hired after on or after January 1, 2003,
8 and union employees hired on or after November 1, 2003 are no longer eligible for any
9 retiree medical, prescription drug or life insurance benefits. These actions were purely a
10 cost savings measure. As a result of this cost savings measure and prudent management
11 of the assets set-aside for OPEBs, the Company was in a position to reduce rate recovery
12 of OPEBs to zero in conjunction with its filing in the 2021 OPEB Dockets and continue
13 zero rate recovery in the 2022 Rate Case. In addition, in the 2021 OPEB Dockets, the
14 Company set forth a plan to pass back \$54.0 million to ratepayers from 2021-2026 using
15 grantor trust assets, which would further reduce its regulatory liability, which is discussed
16 later in my testimony.

17
18 **Q. What is the Company's requested OPEB recovery?**

19 A. Consistent with its filing in the 2021 OPEB Dockets and with the settlement in the 2022
20 Rate Case, National Fuel is continuing to request no OPEB recovery. Additionally, the
21 Company has \$6.7 million of funds remaining in the Grantor Trust, which is discussed
22 further below. For accounting and financial reporting purposes, National Fuel records
23 OPEB expense or income in accordance with Accounting Standards Codification No. 715

1 (formerly known as Statement of Financial Accounting Standards No. 106 “SFAS 106”)
2 as determined by its actuary, which is consistent with the Company’s historical practice.
3 For the HTY, the net SFAS 106 income was \$1,558,903. As the Company is continuing
4 to set its OPEB rate recovery at zero, an adjustment of \$1,558,903 million was made to
5 accomplish this.

6
7 **Q. Does the Company have a remaining OPEB regulatory liability?**

8 A. After the completion of the aforementioned scheduled pass back of grantor trust assets
9 referenced in the 2021 OPEB Dockets, the remaining OPEB regulatory liability will be
10 \$44.8 million.

11
12 **Q. Does the Company have funds set aside to cover this liability?**

13 A. The Company has Voluntary Employees’ Beneficiary Association (“VEBA”) trusts and a
14 401(h) account. As of September 30, 2025, the end of the Company’s most recently
15 audited fiscal year, the value of the assets in the VEBA trust and 401(h) account in excess
16 of OPEB liability owed to the retirees was \$46.9 million, which exceeds the regulatory
17 liability of \$44.8 million. This balance is expected to remain after the scheduled pass
18 back of grantor trust assets. However, interest rates (used to calculate the OPEB liability)
19 and investment performance (which would impact the value of the VEBA trust and
20 401(h) account) will change resulting in subsequent changes to amount of the excess
21 assets. Unlike the aforementioned grantor trust assets, these assets can currently only be
22 used to pay benefits to retirees and related administrative costs, so they are not available
23 to ratepayers to cover the regulatory liability.

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Q. Is the Company proposing to address the remaining regulatory liability at this time?

A. The Company is proposing to utilize the remaining grantor trust assets to provide a one-year surcredit of \$6,700,000 to the ratepayers during the FPFTY as a continued measure to mitigate rate increases and promote affordability for ratepayers. This proposal and its impact on customers is discussed further in the Direct Testimony of Courtney T. Mann in National Fuel Statement No. 14.

Q. Outside of prudent management of assets set aside for Defined Benefit Pensions, have NFG and the Company taken any steps to control future Pension costs?

A. As discussed above, NFG and the Company closed participation in Defined Benefit Pensions to new participants in 2003. Employees who were already eligible for Defined Benefit Pensions continue to accrue pension benefits, while employees hired after that were offered employer contributions in a RSA, which was set up as an additional benefit within the 401(k) plans. Employees eligible for the Defined Benefit Pensions do not have this RSA benefit within the 401(k) plans. Eligible RSA employees who have provided less than six years of service are given an employer contribution equal to 3% of their base salary or wages to the RSA, while employees who have more service are given an employer contribution of 4% of their base salary and wages to the RSA.

Q. Please explain the adjustment to National Fuel Exhibit MPW-1, Schedule 2 (Benefits) - Pages 11 - 12.

1 A. This section adjusts the Company's O&M expense for the cost of the RSA benefit. I
2 calculated the Company's weighted average RSA contribution percentage and multiplied
3 it by the compensation subject to RSA across the different labor groups. The increase in
4 compensation and incremental headcount is then projected across these labor
5 classifications out to the FPFTY, and the current weighted average RSA contribution
6 percentage is applied to calculate the projected RSA Company contribution of
7 \$1,383,497. Given that RSA contribution levels are based on the compensation levels to
8 which the RSA contribution percentage would be applied, it would be inappropriate to
9 use historical RSA expense (for example, a three-year average) to establish the requested
10 rate recovery. The \$1,383,497 projected contribution was multiplied by Factor A to
11 calculate the amount charged to O&M expense of \$1,011,890. This amount is \$261,839
12 greater than the expense recorded on the general ledger for HTY, and \$197,468 greater
13 than the normalized September 2025 expense. I further note that Pages 11-12 of this
14 exhibit provide a breakdown of the compensation subject to employer RSA contribution
15 along with the RSA contributions across the union, non-union and salaried employee
16 labor groups and across the projection periods.

17
18 **Q. Please explain the adjustment to 401(k) expense on National Fuel Exhibit MPW-1,**
19 **Schedule 2 (Benefits) - Pages 5 - 6.**

20 A. This section adjusts the Company's O&M expense for the FPFTY for the cost of the
21 401(k) Plan. The projected 401(k) expense was determined using the participants who
22 are currently contributing to the 401(k), since only those would receive the employer
23 match, across all labor classifications to determine the compensation subject to 401(k)

1 employer match and the weighted average employer match percentage. The increase in
2 compensation is then projected across these labor classifications through the FPFTY, the
3 estimated impact of incremental employees, and the current weighted average employer
4 match percentage is applied to calculate the projected 401(k) employee match of
5 \$1,504,740. Given that 401(k) employer match levels are based on the compensation
6 levels to which the match percentages are applied, it would be inappropriate to use
7 historical 401(k) expense (for example, a three-year average) to establish the requested
8 rate recovery. This \$1,504,740 of projected 401(k) employer match was multiplied by
9 Factor A to calculate the amount charged O&M expense of \$1,100,567 for the FPFTY.
10 This amount is \$202,097 greater than the expense recorded on the general ledger for the
11 HTY, and \$219,584 greater than the normalized September 30, 2025 expense. I further
12 note that pages 5 - 6 of this exhibit provide a breakdown of the compensation subject to
13 employer matching contribution along with the matching contributions across the union,
14 non-union and salaried employee labor groups and across the projection periods.

15
16 **B. Non-Retirement Benefits**

17 **Q. Are there any non-retirement related benefits in any of your exhibits?**

18 A. Yes, the Company offers Group Life Insurance, Hospitalization (i.e., medical and
19 prescription drug coverage), Dental, Stock-Based Compensation, and other miscellaneous
20 benefits. These costs are covered in National Fuel Exhibit MPW-1, Schedule 2 (Benefits)
21 - Pages 1-2 (Group Life), Pages 3-4 (Hospitalization), Pages 7-8 (Dental), and Pages 13-
22 14 (Stock-Based Compensation). In addition, as the Company borrows time from other
23 affiliated subsidiaries, their benefits are charged to the Company in proportion to the time
24 borrowed, which is discussed in National Fuel Exhibit MPW-1, Schedule 2 (Benefits) -

1 Page 15-16. It should be noted that since Stock-Based Compensation is an integral part
2 of employee retention (including executives), the Company's claim for this expense is
3 discussed in the Direct Testimony of Valerie Hawthorn Wagner (National Fuel Statement
4 No. 4).

5
6 **Q. Please explain the adjustment to Group Life Insurance on National Fuel Exhibit**
7 **MPW-1, Schedule 2 (Benefits) - Pages 1 - 2.**

8 A. The Company provides Term Life Insurance and Accident, Dismemberment and
9 Disability ("AD&D") Insurance for its management and union employees. The Term
10 Life Insurance rate is \$0.72 per \$1,000. This rate is effective through December 31,
11 2027. Salaried employees' coverage is two times their salary and hourly non-
12 supplemental employees' coverage is \$50,000 per person. Supplemental hourly
13 employees' coverage is \$25,000 per person. The AD&D insurance rate is \$0.02 per
14 \$1,000 and is based on the same calculation described above. However, not everyone
15 who receives term insurance receives AD&D. National Fuel also carries a blanket travel
16 plan for which the premium is \$110 per month.

17 During the HTY the total gross monthly and annual costs of these three plans are
18 \$2,838 per month or \$34,056 annually. After reflecting the projected number of
19 participant employees for the FPFTY, the annual costs are projected to be \$35,352 during
20 the FPFTY. Multiplying the total gross annual amount of the three plans by Factor A,
21 results in \$25,856 of O&M expense for the plans during the FPFTY. The Officer Life
22 Insurance O&M expense of \$26,532 during the FPFTY is then added for a total Group
23 Life Insurance amount to O&M expense of \$52,388 during the FPFTY. This amount is

1 \$662 lower than the expense recorded on the general ledger for the HTY, and \$948
2 greater than the normalized expense as of September 30, 2025. Given that the Company
3 entered into new Term Life and AD&D rates in January 2025, it is appropriate to use
4 these forward-looking projections rather than historical expense amounts (for example, a
5 three-year average).

6
7 **Q. Please explain the adjustment to Hospitalization expense on National Fuel Exhibit**
8 **MPW-1, Schedule 2 (Benefits) - Pages 3 - 4.**

9 A. This adjustment is for hospitalization expense. Hospitalization expense includes three
10 components: (1) health insurance, (2) a Company provided wellness program, and (3)
11 prescription drug coverage. I will discuss each of these components in turn.

12
13 **Q. Please explain how you adjusted the Company's claim for Hospitalization expense**
14 **for the cost of health insurance.**

15 A. To adjust the cost of the self-insurance of health benefits for the FPFTY, I started with
16 the cost of claims not including administrative fees paid per employee per month for the
17 HTY (i.e., \$1,304.84). With healthcare costs, in the absence of significant changes in
18 population which might dramatically alter the per employee healthcare spending (for
19 example, the population getting significantly younger or older), starting with the most
20 recent year (i.e., the HTY) is the most appropriate starting point to use in predicting the
21 increase in claims paid from the FPFTY. Then, based on the actual level of increases
22 experienced from the HTY versus the 12 months ended September 30, 2024, I increased
23 the level of claims paid for the HTY by 10.90% to reach an FTY amount of \$1,447.07 per

1 employee per month. I then applied this annualized 10.90% (plus the 0.91% to take
2 account the link month of October 2026) increase to the FTY amount to produce an
3 expected level of claims paid per employee per month of \$1,619.41 for the FPFTY. I
4 then added an administrative cost of \$69.97 per employee per month from Highmark
5 BCBS to produce a total cost of \$1,689.38 per employee per month. This amount was
6 then multiplied by the number of participating active employees projected for the FPFTY
7 to calculate the monthly amount of \$653,789. This amount is multiplied by 12 for a total
8 of \$7,845,465 during the FPFTY.

9
10 **Q. Please explain how you adjusted the Company's claim for Hospitalization expense**
11 **for the costs of the Wellness Program.**

12 A. The Company's wellness program had an actual expense \$4,476 during the HTY, which
13 assumed would be the expense for the FPFTY.

14
15 **Q. Please explain how you adjusted the Company's claim for Hospitalization expense**
16 **for the costs of prescription drug coverage.**

17 A. The Caremark CVS Carved-Out Pharmacy Prescription Drug Benefit rate per employee
18 was increased similar to the health insurance rate per employee. I started with the actual
19 level of claims paid without administration fees per employee for the HTY (i.e.,
20 \$216.13). This amount will be a good predictor of the increase in claims paid for the
21 FPFTY. Then, based on the actual level of increases (or in this case decreases)
22 experienced from the HTY versus the 12 months ended September 30, 2024, I decreased
23 the level of claims paid for the HTY by 12.94% to reach an FTY amount of \$188.16 per

1 employee per month. I then applied this 12.94% decrease (plus a 1.08% decrease to
2 account for the link month of October 2026) to the FTY amount to produce an expected
3 level of claims paid per employee per month of \$162.04 for the FPFTY. I then added
4 \$4.12 per employee per month of administrative costs from Caremark CVS to produce a
5 total cost of \$166.16 per employee per month during the FPFTY. This was then
6 multiplied by the number of participating employees projected for the FPFTY to calculate
7 the monthly amount of \$36,388. This amount is multiplied by 12 for a total of \$436,656
8 during the FPFTY.

9
10 **Q. What is the total annual cost of the Company's health insurance, wellness program,**
11 **and prescription drug coverage benefits?**

12 A. The total projected annual cost for these health care programs is \$8,286,897. The total
13 projected annualized supervisory and weekly contributions towards Hospitalization were
14 subtracted to arrive at a total cost of \$6,528,710. This was multiplied by Factor A to
15 calculate the amount to be charged to O&M expense of \$4,775,099 for the FPFTY. This
16 amount is \$903,189 greater than the expense recorded on the general ledger for the HTY,
17 and \$914,283 greater than the normalized HTY.

18
19 **Q. Is the methodology used to calculate Hospitalization expense, including the**
20 **Company's wellness program and prescription drug coverage benefits, for the**
21 **FPFTY consistent with the Company's prior rate cases with the PAPUC?**

22 A. Yes, it is the same methodology used in previous rate cases with the PAPUC, and it
23 recognizes the impact of inflationary healthcare trends that organizations across the

1 United States experience. Using current healthcare costs and applying recent trend data
2 (as opposed to historical averages) are better predictors of future costs. As such, the
3 Company's methodology for calculating Hospitalization expense is appropriate.
4

5 **Q. Please explain the adjustment on National Fuel Exhibit MPW-1, Schedule 2**
6 **(Benefits) - Page 7 - 8.**

7 A. This part of the exhibit shows the calculation of the adjustment of the Dental Expense
8 Benefit provided by the Company. The calculation starts with actual gross amount of
9 dental benefits expense incurred during the HTY and the previous two years of \$222,772.
10 Unlike other benefits, dental expense is not influenced by compensation levels of the
11 participants or healthcare inflationary trends, and as a result the use of a three-year
12 historical average for establishing a rate recovery is appropriate. I decreased the
13 \$222,772 by the annualized level of employee contributions of \$47,236 (which was
14 calculated using the average employee contributions from the HTY and previous two
15 years), which produced net dental costs of \$175,536 during the HTY. I then multiplied
16 this amount by Factor A to determine the amount of the O&M expense associated with
17 the Dental Expense Benefit of \$128,387 for the FTY and FPFTY. This amount is
18 \$19,241 lower than the expense recorded on the general ledger for the HTY.
19

20 **Q. Please explain the adjustment to National Fuel Exhibit MPW-1, Schedule 2**
21 **(Benefits) - Pages 13 - 14.**

22 A. This part of the exhibit calculates the adjustment for stock-based compensation to be the
23 amount being claimed for the FPFTY. The use of historical data (i.e., three-year

1 averages) for calculating requested rate recovery for stock-based compensation is deemed
2 to be appropriate given that these benefits are not impacted by factors that would impact
3 other benefits such as compensation levels impacting RSA expense/401(k) expense or
4 healthcare inflationary trends impacting Hospitalized expenses. The historical stock-
5 based compensation expenses recorded to O&M expense from the HTY and the two
6 previous years were used to calculate the average of \$1,429,959, which was used for the
7 FTY and FPFTY. This amount is \$123,312 higher than the amount recorded for the HTY
8 and normalized HTY.

9
10 **Q. Please explain the adjustment to National Fuel Exhibit MPW-1, Schedule 2**
11 **(Benefits) - Pages 15 - 16.**

12 A. This part of the exhibit calculates the adjustment for benefit charges associated with labor
13 charged from NFGDC's New York Division ("National Fuel – NY") and other NFG
14 subsidiaries to the amount being claimed for the FPFTY. For benefit charges associated
15 with labor charged from National Fuel – NY, I used the per book HTY number of
16 \$778,446 instead of a three-year average. I used the HTY number as the basis for benefit
17 charges from National Fuel – NY because the NY employee benefits costs recently
18 changed in accordance with a settlement with the New York Public Service Commission
19 in Case 23-G-0627. Due to the settlement, National Fuel – NY's employee benefit costs
20 were updated effective October 2024, which affects the costs charged to PA division for
21 loaned labor. As a result, it is appropriate to use the HTY for requested rate recovery in
22 this case, but not a three-average of the HTY and previous two years. With regards to the
23 benefits associated with labor charged from other subsidiaries, it is appropriate to use a

1 three-year average since there was no recent rate case in those jurisdictions that would
2 cause the HTY to be any more predictive than the three-year average. As such, I
3 calculated an average of these expenses from the HTY and the two previous years of
4 \$409,014 and used this average for the FTY and FPFTY. This amount is \$24,381 lower
5 than benefit charges recorded from other subsidiaries, for the HTY.

6

7 **Q. Does this conclude your direct testimony at this time?**

8 A. Yes.

NATIONAL FUEL EXHIBIT MPW-1
EMPLOYEE BENEFITS

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits
 Workpaper For Cost Element - Employee Benefits

Exhibit No. MPW-1
 Schedule 1 (Benefits)
 Witness: Weidner
 Page 1

	<u>TME 9/30/2025 Per Books</u>	<u>Normalizing Adjustments</u>	<u>HTY TME 9/30/2025</u>
Group Life Insurance	\$53,051	(\$1,610)	\$51,440
Hospitalization Insurance	3,871,910	(11,094)	3,860,816
401(K) Plan	898,470	(17,487)	880,983
Dental Plan	147,628	(4,422)	143,206
Annuity	0	0	0
Post Retirement Benefits	(1,558,903)	1,558,903	0
Retirement Savings Account	750,051	64,371	814,422
Stock Based Compensation	1,306,647	0	1,306,647
Miscellaneous	(183,415)	0	(183,415)
Benefits From New York	778,446	0	778,446
Benefits From Other Subs	<u>433,394</u>	<u>0</u>	<u>433,394</u>
	<u><u>\$6,497,279</u></u>	<u><u>\$1,588,661</u></u>	<u><u>\$8,085,939</u></u>

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to
 Benefits

Workpaper For Cost Element - Employee Benefits

Exhibit No. MPW-1
 Schedule 1 (Benefits)

Witness: Weidner

Page 2

	FTY TME 9/30/2026	Adjustments	Rate Year TME 10/31/2027
Group Life Insurance	\$52,388	\$0	\$52,388
Hospitalization Insurance	4,282,559	\$492,540	4,775,099
401(K) Plan	991,550	\$109,017	1,100,567
Dental Plan	128,387	\$0	128,387
Annuity	0	\$0	0
Post Retirement Benefits	0	\$0	0
Retirement Savings Account	921,727	\$90,163	1,011,890
Stock Based Compensation	1,429,959	\$0	1,429,959
Miscellaneous	(188,102)	(\$0)	(188,102)
Benefits From New York	778,446	\$0	778,446
Benefits From Other Subs	409,014	\$0	409,014
	<u>\$8,805,928</u>	<u>\$691,720</u>	<u>\$9,497,648</u>

National Fuel Gas Distribution Corporation
Pennsylvania Division
Operations and Maintenance Expense Adjustments to Benefits

Group Life Insurance
Twelve Months Ended Sept. 2025 and Twelve Months Ending Sept. 2026

	<u>Historic Test Year Sept 2025</u>		<u>Future Test Year Sept. 2026</u>	
Term Insurance Rate Note 1	\$0.072		\$0.072	
Term Insurance Volume (Calculation below)	<u>30,205</u>	\$2,175	<u>31,242</u>	\$2,249
AD & D Insurance Rate Note 1	\$0.020		\$0.020	
AD & D Insurance Volume (Calculation below)	<u>27,655</u>	553	<u>29,344</u>	587
Blanket Travel - Per Month		<u>\$ 109.97</u>		<u>109.97</u>
Total Monthly Gross Premium		\$2,838		\$2,946
Gross Normalized Group Life Insurance (x 12)				
		<u>\$34,056</u>		<u>\$35,352</u>
Amount to be charged to Operations and Maintenance Expense	73.14%		73.14%	
Officer Life Insurance - Per Book		<u>\$24,908</u>		<u>\$25,856</u>
Total Group Life Insurance		<u>\$26,532</u>		<u>\$26,532</u>
		<u>\$51,440</u>		<u>\$52,388</u>

<u>Volume Calculation at</u>	<u>Sept 2025</u>	<u>Sept. 2026</u>
Basic Life-participants	233	241
Basic Life-\$ Volume	30,205	31,242
AD&D-participants	131	139
AD&D-\$Volume	27,655	29,344

Note: Assumes 8 incremental employee hired during fiscal 2026 and an additional 6 hired in fiscal 2027. Also, premium rates decreased from prior years, so using a 3-year average is inappropriate

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

Group Life Insurance
 Link Month Oct. 2026 and Twelve Months Ending Oct. 2027

	<u>Link Month 10/31/2026</u>		<u>Rate Year TME 10/31/2027</u>	
Term Insurance Rate Note 1	\$0.072		\$0.072	
Term Insurance Volume (Calculation below)	<u>31,242</u>	\$2,249	<u>31,242</u>	\$2,249
AD & D Insurance Rate Note 1	\$0.020		\$0.020	
AD & D Insurance Volume (Calculation below)	<u>29,344</u>	\$ 587	<u>29,344</u>	\$ 587
Blanket Travel - Per Month		<u>109.97</u>		<u>109.97</u>
Total Monthly Gross Premium		\$2,946		\$2,946
Gross Normalized Group Life Insurance Annualized (x 12)		<u>\$35,352</u>		<u>\$35,352</u>
Amount to be charged to Operations and Maintenance Expense	73.14%	<u>\$25,856</u>	73.14%	<u>\$25,856</u>
Officer Life Insurance - Per Book		<u>\$26,532</u>		<u>\$26,532</u>
Total Group Life Insurance		<u>\$52,388</u>		<u>\$52,388</u>

<u>Volume Calculation at</u>	<u>Oct. 2026</u>	<u>Oct. 2027</u>
	247	247
	31,242	31,242
	145	145
	29,344	29,344

National Fuel Gas Distribution Corporation										Exhibit No. MPW-1				
Pennsylvania Division										Schedule 2 (Benefits)				
Calculation of Medical and Prescription										Witness: Weidner				
										Page 3-4 Workpaper				
Medical										Prescription				
Month	Paid Claims / Stop Loss	Enrolled	Paid Claims/ Enrolled	Base Rate Rolling 12 Months		Non-Enrollment Admin Fees	Enrollment Admin Fees	Paid Claims	Employees	Paid Claims/ Employee	Base Rate Rolling 12 Months	Admin Fees		
September-24	\$ 317,370	366	\$ 867	\$ 1,177		\$ 3,799	\$ 21,915	\$ 29,349	200	146.74	248.24	231.55		
October-24	\$ 398,281	365	\$ 1,091	\$ 1,167		\$ 3,818	\$ 21,915	\$ 24,880	199	125.03	235.63	987.64		
November-24	\$ 605,925	364	\$ 1,665	\$ 1,221		\$ 3,811	\$ 11,685	\$ 59,174	199	297.36	240.45	435.61		
December-24	\$ 493,859	369	\$ 1,338	\$ 1,221		\$ 3,911	\$ 22,151	\$ 24,810	199	124.68	220.83	375.82		
January-25	\$ 393,535	379	\$ 1,038	\$ 1,241		\$ 3,889	\$ 19,819	\$ 45,783	207	221.17	212.78	274.04		
February-25	\$ 456,790	380	\$ 1,202	\$ 1,236		\$ 1,763	\$ 24,359	\$ 49,721	211	235.64	210.61	1016.94		
March-25	\$ 412,021	376	\$ 1,096	\$ 1,211		\$ 6,087	\$ 24,106	\$ 27,477	209	131.47	194.39	3647.01		
April-25	\$ 447,152	377	\$ 1,186	\$ 1,220		\$ 3,985	\$ 24,002	\$ 60,356	211	286.05	201.70	736.76		
May-25	\$ 554,367	376	\$ 1,474	\$ 1,229		\$ 3,933	\$ 23,938	\$ 58,056	211	275.15	208.00	840.12		
June-25	\$ 601,766	375	\$ 1,605	\$ 1,270		\$ 3,926	\$ 23,875	\$ 43,719	211	207.20	205.46	640.7		
July-25	\$ 338,796	379	\$ 894	\$ 1,232		\$ 3,961	\$ 23,960	\$ 71,677	213	336.51	219.64	491.33		
August-25	\$ 646,061	375	\$ 1,723	Annual % \$ 1,264	Annual 12-Month Rolling %	\$ 3,923	\$ 23,708	\$ 31,888	209	152.57	212.54	Annual % 505.42		
September-25	\$ 507,586	373	\$ 1,361	56.9% \$ 1,305	10.9%	\$ 3,905	\$ 23,581	\$ 39,329	205	191.85	216.13	-12.94% 171.92		
				Annual Rate at September 2025	10.90%	\$ 46,912	\$ 267,098				Annual Rate at September 2025	-12.94%		
						TME Admin	\$ 314,011							
						TME Enrolled	4,488							
						Avg Admin TME	\$69.97							
				Base Rate at HTY September 2025				Base Rate at HTY September 2025			216.13			
				September 2025 annualized				September 2025 annualized			\$216.13			
				Administrative				Administrative			4.12			
				Total HTY	HTY			Total HTY			\$220.25	HTY		
				Base Rate Annualized at September 2025				Base Rate Annualized at September 2025			\$216.13			
				Increase to provide September 2026	10.90% annual increase	Base Rate Claims	Admin	Total FTY			-12.94% annual decrease			
				Base Rate at FTY September 2026	\$1,447.07	FTY	\$1,447.07	69.97	\$1,517.04		\$188.16	FTY		
								Administrative			4.12			
								Base Rate at FTY			192.28			
				Increase to provide October 2026	0.91% 1/12 annual increase	Base Rate Claims	Admin	Link Month			-1.08% 1/12 annual increase			
				Base Rate at October 2026	\$1,460.24	Link Month	\$1,460.24	69.97	\$1,530.21		\$186.13	Link Month		
								Administrative			4.12			
								Increase to provide October 2027 annualized			190.25			
				Increase to provide October 2027 annualized	10.90% annual increase			Increase to provide October 2027 annualized			-12.94% annual decrease			
				October 2027 annualized	\$1,619.41			October 2027 annualized			\$162.04			
				Administrative	69.97			Administrative			4.12			
				Total October 2027 annualized	\$1,689.38	Rate Year		Total October 2027 annualized			\$166.16	Rate Year		

National Fuel Gas Distribution Corporation
Pennsylvania Division
Operations and Maintenance Expense Adjustments to Benefits

Hospitalization Expense
Twelve Months Ended Sept. 2025 and Twelve Months Ending Sept. 2026

	<u>Historic Test Year Sept 2025</u>		<u>Future Test Year Sept. 2026</u>	
Health Insurance				
Annualized Rate per employee	\$1,374.81		\$1,517.04	
Participating active employees in health care plans - see Note (2)	373		381	
Gross (Monthly x 12)	<u>512,803</u>	\$6,153,635	<u>577,991</u>	\$6,935,892
Wellness Program				
Annual Gross Premium		4,776	0.00%	4,776
Carved Out Pharmacy Prescription Drug Benefits				
Annualized Rate per employee	\$220.25		\$192.28	
Participating active employees in health care plans Note (1) and (2)	<u>205</u>		<u>213</u>	
Gross (Monthly x 12)	<u>45,150</u>	<u>541,803</u>	<u>40,955</u>	<u>491,455</u>
Gross Normalized Hospitalization Cost		6,700,214		7,432,123
less: Supervisory Contribution		427,771		474,500
less: Hourly Contribution		993,777		1,102,334
Total Gross Normalized Hospitalization Costs		<u>\$5,278,665</u>		<u>\$5,855,289</u>
Amount to be charged to Operations and Maintenance Expense	73.14%	<u>\$3,860,816</u>	73.14%	<u>\$4,282,559</u>

Note (1) Certain Union employees have health insurance that includes pharmaceutical coverage (i.e. it's not carved out). In addition, Permanent Part Time employees do not receive pharmaceutical coverage.

Note (2) Assumes 8 incremental employees hired during fiscal 2026 and another 6 in fiscal 2027

National Fuel Gas Distribution Corporation
Pennsylvania Division
Operations and Maintenance Expense Adjustments to Benefits

Hospitalization Expense
Link Month Oct. 2026 and Twelve Months Ending Oct. 2027

	<u>Link Month 10/31/2026</u>		<u>Rate Year TME 10/31/2027</u>	
Health Insurance				
Annualized Rate per employee	\$1,530.21		\$1,689.38	
Participating active employees in health care plans - see Note (2)	387		387	
Gross (Monthly x 12)	<u>592,190</u>	\$7,106,280	<u>653,789</u>	\$7,845,465
Wellness Program				
Annual Gross Premium		4,776		4,776
Carved Out Pharmacy Prescription Drug Benefits				
Annualized Rate per employee	\$190.25		\$166.16	
Participating active employees in health care plans Note (1) and (2)	219		219	
Annual Gross (x 12)	<u>41,664</u>	<u>499,964</u>	<u>36,388</u>	<u>436,656</u>
Gross Normalized Hospitalization Cost		7,611,020		8,286,897
less: Supervisory Contribution for Twelve Months		485,921		529,072
less: Union Contribution for Twelve Months		1,128,868		1,229,114
Total Gross Normalized Hospitalization Costs		<u>\$5,996,231</u>		<u>\$6,528,710</u>
Amount to be charged to Operations and Maintenance Expense	73.14%	<u>\$4,385,643</u>	73.14%	<u>\$4,775,099</u>

Note (1) Certain Union employees have health insurance that includes pharmaceutical coverage (i.e. it's not carved out). In addition, Permanent Part Time employees do not receive pharmaceutical coverage.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 PENNSYLVANIA DISTRIBUTION
 401(K) COMPANY MATCH
 PROJECTED
 CONFIDENTIAL

Exhibit No. MPW - 1
 Schedule 2 (Benefits)
 Witness: Weidner
 Page 5 & 6 Workpaper
 CONFIDENTIAL

	Non Union Hourly Employees	Annual 401(k) Co. Match	Salaried Employees	Annual 401(k) Co. Match	Union Employees	G Annual 401(k) Co. Match	Total	401(k) Company Match	
As of 9/2025	98	-	121	-	124		343	1,225,192	GL Balance at Sep. 2025
Compensation Subject to Match (Based on Current Contributing Participants)	5,409,664		13,714,704		8,981,086				
Weighted Avg Match %	3.0%		5.7%		3.0%				
Projected Company Match	-	161,413	-	776,305	-	266,798		1,204,515	Twelve Months Ended Sep. 2025 Normalized
Compensation Subject to Match (Based on Current Contributing Participants)	6,100,450		14,347,295		9,810,213				
Weighted Avg Match %	3.0%		5.7%		3.5%				
Projected Company Match	-	181,836 A	-	812,112 C	-	344,368 E		1,338,316	Twelve Months Ending Sep. 2026
						Impact of Incremental Employees		17,371	
Compensation Subject to Match (Based on Current Contributing Participants)	6,177,204		14,417,583		9,902,338			1,355,688	Twelve Months Ending Sep. 2026 (with Incremental Employees)
Weighted Avg Match %	3.0%		5.7%		3.6%			1,356,119	Link Month Oct. 2026
Projected Company Match	-	184,105	-	816,091	-	355,923		1,356,119	Link Month Oct. 2026
						Impact of Incremental Employees		17,491	
Compensation Subject to Match (Based on Current Contributing Participants)	6,541,736		15,134,419		10,458,126			1,373,610	Link Month Oct 2026 (with Incremental Employees)
Weighted Avg Match %	3.0%		5.7%		4.0%			1,471,391	Twelve Months Ending Oct. 2027
Projected Company Match	-	194,932 B	-	856,667 D	-	419,793 F		1,471,391	Twelve Months Ending Oct. 2027
						Impact of Incremental Employees		33,349	

Note: Assumes 8 incremental employee hired during fiscal 2026 and an additional 6 hired in fiscal 2027.
 Per National Fuel Exhibit ATF-4, Schedule 5, the average compensation of the incremental employees for
 the FTY is \$53,609 and \$62,658 for the FPFTY.

**1,504,740 Twelve Months Ending Oct. 2027
(with Incremental Employees)**

Projecting an [redacted] % increase for Non-Union Hourly (except for the few exempt employees that receive a [redacted] increase) effective 1/1/2026. This represents an
A approximate \$ [redacted] base pay adjustment plus annual increases

B Projecting a [redacted] increase for all Non-Union hourly effective 1/1/2027

C Projecting a [redacted] increase for Supervisory employees effective 1/1/2026. This represents an approximate \$145,000 salary adjustment

D Projecting a [redacted] increase for Supervisory employees effective 1/1/2027

E Projecting a [redacted] increase for 2154P Union employees and a 10% increase for F&O Union employees effective 1/1/2026

F Projecting a [redacted] increase for F&O Union employees effective 11/1/2026, a [redacted] increase for F&O Union employees 5/1/2027 and a [redacted] increase for 2154P Union employees 4/15/2027

G Projecting an adjustment to matching schedule effective 4/1/2026 to align with recent union agreements in NY jurisdiction.

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

401(K) Plan Company Payment
 Twelve Months Ended Sept. 2025 and Twelve Months Ending Sept. 2026

Company Payment	<u>Historic Test Year Sept 2025</u>	<u>Future Test Year Sept. 2026</u>
401(K) Gross Union	\$ 266,798	\$ 344,368
401(K) Gross Hourly	161,413	181,836
401(K) Gross Supervisory	776,305	812,112
Impact of Incremental Employees	<u> </u>	<u>17,371</u>
Gross Normalized 401(K) Cost	1,204,515	1,355,688
Amount to be charged to Operations and Maintenance Expense	73.14% \$ 880,983	\$ 991,550

Note: Assumes 8 incremental employee hired during fiscal 2026 and an additional 6 hired in fiscal 2027. Per National Fuel Exhibit ATF-4, Schedule 5, the average compensation of the incremental employees for the FTY is \$53,609 and \$62,658 for the FPFTY.

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

401(K) Plan Company Payment
 Link Month Oct. 2026 and Twelve Months Ending Oct. 2027

Company Payment	Link Month Oct. 2026	Rate Year Oct. 2027
401(K) Gross Union	\$ 355,923	\$ 419,793
401(K) Gross Hourly	184,105	194,932
401(K) Gross Supervisory	816,091	856,667
Impact of Incremental Employees	<u>17,491</u>	<u>33,349</u>
Gross Normalized 401(K) Cost	1,373,610	1,504,740
Amount to be charged to Operations and Maintenance Expense	73.14% \$ 1,004,658	\$ 1,100,567

Note: Assumes 8 incremental employee hired during fiscal 2026 and an additional 6 hired in fiscal 2027. Per National Fuel Exhibit ATF-4, Schedule 5, the average compensation of the incremental employees for the FTY is \$53,609 and \$62,658 for the FPFTY.

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

Dental Expense
 Twelve Months Ended Sept. 2025 and Twelve Months Ending Sept. 2026

	<u>Historic Test Year Sept 2025</u>	<u>Future Test Year Sept. 2026</u>
Gross Annual Premium and Claim Payments	246,917	\$ 222,772
Increase projected	<u>0</u>	<u>0</u>
Total Projected Dental Plan Costs	246,917	222,772
less: Employee Contributions	51,120	47,236
Total Gross Normalized Dental Costs	<u>\$195,797</u>	<u>\$175,536</u>
Amount to be charged to Operations and Maintenance Expense	73.14% <u>\$143,206</u>	73.14% <u>\$128,387</u>
	Gross	Contribution
9/30/2023	\$ 212,074	\$ (44,126) \$ 167,948
9/30/2024	\$ 209,324	\$ (46,462) \$ 162,862
9/30/2025	\$ 246,917	\$ (51,120) \$ 195,797
3 Year Average	\$ 222,772	\$ (47,236) \$ 175,536

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

Dental Expense
 Link Month Oct. 2026 and Twelve Months Ending Oct. 2027

	<u>Link Month Oct. 2026</u>	<u>Rate Year Oct. 2027</u>
Gross Annual Premium and Claim Payments	\$222,772	\$222,772
Increase projected	<u>0</u>	<u>0</u>
Total Projected Dental Plan Costs	222,772	222,772
less: Supervisory Contribution for Twelve Months	47,236	47,236
Total Gross Normalized Dental Costs	<u>\$175,536</u>	<u>\$175,536</u>
Amount to be charged to Operations and Maintenance Expense	73.14% <u>\$128,387</u>	73.14% <u>\$128,387</u>

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

Annuity Benefits
 Twelve Months Ended Sept. 2025 and Twelve Months Ending Sept. 2026

	<u>Historic Test Year Sept 2025</u>		<u>Future Test Year Sept. 2026</u>	
Qualified Retirement Plan Funding	\$0		0	
Gross Annual Annuity Benefit	\$0		\$0	
O&M Percent	73.14%	\$0	73.14%	\$0
ERP (Funding Based on FAS 87 - Represents Pennsylvania's Expense Portion)	\$	-	\$	-
Tophat (Funding Based on FAS 87 - Represents Pennsylvania's Expense Portion)	\$	-	\$	-
Amount to be charged to Operations and Maintenance Expense	<u>\$0</u>		<u>\$0</u>	

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits
 Workpaper For Cost Element - Employee Benefits

Exhibit No. MPW-1
 Schedule 1 (Benefits)
 Witness: Weidner
 Page 1

	<u>TME 9/30/2025</u> <u>Per Books</u>	<u>Normalizing</u> <u>Adjustments</u>	<u>HTY</u> <u>TME 9/30/2025</u>
Group Life Insurance	\$53,051	(\$1,610)	\$51,440
Hospitalization Insurance	3,871,910	(11,094)	3,860,816
401(K) Plan	898,470	(17,487)	880,983
Dental Plan	147,628	(4,422)	143,206
Annuity	0	0	0
Post Retirement Benefits	(1,558,903)	1,558,903	0
Retirement Savings Account	750,051	64,371	814,422
Stock Based Compensation	1,306,647	0	1,306,647
Miscellaneous	(183,415)	0	(183,415)
Benefits From New York	778,446	0	778,446
Benefits From Other Subs	<u>433,394</u>	<u>0</u>	<u>433,394</u>
	<u>\$6,497,279</u>	<u>\$1,588,661</u>	<u>\$8,085,939</u>

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to
 Benefits

Workpaper For Cost Element - Employee Benefits

Exhibit No. MPW-1
 Schedule 1 (Benefits)

Witness: Weidner

Page 2

	<u>FTY TME 9/30/2026</u>	<u>Adjustments</u>	<u>Rate Year TME 10/31/2027</u>
Group Life Insurance	\$52,388	\$0	\$52,388
Hospitalization Insurance	4,282,559	\$492,540	4,775,099
401(K) Plan	991,550	\$109,017	1,100,567
Dental Plan	128,387	\$0	128,387
Annuity	0	\$0	0
Post Retirement Benefits	0	\$0	0
Retirement Savings Account	921,727	\$90,163	1,011,890
Stock Based Compensation	1,429,959	\$0	1,429,959
Miscellaneous	(188,102)	(\$0)	(188,102)
Benefits From New York	778,446	\$0	778,446
Benefits From Other Subs	<u>409,014</u>	<u>\$0</u>	<u>409,014</u>
	<u><u>\$8,805,928</u></u>	<u><u>\$691,720</u></u>	<u><u>\$9,497,648</u></u>

National Fuel Gas Distribution Corporation
Pennsylvania Division
Operations and Maintenance Expense Adjustments to Benefits

Group Life Insurance
Twelve Months Ended Sept. 2025 and Twelve Months Ending Sept. 2026

	Historic Test Year Sept 2025		Future Test Year Sept. 2026	
Term Insurance Rate Note 1	\$0.072		\$0.072	
Term Insurance Volume (Calculation below)	30,205	\$2,175	31,242	\$2,249
AD & D Insurance Rate Note 1	\$0.020		\$0.020	
AD & D Insurance Volume (Calculation below)	27,655	553	29,344	587
Blanket Travel - Per Month		\$ 109.97		109.97
Total Monthly Gross Premium		\$2,838		\$2,946
Gross Normalized Group Life Insurance (x 12)				
		\$34,056		\$35,352
Amount to be charged to Operations and Maintenance Expense	73.14%		73.14%	
Officer Life Insurance - Per Book		\$24,908		\$25,856
Total Group Life Insurance		\$26,532		\$26,532
		\$51,440		\$52,388

<u>Volume Calculation at</u>	<u>Sept 2025</u>	<u>Sept. 2026</u>
Basic Life-participants	233	241
Basic Life-\$ Volume	30,205	31,242
AD&D-participants	131	139
AD&D-\$Volume	27,655	29,344

Note: Assumes 8 incremental employee hired during fiscal 2026 and an additional 6 hired in fiscal 2027. Also, premium rates decreased from prior years, so using a 3-year average is inappropriate

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

Group Life Insurance
 Link Month Oct. 2026 and Twelve Months Ending Oct. 2027

	<u>Link Month 10/31/2026</u>		<u>Rate Year TME 10/31/2027</u>	
Term Insurance Rate Note 1	\$0.072		\$0.072	
Term Insurance Volume (Calculation below)	<u>31,242</u>	\$2,249	<u>31,242</u>	\$2,249
AD & D Insurance Rate Note 1	\$0.020		\$0.020	
AD & D Insurance Volume (Calculation below)	<u>29,344</u>	\$ 587	<u>29,344</u>	\$ 587
Blanket Travel - Per Month		<u>109.97</u>		<u>109.97</u>
Total Monthly Gross Premium		\$2,946		\$2,946
Gross Normalized Group Life Insurance Annualized (x 12)		<u>\$35,352</u>		<u>\$35,352</u>
Amount to be charged to Operations and Maintenance Expense	73.14%	<u>\$25,856</u>	73.14%	<u>\$25,856</u>
Officer Life Insurance - Per Book		<u>\$26,532</u>		<u>\$26,532</u>
Total Group Life Insurance		<u>\$52,388</u>		<u>\$52,388</u>

<u>Volume Calculation at</u>	<u>Oct. 2026</u>	<u>Oct. 2027</u>
	247	247
	31,242	31,242
	145	145
	29,344	29,344

National Fuel Gas Distribution Corporation
Pennsylvania Division
Operations and Maintenance Expense Adjustments to Benefits

Hospitalization Expense
Twelve Months Ended Sept. 2025 and Twelve Months Ending Sept. 2026

	<u>Historic Test Year Sept 2025</u>		<u>Future Test Year Sept. 2026</u>	
Health Insurance				
Annualized Rate per employee	\$1,374.81		\$1,517.04	
Participating active employees in health care plans - see Note (2)	373		381	
Gross (Monthly x 12)	<u>512,803</u>	\$6,153,635	<u>577,991</u>	\$6,935,892
Wellness Program				
Annual Gross Premium		4,776	0.00%	4,776
Carved Out Pharmacy Prescription Drug Benefits				
Annualized Rate per employee	\$220.25		\$192.28	
Participating active employees in health care plans Note (1) and (2)	<u>205</u>		<u>213</u>	
Gross (Monthly x 12)	<u>45,150</u>	<u>541,803</u>	<u>40,955</u>	<u>491,455</u>
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National Fuel Gas Distribution Corporation
Pennsylvania Division
Operations and Maintenance Expense Adjustments to Benefits

Hospitalization Expense
Link Month Oct. 2026 and Twelve Months Ending Oct. 2027

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Health Insurance				
Annualized Rate per employee	\$1,530.21		\$1,689.38	
Participating active employees in health care plans - see Note (2)	387		387	
Gross (Monthly x 12)	<u>592,190</u>	\$7,106,280	<u>653,789</u>	\$7,845,465
Wellness Program				
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Carved Out Pharmacy Prescription Drug Benefits				
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NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 PENNSYLVANIA DISTRIBUTION
 401(K) COMPANY MATCH
 PROJECTED
 CONFIDENTIAL

Exhibit No. MPW - 1
 Schedule 2 (Benefits)
 Witness: Weidner
 Page 5 & 6 Workpaper
 CONFIDENTIAL

	Non Union Hourly Employees	Annual 401(k) Co. Match	Salaried Employees	Annual 401(k) Co. Match	Union Employees	G Annual 401(k) Co. Match	Total	401(k) Company Match	
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Weighted Avg Match %	3.0%		5.7%		3.0%				
Projected Company Match	-	161,413	-	776,305	-	266,798		1,204,515	Twelve Months Ended Sep. 2025 Normalized
Compensation Subject to Match (Based on Current Contributing Participants)	6,100,450		14,347,295		9,810,213				
Weighted Avg Match %	3.0%		5.7%		3.5%				
Projected Company Match	-	181,836 A	-	812,112 C	-	344,368 E		1,338,316	Twelve Months Ending Sep. 2026
						Impact of Incremental Employees		17,371	
Compensation Subject to Match (Based on Current Contributing Participants)	6,177,204		14,417,583		9,902,338			1,355,688	Twelve Months Ending Sep. 2026 (with Incremental Employees)
Weighted Avg Match %	3.0%		5.7%		3.6%			1,356,119	Link Month Oct. 2026
Projected Company Match	-	184,105	-	816,091	-	355,923		1,356,119	Link Month Oct. 2026
						Impact of Incremental Employees		17,491	
Compensation Subject to Match (Based on Current Contributing Participants)	6,541,736		15,134,419		10,458,126			1,373,610	Link Month Oct 2026 (with Incremental Employees)
Weighted Avg Match %	3.0%		5.7%		4.0%			1,471,391	Twelve Months Ending Oct. 2027
Projected Company Match	-	194,932 B	-	856,667 D	-	419,793 F		1,471,391	Twelve Months Ending Oct. 2027
						Impact of Incremental Employees		33,349	

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 Per National Fuel Exhibit ATF-4, Schedule 5, the average compensation of the incremental employees for
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**1,504,740 Twelve Months Ending Oct. 2027
(with Incremental Employees)**

Projecting an [redacted] % increase for Non-Union Hourly (except for the few exempt employees that receive a [redacted] increase) effective 1/1/2026. This represents an
A approximate \$ [redacted] base pay adjustment plus annual increases

B Projecting a [redacted] increase for all Non-Union hourly effective 1/1/2027

C Projecting a [redacted] increase for Supervisory employees effective 1/1/2026. This represents an approximate \$145,000 salary adjustment

D Projecting a [redacted] increase for Supervisory employees effective 1/1/2027

E Projecting a [redacted] increase for 2154P Union employees and a 10% increase for F&O Union employees effective 1/1/2026

F Projecting a [redacted] increase for F&O Union employees effective 11/1/2026, a [redacted] increase for F&O Union employees 5/1/2027 and a [redacted] increase for 2154P Union employees 4/15/2027

G Projecting an adjustment to matching schedule effective 4/1/2026 to align with recent union agreements in NY jurisdiction.

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

401(K) Plan Company Payment
 Twelve Months Ended Sept. 2025 and Twelve Months Ending Sept. 2026

Company Payment	<u>Historic Test Year Sept 2025</u>	<u>Future Test Year Sept. 2026</u>
401(K) Gross Union	\$ 266,798	\$ 344,368
401(K) Gross Hourly	161,413	181,836
401(K) Gross Supervisory	776,305	812,112
Impact of Incremental Employees	<u> </u>	<u>17,371</u>
Gross Normalized 401(K) Cost	1,204,515	1,355,688
Amount to be charged to Operations and Maintenance Expense	73.14% \$ 880,983	\$ 991,550

Note: Assumes 8 incremental employee hired during fiscal 2026 and an additional 6 hired in fiscal 2027. Per National Fuel Exhibit ATF-4, Schedule 5, the average compensation of the incremental employees for the FTY is \$53,609 and \$62,658 for the FPFTY.

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

401(K) Plan Company Payment
 Link Month Oct. 2026 and Twelve Months Ending Oct. 2027

Company Payment	Link Month Oct. 2026	Rate Year Oct. 2027
401(K) Gross Union	\$ 355,923	\$ 419,793
401(K) Gross Hourly	184,105	194,932
401(K) Gross Supervisory	816,091	856,667
Impact of Incremental Employees	17,491	33,349
Gross Normalized 401(K) Cost	1,373,610	1,504,740
Amount to be charged to Operations and Maintenance Expense	73.14% \$ 1,004,658	\$ 1,100,567

Note: Assumes 8 incremental employee hired during fiscal 2026 and an additional 6 hired in fiscal 2027. Per National Fuel Exhibit ATF-4, Schedule 5, the average compensation of the incremental employees for the FTY is \$53,609 and \$62,658 for the FPFTY.

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

Dental Expense
 Twelve Months Ended Sept. 2025 and Twelve Months Ending Sept. 2026

	<u>Historic Test Year Sept 2025</u>	<u>Future Test Year Sept. 2026</u>
Gross Annual Premium and Claim Payments	246,917	\$ 222,772
Increase projected	<u>0</u>	<u>0</u>
Total Projected Dental Plan Costs	246,917	222,772
less: Employee Contributions	51,120	47,236
Total Gross Normalized Dental Costs	<u>\$195,797</u>	<u>\$175,536</u>
Amount to be charged to Operations and Maintenance Expense	73.14% <u>\$143,206</u>	73.14% <u>\$128,387</u>
	Gross	Contribution
9/30/2023	\$ 212,074	\$ (44,126) \$ 167,948
9/30/2024	\$ 209,324	\$ (46,462) \$ 162,862
9/30/2025	\$ 246,917	\$ (51,120) \$ 195,797
3 Year Average	\$ 222,772	\$ (47,236) \$ 175,536

National Fuel Gas Distribution Corporation
Pennsylvania Division
Operations and Maintenance Expense Adjustments to Benefits

Dental Expense
Link Month Oct. 2026 and Twelve Months Ending Oct. 2027

	<u>Link Month Oct. 2026</u>	<u>Rate Year Oct. 2027</u>
Gross Annual Premium and Claim Payments	\$222,772	\$222,772
Increase projected	<u>0</u>	<u>0</u>
Total Projected Dental Plan Costs	222,772	222,772
less: Supervisory Contribution for Twelve Months	47,236	47,236
Total Gross Normalized Dental Costs	<u>\$175,536</u>	<u>\$175,536</u>
Amount to be charged to Operations and Maintenance Expense	73.14% <u>\$128,387</u>	73.14% <u>\$128,387</u>

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

Annuity Benefits
 Twelve Months Ended Sept. 2025 and Twelve Months Ending Sept. 2026

	<u>Historic Test Year Sept 2025</u>		<u>Future Test Year Sept. 2026</u>	
Qualified Retirement Plan Funding	\$0		0	
Gross Annual Annuity Benefit	\$0		\$0	
O&M Percent	73.14%	\$0	73.14%	\$0
ERP (Funding Based on FAS 87 - Represents Pennsylvania's Expense Portion)	\$	-	\$	-
Tophat (Funding Based on FAS 87 - Represents Pennsylvania's Expense Portion)	\$	-	\$	-
Amount to be charged to Operations and Maintenance Expense	<u>\$0</u>		<u>\$0</u>	

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

Annuity Benefits
 Link Month Oct. 2026 and Twelve Months Ending Oct. 2027

	Link Month Oct. 2026		Rate Year Oct. 2027	
Qualified Retirement Plan Funding	0		0	
Gross Annual Annuity Benefit	\$0		\$0	
O&M Percent	73.14%	\$0	73.14%	\$0
ERP (Funding Based on FAS 87 - Represents Pennsylvania's Expense Portion)	\$	-	\$	\$0
Tophat (Funding Based on FAS 87 - Represents Pennsylvania's Expense Portion)	\$	-	\$	\$0
Amount to be charged to Operations and Maintenance Expense	<u>\$0</u>		<u>\$0</u>	

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DISTRIBUTION
RETIREMENT SAVINGS ACCOUNT
PROJECTED
CONFIDENTIAL

Exhibit No. MPW-1
Schedule 2 (Benefits)
Witness: Weidner
Page 11 & 12 Workpaper
CONFIDENTIAL

	Non Union Hourly Employees	Annual RSA Contribution	Salaried Employees	Annual RSA Contribution	Union Employees	Annual RSA Contribution	Total	Annual RSA Contribution	
As of 9/2025	99	-	112	-	206	-	417	1,066,238	GL Balance at Sep. 2025
Compensation Subject to RSA	5,302,461		12,439,204		13,296,962				
Weighted Avg RSA %	3.5%		3.8%		3.5%				
Projected RSA Contribution	-	183,051	-	466,912	-	463,548	-	1,113,511	Twelve Months Ended Sep. 2025 Normaliz
Compensation Subject to RSA	6,065,466		13,202,867		15,357,270				
Weighted Avg RSA %	3.5%		3.8%		3.5%				
Projected RSA Contribution	-	210,800 A	-	498,395 C	-	535,676 E	-	1,244,871	Twelve Months Ending Sep. 2026
						Impact of Incremental Employees		15,351	
								1,260,223	Twelve Months Ending Sep. 2026 (with Incremental Employees)
Compensation Subject to RSA	6,149,345		13,284,575		15,551,827				
Weighted Avg RSA %	3.5%		3.8%		3.5%				
Projected RSA Contribution	-	213,798	-	502,007	-	543,210	-	1,259,015	Link Month Oct. 2026
						Impact of Incremental Employees		15,366	Link Month Oct 2026 (with Incremental Employees)
Compensation Subject to RSA	6,519,299		13,950,896		16,538,271			1,274,381	
Weighted Avg RSA %	3.5%		3.8%		3.6%				
Projected RSA Contribution	-	228,279 B	-	534,811 D	-	591,367 F	-	1,354,458	Twelve Months Ending Oct. 2027
						Impact of Incremental Employees		29,039	
								1,383,497	Twelve Months Ending Oct. 2027 (with Incremental Employees)

Note: Assumes 8 incremental employee hired during fiscal 2026 and an additional 6 hired in fiscal 2027. Per National Fuel Exhibit ATF-4, Schedule 5, the average compensation of the incremental employees for the FTY is \$53,609 and \$62,658 for the FPFTY.

- A** Projecting an [redacted] increase for Non-Union Hourly (except for the few exempt employees that receive a [redacted] increase) effective 1/1/2026. This represents an approximate \$525,000 base pay adjustment plus annual increases
- B** Projecting a [redacted] increase for all Non-Union hourly effective 1/1/2027
- C** Projecting a [redacted] increase for Supervisory employees effective 1/1/2026. This represents an approximate \$ [redacted] salary adjustment
- D** Projecting a [redacted] increase for Supervisory employees effective 1/1/2027
- E** Projecting a [redacted] increase for 2154P Union employees and a [redacted] increase for F&O Union employees effective 1/1/2026
- F** Projecting a [redacted] increase for F&O Union employees effective 11/1/2026, a [redacted] increase for F&O Union employees 5/1/2027 and a [redacted] increase for 2154P Union employees 4/15/2027

NOTE Plan effective July 1, 2003 and provides for a company contribution of 3% of employee salary for fewer than 6 years of service and 4% for 6 years and more of service. Benefit received 3 months after hire date for non-union and 6 months for union.

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

Retirement Savings Account
 Link Month Oct. 2026 and Twelve Months Ending Oct. 2027

	<u>Link Month Oct. 2026</u>	<u>Rate</u>	<u>Year Oct. 2027</u>
RSA Gross Union	\$ 543,210	\$	591,367
RSA Gross Hourly	213,798		228,279
RSA Gross Supervisory	502,007		534,811
Impact of Incremental Employees	<u>15,366</u>		<u>29,039</u>
Gross Normalized RSA Cost	1,274,381		1,383,497
Amount to be charged to Operations and Maintenance Expense	73.14% \$ 932,082	\$	1,011,890

Note: Assumes 8 incremental employee hired during fiscal 2026 and an additional 6 hired in fiscal 2027. Per National Fuel Exhibit ATF-4, Schedule 5, the average compensation of the incremental employees for the FTY is \$53,609 and \$62,658 for the FPFTY.

Plan effective July 1, 2003 and provides for a company contribution of 3% of employee salary for fewer than 6 years of service and 4% for 6 years and more of service. Benefit received 3 months after hire date for non-union and 6 months for union.

National Fuel Gas Distribution Corporation
Pennsylvania Division
Operations and Maintenance Expense Adjustments to Benefits

Stock Based Compensation
Twelve Months Ended Sept. 2025 and Twelve Months Ending Sept. 2026

	<u>Historic Test Year Sept 2025</u>	<u>Future Test Year Sept. 2026</u>
Restricted Stock for Supervisory Staff-Charged to O&M	\$ 233,280	\$ 182,075
Restricted Stock for Officers - Charged to O&M	\$ 320,581	\$ 290,746
Performance Shares for Officers-Charged to O&M	\$ 752,785	\$ 957,138
Total 12-Month Stock Compensation	\$1,306,647	\$1,429,959

	Restricted Stock Supervisors	Restricted Stock Officers	Performance Shares for Officers
9/30/2023	\$ 154,474	\$ 256,239	\$ 1,081,388
9/30/2024	\$ 158,470	\$ 295,417	\$ 1,037,242
9/30/2025	\$ 233,280	\$ 320,581	\$ 752,785
3 Year Average	\$ 182,075	\$ 290,746	\$ 957,138

Note: The December 2024 grant of Restricted Stock to Supervisors was changed from a vesting period of 60 months to 36 months (previous grants vested over 60 months).

National Fuel Gas Distribution Corporation
Pennsylvania Division
Operations and Maintenance Expense Adjustments to Benefits

Stock Based Compensation
Link Month Oct. 2026 and Twelve Months Ending Oct. 2027

	<u>Link Month Oct. 2026</u>	<u>Rate Year Oct. 2027</u>
Restricted Stock for Supervisory Staff-Charged to O&M	\$182,075	\$182,075
Restricted Stock for Officers - Charged to O&M	\$290,746	\$290,746
Performance Shares for Officers-Charged to O&M	\$957,138	\$957,138
Total 12-Month Stock Compensation	\$1,429,959	\$1,429,959

National Fuel Gas Distribution Corporation
Pennsylvania Division
Operations and Maintenance Expense Adjustments to Benefits

Other Benefits Charged to Pennsylvania Division
Twelve Months Ended Sept. 2025 and Twelve Months Ending Sept. 2026

	<u>Historic Test Year Sept 2025</u>	<u>Future Test Year Sept. 2026</u>
Benefits from New York Division	778,446	778,446
Benefits from Other Subsidiaries	433,394	409,014
Total Normalized Other Benefits Charged to Pennsylvania	<u>\$1,211,841</u>	<u>1,187,460</u>
	Benefits from Other Subsidiaries	
	9/30/2023 \$ 401,457	
	9/30/2024 \$ 392,190	
	9/30/2025 \$ 433,394	
	3 Year Average \$ 409,014	

Note: In Case 23-G-0257, the New York Division reset its rates, effective during the 12 months ended 9/30/2025. As such, it is appropriate to use the HTY for future years.

National Fuel Gas Distribution Corporation
Pennsylvania Division
Operations and Maintenance Expense Adjustments to Benefits

Other Benefits Charged to Pennsylvania Division
Link Month Oct. 2026 and Twelve Months Ending Oct. 2027

	<u>Link Month Oct. 2026</u>	<u>Rate Year Oct. 2027</u>
Benefits from New York Division	778,446	778,446
Benefits from Other Subsidiaries	409,014	409,014
Total Annualized Other Benefits Charged to Pennsylvania	<u>1,187,460</u>	<u>1,187,460</u>

Range: Perbooks

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits
 Workpaper For Cost Element - Employee Benefits

Exhibit No. MPW-1
 Schedule 3 (Benefits)
 Witness: Weidner

	TME 9/30/2023	TME 9/30/2024	TME 9/30/2025	Normalizing	HTY	FTY		Link Month	Rate Year		
	Per Books	Per Books	Per Books	Adjustments	TME 9/30/2025	Adjustments	TME 9/30/2026	Adjustments	10/31/2026	Adjustments	TME 10/31/2027
Group Life Insurance	\$58,408	\$57,974	\$53,051	(\$1,610)	\$51,440	\$948	\$52,388	\$0	\$52,388	\$0	\$52,388
Officer Life Insurance	\$35,757	\$32,157	\$36,146		\$26,532		\$26,532		\$26,532		\$26,532
Non Officer Life Insurance	\$22,651	\$25,817	\$16,905		\$24,908		\$25,856		\$25,856		\$25,856
Hospitalization Insurance (Only Breakdown We Are Able to Provide is Executive Medical Highmark Plan versus All Other											
Medical/Rx/Wellness)	2,930,490	3,642,024	3,871,910	(11,094)	3,860,816	421,743	4,282,559	103,085	4,385,643	389,456	4,775,099
Officer	136,840	139,438	138,517		138,120		153,208		156,896		170,829
Non-Officer	2,793,650	3,502,587	3,733,393		3,722,695		4,129,350		4,228,747		4,604,270
401(K) Plan (Only Available Breakdown is Below)											
Hourly (Union/Non-Union)	773,207	831,805	898,470	(17,487)	880,983	110,567	991,550	13,108	1,004,658	95,909	1,100,567
Supervisory	300,972	307,687	317,494		313,193		384,866		394,976		449,609
Incremental (Includes Hourly and Supervisory)	472,235	524,118	580,975		567,790		593,979		596,889		626,566
							12,705		12,793		24,391
Dental Plan(Not Recorded by Employee Type and Not by Officer/Executive versus Non- Officer/Executive)	127,395	107,288	147,628	(4,422)	143,206	(14,819)	128,387	-	128,387	-	128,387
Annuity (All Officer/Executive)	2,325,957	950,067	-	-	-	-	-	-	-	-	-
Post Retirement Benefits (Only Available Breakdown is Below)											
Union	(1,140,353)	(1,768,569)	(1,558,903)	1,558,903	-	-	-	-	-	-	-
Supervisory	(581,064)	(1,193,644)	(1,351,777)								
	(559,288)	(574,925)	(207,126)								
Retirement Savings Account (Only Available Breakdown is Below)											
Union	636,572	685,422	750,051	64,371	814,422	107,305	921,727	10,355	932,082	79,808	1,011,890
Non-Union	297,030	288,964	311,490		472,923		545,973		553,676		599,490
Incremental (Both Union and Non-Union)	339,541	396,458	438,560		341,499		364,526		367,168		391,161
							11,228		11,239		21,239
Stock Based Compensation	1,492,101	1,491,129	1,306,647	-	1,306,647	123,312	1,429,959	-	1,429,959	-	1,429,959
Officer Perf. Shares	1,081,388	1,037,242	752,785		752,785		957,138		957,138		957,138
Officer Restricted Stock	256,239	295,417	320,581		320,581		290,746		290,746		290,746
Non-Officer Restricted Stock	154,474	158,470	233,280		233,280		182,075		182,075		182,075
Miscellaneous	(206,827)	(174,064)	(183,415)	-	(183,415)	(4,687)	(188,102)	(0)	(188,102)	-	(188,102)
Benefits From New York	(579,139)	150,282	778,446	-	778,446	-	778,446	-	778,446	-	778,446
Benefits From Other Subs	401,457	392,190	433,394	-	433,394	(24,381)	409,014	-	409,014	-	409,014
	<u>\$6,819,268</u>	<u>\$6,365,548</u>	<u>\$6,497,279</u>	<u>\$1,588,661</u>	<u>\$8,085,939</u>	<u>\$719,988</u>	<u>\$8,805,928</u>	<u>\$126,547</u>	<u>\$8,932,475</u>	<u>\$565,173</u>	<u>\$9,497,648</u>

NATIONAL FUEL STATEMENT NO. 6

MONIKA M. DUSZENKO

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Docket No. R-2025-3059428

**National Fuel Gas Distribution Corporation
Pennsylvania Division**

Statement No. 6

**Direct Testimony of
Monika M. Duszenko**

Topics Addressed: **Rate Base**
 Working Capital
 Lead/ Lag Study
 Net Plant

Dated: January 28, 2026

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Monika M. Duszenko. My business address is 6363 Main Street,
4 Williamsville, NY 14221.

5
6 **Q. By whom and in what capacity are you employed?**

7 A. I am employed as a Rate Analyst II in the Rates & Regulatory Affairs department of
8 National Fuel Gas Distribution Corporation (“NFGDC”). In this role, I am responsible
9 for regulatory matters related to NFGDC’s Pennsylvania Division (“National Fuel” or the
10 “Company”) as well as NFGDC’s New York Division (“National Fuel – NY”).

11
12 **Q. Please summarize your educational background and work experience.**

13 A. In 2018, I earned a Bachelor of Science in Business Administration with a concentration
14 in Finance from the State University of New York at Buffalo. Following graduation, I
15 joined Citigroup as a Foreign Exchange Analyst, where I worked from 2018 to 2021. In
16 December 2021, I began my tenure with NFGDC as a Rate Analyst I and was promoted
17 to Rate Analyst II in January 2024.

18
19 **Q. Have you previously testified in other proceedings before the Pennsylvania Public
20 Utility Commission (“PAPUC” or the “Commission”) or any other state or federal
21 agency?**

22 A. Yes, I testified before the New York Public Service Commission (“NYPSC”) on behalf
23 of National Fuel – NY in Case 23-G-0627.

1 that were either installed or removed as a part of this project. The engineering department
2 will place the project in-service in the Company's financial software, using the provided
3 information. Once the project is in-service, the identified retirement units are permitted by
4 the software to be unitized from the project by an authorized user within the Company's
5 Accounting or Engineering departments. The unitization process automatically generates
6 the accounting entries to move the costs on the project to the appropriate National Fuel
7 plant property accounts. These entries are subject to review by authorized individuals
8 and further review by internal and external auditors.

9
10 **IV. FULLY PROJECTED FUTURE TEST YEAR RATE BASE**

11 **Q. With reference to National Fuel's Exhibit A (FPFTY), Schedule C-1, please discuss**
12 **how the Company's specific rate base items are determined.**

13 A. National Fuel's rate base calculation is presented in Exhibit A, Schedule C-1. This
14 schedule summarizes the rate base values for each test year. Column 1 shows the
15 schedule reference information for each component in rate base. Columns 3 and 5 show
16 the amounts of each rate base component, which is comprised of utility plant less
17 accumulated depreciation, plus working capital, gas inventory, materials and supplies,
18 less accumulated deferred income taxes and customer deposits. National Fuel's total
19 Rate Base is \$571.6 million for the FPFTY.

1 **A. Utility Plant in Service**

2 **Q. Please describe the adjustments to total plant included on Exhibit A (HTY),**
3 **Schedule C-2.**

4 A. On page 3 of Schedule C-2, \$10.3 million was added to the Company’s plant in service to
5 account for construction completed not classified (“CCNC”). CCNC includes projects
6 that have been completed and are in service, but for bookkeeping purposes, had not been
7 transferred to “in service” by the end of the HTY. An additional \$2.4 million was also
8 added to plant in service for projects that were unitized at the end of the HTY, but costs
9 were distributed to assets at the beginning of the FTY. The total of the two adjustments
10 equals \$12.7 million and is shown in Schedule C-2, Page 3, Column 3.

11
12 **Q. Please describe what is represented in Exhibit A, Schedule C-2.**

13 A. The Company’s claim for utility plant in service is represented in Exhibit A, Schedule C-
14 2. The total amount of plant is reflected on page 3, column 5, \$957.2 million for FPFTY.
15 Utility plant allows the Company to provide gas service in a safe and reliable manner to
16 its customers.

17
18 **Q. Where are plant in service additions shown in the Company’s exhibits?**

19 A. Plant in service additions during the FPFTY are shown in Exhibit A, Schedule C-2, Page
20 2 and 3. To calculate additions, the Company calculated a historic capital spending
21 allocation that was determined by calculating the average capital expenditures by month
22 for fiscal years (“FY”) 2023, 2024, and 2025. Then, each month’s allocation was applied
23 to capital budget expenditures by plant category for each of the future test years.

1 **Q. Where are plant retirements shown?**

2 A. Retirements are in Exhibit A (FPFTY), Schedule C-2, pages 2 and 3. To calculate
3 retirements, the total amount of additions and retirements were determined for FY 2023,
4 2024, and 2025. Next, a percentage was calculated to determine the relationship of
5 retirements to additions as a percentage for each fiscal year. The relationship percentage
6 was then applied to the capital budget forecast to determine the retirements that will
7 occur in each respective fiscal year. Additionally, a monthly spread was calculated to
8 determine the percentage of retirements that occur per month, based on the distribution of
9 retirements in the 2025 fiscal year. This monthly spread was subsequently applied to the
10 amount determined for retirements.

11

12 **Q. Are there any Distribution System Improvement Charge (“DSIC”)-eligible**
13 **additions in the plant balances?**

14 A. Per the Company’s Modified Long-Term Infrastructure Improvement Plan (“LTIIP”)
15 Filing¹, \$43.8 million has been included in the HTY and \$57.4 million has been included
16 in the FTY. These amounts will be collected through the DSIC rate until the reset of the
17 DSIC in the FPFTY.

18

19 **Q. Please explain how National Fuel determined its rate base value for utility plant in**
20 **service.**

21 A. The Company’s claim for utility plant in service is the total sum of the closing plant
22 balances as of September 30, 2025. For the FTY ending September 30, 2026, additions

¹ PAPUC Docket P-2022-3034957, filed 12/11/2025

1 projected from the 2026 capital budget less projected plant retirements are added to the
2 pro-forma balance from September 30, 2025 to determine the utility plant in service. The
3 same is done for the FPFTY for the year ending October 31, 2027. National Fuel uses an
4 allocation methodology to project monthly additions for plant in service for the future test
5 years. Monthly historic spending allocations are calculated and then applied to the
6 capital budget to determine monthly spending for the future test years. The Direct
7 Testimony of Anthony T. Formato (National Fuel Statement No. 3) discusses the capital
8 budget process.

9
10 **B. Accumulated Depreciation**

11 **Q. Please describe the Company's accumulated depreciation claim.**

12 A. Please refer to the Company's Exhibit A, Schedule C-3, the
13 tables included in the depreciation study sponsored by John Spanos from Gannett
14 Fleming, and the direct testimony of John Spanos, National Fuel Statement No. 8.
15 Schedule C-3 shows accumulated provision for depreciation by FERC account. This
16 amount is reduced from the total rate base. The FPFTY is for \$320.6 million and is
17 shown on page 1 in schedule C-3.

18
19 **C. Cash Working Capital**

20 **Q. Please explain how the Company determined its rate base value for cash working
21 capital ("CWC").**

22 A. CWC is the capital requirement calculated between (1) the lag in the receipt of revenue
23 for rendering service and (2) the lag in the payment of cash expenses incurred to provide

1 such service to National Fuel’s customers. The CWC is summarized in Exhibit A,
2 Schedule C-1 and Schedule C-4, Page 1. The elements of the working capital claim are
3 listed, along with their corresponding references.
4

5 **Q. Please describe the revenue lag calculations shown on Exhibit A (HTY),**
6 **Schedule C-4, page 3.**

7 A. To determine the revenue lag, the Company recorded the gross accounts receivable
8 balances by month for the 13 months ended September 30, 2025. The Company then
9 used this amount to come up with an average accounts receivable balance for this time
10 period. In addition, all sales per month were recorded for the twelve months (“TME”)
11 ended September 2025. The accounts receivable turnover ratio was determined by
12 dividing total sales for each period by the average accounts receivable balance, resulting
13 in a 12.61 rate, equivalent to a 28.95 collection lag day factor. To this, the meter read lag
14 factor of 3 days was added, which represents the lag between the meter read and bills
15 being sent out. The service lag was also calculated and represents the time from the mid-
16 point of the service period until the meter reading date. By summing up the collection
17 lag day factor, service lag factor and the meter read lag factor, it resulted in 47.16
18 revenue lag days for TME September 2025.
19

20 **Q. Is there a change in revenue lag methodology from National Fuel’s last base rate**
21 **case (Docket No. R-2022-3035730)?**

22 A. In the previous base rate case, infrequent occurrences such as the Covid-19 pandemic
23 impacted revenue lag; therefore, an average of three prior year time periods provided a

1 more accurate depiction of regular business operation revenue lag. For this HTY, the
2 Company used a one-year period as operation revenues have returned to normal.
3 Additionally in the prior rate case, uncollectible expenses were removed from the
4 accounts receivable balances to mitigate any impacts from the Covid-19 pandemic. No
5 adjustments have been made to the revenue lag in this proceeding.
6

7 **Q. What is shown in Exhibit A (HTY), Schedule C-4, Pages 4 - 8?**

8 A. These exhibits show the expense lag calculations for payroll (net labor), purchased gas
9 costs (“PGC”) and all other operations and maintenance (“O&M”) expenses. Also
10 included are calculations for interest payments, tax payments and prepaid expenses. All
11 of these components are used in the working capital calculations, which are summarized
12 in total on Exhibit A, Schedule C-4, Page 1.
13

14 **Q. How was the mid-point of the service period calculated?**

15 A. The mid-point of service for other O&M expenses and gas purchases is the difference
16 between the date of payment and invoice date.
17

18 **Q. How are the payroll expense lag days for the CWC claim calculated?**

19 A. National Fuel’s employees are paid weekly or bi-monthly, depending on the pay group
20 (i.e., supervisory, hourly, clerical, etc.). The payroll lag is calculated by subtracting the
21 mid-point of the pay period from the pay date. The weighted averages are then calculated
22 by pay group and added together. The lag days are calculated by dividing the weighted

1 average by the total amount of net labor costs. Payroll lag is 10.32 days and is found on
2 Schedule C-4, Column 5, Line 5 (HTY).

3
4 **Q. How were the lag days associated with the PGC shown on Exhibit A (HTY),
5 Schedule C-4, Page 5, Column 5, Line 74 calculated?**

6 A. The supplier and pipeline invoices were gathered for the HTY. The day's lag in Column
7 3 was calculated by subtracting the mid-point from the date the invoices were paid. The
8 weighted average was then calculated by multiplying the amount of the invoices by the
9 calculated day's lag. All weighted averages and total amount of invoices paid were
10 totaled. The weighted average final day's lag was calculated by taking the sum of all
11 weighted averages in Column 5 and dividing it by the total of gas purchased in Column 4,
12 Line 73. The final day's lag was 39.83 days.

13
14 **Q. How were the other O&M expense lag days, shown on Exhibit A (HTY), Schedule
15 C-4, Page 4, Column 5, Line 21 calculated?**

16 A. The O&M expenses are shown per month for the HTY in Column 2. Each month's lag
17 days was calculated by subtracting the mid-point from the date invoices were paid, shown
18 in Column 3. The weighted average was calculated by multiplying the amount of the
19 invoices by that month's lag days, shown in Column 4. The sum of the weighted
20 averages divided by the total amount of invoices paid equals the O&M expense lag days.
21 The O&M expense lag days is 41.01 days, shown in Column 5, Line 21. Please also refer
22 to the Direct Testimony of Anthony T. Formato, National Fuel Statement No. 3, for a
23 detailed discussion of the Company's claimed O&M expenses.

1 **Q. Please explain how the interest payment amounts included on Exhibit A,**
2 **Schedule C-4 were determined.**

3 A. The rate base for each test year, multiplied by the long-term debt ratio, multiplied by the
4 embedded cost of long-term debt will give the total interest expense. This is shown in
5 Page 6, Column 4, Line 4. The daily amount is then calculated on Line 5. The difference
6 between the revenue lag days and the days to mid-point of the interest payments made is
7 shown on Line 8. The total interest for working capital is the lag days multiplied by the
8 daily interest, shown on page 3 of Schedule C-4, Column 4, Line 9 (FTY and FPFTY)
9 and page 6 of Schedule C-4, Column 4, Line 9 (HTY).

10

11 **Q. How was the tax payment lag for the working capital requirement shown on Exhibit**
12 **A, Schedule C-4 determined?**

13 A. The taxes that were used in the tax payment lag calculations were federal income,
14 Pennsylvania property, and Public Utility Realty Tax Act (“PURTA”) taxes and are
15 shown in Exhibit A, Schedule C-4. The anticipated taxes for the FPFTY are also shown
16 in Schedule C-4, Page 4. Each tax type was calculated separately for their lag
17 calculation. The result of each tax type is shown in this schedule on Column 10.

18

19 **Q. How was the working capital allowance for prepaid expenses, shown on Exhibit A**
20 **(FPFTY) Schedule C-4 derived?**

21 A. In the HTY, the Company recorded actual balances for prepaid expenses. For the FTY
22 and FPFTY, a 13-month average of the actual prepaid balances for insurance, PAPUC
23 Assessment and Information Technology was inflated using the inflation rates in National

1 Fuel Exhibit ATF-1. Please see the Direct Testimony of Anthony T. Formato (National
2 Fuel Statement No. 3) for additional information on O&M methodology. The Company's
3 claim for prepaid expenses is shown in Schedule C-4, Page 5 (FPFTY).

4
5 **Q. What is the total amount of the Company's working capital claim?**

6 A. The total working capital for the FPFTY is \$6.8 million. This amount is represented on
7 the summary page on Schedule C-4, Page 1 in Exhibit A.

8
9 **D. Gas Storage Inventory**

10 **Q. Please explain how the rate base value for Gas Storage Inventory was determined.**

11 A. The Company's gas storage inventory is included in the rate base claim the same as
12 materials and supplies since gas storage inventory is considered a physical asset.
13 National Fuel acquires gas for storage throughout the year, primarily used during the
14 winter heating season when demand increases significantly. The storage inventory
15 consists of gas volumes stored underground. The Company pays for storage inventory
16 monthly. To determine the appropriate inventory levels, the Company uses a forecast to
17 calculate injections and withdrawals based on most recent gas cost updates. The
18 Company's gas inventory amount is shown in Exhibit A, Schedule C-5 for each test year.
19 The calculation of the inventory amount is a modified 12-month average. Specifically,
20 half of the first and last months' balances are averaged with the balances of the remaining
21 middle months. The Company provided monthly balances for all available months and
22 used the last known historical for the respective months in the FTY and FPFTY. The
23 FPFTY modified average gas inventory balance is \$5.7 million.

1 **E. Accumulated Deferred Income Taxes**

2 **Q. Please explain how the Rate Base value for Accumulated Deferred Income Taxes**
3 **(“ADIT”) was calculated.**

4 A. The Company’s claim for ADIT is set forth in Exhibit A, Schedule C-6 (FPFTY). A
5 detailed explanation of the calculation is provided in the direct testimony of Erica L.
6 Forcucci (National Fuel Statement No. 12).

7
8 **F. Customer Deposits**

9 **Q. Please explain how the Company calculated the rate base value for customer**
10 **deposits, shown in Exhibit A, Schedule C-7.**

11 A. National Fuel’s claim for customer deposits is used to offset the need to provide further
12 capital. The actual balances for customer deposits were recorded and provided on
13 Schedule C-7. In the FTY and the FPFTY, the Company used the last known historical
14 values for the respective months. The Company’s claim for customer deposits for the
15 FPFTY is \$5.2 million.

16
17 **G. Materials and Supplies Inventory**

18 **Q. What is the rate base claim for materials and supplies inventory?**

19 A. The actual book balances for materials and supplies were recorded for the HTY and for
20 any known balance in the FTY. For the FTY and FPFTY, the Company used the last
21 historical values for the respective months. The average monthly balance as of October
22 31, 2027 is projected to be \$1.6 million, shown on Exhibit A (FPFTY), Schedule C-8.

1 Q. Does this conclude your direct testimony at this time?

2 A. Yes.

NATIONAL FUEL STATEMENT NO. 7

MICHAEL J. MAGGIOLI

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Docket No. R-2025-3059428

**National Fuel Gas Distribution Corporation
Pennsylvania Division**

Statement No. 7

**Direct Testimony of
Michael J. Maggioli**

Topics Addressed: Balance Sheet and Historic O&M Expense

Dated: January 28, 2026

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Michael J. Maggioli. My business address is 6363 Main Street,
4 Williamsville, NY 14221.

5
6 **Q. By whom and in what capacity are you employed?**

7 A. I am employed by National Fuel Gas Distribution Corporation (“NFGDC”) as a Lead
8 Accountant in the Accounting department.

9
10 **Q. Please provide your educational background.**

11 A. I graduated from Canisius University in 2013 with a Bachelor of Science in Professional
12 Accounting. I became a Certified Public Accountant in New York on December 16,
13 2015.

14
15 **Q. Please provide your professional experience.**

16 A. My full educational background and work experience are set forth in the attached
17 National Fuel Exhibit MJM-1.

18
19 **Q. Have you previously testified in other proceedings before the Pennsylvania Public
20 Utility Commission (“PAPUC” or the “Commission”) or any other state or federal
21 agency?**

22 A. No.

1 **II. PURPOSE OF TESTIMONY**

2 **Q. Please describe the purpose of your testimony.**

3 A. I am providing testimony on behalf of NFGDC’s Pennsylvania Division (“National
4 Fuel” or the “Company”) in support of its rate case accounting methodology.
5

6 **Q. Are you sponsoring any exhibits or filing requirements in this proceeding?**

7 A. Yes, I am sponsoring National Fuel Exhibit MJM-1.
8

9 **Q. Would additional explanation be helpful concerning any of these exhibits?**

10 A. Concerning the balance sheet exhibits, it should be noted that the balances presented
11 reflect the combined financial position of NFGDC’s New York and Pennsylvania
12 jurisdictions. Wherever possible, we have reported the results of National Fuel only.
13 Each exhibit lists the source and scope of the information it presents.
14

15 **III. ACCOUNTING PROCESS AND HISTORIC COSTS**

16 **Q. How are the accounting records of National Fuel maintained?**

17 A. The accounting records of National Fuel are kept in accordance with generally accepted
18 accounting principles and the Federal Energy Regulatory Commission’s Uniform System
19 of Accounts as required under the provisions of 52 Pa. Code §59.42.
20

21 **Q. Are the books and records of National Fuel subject to audit?**

22 A. Yes, the books and records of National Fuel are audited by its internal auditors. In
23 addition, National Fuel’s books and records are included in consolidated audits of

1 National Fuel Gas Company performed by its external auditor, PriceWaterhouseCoopers.

2 The Company's books and records are further subject to audit by the PAPUC.

3

4 **Q. Does this conclude your direct testimony at this time?**

5 A. Yes.

NATIONAL FUEL EXHIBIT MJM-1

MICHAEL J. MAGGIOLI RESUME

M. Joseph Maggioli
Lead Accountant – Accounting

Work Experience

February 2024 – Current	Lead Accountant – Accounting National Fuel Gas Distribution Corporation – Williamsville, NY
August 2021 – February 2024	Senior Accountant – Accounting National Fuel Gas Distribution Corporation – Williamsville, NY
May 2021– August 2021	Vice President– Treasury Controllers Citigroup – Getzville, NY
December 2017– May 2021	Finance Reporting Senior Analyst– NAM Controllers Citigroup – Getzville, NY
November 2015 – December 2017	Financial Accounting Analyst III – Balance Sheet Substantiation Citigroup – Getzville, NY
August 2014 – October 2015	Financial Accounting Analyst II – Balance Sheet Substantiation Citigroup – Getzville, NY
July 2013 – June 2014	Staff Accountant Skrobacz & Company, CPAs – Buffalo, NY

Education

B.S. Professional Accounting – Canisius University, Buffalo, NY
Certified Public Accountant in New York

NATIONAL FUEL STATEMENT NO. 8

JOHN J. SPANOS

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Docket No. R-2025-3059428

**National Fuel Gas Distribution Corporation
Pennsylvania Division**

Statement No. 8

**Direct Testimony of
John J. Spanos**

Topics Addressed: Depreciation

Dated: January 28, 2026

1 **Q. Please state your name and address.**

2 A. John J. Spanos. My business address is 300 Sterling Parkway, Mechanicsburg,
3 Pennsylvania, 17050 (formerly 207 Senate Avenue, Camp Hill, Pennsylvania, 17011).

4
5 **Q. With what firm are you associated and in what capacity?**

6 A. I am associated with the firm of Gannett Fleming Valuation and Rate Consultants, LLC
7 (Gannett Fleming) as President.

8
9 **Q. How long have you been associated with Gannett Fleming?**

10 A. I have been associated with the firm since June 1986.

11
12 **Q. What is your educational background?**

13 A. I have Bachelor of Science degrees in Industrial Management and Mathematics from
14 Carnegie-Mellon University and a Master of Business Administration from York College
15 of Pennsylvania.

16
17 **Q. Are you a member of any professional societies?**

18 A. Yes. I am a member and past President of the Society of Depreciation Professionals. I
19 am also a member of the American Gas Association/Edison Electric Institute Industry
20 Accounting Committee.

21
22 **Q. Have you taken the certification examination for depreciation professionals?**

1 A. Yes, I passed the certification examination of the Society of Depreciation Professionals in
2 September 1997 and was recertified in August 2003, February 2008, January 2013,
3 February 2018 and February 2023.

4
5 **Q. Will you outline your experience in the field of depreciation?**

6 A. I have over 39 years of depreciation experience, which includes expert testimony in more
7 than 500 cases before approximately 47 regulatory commissions, including this
8 Commission. These cases have included depreciation studies in the electric, gas, water,
9 wastewater, and pipeline industries. In addition to cases where I have submitted
10 testimony, I have also supervised over 900 other depreciation or valuation assignments.
11 Please refer to Appendix A for my qualifications statement, which includes further
12 information with respect to my work history, case experience, and leadership in the
13 Society of Depreciation Professionals.

14

15 **Q. What is the purpose of your testimony?**

16 A. My testimony is in support of the depreciation studies conducted under my direction and
17 supervision for the gas plant of National Fuel Gas Distribution Corporation (“National
18 Fuel” or the “Company”).

19

20 **Q. Have you prepared exhibits presenting the results of your studies?**

21 A. Yes. National Fuel Exhibit C - Historic presents the results of the depreciation study as
22 of September 30, 2025. National Fuel Exhibit C - Future presents the results of the
23 depreciation study as of September 30, 2026. National Fuel Exhibit C – Fully Projected

1 presents the results of the depreciation study as of October 31, 2027. In addition, I am
2 responsible for the responses to the following filing requirements pertaining to
3 depreciation under Section 53.53(a)(1) of the Commission's regulations: III.D.17 and
4 III.K.1 through III.K.9.

5
6 **Q. Please describe Exhibit Nos. C-Historic, C-Future and C-Fully Projected.**

7 A. Exhibit No. C-Historic, titled "2025 Depreciation Study - Calculated Annual
8 Depreciation Accruals Related to Gas Plant as of September 30, 2025," includes the
9 results of the depreciation study as related to the original cost as of September 30, 2025.
10 The report also includes the detailed depreciation calculations. Exhibit No. C-Future,
11 titled "2026 Depreciation Study - Calculated Annual Depreciation Accruals Related to
12 Gas Plant as of September 30, 2026," includes the results of the depreciation study as
13 related to the estimated original cost as of September 30, 2026. The report also includes
14 explanatory text, statistics related to the estimation of service life, and the detailed
15 depreciation calculations. Exhibit No. C-Fully Projected, titled "2027 Depreciation
16 Study – Calculated Annual Depreciation Accruals Related to Gas Plant as of October 31,
17 2027," includes the results of the depreciation study as related to the estimated original
18 cost as of October 31, 2027.

19
20 **Q. What were the purposes of your depreciation studies?**

21 A. The purposes of the depreciation studies were to estimate the annual depreciation
22 accruals related to gas plant in service for ratemaking purposes and, using Commission-

1 approved procedures, to estimate the Company's book reserve at September 30, 2026 and
2 October 31, 2027.

3
4 **Q. Is the Company's claim for annual depreciation in the current proceeding based on**
5 **the same methods of depreciation as were used in its most recent Annual**
6 **Depreciation Report including service life study filed in May 2023?**

7 A. Yes, it is. For most plant accounts, the current claim for annual depreciation is based on
8 the straight-line remaining life method of depreciation, which has been used for over
9 thirty years. For Accounts 391.1, 391.2, 391.3, 394 and 397, the claim is based on the
10 straight-line remaining life method of amortization. The accounts have a large number of
11 units, but small asset values representing slightly less than 3 percent of the depreciable
12 plant. The assets represent items located in office buildings, service centers, garages, and
13 warehouses. Given the difficulty in maintaining accounting records for these numerous
14 assets and high cost for periodic inventories, retirements are recorded when a vintage is
15 fully amortized, rather than as the units are removed from service. All units are retired
16 when the age of the vintage reaches the amortization period. The annual amortization is
17 based on amortization accounting which distributes the unrecovered cost of fixed capital
18 assets over the remaining amortization period selected for each account.

19
20 **Q. What group procedure is being used in this proceeding for depreciable accounts?**

21 A. The average service life procedure is used in the current proceeding for plant installed
22 prior to 1982 and the equal life group procedure for 1982 and subsequent vintages. This

1 calculation has been used in the same manner as the Company's most recent annual
2 depreciation reports.

3
4 **Q. Is the Company's claim for accrued depreciation in the current proceeding made on**
5 **the same basis as has been used for over thirty years?**

6 A. Yes. The current claim for accrued depreciation is the book reserve brought forward
7 from the book reserve approved by the Commission in the last proceeding.

8
9 **Q. How was the book reserve used in the calculation of annual depreciation?**

10 A. The book reserve by account was allocated to vintages to determine original cost less
11 accrued depreciation by vintage. The total annual accrual is the sum of the results of
12 dividing the original costs less accrued depreciation by the vintage composite remaining
13 lives.

14
15 **Q. How was the book reserve as of September 30, 2026, estimated?**

16 A. The book reserve as of September 30, 2026, by account, was projected by adding
17 estimated accruals, gross salvage, and the amortization of net salvage, and subtracting
18 estimated retirements and cost of removal from the book reserve as of September 30,
19 2025. Annual accruals were estimated using the annual accruals calculated as of
20 September 30, 2025. For most accounts, gross salvage and cost of removal were
21 estimated by (1) expressing actual gross salvage and cost of removal as a percent of
22 retirements by account, for the most recent five-year period, and (2) applying those
23 percents to the projected retirements by account. For the purpose of calculating the

1 annual accruals, the projected book reserve by account was allocated to vintages based on
2 calculated accrued depreciation as of September 30, 2026.

3
4 **Q. Was the book reserve as of October 31, 2027, estimated using the same**
5 **methodology?**

6 A. Yes.

7
8 **Q. Has a service life study of the Company's gas utility property been performed?**

9 A. Yes. The most recent service life study was performed as of September 2022. The
10 service life study is the basis for the service lives I used to calculate annual accruals.

11 Service life studies are required in Pennsylvania every five years as the next one will be
12 performed in 2028 for data through September 30, 2027.

13
14 **Q. Briefly outline the procedure used in performing the service life study.**

15 A. The service life study consisted of assembling and compiling historical data from the
16 records related to the gas utility plant of the Company; statistically analyzing such data to
17 obtain historical trends of survivor characteristics; obtaining supplementary information
18 from management and operating personnel concerning Company practices and plans as
19 they relate to plant operations; and interpreting the above data to form judgments of
20 service life characteristics.

21 Iowa type survivor curves were used to describe the estimated survivor
22 characteristics of the mass property groups. Individual service lives were used for major
23 individual units of plant, such as distribution buildings, housing offices, and shops. The

1 life span concept was recognized by coordinating the lives of associated plant installed in
2 subsequent years with the probable retirement date defined by the life estimated for the
3 major unit.

4
5 **Q. What statistical data were employed in the historical analyses performed for the**
6 **purpose of estimating service life characteristics?**

7 A. The data consisted of the entries made to record retirements and other transactions related
8 to the gas plant during the period 1960-2022. These entries were classified by
9 depreciable group, type of transaction, the year in which the transaction took place, and
10 the year in which the plant was installed. Types of transactions included in the data were
11 plant additions, retirements, transfers, and balances. In the presentation of service life
12 statistics, only the significant exposure points that were utilized in determining survivor
13 curves were plotted. This process is utilized to show my judgment in service life
14 determinations.

15
16 **Q. What was the source of this data?**

17 A. They were assembled from Company records related to its gas plant in service.

18
19 **Q. Were the methods used in the service life study the same as those used in other**
20 **depreciation studies for gas utility plant presented before this Commission?**

21 A. Yes. The methods are the same ones that have been presented previously for National
22 Fuel Gas Distribution Corporation and for other gas companies before the Pennsylvania

1 Public Utility Commission and that have been accepted by the Commission in its past
2 orders concerning gas utilities.

3
4 **Q. What approach did you use to estimate the lives of significant structures such as**
5 **office buildings and service centers?**

6 A. I used the life span technique to estimate the lives of significant structures. In this
7 technique, the survivor characteristics of the structures are described by the use of interim
8 survivor curves and estimated probable retirement dates. The interim survivor curve
9 describes the rate of retirement related to the replacement of elements of the structure
10 such as plumbing, heating, doors, windows, roofs, etc. that occur during the life of the
11 facility. The probable retirement date provides the rate of final retirement for each year
12 of installation for the structure by truncating the interim survivor curve for each
13 installation year at its attained age at the date of probable retirement. The use of interim
14 survivor curves truncated at the date of probable retirement provides a consistent method
15 for estimating the lives of the several years of installation inasmuch as concurrent
16 retirement of all years of installation will occur when the structure is retired.

17
18 **Q. Has your firm used this approach in other proceedings before this Commission?**

19 A. Yes, we have used the life span technique on many occasions before the Pennsylvania
20 Public Utility Commission.

21
22 **Q. What are the bases for the probable retirement years that you have estimated for**
23 **each structure?**

1 A. The bases for the estimates of probable retirement years are life spans for each structure
2 that are based on judgment and incorporate consideration of the age, use, size, nature of
3 construction, management outlook and typical life spans experienced and used by other
4 gas utilities for similar structures. Most of the life spans result in probable retirement
5 dates that are many years in the future. As a result, the retirement of these structures is
6 not yet subject to specific management plans. Such plans would be premature. At the
7 appropriate time, studies of the economics of rehabilitation and continued use or
8 retirement of the structure will be analyzed, and the results incorporated in the estimation
9 of the structure's life span.

10

11 **Q. Are the factors considered in your estimates of service life presented in Exhibit No.**
12 **C-Future?**

13 A. Yes. A discussion of the factors considered in the estimation of service lives is presented
14 by account on pages III-2 through III-7 of Exhibit No. C-Future.

15

16 **Q. Were there any material changes to life characteristics as a result of this rate**
17 **proceeding?**

18 A. No. There was no material change in the life estimate for plant accounts or subaccounts
19 in this rate proceeding. All life estimates were based on the recent annual depreciation
20 report and the service life study that was conducted.

21

22 **Q. Please outline the contents of Exhibit No. C-Future.**

1 A. Exhibit No. C-Future is presented in eight parts. Part I, Introduction, sets forth the scope
2 and basis of the study. Part II, Estimation of Survivor Curves, includes a description of
3 the Iowa Curves and the formulation of the retirement rate method. Part III, Service Life
4 Considerations, and Part IV, Calculation of Annual and Accrued Depreciation, include a
5 description of the judgment utilized for life parameters and the explanation of
6 depreciation procedures.

7 Part V, Results of Study, presents a description of the results and summaries of the
8 depreciation calculations. Part VI, Service Life Statistics, presents the graphs and tables
9 which relate to the service life study. Part VII, Detailed Depreciation Calculations, sets
10 forth the detailed depreciation calculations by account. Part VIII, Experienced and
11 Estimated Net Salvage, presents the cost of removal and gross salvage by account for the
12 years 2022 through 2026.

13 Table 1, pages V-4 and V-5, presents the estimated survivor curve, the original cost
14 as of September 30, 2026, and the book reserve and calculated annual depreciation for
15 each account or subaccount of gas plant. Table 2 on page V-6 presents the bringforward
16 to September 30, 2026, of the book depreciation reserve as of September 30, 2025. Table
17 3 on page V-7 sets forth the calculation of the annual accruals used in the bringforward.
18 Table 4, page V-8, presents the experienced and estimated net salvage during the five-
19 year period, 2022 through 2026.

20 The section beginning on page VI-1 presents the results of the retirement rate
21 analyses prepared as the historical bases for the service life estimates. The section
22 beginning on page VII-1 presents the depreciation calculations related to original cost.
23 The tabulation on pages VII-3 through VII-5 presents the cumulative depreciated original

1 cost by year installed. The tabulations on pages VII-7 through VII-60 present the
2 calculation of annual depreciation by vintage by account for each depreciable group of
3 utility plant.

4
5 **Q. Please outline the contents of Exhibit No. C-Fully Projected.**

6 A. Exhibit No. C-Fully Projected includes a description of the results, summaries of the
7 depreciation calculations, and the detailed depreciation calculations as of October 31,
8 2027. The descriptions and explanations presented in Exhibit No. C-Future are also
9 applicable to the depreciation calculations presented in Exhibit No. C-Fully Projected.
10 The graphs and tables related to service life presented in Exhibit No. C-Future also
11 support the service life estimates used in Exhibit No. C-Fully Projected inasmuch as the
12 estimates are the same for both test years. The summary tables and detailed depreciation
13 calculations as of October 31, 2027 are organized and presented in the same manner as
14 those as of September 30, 2026.

15
16 **Q. Please outline the contents of Exhibit No. C-Historic.**

17 A. Exhibit No. C-Historic includes a description of the results, summaries of the
18 depreciation calculations, and the detailed depreciation calculations as of September 30,
19 2025. The descriptions and explanations presented in Exhibit No. C-Future are also
20 applicable to the depreciation calculations presented in Exhibit No. C-Historic. The
21 graphs and tables related to service life presented in Exhibit No. C-Future also support
22 the service life estimates used in Exhibit No. C-Historic, inasmuch as the estimates are
23 the same for both test years. The summary tables and detailed depreciation calculations

1 as of September 30, 2025, are organized and presented in the same manner as those as of
2 September 30, 2026.

3
4 **Q. Please use an example to illustrate the manner in which the study is presented in**
5 **Exhibit Nos. C-Historic, C-Future and C-Fully Projected.**

6 A. I will use Account 376.1, Mains – Excluding Cathodic Protection, as my example,
7 inasmuch as it is the largest depreciable group and represents 45 percent of the original
8 cost of depreciable gas plant as of September 30, 2026.

9 The retirement rate method was used to analyze the survivor characteristics of this
10 group. The life tables for the 1960-2022 and 1993-2022 experience bands are presented
11 on pages VI-48 through VI-55 of Exhibit No. C-Future. The life tables, or original
12 survivor curve, are plotted along with the estimated smooth survivor curve, the 70-L1.5,
13 on page VI-47.

14 The calculations of the annual depreciation related to the original cost as of
15 September 30, 2025, of gas plant are presented by type main on pages II-38 through II-40
16 of Exhibit No. C-Historic. The calculation is based on the 70-L1.5 survivor curve, the
17 attained age, and the allocated book reserve. The calculations as of September 30, 2026,
18 are presented by type main on pages VII-37 through VII-39 of Exhibit No. C-Future and
19 are based in part on the bringforward of the book reserve. Also, the calculations as of
20 October 31, 2027 are presented by type main on pages II-36 through II-38 of Exhibit No.
21 C-Fully Projected and are based in part on the bringforward of the book reserve. The
22 tabulations in Exhibit Nos. C-Historic, C-Future and C-Fully Projected set forth the
23 installation year, the original cost, calculated accrued depreciation, allocated book

1 reserve, future accruals, remaining life, and annual accrual. The totals are brought
2 forward to Table 1 on page I-3 in Exhibit No. C-Historic, page V-4 in Exhibit No. C-
3 Future and on page I-3 in Exhibit No. C-Fully Projected.

4
5 **Q. In what manner is net salvage incorporated in the depreciation calculations?**

6 A. As stated on page IV-9 of Exhibit No. C-Future, no adjustment for net salvage was made
7 to the calculated annual depreciation amounts. The total calculated annual depreciation
8 set forth on page I-5 of Exhibit No. C-Historic, page V-8 of Exhibit No. C-Future and on
9 page I-7 of Exhibit No. C-Fully Projected should include an addition for the amortization
10 of negative net salvage in accordance with the practice of this Commission. The
11 amortization is based on experience during the period 2021 through 2025 for the
12 calculation as of September 30, 2025, and on experience during the period 2022 through
13 September 30, 2025, plus estimates for the twelve months ended September 30, 2026 for
14 the calculation as of September 30, 2026.

15 The amortization for the October 31, 2027 calculation is based on experience during
16 the period 2023 through September 30, 2025, plus estimates for the period October 2025
17 through September 2027. The amounts of the five-year amortizations are calculated in
18 Table 2 on page I-5 of Exhibit No. C-Historic, in Table 4 on page V-9 of Exhibit No. C-
19 Future and in Table 8 on page I-8 of Exhibit No. C-Fully Projected.

20
21 **Q. Have you provided a monthly bringforward to October 31, 2027, of the plant and**
22 **book depreciation reserve as of September 30, 2026?**

1 A. Yes, Exhibit Nos. JJS-01 and JJS-02 at the end of this testimony provide the monthly
2 detail of the plant in service, book depreciation reserve, and the calculated depreciation.
3 These exhibits agree with the fully projected future test year plant and reserve balances as
4 shown on Exhibit No. C-Fully Projected, Table 1 on pages I-3 and I-4.

5

6 **Q. Does this complete your testimony at this time?**

7 A. Yes, it does.

Appendix A

JOHN SPANOS

DEPRECIATION EXPERIENCE

Q. Please state your name.

A. My name is John J. Spanos.

Q. What is your educational background?

A. I have Bachelor of Science degrees in Industrial Management and Mathematics from Carnegie-Mellon University and a Master of Business Administration from York College.

Q. Do you belong to any professional societies?

A. Yes. I am a member and past President of the Society of Depreciation Professionals and a member of the American Gas Association/Edison Electric Institute Industry Accounting Committee.

Q. Do you hold any special certification as a depreciation expert?

A. Yes. The Society of Depreciation Professionals has established national standards for depreciation professionals. The Society administers an examination to become certified in this field. I passed the certification exam in September 1997 and was recertified in August 2003, February 2008, January 2013, February 2018 and February 2023.

Q. Please outline your experience in the field of depreciation.

A. In June 1986, I was employed by Gannett Fleming Valuation and Rate Consultants, Inc. as a Depreciation Analyst. During the period from June 1986 through December 1995, I helped prepare numerous depreciation and original cost studies for utility companies in various industries. I helped perform depreciation studies for the following telephone companies: United Telephone of Pennsylvania, United Telephone of New Jersey, and Anchorage Telephone Utility. I helped perform depreciation studies for the following companies in

the railroad industry: Union Pacific Railroad, Burlington Northern Railroad, and Wisconsin Central Transportation Corporation.

I helped perform depreciation studies for the following organizations in the electric utility industry: Chugach Electric Association, The Cincinnati Gas and Electric Company (CG&E), The Union Light, Heat and Power Company (ULH&P), Northwest Territories Power Corporation, and the City of Calgary - Electric System.

I helped perform depreciation studies for the following pipeline companies: TransCanada Pipelines Limited, Trans Mountain Pipe Line Company Ltd., Interprovincial Pipe Line Inc., Nova Gas Transmission Limited and Lakehead Pipeline Company.

I helped perform depreciation studies for the following gas utility companies: Columbia Gas of Pennsylvania, Columbia Gas of Maryland, The Peoples Natural Gas Company, T. W. Phillips Gas & Oil Company, CG&E, ULH&P, Lawrenceburg Gas Company and Penn Fuel Gas, Inc.

I helped perform depreciation studies for the following water utility companies: Indiana-American Water Company, Consumers Pennsylvania Water Company and The York Water Company; and depreciation and original cost studies for Philadelphia Suburban Water Company and Pennsylvania-American Water Company.

In each of the above studies, I assembled and analyzed historical and simulated data, performed field reviews, developed preliminary estimates of service life and net salvage, calculated annual depreciation, and prepared reports for submission to state public utility commissions or federal regulatory agencies. I performed these studies under the general direction of William M. Stout, P.E.

In January 1996, I was assigned to the position of Supervisor of Depreciation Studies. In July 1999, I was promoted to the position of Manager, Depreciation and

Valuation Studies. In December 2000, I was promoted to the position as Vice-President of Gannett Fleming Valuation and Rate Consultants, Inc., in April 2012, I was promoted to the position as Senior Vice President of the Valuation and Rate Division of Gannett Fleming Inc. (now doing business as Gannett Fleming Valuation and Rate Consultants, LLC) and in January of 2019, I was promoted to my present position of President of Gannett Fleming Valuation and Rate Consultants, LLC. In my current position I am responsible for conducting all depreciation, valuation and original cost studies, including the preparation of final exhibits and responses to data requests for submission to the appropriate regulatory bodies.

Since January 1996, I have conducted depreciation studies similar to those previously listed including assignments for Pennsylvania-American Water Company; Aqua Pennsylvania; Kentucky-American Water Company; Virginia-American Water Company; Indiana-American Water Company; Iowa-American Water Company; New Jersey-American Water Company; Hampton Water Works Company; Omaha Public Power District; Enbridge Pipe Line Company; Inc.; Columbia Gas of Virginia, Inc.; Virginia Natural Gas Company National Fuel Gas Distribution Corporation - New York and Pennsylvania Divisions; The City of Bethlehem - Bureau of Water; The City of Coatesville Authority; The City of Lancaster - Bureau of Water; Peoples Energy Corporation; The York Water Company; Public Service Company of Colorado; Enbridge Pipelines; Enbridge Gas Distribution, Inc.; Reliant Energy-HLP; Massachusetts-American Water Company; St. Louis County Water Company; Missouri-American Water Company; Chugach Electric Association; Alliant Energy; Oklahoma Gas & Electric Company; Nevada Power Company; Dominion Virginia Power; NUI-Virginia Gas Companies; Pacific Gas & Electric Company; PSI Energy; NUI - Elizabethtown Gas Company; Cinergy Corporation – CG&E; Cinergy

Corporation – ULH&P; Columbia Gas of Kentucky; South Carolina Electric & Gas Company; Idaho Power Company; El Paso Electric Company; Aqua North Carolina; Aqua Ohio; Aqua Texas, Inc.; Aqua Illinois, Inc.; Ameren Missouri; Central Hudson Gas & Electric; Centennial Pipeline Company; CenterPoint Energy-Arkansas; CenterPoint Energy – Oklahoma; CenterPoint Energy – Entex; CenterPoint Energy - Louisiana; NSTAR – Boston Edison Company; Westar Energy, Inc.; United Water Pennsylvania; PPL Electric Utilities; PPL Gas Utilities; Wisconsin Power & Light Company; TransAlaska Pipeline; Avista Corporation; Northwest Natural Gas; Allegheny Energy Supply, Inc.; Public Service Company of North Carolina; South Jersey Gas Company; Duquesne Light Company; MidAmerican Energy Company; Laclede Gas; Duke Energy Company; E.ON U.S. Services Inc.; Elkton Gas Services; Anchorage Water and Wastewater Utility; Kansas City Power and Light; Duke Energy North Carolina; Duke Energy South Carolina; Monongahela Power Company; Potomac Edison Company; Duke Energy Ohio Gas; Duke Energy Kentucky; Duke Energy Indiana; Duke Energy Progress; Northern Indiana Public Service Company; Tennessee- American Water Company; Columbia Gas of Maryland; Maryland-American Water Company; Bonneville Power Administration; NSTAR Electric and Gas Company; EPCOR Distribution, Inc.; B. C. Gas Utility, Ltd; Entergy Arkansas; Entergy Texas; Entergy Mississippi; Entergy Louisiana; Entergy Gulf States Louisiana; the Borough of Hanover; Louisville Gas and Electric Company; Kentucky Utilities Company; Madison Gas and Electric; Central Maine Power; PEPCO; PacifiCorp; Minnesota Energy Resource Group; Jersey Central Power & Light Company; Cheyenne Light, Fuel and Power Company; United Water Arkansas; Central Vermont Public Service Corporation; Green Mountain Power; Portland General Electric Company; Atlantic City Electric; Nicor Gas Company; Black Hills Power; Black Hills Colorado Gas; Black Hills Energy Arkansas, Inc.; Black Hills Kansas

Gas; Black Hills Service Company; Black Hills Utility Holdings; Public Service Company of Oklahoma; City of Dubois; Peoples Gas Light and Coke Company; North Shore Gas Company; Connecticut Light and Power; New York State Electric and Gas Corporation; Rochester Gas and Electric Corporation; Greater Missouri Operations; Tennessee Valley Authority; Omaha Public Power District; Indianapolis Power & Light Company; Vermont Gas Systems, Inc.; Metropolitan Edison; Pennsylvania Electric; West Penn Power; Pennsylvania Power; PHI Service Company - Delmarva Power and Light; Atmos Energy Corporation; Citizens Energy Group; PSE&G Company; Berkshire Gas Company; Alabama Gas Corporation; Mid-Atlantic Interstate Transmission, LLC; SUEZ Water; WEC Energy Group; Rocky Mountain Natural Gas, LLC; Illinois-American Water Company; Northern Illinois Gas Company; Public Service of New Hampshire; FirstEnergy Service Corporation; Northeast Ohio Natural Gas Corporation; Blue Granite Water Company; Spire Missouri, Inc.; Dominion Energy South Carolina, Inc.; South FirstEnergy Operating Companies; Dayton Power and Light Company; Liberty Utilities; East Kentucky Power Cooperative; Bangor Natural Gas; Hanover Borough Municipal Water Works; West Virginia American Water Company; Evergy Metro; Evergy Missouri West; Granite State Electric; Bluegrass Water; The Borough of Ambler; Newtown Artesian Water Company and Connecticut Water Company.

My additional duties include determining final life and salvage estimates, conducting field reviews, presenting recommended depreciation rates to management for its consideration and supporting such rates before regulatory bodies.

Q. Have you submitted testimony to any state utility commission on the subject of utility plant depreciation?

A. Yes. I have submitted testimony to the Pennsylvania Public Utility Commission; the

Commonwealth of Kentucky Public Service Commission; the Public Utilities Commission of Ohio; the Nevada Public Utility Commission; the Public Utilities Board of New Jersey; the Missouri Public Service Commission; the Massachusetts Department of Telecommunications and Energy; the Alberta Energy & Utility Board; the Idaho Public Utility Commission; the Louisiana Public Service Commission; the State Corporation Commission of Kansas; the Oklahoma Corporate Commission; the Public Service Commission of South Carolina; Railroad Commission of Texas – Gas Services Division; the New York Public Service Commission; Illinois Commerce Commission; the Indiana Utility Regulatory Commission; the California Public Utilities Commission; the Federal Energy Regulatory Commission (“FERC”); the Arkansas Public Service Commission; the Public Utility Commission of Texas; Maryland Public Service Commission; Washington Utilities and Transportation Commission; The Tennessee Regulatory Commission; the Regulatory Commission of Alaska; Minnesota Public Utility Commission; Utah Public Service Commission; District of Columbia Public Service Commission; the Mississippi Public Service Commission; Delaware Public Service Commission; Virginia State Corporation Commission; Colorado Public Utility Commission; Oregon Public Utility Commission; South Dakota Public Utilities Commission; Wisconsin Public Service Commission; Wyoming Public Service Commission; the Public Service Commission of West Virginia; Maine Public Utility Commission; Iowa Utility Board; Connecticut Public Utilities Regulatory Authority; New Mexico Public Regulation Commission; Commonwealth of Massachusetts Department of Public Utilities; Rhode Island Public Utilities Commission and the North Carolina Utilities Commission.

Q. Have you had any additional education relating to utility plant depreciation?

A. Yes. I have completed the following courses conducted by Depreciation Programs, Inc.:

“Techniques of Life Analysis,” “Techniques of Salvage and Depreciation Analysis,” “Forecasting Life and Salvage,” “Modeling and Life Analysis Using Simulation,” and “Managing a Depreciation Study.” I have also completed the “Introduction to Public Utility Accounting” program conducted by the American Gas Association.

Q. Does this conclude your qualification statement?

A. Yes.

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY

	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
01.	1998	PA PUC	R-00984375	City of Bethlehem – Bureau of Water	Original Cost and Depreciation
02.	1998	PA PUC	R-00984567	City of Lancaster	Original Cost and Depreciation
03.	1999	PA PUC	R-00994605	The York Water Company	Depreciation
04.	2000	D.T.&E.	DTE 00-105	Massachusetts-American Water Company	Depreciation
05.	2001	PA PUC	R-00016114	City of Lancaster	Original Cost and Depreciation
06.	2001	PA PUC	R-00017236	The York Water Company	Depreciation
07.	2001	PA PUC	R-00016339	Pennsylvania-American Water Company	Depreciation
08.	2001	OH PUC	01-1228-GA-AIR	Cinergy Corp – Cincinnati Gas & Elect Company	Depreciation
09.	2001	KY PSC	2001-092	Cinergy Corp – Union Light, Heat & Power Co.	Depreciation
10.	2002	PA PUC	R-00016750	Philadelphia Suburban Water Company	Depreciation
11.	2002	KY PSC	2002-00145	Columbia Gas of Kentucky	Depreciation
12.	2002	NJ BPU	GF02040245	NUI Corporation/Elizabethtown Gas Company	Depreciation
13.	2002	ID PUC	IPC-E-03-7	Idaho Power Company	Depreciation
14.	2003	PA PUC	R-0027975	The York Water Company	Depreciation
15.	2003	IN URC	R-0027975	Cinergy Corp – PSI Energy, Inc.	Depreciation
16.	2003	PA PUC	R-00038304	Pennsylvania-American Water Company	Depreciation
17.	2003	MO PSC	WR-2003-0500	Missouri-American Water Company	Depreciation
18.	2003	FERC	ER03-1274-000	NSTAR-Boston Edison Company	Depreciation
19.	2003	NJ BPU	BPU 03080683	South Jersey Gas Company	Depreciation
20.	2003	NV PUC	03-10001	Nevada Power Company	Depreciation
21.	2003	LA PSC	U-27676	CenterPoint Energy – Arkla	Depreciation
22.	2003	PA PUC	R-00038805	Pennsylvania Suburban Water Company	Depreciation
23.	2004	AB En/Util Bd	1306821	EPCOR Distribution, Inc.	Depreciation
24.	2004	PA PUC	R-00038168	National Fuel Gas Distribution Corp (PA)	Depreciation
25.	2004	PA PUC	R-00049255	PPL Electric Utilities	Depreciation
26.	2004	PA PUC	R-00049165	The York Water Company	Depreciation
27.	2004	OK Corp Cm	PUC 200400187	CenterPoint Energy – Arkla	Depreciation
28.	2004	OH PUC	04-680-EI-AIR	Cinergy Corp. – Cincinnati Gas and Electric Company	Depreciation
29.	2004	RR Com of TX	GUD#	CenterPoint Energy – Entex Gas Services Div.	Depreciation
30.	2004	NY PUC	04-G-1047	National Fuel Gas Distribution Gas (NY)	Depreciation
31.	2004	AR PSC	04-121-U	CenterPoint Energy – Arkla	Depreciation
32.	2005	IL CC	05-ICC-06	North Shore Gas Company	Depreciation
33.	2005	IL CC	05-ICC-06	Peoples Gas Light and Coke Company	Depreciation
34.	2005	KY PSC	2005-00042	Union Light Heat & Power	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
35.	2005	IL CC	05-0308	MidAmerican Energy Company	Depreciation
36.	2005	MO PSC	GF-2005	Laclede Gas Company	Depreciation
37.	2005	KS CC	05-WSEE-981-RTS	Westar Energy	Depreciation
38.	2005	RR Com of TX	GUD #	CenterPoint Energy – Entex Gas Services Div.	Depreciation
39.	2005	US District Court	Cause No. 1:99-CV-1693- LJM/VSS	Cinergy Corporation	Accounting
40.	2005	OK CC	PUD 200500151	Oklahoma Gas and Electric Company	Depreciation
41.	2005	MA Dept Tele- com & Ergy	DTE 05-85	NSTAR	Depreciation
42.	2005	NY PUC	05-E-934/05-G-0935	Central Hudson Gas & Electric Company	Depreciation
43.	2005	AK Reg Com	U-04-102	Chugach Electric Association	Depreciation
44.	2005	CA PUC	A05-12-002	Pacific Gas & Electric	Depreciation
45.	2006	PA PUC	R-00051030	Aqua Pennsylvania, Inc.	Depreciation
46.	2006	PA PUC	R-00051178	T.W. Phillips Gas and Oil Company	Depreciation
47.	2006	NC Util Cm.	G-5, Sub522	Pub. Service Company of North Carolina	Depreciation
48.	2006	PA PUC	R-00051167	City of Lancaster	Depreciation
49.	2006	PA PUC	R00061346	Duquesne Light Company	Depreciation
50.	2006	PA PUC	R-00061322	The York Water Company	Depreciation
51.	2006	PA PUC	R-00051298	PPL GAS Utilities	Depreciation
52.	2006	PUC of TX	32093	CenterPoint Energy – Houston Electric	Depreciation
53.	2006	KY PSC	2006-00172	Duke Energy Kentucky	Depreciation
54.	2006	SC PSC		SCANA	Accounting
55.	2006	AK Reg Com	U-06-6	Municipal Light and Power	Depreciation
56.	2006	DE PSC	06-284	Delmarva Power and Light	Depreciation
57.	2006	IN URC	IURC43081	Indiana American Water Company	Depreciation
58.	2006	AK Reg Com	U-06-134	Chugach Electric Association	Depreciation
59.	2006	MO PSC	WR-2007-0216	Missouri American Water Company	Depreciation
60.	2006	FERC	IS05-82-002, et al	TransAlaska Pipeline	Depreciation
61.	2006	PA PUC	R-00061493	National Fuel Gas Distribution Corp. (PA)	Depreciation
62.	2007	NC Util Com.	E-7 SUB 828	Duke Energy Carolinas, LLC	Depreciation
63.	2007	OH PSC	08-709-EL-AIR	Duke Energy Ohio Gas	Depreciation
64.	2007	PA PUC	R-00072155	PPL Electric Utilities Corporation	Depreciation
65.	2007	KY PSC	2007-00143	Kentucky American Water Company	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
66.	2007	PA PUC	R-00072229	Pennsylvania American Water Company	Depreciation
67.	2007	KY PSC	2007-0008	NiSource – Columbia Gas of Kentucky	Depreciation
68.	2007	NY PSC	07-G-0141	National Fuel Gas Distribution Corp (NY)	Depreciation
69.	2008	AK PSC	U-08-004	Anchorage Water & Wastewater Utility	Depreciation
70.	2008	TN Reg Auth	08-00039	Tennessee-American Water Company	Depreciation
71.	2008	DE PSC	08-96	Artesian Water Company	Depreciation
72.	2008	PA PUC	R-2008-2023067	The York Water Company	Depreciation
73.	2008	KS CC	08-WSEE1-RTS	Westar Energy	Depreciation
74.	2008	IN URC	43526	Northern Indiana Public Service Company	Depreciation
75.	2008	IN URC	43501	Duke Energy Indiana	Depreciation
76.	2008	MD PSC	9159	NiSource – Columbia Gas of Maryland	Depreciation
77.	2008	KY PSC	2008-000251	Kentucky Utilities	Depreciation
78.	2008	KY PSC	2008-000252	Louisville Gas & Electric	Depreciation
79.	2008	PA PUC	2008-20322689	Pennsylvania American Water Co. - Wastewater	Depreciation
80.	2008	NY PSC	08-E887/08-00888	Central Hudson	Depreciation
81.	2008	WV TC	VE-080416/VG-8080417	Avista Corporation	Depreciation
82.	2008	IL CC	ICC-09-166	Peoples Gas, Light and Coke Company	Depreciation
83.	2009	IL CC	ICC-09-167	North Shore Gas Company	Depreciation
84.	2009	DC PSC	1076	Potomac Electric Power Company	Depreciation
85.	2009	KY PSC	2009-00141	NiSource – Columbia Gas of Kentucky	Depreciation
86.	2009	FERC	ER08-1056-002	Entergy Services	Depreciation
87.	2009	PA PUC	R-2009-2097323	Pennsylvania American Water Company	Depreciation
88.	2009	NC Util Cm	E-7, Sub 090	Duke Energy Carolinas, LLC	Depreciation
89.	2009	KY PSC	2009-00202	Duke Energy Kentucky	Depreciation
90.	2009	VA St. CC	PUE-2009-00059	Aqua Virginia, Inc.	Depreciation
91.	2009	PA PUC	2009-2132019	Aqua Pennsylvania, Inc.	Depreciation
92.	2009	MS PSC	Docket No. 2011-UA-183	Entergy Mississippi	Depreciation
93.	2009	AK PSC	09-08-U	Entergy Arkansas	Depreciation
94.	2009	TX PUC	37744	Entergy Texas	Depreciation
95.	2009	TX PUC	37690	El Paso Electric Company	Depreciation
96.	2009	PA PUC	R-2009-2106908	The Borough of Hanover	Depreciation
97.	2009	KS CC	10-KCPE-415-RTS	Kansas City Power & Light	Depreciation
98.	2009	PA PUC	R-2009-	United Water Pennsylvania	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
99.	2009	OH PUC		Aqua Ohio Water Company	Depreciation
100.	2009	WI PSC	3270-DU-103	Madison Gas & Electric Company	Depreciation
101.	2009	MO PSC	WR-2010	Missouri American Water Company	Depreciation
102.	2009	AK Reg Cm	U-09-097	Chugach Electric Association	Depreciation
103.	2010	IN URC	43969	Northern Indiana Public Service Company	Depreciation
104.	2010	WI PSC	6690-DU-104	Wisconsin Public Service Corp.	Depreciation
105.	2010	PA PUC	R-2010-2161694	PPL Electric Utilities Corp.	Depreciation
106.	2010	KY PSC	2010-00036	Kentucky American Water Company	Depreciation
107.	2010	PA PUC	R-2009-2149262	Columbia Gas of Pennsylvania	Depreciation
108.	2010	MO PSC	GR-2010-0171	Laclede Gas Company	Depreciation
109.	2010	SC PSC	2009-489-E	South Carolina Electric & Gas Company	Depreciation
110.	2010	NJ BD OF PU	ER09080664	Atlantic City Electric	Depreciation
111.	2010	VA St. CC	PUE-2010-00001	Virginia American Water Company	Depreciation
112.	2010	PA PUC	R-2010-2157140	The York Water Company	Depreciation
113.	2010	MO PSC	ER-2010-0356	Greater Missouri Operations Company	Depreciation
114.	2010	MO PSC	ER-2010-0355	Kansas City Power and Light	Depreciation
115.	2010	PA PUC	R-2010-2167797	T.W. Phillips Gas and Oil Company	Depreciation
116.	2010	PSC SC	2009-489-E	SCANA – Electric	Depreciation
117.	2010	PA PUC	R-2010-22010702	Peoples Natural Gas, LLC	Depreciation
118.	2010	AK PSC	10-067-U	Oklahoma Gas and Electric Company	Depreciation
119.	2010	IN URC	Cause No. 43894	Northern Indiana Public Serv. Company - NIFL	Depreciation
120.	2010	IN URC	Cause No. 43894	Northern Indiana Public Serv. Co. - Kokomo	Depreciation
121.	2010	PA PUC	R-2010-2166212	Pennsylvania American Water Co. - WW	Depreciation
122.	2010	NC Util Cn.	W-218,SUB310	Aqua North Carolina, Inc.	Depreciation
123.	2011	OH PUC	11-4161-WS-AIR	Ohio American Water Company	Depreciation
124.	2011	MS PSC	EC-123-0082-00	Entergy Mississippi	Depreciation
125.	2011	CO PUC	11AL-387E	Black Hills Colorado	Depreciation
126.	2011	PA PUC	R-2010-2215623	Columbia Gas of Pennsylvania	Depreciation
127.	2011	PA PUC	R-2010-2179103	City of Lancaster – Bureau of Water	Depreciation
128.	2011	IN URC	43114 IGCC 4S	Duke Energy Indiana	Depreciation
129.	2011	FERC	IS11-146-000	Enbridge Pipelines (Southern Lights)	Depreciation
130.	2011	IL CC	11-0217	MidAmerican Energy Corporation	Depreciation
131.	2011	OK CC	201100087	Oklahoma Gas & Electric Company	Depreciation
132.	2011	PA PUC	2011-2232243	Pennsylvania American Water Company	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
133.	2011	FERC	RP11-____-000	Carolina Gas Transmission	Depreciation
134.	2012	WA UTC	UE-120436/UG-120437	Avista Corporation	Depreciation
135.	2012	AK Reg Cm	U-12-009	Chugach Electric Association	Depreciation
136.	2012	MA PUC	DPU 12-25	Columbia Gas of Massachusetts	Depreciation
137.	2012	TX PUC	40094	El Paso Electric Company	Depreciation
138.	2012	ID PUC	IPC-E-12	Idaho Power Company	Depreciation
139.	2012	PA PUC	R-2012-2290597	PPL Electric Utilities	Depreciation
140.	2012	PA PUC	R-2012-2311725	Borough of Hanover – Bureau of Water	Depreciation
141.	2012	KY PSC	2012-00222	Louisville Gas and Electric Company	Depreciation
142.	2012	KY PSC	2012-00221	Kentucky Utilities Company	Depreciation
143.	2012	PA PUC	R-2012-2285985	Peoples Natural Gas Company	Depreciation
144.	2012	DC PSC	Case 1087	Potomac Electric Power Company	Depreciation
145.	2012	OH PSC	12-1682-EL-AIR	Duke Energy Ohio (Electric)	Depreciation
146.	2012	OH PSC	12-1685-GA-AIR	Duke Energy Ohio (Gas)	Depreciation
147.	2012	PA PUC	R-2012-2310366	City of Lancaster – Sewer Fund	Depreciation
148.	2012	PA PUC	R-2012-2321748	Columbia Gas of Pennsylvania	Depreciation
149.	2012	FERC	ER-12-2681-000	ITC Holdings	Depreciation
150.	2012	MO PSC	ER-2012-0174	Kansas City Power and Light	Depreciation
151.	2012	MO PSC	ER-2012-0175	KCPL Greater Missouri Operations Company	Depreciation
152.	2012	MO PSC	GO-2012-0363	Laclede Gas Company	Depreciation
153.	2012	MN PUC	G007,001/D-12-533	Integrays – MN Energy Resource Group	Depreciation
154.	2012	TX PUC	SOAH 582-14-1051/ TECQ 2013-2007-UCR	Aqua Texas	Depreciation
155.	2012	PA PUC	2012-2336379	York Water Company	Depreciation
156.	2013	NJ BPU	ER12121071	PHI Service Company– Atlantic City Electric	Depreciation
157.	2013	KY PSC	2013-00167	Columbia Gas of Kentucky	Depreciation
158.	2013	VA St CC	2013-00020	Virginia Electric and Power Company	Depreciation
159.	2013	IA Util Bd	2013-0004	MidAmerican Energy Corporation	Depreciation
160.	2013	PA PUC	2013-2355276	Pennsylvania American Water Company	Depreciation
161.	2013	NY PSC	13-E-0030, 13-G-0031, 13-S-0032	Consolidated Edison of New York	Depreciation
162.	2013	PA PUC	2013-2355886	Peoples TWP LLC	Depreciation
163.	2013	TN Reg Auth	12-0504	Tennessee American Water	Depreciation
164.	2013	ME PUC	2013-168	Central Maine Power Company	Depreciation
165.	2013	DC PSC	Case 1103	PHI Service Company – PEPCO	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
166.	2013	WY PSC	2003-ER-13	Cheyenne Light, Fuel and Power Company	Depreciation
167.	2013	FERC	ER13-2428-0000	Kentucky Utilities	Depreciation
168.	2013	FERC	ER13- -0000	MidAmerican Energy Company	Depreciation
169.	2013	FERC	ER13-2410-0000	PPL Utilities	Depreciation
170.	2013	PA PUC	R-2013-2372129	Duquesne Light Company	Depreciation
171.	2013	NJ BPU	ER12111052	Jersey Central Power and Light Company	Depreciation
172.	2013	PA PUC	R-2013-2390244	Bethlehem, City of – Bureau of Water	Depreciation
173.	2013	OK CC	UM 1679	Oklahoma, Public Service Company of	Depreciation
174.	2013	IL CC	13-0500	Nicor Gas Company	Depreciation
175.	2013	WY PSC	20000-427-EA-13	PacifiCorp	Depreciation
176.	2013	UT PSC	13-035-02	PacifiCorp	Depreciation
177.	2013	OR PUC	UM 1647	PacifiCorp	Depreciation
178.	2013	PA PUC	2013-2350509	Dubois, City of	Depreciation
179.	2014	IL CC	14-0224	North Shore Gas Company	Depreciation
180.	2014	FERC	ER14- -0000	Duquesne Light Company	Depreciation
181.	2014	SD PUC	EL14-026	Black Hills Power Company	Depreciation
182.	2014	WY PSC	20002-91-ER-14	Black Hills Power Company	Depreciation
183.	2014	PA PUC	2014-2428304	Borough of Hanover – Municipal Water Works	Depreciation
184.	2014	PA PUC	2014-2406274	Columbia Gas of Pennsylvania	Depreciation
185.	2014	IL CC	14-0225	Peoples Gas Light and Coke Company	Depreciation
186.	2014	MO PSC	ER-2014-0258	Ameren Missouri	Depreciation
187.	2014	KS CC	14-BHCG-502-RTS	Black Hills Service Company	Depreciation
188.	2014	KS CC	14-BHCG-502-RTS	Black Hills Utility Holdings	Depreciation
189.	2014	KS CC	14-BHCG-502-RTS	Black Hills Kansas Gas	Depreciation
190.	2014	PA PUC	2014-2418872	Lancaster, City of – Bureau of Water	Depreciation
191.	2014	WV PSC	14-0701-E-D	First Energy – MonPower/PotomacEdison	Depreciation
192.	2014	VA St CC	PUC-2014-00045	Aqua Virginia	Depreciation
193.	2014	VA St CC	PUE-2013	Virginia American Water Company	Depreciation
194.	2014	OK CC	PUD201400229	Oklahoma Gas and Electric Company	Depreciation
195.	2014	OR PUC	UM1679	Portland General Electric	Depreciation
196.	2014	IN URC	Cause No. 44576	Indianapolis Power & Light	Depreciation
197.	2014	MA DPU	DPU. 14-150	NSTAR Gas	Depreciation
198.	2014	CT PURA	14-05-06	Connecticut Light and Power	Depreciation
199.	2014	MO PSC	ER-2014-0370	Kansas City Power & Light	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
200.	2014	KY PSC	2014-00371	Kentucky Utilities Company	Depreciation
201.	2014	KY PSC	2014-00372	Louisville Gas and Electric Company	Depreciation
202.	2015	PA PUC	R-2015-2462723	United Water Pennsylvania Inc.	Depreciation
203.	2015	PA PUC	R-2015-2468056	NiSource - Columbia Gas of Pennsylvania	Depreciation
204.	2015	NY PSC	15-E-0283/15-G-0284	New York State Electric and Gas Corporation	Depreciation
205.	2015	NY PSC	15-E-0285/15-G-0286	Rochester Gas and Electric Corporation	Depreciation
206.	2015	MO PSC	WR-2015-0301/SR-2015-0302	Missouri American Water Company	Depreciation
207.	2015	OK CC	PUD 201500208	Oklahoma, Public Service Company of	Depreciation
208.	2015	WV PSC	15-0676-W-42T	West Virginia American Water Company	Depreciation
209.	2015	PA PUC	2015-2469275	PPL Electric Utilities	Depreciation
210.	2015	IN URC	Cause No. 44688	Northern Indiana Public Service Company	Depreciation
211.	2015	OH PSC	14-1929-EL-RDR	First Energy-Ohio Edison/Cleveland Electric/ Toledo Edison	Depreciation
212.	2015	NM PRC	15-00127-UT	El Paso Electric	Depreciation
213.	2015	TX PUC	PUC-44941; SOAH 473-15-5257	El Paso Electric	Depreciation
214.	2015	WI PSC	3270-DU-104	Madison Gas and Electric Company	Depreciation
215.	2015	OK CC	PUD 201500273	Oklahoma Gas and Electric	Depreciation
216.	2015	KY PSC	Doc. No. 2015-00418	Kentucky American Water Company	Depreciation
217.	2015	NC UC	Doc. No. G-5, Sub 565	Public Service Company of North Carolina	Depreciation
218.	2016	WA UTC	Docket UE-17	Puget Sound Energy	Depreciation
219.	2016	NY PSC	Case No. 16-W-0130	SUEZ Water New York, Inc.	Depreciation
220.	2016	MO PSC	ER-2016-0156	KCPL – Greater Missouri	Depreciation
221.	2016	WI PSC		Wisconsin Public Service Corporation	Depreciation
222.	2016	KY PSC	Case No. 2016-00026	Kentucky Utilities Company	Depreciation
223.	2016	KY PSC	Case No. 2016-00027	Louisville Gas and Electric Company	Depreciation
224.	2016	OH PUC	Case No. 16-0907-WW-AIR	Aqua Ohio	Depreciation
225.	2016	MD PSC	Case 9417	NiSource - Columbia Gas of Maryland	Depreciation
226.	2016	KY PSC	2016-00162	Columbia Gas of Kentucky	Depreciation
227.	2016	DE PSC	16-0649	Delmarva Power and Light Company – Electric	Depreciation
228.	2016	DE PSC	16-0650	Delmarva Power and Light Company – Gas	Depreciation
229.	2016	NY PSC	Case 16-G-0257	National Fuel Gas Distribution Corp – NY Div	Depreciation
230.	2016	PA PUC	R-2016-2537349	Metropolitan Edison Company	Depreciation
231.	2016	PA PUC	R-2016-2537352	Pennsylvania Electric Company	Depreciation
232.	2016	PA PUC	R-2016-2537355	Pennsylvania Power Company	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
233.	2016	PA PUC	R-2016-2537359	West Penn Power Company	Depreciation
234.	2016	PA PUC	R-2016-2529660	NiSource - Columbia Gas of PA	Depreciation
235.	2016	KY PSC	Case No. 2016-00063	Kentucky Utilities / Louisville Gas & Electric Co	Depreciation
236.	2016	MO PSC	ER-2016-0285	KCPL Missouri	Depreciation
237.	2016	AR PSC	16-052-U	Oklahoma Gas & Electric Co	Depreciation
238.	2016	PSCW	6680-DU-104	Wisconsin Power and Light	Depreciation
239.	2016	ID PUC	IPC-E-16-23	Idaho Power Company	Depreciation
240.	2016	OR PUC	UM1801	Idaho Power Company	Depreciation
241.	2016	ILL CC	16-	MidAmerican Energy Company	Depreciation
242.	2016	KY PSC	Case No. 2016-00370	Kentucky Utilities Company	Depreciation
243.	2016	KY PSC	Case No. 2016-00371	Louisville Gas and Electric Company	Depreciation
244.	2016	IN URC	Cause No. 45029	Indianapolis Power & Light	Depreciation
245.	2016	AL RC	U-16-081	Chugach Electric Association	Depreciation
246.	2017	MA DPU	D.P.U. 17-05	NSTAR Electric Company and Western Massachusetts Electric Company	Depreciation
247.	2017	TX PUC	PUC-26831, SOAH 973-17-2686	El Paso Electric Company	Depreciation
248.	2017	WA UTC	UE-17033 and UG-170034	Puget Sound Energy	Depreciation
249.	2017	OH PUC	Case No. 17-0032-EL-AIR	Duke Energy Ohio	Depreciation
250.	2017	VA SCC	Case No. PUE-2016-00413	Virginia Natural Gas, Inc.	Depreciation
251.	2017	OK CC	Case No. PUD201700151	Public Service Company of Oklahoma	Depreciation
252.	2017	MD PSC	Case No. 9447	Columbia Gas of Maryland	Depreciation
253.	2017	NC UC	Docket No. E-2, Sub 1142	Duke Energy Progress	Depreciation
254.	2017	VA SCC	Case No. PUR-2017-00090	Dominion Virginia Electric and Power Company	Depreciation
255.	2017	FERC	ER17-1162	MidAmerican Energy Company	Depreciation
256.	2017	PA PUC	R-2017-2595853	Pennsylvania American Water Company	Depreciation
257.	2017	OR PUC	UM1809	Portland General Electric	Depreciation
258.	2017	FERC	ER17-217-000	Jersey Central Power & Light	Depreciation
259.	2017	FERC	ER17-211-000	Mid-Atlantic Interstate Transmission, LLC	Depreciation
260.	2017	MN PUC	Docket No. G007/D-17-442	Minnesota Energy Resources Corporation	Depreciation
261.	2017	IL CC	Docket No. 17-0124	Northern Illinois Gas Company	Depreciation
262.	2017	OR PUC	UM1808	Northwest Natural Gas Company	Depreciation
263.	2017	NY PSC	Case No. 17-W-0528	SUEZ Water Owego-Nichols	Depreciation
264.	2017	MO PSC	GR-2017-0215	Laclede Gas Company	Depreciation
265.	2017	MO PSC	GR-2017-0216	Missouri Gas Energy	Depreciation

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	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
266.	2017	ILL CC	Docket No. 17-0337	Illinois-American Water Company	Depreciation
267.	2017	FERC	Docket No. ER18-22-000	PPL Electric Utilities Corporation	Depreciation
268.	2017	IN URC	Cause No. 44988	Northern Indiana Public Service Company	Depreciation
269.	2017	NJ BPU	BPU Docket No. WR17090985	New Jersey American Water Company, Inc.	Depreciation
270.	2017	RI PUC	Docket No. 4800	SUEZ Water Rhode Island	Depreciation
271.	2017	OK CC	Cause No. PUD 201700496	Oklahoma Gas and Electric Company	Depreciation
272.	2017	NJ BPU	ER18010029 & GR18010030	Public Service Electric and Gas Company	Depreciation
273.	2017	NC Util Com.	Docket No. E-7, SUB 1146	Duke Energy Carolinas, LLC	Depreciation
274.	2017	KY PSC	Case No. 2017-00321	Duke Energy Kentucky, Inc.	Depreciation
275.	2017	MA DPU	D.P.U. 18-40	Berkshire Gas Company	Depreciation
276.	2018	IN IURC	Cause No. 44992	Indiana-American Water Company, Inc.	Depreciation
277.	2018	IN IURC	Cause No. 45029	Indianapolis Power and Light	Depreciation
278.	2018	NC Util Com.	Docket No. W-218, Sub 497	Aqua North Carolina, Inc.	Depreciation
279.	2018	PA PUC	Docket No. R-2018-2647577	NiSource - Columbia Gas of Pennsylvania, Inc.	Depreciation
280.	2018	OR PUC	Docket UM 1933	Avista Corporation	Depreciation
281.	2018	WA UTC	Docket No. UE-108167	Avista Corporation	Depreciation
282.	2018	ID PUC	AVU-E-18-03, AVU-G-18-02	Avista Corporation	Depreciation
283.	2018	IN URC	Cause No. 45039	Citizens Energy Group	Depreciation
284.	2018	FERC	Docket No. ER18-	Duke Energy Progress	Depreciation
285.	2018	PA PUC	Docket No. R-2018-3000124	Duquesne Light Company	Depreciation
286.	2018	MD PSC	Case No. 948	NiSource - Columbia Gas of Maryland	Depreciation
287.	2018	MA DPU	D.P.U. 18-45	NiSource - Columbia Gas of Massachusetts	Depreciation
288.	2018	OH PUC	Case No. 18-0299-GA-ALT	Vectren Energy Delivery of Ohio	Depreciation
289.	2018	PA PUC	Docket No. R-2018-3000834	SUEZ Water Pennsylvania Inc.	Depreciation
290.	2018	MD PSC	Case No. 9847	Maryland-American Water Company	Depreciation
291.	2018	PA PUC	Docket No. R-2018-3000019	The York Water Company	Depreciation
292.	2018	FERC	ER-18-2231-000	Duke Energy Carolinas, LLC	Depreciation
293.	2018	KY PSC	Case No. 2018-00261	Duke Energy Kentucky, Inc.	Depreciation
294.	2018	NJ BPU	BPU Docket No. WR18050593	SUEZ Water New Jersey	Depreciation
295.	2018	WA UTC	Docket No. UE-180778	PacifiCorp	Depreciation
296.	2018	UT PSC	Docket No. 18-035-36	PacifiCorp	Depreciation
297.	2018	OR PUC	Docket No. UM-1968	PacifiCorp	Depreciation
298.	2018	ID PUC	Case No. PAC-E-18-08	PacifiCorp	Depreciation
299.	2018	WY PSC	20000-539-EA-18	PacifiCorp	Depreciation
300.	2018	PA PUC	Docket No. R-2018-3003068	Aqua Pennsylvania, Inc.	Depreciation

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	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
301.	2018	IL CC	Docket No. 18-1467	Aqua Illinois, Inc.	Depreciation
302.	2018	KY PSC	Case No. 2018-00294	Louisville Gas & Electric Company	Depreciation
303.	2018	KY PSC	Case No. 2018-00295	Kentucky Utilities Company	Depreciation
304.	2018	IN URC	Cause No. 45159	Northern Indiana Public Service Company	Depreciation
305.	2018	VA SCC	Case No. PUR-2019-00175	Virginia American Water Company	Depreciation
306.	2019	PA PUC	Docket No. R-2018-3006818	Peoples Natural Gas Company, LLC	Depreciation
307.	2019	OK CC	Cause No. PUD201800140	Oklahoma Gas and Electric Company	Depreciation
308.	2019	MD PSC	Case No. 9490	FirstEnergy – Potomac Edison	Depreciation
309.	2019	SC PSC	Docket No. 2018-318-E	Duke Energy Progress	Depreciation
310.	2019	SC PSC	Docket No. 2018-319-E	Duke Energy Carolinas	Depreciation
311.	2019	DE PSC	DE 19-057	Public Service of New Hampshire	Depreciation
312.	2019	NY PSC	Case No. 19-W-0168 & 19-W-0269	SUEZ Water New York	Depreciation
313.	2019	PA PUC	Docket No. R-2019-3006904	Newtown Artesian Water Company	Depreciation
314.	2019	MO PSC	ER-2019-0335	Ameren Missouri	Depreciation
315.	2019	MO PSC	EC-2019-0200	KCP&L Greater Missouri Operations Company	Depreciation
316.	2019	MN DOC	G011/D-19-377	Minnesota Energy Resource Corp.	Depreciation
317.	2019	NY PSC	Case 19-E-0378 & 19-G-0379	New York State Electric and Gas Corporation	Depreciation
318.	2019	NY PSC	Case 19-E-0380 & 19-G-0381	Rochester Gas and Electric Corporation	Depreciation
319.	2019	WA UTC	Docket UE-190529 / UG-190530	Puget Sound Energy	Depreciation
320.	2019	PA PUC	Docket No. R-2019-3010955	City of Lancaster	Depreciation
321.	2019	IURC	Cause No. 45253	Duke Energy Indiana	Depreciation
322.	2019	KY PSC	Case No. 2019-00271	Duke Energy Kentucky, Inc.	Depreciation
323.	2019	OH PUC	Case No. 18-1720-GA-AIR	Northeast Ohio Natural Gas Corp	Depreciation
324.	2019	NC Util.	Docket No. E-2, Sub 1219	Duke Energy Carolinas	Depreciation
325.	2019	FERC	Docket No. ER20-277-000	Jersey Central Power & Light Company	Depreciation
326.	2019	MA DPU	D.P.U. 19-120	NSTAR Gas Company	Depreciation
327.	2019	SC PSC	Docket No. 2019-290-WS	Blue Granite Water Company	Depreciation
328.	2019	NC Util.	Docket No. E-2, Sub 1219	Duke Energy Progress	Depreciation
329.	2019	MD PSC	Case No. 9609	NiSource Columbia Gas of Maryland, Inc.	Depreciation
330.	2019	HI PUC	Docket No. 2019-0117	Young Brothers, LLC	Depreciation
331.	2020	NJ BPU	Docket No. ER20020146	Jersey Central Power & Light Company	Depreciation
332.	2020	PA PUC	Docket No. R-2020-3018835	NiSource - Columbia Gas of Pennsylvania, Inc.	Depreciation
333.	2020	PA PUC	Docket No. R-2020-3019369	Pennsylvania-American Water Company	Depreciation
334.	2020	PA PUC	Docket No. R-2020-3019371	Pennsylvania-American Water Company	Depreciation
335.	2020	MO PSC	GO-2018-0309, GO-2018-0310	Spire Missouri, Inc.	Depreciation
336.	2020	NM PRC	Case No. 20-00104-UT	El Paso Electric Company	Depreciation
337.	2020	MD PSC	Case No. 9644	Columbia Gas of Maryland, Inc.	Depreciation
338.	2020	MO PSC	GO-2018-0309, GO-2018-0310	Spire Missouri, Inc.	Depreciation

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339.	2020	VA St CC	Case No. PUR-2020-00095	Virginia Natural Gas Company	Depreciation
340.	2020	SC PSC	Docket No. 2020-125-E	Dominion Energy South Carolina, Inc.	Depreciation
341.	2020	WV PSC	Case No. 20-0745-G-D	Hope Gas, Inc. d/b/a Dominion Energy West Virginia	Depreciation
342.	2020	VA St CC	Case No. PUR-2020-00106	Aqua Virginia, Inc.	Depreciation
343.	2020	PA PUC	Docket No. R-2020-3020256	City of Bethlehem – Bureau of Water	Depreciation
344.	2020	NE PSC	Docket No. NG-109	Black Hills Nebraska	Depreciation
345.	2020	NY PSC	Case No. 20-E-0428 & 20-G-0429	Central Hudson Gas & Electric Corporation	Depreciation
346.	2020	FERC	ER20-598	Duke Energy Indiana	Depreciation
347.	2020	FERC	ER20-855	Northern Indiana Public Service Company	Depreciation
348.	2020	OR PSC	UE 374	PacifiCorp	Depreciation
349.	2020	MD PSC	Case No. 9490 Phase II	Potomac Edison – Maryland	Depreciation
350.	2020	IN URC	Case No. 45447	Southern Indiana Gas and Electric Company	Depreciation
351.	2020	IN URC	IURC Cause No. 45468	Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery	Depreciation
352.	2020	KY PSC	Case No. 2020-00349	Kentucky Utilities Company	Depreciation
353.	2020	KY PSC	Case No. 2020-00350	Louisville Gas and Electric Company	Depreciation
354.	2020	FERC	Docket No. ER21- 000	South FirstEnergy Operating Companies	Depreciation
355.	2020	OH PUC	Case Nos 20-1651-EL-AIR, 20-1652-EL-AAM & 20-1653-EL-ATA	Dayton Power and Light Company	Depreciation
356.	2020	OR PSC	UG 388	Northwest Natural Gas Company	Depreciation
357.	2020	MO PSC	Case No. GR-2021-0241	Ameren Missouri Gas	Depreciation
358.	2021	KY PSC	Case No. 2021-00103	East Kentucky Power Cooperative	Depreciation
359.	2021	MPUC	Docket No. 2021-00024	Bangor Natural Gas	Depreciation
360.	2021	PA PUC	Docket No. R-2021-3024296	Columbia Gas of Pennsylvania, Inc.	Depreciation
361.	2021	NC Util.	Doc. No. G-5, Sub 632	Public Service of North Carolina	Depreciation
362.	2021	MO PSC	ER-2021-0240	Ameren Missouri	Depreciation
363.	2021	PA PUC	Docket No. R-2021-3024750	Duquesne Light Company	Depreciation
364.	2021	KS PSC	21-BHCG-418-RTS	Black Hills Kansas Gas	Depreciation
365.	2021	KY PSC	Case No. 2021-00190	Duke Energy Kentucky	Depreciation
366.	2021	OR PSC	Docket UM 2152	Portland General Electric	Depreciation
367.	2021	ILL CC	Docket No. 20-0810	North Shore Gas Company	Depreciation
368.	2021	FERC	ER21-1939-000	Duke Energy Progress	Depreciation
369.	2021	FERC	ER21-1940-000	Duke Energy Carolina	Depreciation
370.	2021	KY PSC	Case No. 2021-00183	NiSource Columbia Gas of Kentucky	Depreciation
371.	2021	MD PSC	Case No. 9664	NiSource Columbia Gas of Maryland	Depreciation
372.	2021	OH PUC	Case No. 21-0596-ST-AIR	Aqua Ohio	Depreciation
373.	2021	PA PUC	Docket No. R-2021-3026116	Hanover Borough Municipal Water Works	Depreciation
374.	2021	OR PSC	UM-2180	Idaho Power Company	Depreciation
375.	2021	ID PUC	Case No. IPC-E-21-18	Idaho Power Company	Depreciation

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	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
376.	2021	WPSC	6690-DU-104	Wisconsin Public Service Company	Depreciation
377.	2021	PAPUC	Docket No. R-2021-3026116	Borough of Hanover	Depreciation
378.	2021	OH PUC	Case No. 21-637-GA-AIR; Case No. 21-638-GA-ALT; Case No. 21-639-GA-UNC; Case No. 21-640-GA-AAM	NiSource Columbia Gas of Ohio	Depreciation
379.	2021	TX PUC	Texas PUC Docket No. 52195; SOHA Docket No. 473-21-2606	El Paso Electric	Depreciation
380.	2021	MO PSC	Case No. GR.2021-0108	Spire Missouri	Depreciation
381.	2021	WV PSC	Case No. 21-0215-WS-P	West Virginia American Water Company	Depreciation
382.	2021	FERC	ER21-2736	Duke Energy Carolinas	Depreciation
383.	2021	FERC	ER21-2737	Duke Energy Progress	Depreciation
384.	2021	IN URC	Cause #45621	Northern Indiana Public Service Company	Depreciation
385.	2021	PA PUC	Docket No. R-2021-3026682	City of Lancaster	Depreciation
386.	2021	OH PUC	Case No. 21-887-EL-AIR; Case No. 21-888-EL-ATA; Case No. 889-EL-AAM	Duke Energy Ohio	Depreciation
387.	2021	AK PSC	Docket No. 21-097-U	Black Hills Energy Arkansas, Inc.	Depreciation
388.	2021	OK CC	Cause No. PUD202100164	Oklahoma Gas & Electric	Depreciation
389.	2021	FERC	Case ER-22-392-001	El Paso Electric	Depreciation
390.	2021	FERC	Case ER-21-XXX	MidAmerican Electric	Depreciation
391.	2021	PA PUC	Docket Nos. R-2021-3027385, R-2021-3027386	Aqua Pennsylvania, Inc. Aqua Pennsylvania Wastewater, Inc.	Depreciation
392.	2022	FERC	Case ER-22-282-000	El Paso Electric	Depreciation
393.	2022	ILL CC	Docket No. 22-0154	MidAmerican Gas	Depreciation
394.	2022	MO PSC	Case No. ER-2022-0129	Evergy Metro	Depreciation
395.	2022	MO PSC	Case No. ER-2022-0130	Evergy Missouri West	Depreciation
396.	2022	PA PUC	Docket No. R-2022-3031211	NiSource Columbia Gas of Pennsylvania, Inc.	Depreciation
397.	2022	MA DPU	D.P.U. 22-20	The Berkshire Gas Company	Depreciation
398.	2022	PA PUC	R-2022-3031672; R-2022-3031673	Pennsylvania-American Water Company	Depreciation
399.	2022	SD PUC	Docket No. NG22-	MidAmerican Gas	Depreciation
400.	2022	MD PSC	Case No. 9680	NiSource Columbia Gas of Maryland	Depreciation
401.	2022	WYPSC	Docket No. 20003-214-ER-22	Black Hills Energy – Cheyenne Light, Fuel and Power	Depreciation
402.	2022	MA DPU	D.P.U. 22.22	NSTAR Electric Company d/b/a Eversource Energy	Depreciation
403.	2022	NC Util Com	Docket No. W-218, Sub 573	Aqua North Carolina, Inc.	Depreciation
404.	2022	OR PUC	UM2213	Northwest Natural Gas	Depreciation

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	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
405.	2022	OR PUC	UM2214	Northwest Natural Gas	Depreciation
406.	2022	ME PUC	Docket No. 2022-00152	Central Maine Power	Depreciation
407.	2022	SC PSC	Docket No. 2022-254-E	Duke Energy Progress	Depreciation
408.	2022	NC Util Com	Docket No. E-2, SUB 1300	Duke Energy Progress	Depreciation
409.	2022	IN URC	Cause #45772	Northern Indiana Public Service Company	Depreciation
410.	2022	PA PUC	R-2022-3031340	The York Water Company	Depreciation
411.	2022	PA PUC	R-2022-3032806	The York Water Company	Depreciation
412.	2022	PA PUC	R-2022-3031704	Borough of Ambler	Depreciation
413.	2022	MO PSC	ER-2022-0337	Ameren Missouri	Depreciation
414.	2022	OH PUC	Case No. 22-507-GA-AIR	Duke Energy Ohio	Depreciation
415.	2022	PA PUC	R-2022-3035730	National Fuel Gas Distribution Corporation – PA Division	Depreciation
416.	2022	NC Util Com	Docket No. E-22, Sub 493	Virginia Electric and Power Company	Depreciation
417.	2022	WY PSC	20003-214-ER-22	Cheyenne Light, Fuel and Power Company	Depreciation
418.	2022	NJ BPU	BPU Docket No. ER2303144	Jersey Central Power & Light Company	Depreciation
419.	2022	KY PSC	Case No. 2022-00372	Duke Energy Kentucky	Depreciation
420.	2022	TX PUC	SOAH Docket No. 473-23-04521	Aqua Texas, Inc.	Depreciation
421.	2022	NC Util Com	Docket No. E-7, Sub 1276	Duke Energy Carolinas, LLC	Depreciation
422.	2022	KY PSC	Case No. 2022-00432	Bluegrass Water	Depreciation
423.	2023	ILL CC	Docket No. 23-0069	The Peoples Gas Light and Coke Company	Depreciation
424.	2023	ILL CC	Docket No. 23-0068	North Shore Gas Company	Depreciation
425.	2023	WV PSC	Case No. 23-0030-E-D	Monongahela Power Company and The Potomac Edison	Depreciation
426.	2023	ID PUC	AVU-E-23-01; AVU-G-23-01	Avista Corporation	Depreciation
427.	2023	ILL CC	Docket No. 23-0066	Northern Illinois Gas Company d/b/a Nicor Gas Company	Depreciation
428.	2023	SC PSC	Docket No. 2023-70-G	Dominion Energy South Carolina, Inc.	Depreciation
429.	2023	FERC	Docket No. ER23-xxx-00	Duke Energy Ohio, Inc.	Depreciation
430.	2023	WY PSC	Docket No. 30036-78-GR-23	Black Hills Wyoming Gas Company d/b/a Black Hills Energy	Depreciation
431.	2023	MD PSC	Case No. 9695	The Potomac Edison Company	Depreciation
432.	2023	OR PUC	Case No. UM2277	Avista Corporation	Depreciation
433.	2023	FERC	Docket No. ER23-1629-000	PPL Electric Utilities	Depreciation
434.	2023	OH PUC	Case No. 23-0154-GA-AIR	Northeast Ohio Natural Gas Corporation	Depreciation
435.	2023	DE PSC	PSC Docket No. 23-0601	Artesian Water Company	Depreciation
436.	2023	CO PUC	No. 23AL-0231G	Black Hills Colorado d/b/a Black Hills Energy	Depreciation
437.	2023	NH PUC	Docket No. DE 23-039	Granite State Electric d/b/a Liberty Utilities	Depreciation
438.	2023	MD PSC	Case No. 9701	Columbia Gas of Maryland	Depreciation
439.	2023	NY PSC	Case Nos. 23-E-0418; 23-G-0419	Central Hudson Gas and Electric	Depreciation
440.	2023	FERC	Docket No. ER23-xxx-000	Central Maine Power Company	Depreciation
441.	2023	SD PUC	Docket Number EL23-016	Northwestern Energy	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
442.	2023	CT PURA	Docket No. 23-08-32	Connecticut Water Company	Depreciation
443.	2023	OH PUC	Case 23-0894-GA-AIR	The East Ohio Gas Company d/b/a Dominion Energy Ohio	Depreciation
444.	2023	IN URC	Cause No. 45911	Indianapolis Power & Light	Depreciation
445.	2023	IN URC	Cause No. 45967	Northern Indiana Public Service Company	Depreciation
446.	2023	PA PUC	Docket No. R-2023-3043189 and Docket No. R-2023-3043190	Pennsylvania-American Water Company	Depreciation
447.	2023	IN URC	Cause No. 45988	Citizens Energy Group	Depreciation
448.	2023	NY PSC	Case No. 23-G-0627	National Fuel Gas Distribution Corporation	Depreciation
449.	2023	IN URC	Cause No. 45990	Southern Indiana Gas and Electric Company d/b/a Centerpoint Energy Indiana South	Depreciation
450.	2023	PA PUC	Docket No. R-2023-3044549	Peoples Natural Gas Company LLC	Depreciation
451.	2023	OR PUC	Docket No. UM-2312	Northwest Natural Gas Company	Depreciation
452.	2023	AZ PCC	Docket No. WS-21182A-23-2092	Northwest Natural Water Company, LLC	Depreciation
453.	2023	SC PSC	Docket No. 2023-388-E	Duke Energy Carolinas	Depreciation
454.	2024	FERC	Docket No. ER24-768-000	Duke Energy Progress	Depreciation
455.	2024	FERC	Docket No. ER24-2057	Duke Energy Carolina	Depreciation
456.	2024	FERC	Docket No. SPP-0007	Evergy Metro, Inc. and Evergy Missouri West, Inc.	Depreciation
457.	2024	NJ BPU	Docket No. WR24010057	Aqua New Jersey, Inc.	Depreciation
458.	2024	ILL CC	Docket No. 24-0044	Aqua Illinois, Inc.	Depreciation
459.	2024	PA PUC	Docket No. R-2024-3046519	NiSource – Columbia Gas of Pennsylvania, Inc.	Depreciation
460.	2024	KY PSC	Case No. 2024-00092	NiSource – Columbia Gas of Kentucky, Inc.	Depreciation
461.	2024	VA SCC	Case No. PUR-2024-00030	NiSource – Columbia Gas of Virginia, Inc.	Depreciation
462.	2024	NE PSC	Docket No. 24-	Northwestern Energy	Depreciation
463.	2024	IA Util Bd	Docket No. RPU-2023-0002	Alliant - Interstate Power and Light Company	Depreciation
464.	2024	PA PUC	Docket No. R-2024-3047068	FirstEnergy Pennsylvania – Metropolitan Edison; Pennsylvania Electric; Pennsylvania Power; West Penn	Depreciation
465.	2024	PA PUC	Docket No. R-2024-3046523	Duquesne Light Company	Depreciation
466.	2024	NCUC	Docket No. E-22, Sub 694	Dominion Energy North Carolina	Depreciation
467.	2024	IN URC	IURC Cause No. 46038	Duke Energy Indiana	Depreciation
468.	2024	NJ BPU	Docket Nos. ER23120924 and	Public Service Electric and Gas Company	Depreciation
469.	2024	CO PUC	Docket No. 24-AL-0275E	Black Hills Colorado Electric, LLC	Depreciation
470.	2024	OH PUC	Case No. 24-0468-EL-AIR, Case No. 24-0469-EL-ATA,	FirstEnergy Ohio	Depreciation
471.	2024	SD PUC	Docket No. NG24-005	Northwestern Energy	Depreciation
472.	2024	PA PUC	Docket No. R-2024-3047822	Aqua Pennsylvania, Inc	Depreciation
473.	2024	PA PUC	Docket No. R-2024-3047824	Aqua Pennsylvania Wastewater, Inc	Depreciation
474.	2024	NH PUC	Docket No. DE 24-070	Eversource Energy - Public Service of New Hampshire	Depreciation
475.	2024	VA SCC	Case No. PUR-2024-00048	Virginia Natural Gas Company	Depreciation
476.	2024	WV PSC	Case No. 24-0678-G-D	Hope Gas, Inc.	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
477.	2024	MO PSC	ER-2024-0319	Ameren Missouri	Depreciation
478.	2024	PA PUC	Docket No. R-2024-3050208	Newtown Artesian Water Company	Depreciation
479.	2024	PA PUC	Docket No. RP-24-1106-00	Adelphia Gateway	Depreciation
480.	2024	OH PUC	Case No. 24-0832-GA-AIR	Centerpoint Energy Ohio	Depreciation
481.	2024	MT PSC	Docket 2024-05-053	Northwestern Energy	Depreciation
482.	2024	MD PSC	Case No. 9754	NiSource – Columbia Gas of Maryland	Depreciation
483.	2024	OR PUC	UM 2363	Northwest Natural Gas Company	Depreciation
484.	2024	IURC	Cause No. 46120	Northern Indiana Public Service Company LLC	Depreciation
485.	2024	MO PSC	GR-2024-0369	Ameren Missouri	Depreciation
486.	2024	PUCO	Case No. 24-1009-EL-AIR, Case No. 24-1010-EI-AAM, Case No. 24-1011-EI-ATA	The Dayton Power and Light Company d/b/a AES Ohio	Depreciation
487.	2024	KY PSC	Case No. 2024-00354	Duke Energy Kentucky	Depreciation
488.	2024	MO PSC	GR-2025-0107	Spire Missouri, Inc.	Depreciation
489.	2024	OR PUC	UG 520	Northwest Natural Gas	Depreciation
490.	2024	TX PUC	SOAH Docket No. 473-25-11219; PUC Docket No. 57568	El Paso Electric	Depreciation
491.	2024	FERC	Docket No. RP24-1106-002	Adelphia Gateway, LLC	Depreciation
492.	2025	PA PUC	Docket No.R-2025-3053499	Columbia Gas of Pennsylvania, Inc.	Depreciation
493.	2025	NE PSC	Case No. NG-124	Black Hills Nebraska	Depreciation
494.	2025	KY PSC	Case No. 2025-00114	Louisville Gas and Electric	Depreciation
495.	2025	KY PSC	Case No. 2025-00113	Kentucky Utilities	Depreciation
496.	2025	PA PUC	Docket No. R-2025-2025-3053442, R-2025-3053573	The York Water Company	Depreciation
497.	2025	NC UC	Docket No. W-218, Sub 629	Aqua North Carolina, Inc.	Depreciation
498.	2025	TX PUC	Docket No. 58124	Aqua Texas, Inc.	Depreciation
499.	2025	FERC	Docket No. ER25-2479-000	Duke Energy Indiana, LLC	Depreciation
500.	2025	IURC	Cause No. 46258	Indianapolis Power & Light Company d/b/a AES Indiana	Depreciation
501.	2025	NY PSC	Case 25-E-0375 & Case 25-G-378	New York State Electric and Gas Corporation	Depreciation
502.	2025	ILL CC	Docket No. 25-0055	Northern Illinois Gas Company d/b/a Nicor Gas Company	Depreciation
503.	2025	NY PSC	Case 25-E-0379 & Case 25-G-0380	Rochester Gas and Electric Corporation	Depreciation
504.	2025	CA PUC	A.25-01-001	San Gabriel Water Company	Depreciation
505.	2025	FERC	Docket EL25-77-000	Valley Link	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client Utility</u>	<u>Subject</u>
506.	2025	KY PSC	Docket No. 2025-00125	Duke Energy Kentucky	Depreciation
507.	2025	KY PSC	Docket No 2025-00208	East Kentucky Power Cooperative	Depreciation
508.	2025	SC PSC	Docket No. 2025-243-WS	Kiawah Island Utility	Depreciation
509.	2025	MA DPU	D.P.U. 25-170	The Berkshire Gas Company	Depreciation
510.	2025	WA UTC	Docket No. UG-250610	Northwest Natural Gas Company	Depreciation
511.	2025	SC PSC	Docket No. 2025-243-WS	Kiawah Island Utility, Inc. (South Carolina Water)	Depreciation
512.	2025	PA PUC	Docket No. R-2025-3057983, Docket No. R-2025-3058051	Pennsylvania-American Water Company	Depreciation
513.	2025	RI PUC	Docket No. 25-45-GE	Rhode Island Energy	Depreciation
514.	2025	IN URC	Cause No. 46334	Aqua Indiana, Inc.	Depreciation
515.	2025	SC PSC	Docket No. 2025-325-E	Dominion Energy South Carolina, Inc.	Depreciation
516.	2025	CA PUC	A.26-01-___	Suburban Water Systems	Depreciation
517.	2025	VA SCC	Case No. PUR-2025-_____	Aqua Virginia, Inc.	Depreciation
518.	2025	FERC	Docket No. ER26-750-000	Black Hills Power, Inc.	Depreciation
519.	2025	NC UTC	Docket No. E-7, Sub 1329	Duke Energy Carolinas, LLC	Depreciation
520.	2025	NC UTC	Docket No. E-2, Sub 1380	Duke Energy Progress, LLC	Depreciation

NATIONAL FUEL EXHIBIT JJS-1

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
 MONTHLY PLANT BRINGFORWARD FOR FFTY

Account	2026			
	6/30/2026	October		
	Ending Balance	Additions	Retirements	Ending Balance
30300	24,487,946.38	-	-	24,487,946.38
32540	55,006.53	205.38	79.39	55,132.52
32800	11,077.40	39.33	15.20	11,101.52
32900	2,904.48	10.20	3.94	2,910.73
33200	487,774.55	1,730.43	668.94	488,836.04
33400	3,588,782.71	12,580.61	4,863.33	3,596,499.99
36520	2,842,251.07	17,065.78	1,552.28	2,857,764.57
36620	251,285.57	1,561.57	142.04	252,705.11
36630	5,081.76	55.77	5.07	5,132.46
36710	72,491,899.16	436,281.58	39,683.50	72,888,497.24
36720	4,889,292.14	48,475.73	4,409.28	4,933,358.59
36900	8,763,147.86	54,153.17	4,925.69	8,812,375.34
37420	16,023,145.64	36,724.56	5,762.21	16,054,108.00
37500	13,035,098.70	30,166.60	4,733.24	13,060,532.06
37610	400,109,007.61	913,152.94	143,276.72	400,878,883.82
37620	2,741,104.22	9,223.77	1,447.24	2,748,880.75
37800	11,068,313.02	25,576.03	4,012.96	11,089,876.09
38000	230,084,470.78	534,309.58	83,834.94	230,534,945.41
38100	17,736,870.40	35,576.92	5,582.14	17,766,865.18
38200	3,530,905.96	8,197.45	1,286.21	3,537,817.20
38400	1,229,482.65	2,787.13	437.31	1,231,832.47
38500	18,802,489.79	41,479.08	6,508.21	18,837,460.67
39011	1,428,040.58	798.79	664.05	1,428,175.32
39110	328,739.97	1,949.05	-	330,689.02
39120	244,973.84	1,597.58	-	246,571.42
39130	7,740,747.62	49,972.26	-	7,790,719.88
39200	15,360,082.17	98,474.75	82,344.07	15,376,212.85
39400	10,297,183.94	61,890.20	-	10,359,074.14
39600	11,426,348.22	73,233.01	61,260.37	11,438,320.86
39700	4,335,043.11	31,216.69	-	4,366,259.80
30100	116,457.07	-	-	116,457.07
30200	7,388.47	-	-	7,388.47
32550	2,840.80	-	-	2,840.80
36510	20,192.52	111.54	10.15	20,293.92
37410	1,016,687.37	2,295.29	360.14	1,018,622.52
38910	59,856.94	383.42	318.25	59,922.11
TOTAL	884,621,921.01	2,531,276.19	458,186.86	886,695,010.34

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
 MONTHLY PLANT BRINGFORWARD FOR FTTY

2026			2026		
November			December		
Additions	Retirements	Ending Balance	Additions	Retirements	Ending Balance
-	-	24,487,946.38	-	-	24,487,946.38
400.99	138.78	55,394.72	305.94	49.06	55,651.60
76.78	26.57	11,151.73	58.58	9.39	11,200.92
19.91	6.89	2,923.75	15.19	2.44	2,936.50
3,378.54	1,169.30	491,045.28	2,577.69	413.38	493,209.59
24,562.64	8,501.05	3,612,561.59	18,740.33	3,005.35	3,628,296.57
33,319.57	2,713.36	2,888,370.78	25,421.53	959.25	2,912,833.06
3,048.85	248.28	255,505.67	2,326.15	87.77	257,744.05
108.89	8.87	5,232.48	83.08	3.13	5,312.42
851,805.12	69,366.33	73,670,936.03	649,893.89	24,522.91	74,296,307.00
94,645.01	7,707.37	5,020,296.24	72,210.43	2,724.77	5,089,781.90
105,729.76	8,610.05	8,909,495.05	80,667.66	3,043.89	8,987,118.82
71,701.79	10,072.27	16,115,737.51	54,705.65	3,560.83	16,166,882.34
58,897.90	8,273.65	13,111,156.31	44,936.78	2,924.96	13,153,168.13
1,782,858.56	250,446.18	402,411,296.21	1,360,251.13	88,539.64	403,683,007.70
18,008.67	2,529.76	2,764,359.66	13,739.91	894.34	2,777,205.23
49,935.17	7,014.62	11,132,796.64	38,098.58	2,479.86	11,168,415.36
1,043,197.00	146,542.58	231,431,599.83	795,918.38	51,806.85	232,175,711.36
69,461.11	9,757.51	17,826,568.77	52,996.10	3,449.55	17,876,115.32
16,004.86	2,248.28	3,551,573.79	12,211.08	794.83	3,562,990.04
5,441.65	764.41	1,236,509.71	4,151.77	270.24	1,240,391.24
80,984.61	11,376.27	18,907,069.00	61,788.08	4,021.83	18,964,835.25
1,559.57	1,160.75	1,428,574.15	1,189.89	410.36	1,429,353.68
3,805.36	-	334,494.37	2,903.34	-	337,397.71
3,119.15	-	249,690.56	2,379.79	-	252,070.35
97,566.87	-	7,888,286.76	74,439.70	-	7,962,726.45
192,264.13	143,936.56	15,424,540.43	146,689.99	50,885.55	15,520,344.87
120,835.70	-	10,479,909.84	92,192.90	-	10,572,102.74
142,981.63	107,082.46	11,474,220.04	109,089.38	37,856.61	11,545,452.81
60,948.10	-	4,427,207.90	46,501.01	-	4,473,708.92
-	-	116,457.07	-	-	116,457.07
-	-	7,388.47	-	-	7,388.47
-	-	2,840.80	-	-	2,840.80
217.77	17.73	20,493.96	166.15	6.27	20,653.84
4,481.36	629.52	1,022,474.37	3,419.10	222.55	1,025,670.92
748.59	556.30	60,114.41	571.15	196.67	60,488.89
4,942,115.64	800,905.72	890,836,220.27	3,770,640.32	283,142.28	894,323,718.31

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
 MONTHLY PLANT BRINGFORWARD FOR FFTY

2027			2027		
January			Feburary		
Additions	Retirements	Ending Balance	Additions	Retirements	Ending Balance
-	-	24,487,946.38	-	-	24,487,946.38
343.90	81.63	55,913.87	259.60	75.24	56,098.22
65.85	15.63	11,251.15	49.71	14.41	11,286.45
17.07	4.05	2,949.53	12.89	3.74	2,958.68
2,897.53	687.77	495,419.35	2,187.24	633.97	496,972.62
21,065.61	5,000.23	3,644,361.94	15,901.65	4,609.08	3,655,654.51
28,575.79	1,595.97	2,939,812.88	21,570.82	1,471.13	2,959,912.58
2,614.78	146.04	260,212.79	1,973.80	134.61	262,051.98
93.38	5.22	5,400.59	70.49	4.81	5,466.27
730,531.76	40,800.60	74,986,038.16	551,451.69	37,608.89	75,499,880.96
81,170.20	4,533.40	5,166,418.70	61,272.41	4,178.77	5,223,512.34
90,676.78	5,064.35	9,072,731.25	68,448.59	4,668.18	9,136,511.66
61,493.45	5,924.41	16,222,451.37	46,419.15	5,460.96	16,263,409.56
50,512.47	4,866.48	13,198,814.12	38,130.02	4,485.79	13,232,458.35
1,529,029.07	147,309.98	405,064,726.79	1,154,208.10	135,786.39	406,083,148.51
15,444.74	1,487.98	2,791,161.99	11,658.67	1,371.58	2,801,449.08
42,825.79	4,125.93	11,207,115.22	32,327.62	3,803.17	11,235,639.68
894,674.75	86,194.91	232,984,191.20	675,357.24	79,452.15	233,580,096.28
59,571.78	5,739.27	17,929,947.83	44,968.55	5,290.31	17,969,626.07
13,726.22	1,322.41	3,575,393.85	10,361.42	1,218.97	3,584,536.30
4,666.91	449.62	1,244,608.53	3,522.88	414.45	1,247,716.97
69,454.65	6,691.41	19,027,598.49	52,428.78	6,167.96	19,073,859.31
1,337.53	682.74	1,430,008.48	1,009.65	629.33	1,430,388.80
3,263.58	-	340,661.29	2,463.56	-	343,124.85
2,675.07	-	254,745.42	2,019.31	-	256,764.73
83,676.06	-	8,046,402.52	63,164.00	-	8,109,566.51
164,891.07	84,662.07	15,600,573.87	124,470.23	78,039.22	15,647,004.88
103,632.06	-	10,675,734.79	78,228.05	-	10,753,962.84
122,625.02	62,984.85	11,605,092.98	92,565.14	58,057.75	11,639,600.37
52,270.79	-	4,525,979.70	39,457.31	-	4,565,437.01
-	-	116,457.07	-	-	116,457.07
-	-	7,388.47	-	-	7,388.47
-	-	2,840.80	-	-	2,840.80
186.77	10.43	20,830.18	140.99	9.62	20,961.55
3,843.34	370.28	1,029,143.98	2,901.20	341.31	1,031,703.87
642.02	327.21	60,803.70	484.63	301.61	60,986.72
4,238,495.78	471,084.88	898,091,129.21	3,199,485.39	434,233.39	900,856,381.21

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
 MONTHLY PLANT BRINGFORWARD FOR FTTY

2027			2027		
March			April		
Additions	Retirements	Ending Balance	Additions	Retirements	Ending Balance
-	-	24,487,946.38	-	-	24,487,946.38
305.28	85.89	56,317.61	363.25	142.40	56,538.46
58.46	16.45	11,328.46	69.56	27.27	11,370.75
15.16	4.26	2,969.57	18.03	7.07	2,980.53
2,572.15	723.64	498,821.13	3,060.56	1,199.79	500,681.90
18,700.04	5,261.00	3,669,093.55	22,250.88	8,722.70	3,682,621.73
25,366.87	1,679.21	2,983,600.24	30,183.63	2,784.11	3,010,999.77
2,321.15	153.65	264,219.48	2,761.90	254.76	266,726.63
82.90	5.49	5,543.69	98.64	9.10	5,633.23
648,496.64	42,928.40	76,105,449.21	771,635.71	71,174.96	76,805,909.95
72,055.18	4,769.82	5,290,797.70	85,737.30	7,908.33	5,368,626.67
80,494.23	5,328.46	9,211,677.43	95,778.78	8,834.55	9,298,621.66
54,588.04	6,233.38	16,311,764.22	64,953.42	10,334.89	16,366,382.75
44,840.17	5,120.27	13,272,178.25	53,354.60	8,489.38	13,317,043.47
1,357,326.65	154,992.38	407,285,482.78	1,615,061.11	256,976.22	408,643,567.67
13,710.37	1,565.58	2,813,593.87	16,313.75	2,595.72	2,827,311.90
38,016.67	4,341.10	11,269,315.24	45,235.42	7,197.52	11,307,353.15
794,207.19	90,690.08	234,283,613.39	945,014.34	150,363.48	235,078,264.25
52,882.16	6,038.58	18,016,469.65	62,923.63	10,011.93	18,069,381.35
12,184.83	1,391.38	3,595,329.75	14,498.53	2,306.90	3,607,521.39
4,142.84	473.07	1,251,386.74	4,929.50	784.34	1,255,531.89
61,655.24	7,040.38	19,128,474.17	73,362.57	11,672.89	19,190,163.85
1,187.33	718.35	1,430,857.79	1,412.79	1,191.01	1,431,079.57
2,897.10	-	346,021.95	3,447.21	-	349,469.16
2,374.67	-	259,139.39	2,825.58	-	261,964.98
74,279.65	-	8,183,846.17	88,384.16	-	8,272,230.33
146,374.61	89,077.30	15,704,302.19	174,168.79	147,689.50	15,730,781.48
91,994.69	-	10,845,957.53	109,463.00	-	10,955,420.52
108,854.84	66,269.59	11,682,185.62	129,524.62	109,874.49	11,701,835.75
46,401.04	-	4,611,838.05	55,211.85	-	4,667,049.89
-	-	116,457.07	-	-	116,457.07
-	-	7,388.47	-	-	7,388.47
-	-	2,840.80	-	-	2,840.80
165.80	10.98	21,116.37	197.28	18.20	21,295.45
3,411.75	389.59	1,034,726.04	4,059.59	645.93	1,038,139.69
569.92	344.27	61,212.37	678.14	570.80	61,319.70
3,762,533.62	495,652.54	904,123,262.29	4,476,978.13	821,788.23	907,778,452.19

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
 MONTHLY PLANT BRINGFORWARD FOR FTTY

2027			2027		
May			June		
Additions	Retirements	Ending Balance	Additions	Retirements	Ending Balance
-	-	24,487,946.38	-	-	24,487,946.38
591.61	26.07	57,104.00	628.15	82.27	57,649.89
113.29	4.99	11,479.04	120.28	15.75	11,583.57
29.37	1.29	3,008.61	31.18	4.08	3,035.71
4,984.65	219.69	505,446.86	5,292.53	693.15	510,046.24
36,239.44	1,597.21	3,717,263.97	38,477.74	5,039.35	3,750,702.37
49,159.32	509.80	3,059,649.29	52,195.61	1,608.46	3,110,236.44
4,498.24	46.65	271,178.22	4,776.07	147.18	275,807.11
160.65	1.67	5,792.21	170.57	5.26	5,957.53
1,256,743.51	13,032.78	78,049,620.68	1,334,365.36	41,119.77	79,342,866.27
139,638.17	1,448.09	5,506,816.75	148,262.82	4,568.86	5,650,510.71
155,992.48	1,617.69	9,452,996.46	165,627.24	5,103.96	9,613,519.73
105,788.00	1,892.41	16,470,278.33	112,321.91	5,970.76	16,576,629.49
86,897.28	1,554.48	13,402,386.27	92,264.43	4,904.55	13,489,746.15
2,630,409.09	47,054.69	411,226,922.08	2,792,874.38	148,462.34	413,871,334.11
26,569.79	475.30	2,853,406.39	28,210.85	1,499.62	2,880,117.62
73,673.78	1,317.93	11,379,709.00	78,224.19	4,158.21	11,453,774.99
1,539,120.90	27,532.92	236,589,852.22	1,634,183.57	86,869.19	238,137,166.61
102,482.12	1,833.28	18,170,030.20	108,811.85	5,784.17	18,273,057.88
23,613.39	422.41	3,630,712.36	25,071.86	1,332.76	3,654,451.46
8,028.55	143.62	1,263,416.83	8,524.43	453.14	1,271,488.12
119,483.76	2,137.41	19,307,510.20	126,863.59	6,743.76	19,427,630.03
2,300.98	218.09	1,433,162.46	2,443.09	688.08	1,434,917.47
5,614.38	-	355,083.54	5,961.15	-	361,044.69
4,601.95	-	266,566.93	4,886.19	-	271,453.11
143,949.05	-	8,416,179.38	152,839.95	-	8,569,019.33
283,664.30	27,043.29	15,987,402.48	301,184.62	85,324.35	16,203,262.75
178,279.61	-	11,133,700.13	189,290.92	-	11,322,991.04
210,953.46	20,119.02	11,892,670.19	223,982.85	63,477.56	12,053,175.48
89,922.13	-	4,756,972.03	95,476.11	-	4,852,448.14
-	-	116,457.07	-	-	116,457.07
-	-	7,388.47	-	-	7,388.47
-	-	2,840.80	-	-	2,840.80
321.30	3.33	21,613.42	341.15	10.51	21,944.06
6,611.75	118.28	1,044,633.17	7,020.12	373.17	1,051,280.12
1,104.47	104.52	62,319.65	1,172.69	329.77	63,162.57
7,291,540.79	150,476.92	914,919,516.06	7,741,897.46	474,770.03	922,186,643.49

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
 MONTHLY PLANT BRINGFORWARD FOR FFY

2027			2027		
July			August		
Additions	Retirements	Ending Balance	Additions	Retirements	Ending Balance
-	-	24,487,946.38	-	-	24,487,946.38
702.14	125.80	58,226.23	767.73	36.19	58,957.77
134.45	24.09	11,693.94	147.01	6.93	11,834.02
34.86	6.25	3,064.32	38.11	1.80	3,100.64
5,915.89	1,059.90	514,902.22	6,468.55	304.88	521,065.89
43,009.70	7,705.70	3,786,006.36	47,027.65	2,216.53	3,830,817.48
58,343.27	2,459.51	3,166,120.21	63,793.67	707.47	3,229,206.41
5,338.60	225.05	280,920.65	5,837.33	64.74	286,693.25
190.66	8.04	6,140.16	208.48	2.31	6,346.32
1,491,528.63	62,876.54	80,771,518.36	1,630,866.47	18,086.31	82,384,298.52
165,725.40	6,986.28	5,809,249.83	181,207.39	2,009.59	5,988,447.62
185,135.03	7,804.51	9,790,850.25	202,430.25	2,244.95	9,991,035.55
125,551.33	9,129.93	16,693,050.90	137,280.28	2,626.21	16,827,704.97
103,131.45	7,499.58	13,585,378.02	112,765.94	2,157.24	13,695,986.72
3,121,822.73	227,014.86	416,766,141.98	3,413,461.82	65,300.38	420,114,303.41
31,533.56	2,293.08	2,909,358.10	34,479.41	659.60	2,943,177.91
87,437.54	6,358.34	11,534,854.18	95,605.91	1,828.97	11,628,631.12
1,826,659.82	132,832.31	239,830,994.12	1,997,305.45	38,208.96	241,790,090.62
121,627.86	8,844.62	18,385,841.12	132,990.27	2,544.14	18,516,287.25
28,024.85	2,037.93	3,680,438.38	30,642.92	586.21	3,710,495.10
9,528.45	692.90	1,280,323.67	10,418.59	199.31	1,290,542.96
141,805.75	10,311.93	19,559,123.85	155,053.17	2,966.21	19,711,210.81
2,730.84	1,052.15	1,436,596.17	2,985.96	302.65	1,439,279.48
6,663.26	-	367,707.95	7,285.74	-	374,993.69
5,461.69	-	276,914.80	5,971.92	-	282,886.72
170,841.64	-	8,739,860.98	186,801.58	-	8,926,662.56
336,658.53	130,470.10	16,409,451.17	368,109.00	37,529.47	16,740,030.70
211,585.84	-	11,534,576.89	231,352.09	-	11,765,928.97
250,363.84	97,064.01	12,206,475.31	273,752.70	27,920.27	12,452,307.73
106,721.41	-	4,959,169.55	116,691.27	-	5,075,860.82
-	-	116,457.07	-	-	116,457.07
-	-	7,388.47	-	-	7,388.47
-	-	2,840.80	-	-	2,840.80
381.33	16.08	22,309.31	416.95	4.62	22,721.64
7,846.96	570.62	1,058,556.45	8,580.02	164.14	1,066,972.33
1,310.81	504.25	63,969.12	1,433.26	145.05	65,257.33
8,653,748.13	725,974.35	930,114,417.27	9,462,176.87	208,825.11	939,367,769.03

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
MONTHLY PLANT BRINGFORWARD FOR FFFY

2027			2027		
September			October		
Additions	Retirements	Ending Balance	Additions	Retirements	Ending Balance
-	-	24,487,946.38	-	-	24,487,946.38
1,386.43	141.55	60,202.66	192.07	74.25	60,320.48
265.49	27.10	12,072.40	36.78	14.22	12,094.97
68.83	7.03	3,162.44	9.54	3.69	3,168.29
11,681.45	1,192.61	531,554.73	1,618.31	625.59	532,547.44
84,926.50	8,670.55	3,907,073.43	11,765.42	4,548.19	3,914,290.66
115,204.01	2,767.46	3,341,642.95	23,279.73	2,117.49	3,362,805.19
10,541.54	253.23	296,981.56	2,130.17	193.76	298,917.97
376.48	9.04	6,713.76	76.08	6.92	6,782.92
2,945,156.51	70,749.40	85,258,705.63	595,139.54	54,132.96	85,799,712.21
327,239.61	7,861.04	6,307,826.19	66,126.62	6,014.77	6,367,938.03
365,565.65	8,781.72	10,347,819.47	73,871.31	6,719.22	10,414,971.56
247,912.33	10,273.10	17,065,344.19	30,091.32	4,721.43	17,090,714.08
203,642.27	8,438.62	13,891,190.37	24,717.87	3,878.31	13,912,029.92
6,164,317.83	255,439.74	426,023,181.51	748,217.93	117,397.85	426,654,001.60
62,265.84	2,580.20	3,002,863.55	7,557.76	1,185.84	3,009,235.47
172,653.23	7,154.48	11,794,129.87	20,956.45	3,288.14	11,811,798.18
3,606,902.98	149,464.45	245,247,529.15	437,801.81	68,692.54	245,616,638.42
240,165.07	9,952.07	18,746,500.25	29,150.96	4,573.88	18,771,077.33
55,337.57	2,293.10	3,763,539.57	6,716.81	1,053.89	3,769,202.49
18,814.77	779.65	1,308,578.08	2,283.72	358.32	1,310,503.47
280,008.12	11,603.10	19,979,615.83	33,987.07	5,332.68	20,008,270.22
5,392.30	1,183.89	1,443,487.88	645.51	536.62	1,443,596.77
13,157.20	-	388,150.89	1,575.05	-	389,725.94
10,784.59	-	293,671.32	1,291.02	-	294,962.34
337,342.08	-	9,264,004.64	40,383.25	-	9,304,387.89
664,762.34	146,806.46	17,257,986.58	79,578.75	66,543.30	17,271,022.03
417,795.15	65,640.00	12,118,084.12	50,014.29	-	12,168,098.41
494,365.76	109,217.54	12,837,455.95	59,180.57	49,505.29	12,847,131.23
210,730.95	309,457.00	4,977,134.77	25,226.62	-	5,002,361.39
-	-	116,457.07	-	-	116,457.07
-	-	7,388.47	-	-	7,388.47
-	-	2,840.80	-	-	2,840.80
752.97	18.09	23,456.52	152.16	13.84	23,594.83
15,494.52	642.07	1,081,824.78	1,880.71	295.09	1,083,410.40
2,588.30	567.39	67,278.25	309.85	257.18	67,330.91
17,087,598.67	1,191,971.70	955,263,396.01	2,375,965.04	402,085.27	957,237,275.78

NATIONAL FUEL EXHIBIT JJS-2

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
 MONTHLY RESERVE BRINGFORWARD FOR FTY

Account	6/30/2026 Ending Balance	2026					
		October					
		Accruals	Amort. of NS	Retirements	Cost of Removal	Salvage	Ending Balance
30300	22,593,631.00	29,762.27	-	-	-	-	22,623,393.27
32540	35,810.00	39.82	-	79.39	-	-	35,770.43
32800	9,773.00	5.12	-	15.20	-	-	9,762.92
32900	1,403.00	5.86	-	3.94	-	-	1,404.92
33200	171,978.00	939.05	-	668.94	-	-	172,248.11
33400	1,733,727.00	8,788.15	469.92	4,863.33	799.80	-	1,737,321.94
36520	682,851.00	2,784.24	-	1,552.28	-	-	684,082.96
36620	118,684.00	356.67	25.31	142.04	42.61	-	118,881.33
36630	3,593.00	3.18	-	5.07	-	-	3,591.11
36710	20,383,572.00	90,583.17	5,989.46	39,683.50	16,833.84	-	20,423,627.29
36720	2,294,098.00	12,278.31	51.69	4,409.28	144.72	-	2,301,874.00
36900	4,412,402.00	10,545.31	1,110.54	4,925.69	3,926.57	-	4,415,205.59
37420	3,338,953.00	16,038.63	1,061.54	5,762.21	5,606.67	-	3,344,684.29
37500	6,551,188.00	31,816.60	5,263.00	4,733.24	3,436.91	0.46	6,580,097.91
37610	114,664,307.00	542,207.19	84,522.85	143,276.72	96,984.59	858.94	115,051,634.67
37620	1,732,866.00	5,553.33	56.54	1,447.24	113.59	-	1,736,915.04
37800	4,293,395.00	25,055.80	4,291.85	4,012.96	1,099.86	-	4,317,629.83
38000	87,631,319.00	370,267.15	24,860.23	83,834.94	15,831.92	-	87,926,779.52
38100	6,622,195.00	40,419.64	-	5,582.14	-	-	6,657,032.50
38200	1,924,742.00	4,404.36	-	1,286.21	-	-	1,927,860.15
38400	604,497.00	1,637.72	-	437.31	-	-	605,697.41
38500	7,424,326.00	26,347.97	2,277.23	6,508.21	4,061.19	0.11	7,442,381.91
39011	98,290.00	5,185.13	13.08	664.05	-	-	102,824.16
39110	138,489.00	862.33	-	-	-	-	139,351.33
39120	210,181.00	189.06	-	-	-	-	210,370.06
39130	3,553,490.00	107,585.28	-	-	-	-	3,661,075.28
39200	7,508,111.00	-	-	82,344.07	-	-	7,425,766.93
39400	2,350,040.00	31,540.52	-	-	-	-	2,381,580.52
39600	2,967,643.00	-	-	61,260.37	-	-	2,906,382.63
39700	1,603,148.00	32,629.89	-	-	-	-	1,635,777.89
32550	-	-	-	-	-	-	-
36510	(106.00)	-	-	10.15	-	-	(116.15)
37410	12,895.00	-	451.08	360.14	720.28	45.73	12,311.39
38910	(20,689.00)	-	-	318.25	-	-	(21,007.25)
	305,650,802.00	1,397,831.75	130,444.32	458,186.86	149,602.55	905.24	306,572,193.90

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
 MONTHLY RESERVE BRINGFORWARD FOR FTY

2026						2026					
November						December					
Accruals	Amort. of NS	Retirements	Cost of Removal	Salvage	Ending Balance	Accruals	Amort. of NS	Retirements	Cost of Removal	Salvage	Ending Balance
29,762.27	-	-	-	-	22,653,155.54	29,762.27	-	-	-	-	22,682,917.81
39.96	-	138.78	-	-	35,671.61	40.15	-	49.06	-	-	35,662.69
5.14	-	26.57	-	-	9,741.48	5.16	-	9.39	-	-	9,737.25
5.88	-	6.89	-	-	1,403.91	5.91	-	2.44	-	-	1,407.38
942.19	-	1,169.30	-	-	172,021.00	946.40	-	413.38	-	-	172,554.02
8,817.24	469.92	8,501.05	1,398.03	-	1,736,710.02	8,856.13	469.92	3,005.35	494.24	-	1,742,536.48
2,806.77	-	2,713.36	-	-	684,176.37	2,833.66	-	959.25	-	-	686,050.78
359.66	25.31	248.28	74.48	-	118,943.54	363.22	25.31	87.77	26.33	-	119,217.97
3.23	-	8.87	-	-	3,585.47	3.29	-	3.13	-	-	3,585.63
91,317.80	5,989.46	69,366.33	29,425.37	-	20,422,142.85	92,194.97	5,989.46	24,522.91	10,402.68	-	20,485,401.68
12,442.07	51.69	7,707.37	252.96	-	2,306,407.43	12,637.60	51.69	2,724.77	89.43	-	2,316,282.52
10,633.12	1,110.54	8,610.05	6,863.60	-	4,411,475.60	10,737.97	1,110.54	3,043.89	2,426.47	-	4,417,853.75
16,084.92	1,061.54	10,072.27	9,800.40	-	3,341,958.08	16,141.31	1,061.54	3,560.83	3,464.71	-	3,352,135.39
31,909.33	5,263.00	8,273.65	6,007.69	0.80	6,602,989.70	32,022.27	5,263.00	2,924.96	2,123.88	0.28	6,635,226.40
543,765.66	84,522.85	250,446.18	169,528.03	1,501.42	115,261,450.39	545,663.84	84,522.85	88,539.64	59,932.84	530.79	115,743,695.39
5,576.85	56.54	2,529.76	198.56	-	1,739,820.11	5,605.51	56.54	894.34	70.20	-	1,744,517.62
25,128.71	4,291.85	7,014.62	1,922.54	-	4,338,113.23	25,217.52	4,291.85	2,479.86	679.67	-	4,364,463.07
371,350.03	24,860.23	146,542.58	27,674.02	-	88,148,773.17	372,668.95	24,860.23	51,806.85	9,783.53	-	88,484,711.97
40,521.76	-	9,757.51	-	-	6,687,796.75	40,646.13	-	3,449.55	-	-	6,724,993.33
4,417.24	-	2,248.28	-	-	1,930,029.12	4,432.92	-	794.83	-	-	1,933,667.21
1,642.40	-	764.41	-	-	606,575.40	1,648.09	-	270.24	-	-	607,953.24
26,421.17	2,277.23	11,376.27	7,098.92	0.20	7,452,605.32	26,510.33	2,277.23	4,021.83	2,509.66	0.07	7,474,861.47
5,186.10	13.08	1,160.75	-	-	106,862.60	5,188.24	13.08	410.36	-	-	111,653.56
869.86	-	-	-	-	140,221.19	878.63	-	-	-	-	141,099.82
190.87	-	-	-	-	210,560.93	192.98	-	-	-	-	210,753.91
108,607.27	-	-	-	-	3,769,682.55	109,798.75	-	-	-	-	3,879,481.30
-	-	143,936.56	-	-	7,281,830.37	-	-	50,885.55	-	-	7,230,944.82
31,819.53	-	-	-	-	2,413,400.05	32,144.80	-	-	-	-	2,445,544.85
-	-	107,082.46	-	-	2,799,300.17	-	-	37,856.61	-	-	2,761,443.57
32,975.50	-	-	-	-	1,668,753.39	33,378.44	-	-	-	-	1,702,131.83
-	-	-	-	-	-	-	-	-	-	-	-
-	-	17.73	-	-	(133.88)	-	-	6.27	-	-	(140.15)
-	451.08	629.52	1,259.03	79.94	10,953.87	-	451.08	222.55	445.10	28.26	10,765.55
-	-	556.30	-	-	(21,563.55)	-	-	196.67	-	-	(21,760.22)
1,403,602.53	130,444.32	800,905.72	261,503.63	1,582.36	307,045,413.77	1,410,525.44	130,444.32	283,142.28	92,448.74	559.40	308,211,351.90

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
MONTHLY RESERVE BRINGFORWARD FOR FFTY

2027						2027					
January						Febuary					
Accruals	Amort. of NS	Retirements	Cost of Removal	Salvage	Ending Balance	Accruals	Amort. of NS	Retirements	Cost of Removal	Salvage	Ending Balance
29,762.27	-	-	-	-	22,712,680.08	29,762.27	-	-	-	-	22,742,442.35
40.34	-	81.63	-	-	35,621.40	40.50	-	75.24	-	-	35,586.66
5.18	-	15.63	-	-	9,726.80	5.20	-	14.41	-	-	9,717.59
5.93	-	4.05	-	-	1,409.26	5.95	-	3.74	-	-	1,411.47
950.60	-	687.77	-	-	172,816.85	954.22	-	633.97	-	-	173,137.10
8,895.02	469.92	5,000.23	822.31	-	1,746,078.88	8,928.48	469.92	4,609.08	757.98	-	1,750,110.22
2,858.79	-	1,595.97	-	-	687,313.60	2,881.79	-	1,471.13	-	-	688,724.26
366.55	25.31	146.04	43.81	-	119,419.98	369.60	25.31	134.61	40.38	-	119,639.90
3.34	-	5.22	-	-	3,583.75	3.39	-	4.81	-	-	3,582.33
93,014.38	5,989.46	40,800.60	17,307.71	-	20,526,297.22	93,764.30	5,989.46	37,608.89	15,953.78	-	20,572,488.31
12,820.25	51.69	4,533.40	148.79	-	2,324,472.27	12,987.41	51.69	4,178.77	137.15	-	2,333,195.46
10,835.91	1,110.54	5,064.35	4,037.10	-	4,420,698.75	10,925.55	1,110.54	4,668.18	3,721.29	-	4,424,345.37
16,194.67	1,061.54	5,924.41	5,764.50	-	3,357,702.69	16,242.93	1,061.54	5,460.96	5,313.56	-	3,364,232.64
32,129.15	5,263.00	4,866.48	3,533.66	0.47	6,664,218.88	32,225.82	5,263.00	4,485.79	3,257.23	0.44	6,693,965.12
547,460.00	84,522.85	147,309.98	99,714.72	883.12	116,129,536.66	549,084.72	84,522.85	135,786.39	91,914.35	814.04	116,536,257.53
5,632.62	56.54	1,487.98	116.79	-	1,748,602.01	5,657.14	56.54	1,371.58	107.66	-	1,752,836.45
25,301.56	4,291.85	4,125.93	1,130.82	-	4,388,799.73	25,377.58	4,291.85	3,803.17	1,042.36	-	4,413,623.62
373,917.00	24,860.23	86,194.91	16,277.59	-	88,781,016.70	375,045.91	24,860.23	79,452.15	15,004.24	-	89,086,466.45
40,763.83	-	5,739.27	-	-	6,760,017.88	40,870.28	-	5,290.31	-	-	6,795,597.85
4,447.76	-	1,322.41	-	-	1,936,792.56	4,461.19	-	1,218.97	-	-	1,940,034.78
1,653.48	-	449.62	-	-	609,157.10	1,658.36	-	414.45	-	-	610,401.02
26,594.70	2,277.23	6,691.41	4,175.51	0.12	7,492,866.59	26,671.02	2,277.23	6,167.96	3,848.88	0.11	7,511,798.11
5,190.84	13.08	682.74	-	-	116,174.74	5,192.72	13.08	629.33	-	-	120,751.21
886.69	-	-	-	-	141,986.51	894.18	-	-	-	-	142,880.69
194.93	-	-	-	-	210,948.84	196.73	-	-	-	-	211,145.57
110,894.00	-	-	-	-	3,990,375.30	111,911.15	-	-	-	-	4,102,286.45
-	-	84,662.07	-	-	7,146,282.75	-	-	78,039.22	-	-	7,068,243.53
32,443.81	-	-	-	-	2,477,988.66	32,721.50	-	-	-	-	2,510,710.16
-	-	62,984.85	-	-	2,698,458.71	-	-	58,057.75	-	-	2,640,400.97
33,748.83	-	-	-	-	1,735,880.66	34,092.81	-	-	-	-	1,769,973.47
-	-	-	-	-	-	-	-	-	-	-	-
-	-	10.43	-	-	(150.58)	-	-	9.62	-	-	(160.20)
-	451.08	370.28	740.55	47.02	10,152.83	-	451.08	341.31	682.62	43.34	9,623.32
-	-	327.21	-	-	(22,087.43)	-	-	301.61	-	-	(22,389.04)
1,417,012.43	130,444.32	471,084.88	153,813.86	930.73	309,134,840.64	1,422,932.70	130,444.32	434,233.39	141,781.48	857.93	310,113,060.72

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
MONTHLY RESERVE BRINGFORWARD FOR FFTY

2027						2027					
March						April					
Accruals	Amort. of NS	Retirements	Cost of Removal	Salvage	Ending Balance	Accruals	Amort. of NS	Retirements	Cost of Removal	Salvage	Ending Balance
29,762.27	-	-	-	-	22,772,204.62	29,762.27	-	-	-	-	22,801,966.89
40.64	-	85.89	-	-	35,541.41	40.80	-	142.40	-	-	35,439.81
5.22	-	16.45	-	-	9,706.36	5.24	-	27.27	-	-	9,684.33
5.97	-	4.26	-	-	1,413.18	6.00	-	7.07	-	-	1,412.11
957.49	-	723.64	-	-	173,370.95	961.06	-	1,199.79	-	-	173,132.22
8,958.73	469.92	5,261.00	865.19	-	1,753,412.68	8,991.71	469.92	8,722.70	1,434.49	-	1,752,717.12
2,903.18	-	1,679.21	-	-	689,948.24	2,928.13	-	2,784.11	-	-	690,092.26
372.44	25.31	153.65	46.10	-	119,837.89	375.75	25.31	254.76	76.43	-	119,907.77
3.43	-	5.49	-	-	3,580.27	3.48	-	9.10	-	-	3,574.66
94,461.78	5,989.46	42,928.40	18,210.33	-	20,611,800.82	95,275.54	5,989.46	71,174.96	30,192.59	-	20,611,698.26
13,142.89	51.69	4,769.82	156.55	-	2,341,463.67	13,324.28	51.69	7,908.33	259.56	-	2,346,671.75
11,008.91	1,110.54	5,328.46	4,247.64	-	4,426,888.72	11,106.18	1,110.54	8,834.55	7,042.56	-	4,423,228.34
16,287.59	1,061.54	6,233.38	6,065.13	-	3,369,283.26	16,339.07	1,061.54	10,334.89	10,055.93	-	3,366,293.05
32,315.27	5,263.00	5,120.27	3,717.95	0.50	6,722,705.66	32,418.40	5,263.00	8,489.38	6,164.33	0.83	6,745,734.19
550,588.00	84,522.85	154,992.38	104,914.97	929.18	116,912,390.21	552,321.20	84,522.85	256,976.22	173,948.24	1,540.57	117,119,850.37
5,679.83	56.54	1,565.58	122.88	-	1,756,884.36	5,705.99	56.54	2,595.72	203.74	-	1,759,847.43
25,447.91	4,291.85	4,341.10	1,189.79	-	4,437,832.49	25,529.00	4,291.85	7,197.52	1,972.67	-	4,458,483.16
376,090.44	24,860.23	90,690.08	17,126.48	-	89,379,600.56	377,294.74	24,860.23	150,363.48	28,395.58	-	89,602,996.47
40,968.79	-	6,038.58	-	-	6,830,528.06	41,082.35	-	10,011.93	-	-	6,861,598.48
4,473.61	-	1,391.38	-	-	1,943,117.01	4,487.93	-	2,306.90	-	-	1,945,298.05
1,662.87	-	473.07	-	-	611,590.82	1,668.07	-	784.34	-	-	612,474.54
26,741.63	2,277.23	7,040.38	4,393.27	0.12	7,529,383.44	26,823.05	2,277.23	11,672.89	7,284.01	0.20	7,539,527.02
5,194.26	13.08	718.35	-	-	125,240.20	5,195.52	13.08	1,191.01	-	-	129,257.79
901.19	-	-	-	-	143,781.88	909.49	-	-	-	-	144,691.37
198.42	-	-	-	-	211,343.99	200.42	-	-	-	-	211,544.41
112,863.22	-	-	-	-	4,215,149.67	113,989.98	-	-	-	-	4,329,139.65
-	-	89,077.30	-	-	6,979,166.23	-	-	147,689.50	-	-	6,831,476.73
32,981.42	-	-	-	-	2,543,691.58	33,289.03	-	-	-	-	2,576,980.61
-	-	66,269.59	-	-	2,574,131.38	-	-	109,874.49	-	-	2,464,256.89
34,414.78	-	-	-	-	1,804,388.25	34,795.83	-	-	-	-	1,839,184.08
-	-	-	-	-	-	-	-	-	-	-	-
-	-	10.98	-	-	(171.17)	-	-	18.20	-	-	(189.37)
-	451.08	389.59	779.17	49.47	8,955.11	-	451.08	645.93	1,291.86	82.02	7,550.42
-	-	344.27	-	-	(22,733.31)	-	-	570.80	-	-	(23,304.11)
1,428,432.18	130,444.32	495,652.54	161,835.45	979.27	311,015,428.50	1,434,830.51	130,444.32	821,788.23	268,321.99	1,623.62	311,492,216.74

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
 MONTHLY RESERVE BRINGFORWARD FOR FFTY

2027 May						2027 June					
Accruals	Amort. of NS	Retirements	Cost of Removal	Salvage	Ending Balance	Accruals	Amort. of NS	Retirements	Cost of Removal	Salvage	Ending Balance
29,762.27	-	-	-	-	22,831,729.16	29,762.27	-	-	-	-	22,861,491.43
41.09	-	26.07	-	-	35,454.83	41.49	-	82.27	-	-	35,414.05
5.27	-	4.99	-	-	9,684.61	5.32	-	15.75	-	-	9,674.18
6.04	-	1.29	-	-	1,416.86	6.09	-	4.08	-	-	1,418.86
967.43	-	219.69	-	-	173,879.96	976.44	-	693.15	-	-	174,163.25
9,050.63	469.92	1,597.21	262.67	-	1,760,377.79	9,133.90	469.92	5,039.35	828.74	-	1,764,113.52
2,965.28	-	509.80	-	-	692,547.74	3,013.75	-	1,608.46	-	-	693,953.03
380.67	25.31	46.65	13.99	-	120,253.11	387.10	25.31	147.18	44.15	-	120,474.19
3.56	-	1.67	-	-	3,576.55	3.66	-	5.26	-	-	3,574.95
96,486.91	5,989.46	13,032.78	5,528.54	-	20,695,613.31	98,067.63	5,989.46	41,119.77	17,443.11	-	20,741,107.52
13,594.30	51.69	1,448.09	47.53	-	2,358,822.12	13,946.66	51.69	4,568.86	149.95	-	2,368,101.66
11,250.97	1,110.54	1,617.69	1,289.56	-	4,432,682.60	11,439.91	1,110.54	5,103.96	4,068.68	-	4,436,060.41
16,418.33	1,061.54	1,892.41	1,841.33	-	3,380,039.17	16,523.45	1,061.54	5,970.76	5,809.59	-	3,385,843.82
32,577.15	5,263.00	1,554.48	1,128.74	0.15	6,780,891.26	32,787.72	5,263.00	4,904.55	3,561.30	0.48	6,810,476.61
554,989.25	84,522.85	47,054.69	31,851.51	282.09	117,680,738.37	558,528.05	84,522.85	148,462.34	100,494.76	890.03	118,075,722.19
5,746.27	56.54	475.30	37.31	-	1,765,137.63	5,799.68	56.54	1,499.62	117.71	-	1,769,376.52
25,653.83	4,291.85	1,317.93	361.21	-	4,486,749.70	25,819.40	4,291.85	4,158.21	1,139.66	-	4,511,563.08
379,148.60	24,860.23	27,532.92	5,199.49	-	89,974,272.89	381,607.49	24,860.23	86,869.19	16,404.92	-	90,277,466.50
41,257.18	-	1,833.28	-	-	6,901,022.39	41,489.05	-	5,784.17	-	-	6,936,727.26
4,509.98	-	422.41	-	-	1,949,385.61	4,539.22	-	1,332.76	-	-	1,952,592.08
1,676.07	-	143.62	-	-	614,006.99	1,686.69	-	453.14	-	-	615,240.54
26,948.37	2,277.23	2,137.41	1,333.77	0.04	7,565,281.47	27,114.60	2,277.23	6,743.76	4,208.18	0.12	7,583,721.49
5,199.70	13.08	218.09	-	-	134,252.49	5,206.67	13.08	688.08	-	-	138,784.15
921.34	-	-	-	-	145,612.71	936.48	-	-	-	-	146,549.19
203.28	-	-	-	-	211,747.69	206.93	-	-	-	-	211,954.62
115,599.33	-	-	-	-	4,444,738.98	117,655.16	-	-	-	-	4,562,394.14
-	-	27,043.29	-	-	6,804,433.43	-	-	85,324.35	-	-	6,719,109.08
33,728.39	-	-	-	-	2,610,709.00	34,289.64	-	-	-	-	2,644,998.64
-	-	20,119.02	-	-	2,444,137.87	-	-	63,477.56	-	-	2,380,660.30
35,340.08	-	-	-	-	1,874,524.16	36,035.33	-	-	-	-	1,910,559.49
-	-	-	-	-	-	-	-	-	-	-	-
-	-	3.33	-	-	(192.70)	-	-	10.51	-	-	(203.21)
-	451.08	118.28	236.55	15.02	7,661.69	-	451.08	373.17	746.34	47.39	7,040.65
-	-	104.52	-	-	(23,408.63)	-	-	329.77	-	-	(23,738.40)
1,444,431.57	130,444.32	150,476.92	49,132.20	297.30	312,867,780.81	1,457,009.78	130,444.32	474,770.03	155,017.09	938.02	313,826,385.81

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
 MONTHLY RESERVE BRINGFORWARD FOR FFTY

2027 July						2027 August					
Accruals	Amort. of NS	Retirements	Cost of Removal	Salvage	Ending Balance	Accruals	Amort. of NS	Retirements	Cost of Removal	Salvage	Ending Balance
29,762.27	-	-	-	-	22,891,253.70	29,762.27	-	-	-	-	22,921,015.97
41.89	-	125.80	-	-	35,330.14	42.37	-	36.19	-	-	35,336.33
5.37	-	24.09	-	-	9,655.46	5.43	-	6.93	-	-	9,653.96
6.15	-	6.25	-	-	1,418.77	6.21	-	1.80	-	-	1,423.18
985.53	-	1,059.90	-	-	174,088.88	996.12	-	304.88	-	-	174,780.12
9,217.97	469.92	7,705.70	1,267.24	-	1,764,828.47	9,315.96	469.92	2,216.53	364.52	-	1,772,033.30
3,065.76	-	2,459.51	-	-	694,559.29	3,123.87	-	707.47	-	-	696,975.68
393.99	25.31	225.05	67.52	-	120,600.92	401.70	25.31	64.74	19.42	-	120,943.77
3.77	-	8.04	-	-	3,570.69	3.89	-	2.31	-	-	3,572.26
99,763.58	5,989.46	62,876.54	26,672.38	-	20,757,311.65	101,658.62	5,989.46	18,086.31	7,672.26	-	20,839,201.15
14,324.70	51.69	6,986.28	229.30	-	2,375,262.47	14,747.12	51.69	2,009.59	65.96	-	2,387,985.72
11,642.62	1,110.54	7,804.51	6,221.45	-	4,434,787.61	11,869.13	1,110.54	2,244.95	1,789.59	-	4,443,732.73
16,634.84	1,061.54	9,129.93	8,883.49	-	3,385,526.78	16,760.38	1,061.54	2,626.21	2,555.32	-	3,398,167.17
33,010.82	5,263.00	7,499.58	5,445.62	0.73	6,835,805.96	33,262.28	5,263.00	2,157.24	1,566.42	0.21	6,870,607.79
562,277.68	84,522.85	227,014.86	153,667.28	1,360.95	118,343,201.53	566,503.69	84,522.85	65,300.38	44,202.09	391.47	118,885,117.07
5,856.28	56.54	2,293.08	179.99	-	1,772,816.27	5,920.07	56.54	659.60	51.77	-	1,778,081.51
25,994.83	4,291.85	6,358.34	1,742.67	-	4,533,748.75	26,192.56	4,291.85	1,828.97	501.28	-	4,561,902.91
384,212.87	24,860.23	132,832.31	25,084.89	-	90,528,622.40	387,149.26	24,860.23	38,208.96	7,215.62	-	90,895,207.31
41,734.75	-	8,844.62	-	-	6,969,617.40	42,011.65	-	2,544.14	-	-	7,009,084.91
4,570.20	-	2,037.93	-	-	1,955,124.34	4,605.12	-	586.21	-	-	1,959,143.26
1,697.94	-	692.90	-	-	616,245.59	1,710.62	-	199.31	-	-	617,756.90
27,290.73	2,277.23	10,311.93	6,434.76	0.18	7,596,542.94	27,489.23	2,277.23	2,966.21	1,850.95	0.05	7,621,492.29
5,212.90	13.08	1,052.15	-	-	142,957.99	5,220.82	13.08	302.65	-	-	147,889.24
952.98	-	-	-	-	147,502.17	971.23	-	-	-	-	148,473.40
210.91	-	-	-	-	212,165.53	215.31	-	-	-	-	212,380.84
119,897.28	-	-	-	-	4,682,291.42	122,374.65	-	-	-	-	4,804,666.07
-	-	130,470.10	-	-	6,588,638.98	-	-	37,529.47	-	-	6,551,109.51
34,901.75	-	-	-	-	2,679,900.39	35,578.08	-	-	-	-	2,715,478.47
-	-	97,064.01	-	-	2,283,596.29	-	-	27,920.27	-	-	2,255,676.02
36,793.57	-	-	-	-	1,947,353.06	37,631.36	-	-	-	-	1,984,984.42
-	-	-	-	-	-	-	-	-	-	-	-
-	-	16.08	-	-	(219.29)	-	-	4.62	-	-	(223.91)
-	451.08	570.62	1,141.24	72.46	5,852.33	-	451.08	164.14	328.28	20.84	5,831.83
-	-	504.25	-	-	(24,242.65)	-	-	145.05	-	-	(24,387.70)
1,470,463.93	130,444.32	725,974.35	237,037.83	1,434.32	314,465,716.20	1,485,529.00	130,444.32	208,825.11	68,183.48	412.57	315,805,093.50

NATIONAL FUEL GAS DISTRIBUTION - PENNSYLVANIA DIVISION
 MONTHLY RESERVE BRINGFORWARD FOR FFTY

2027						2027					
September						October					
Accruals	Amort. of NS	Retirements	Cost of Removal	Salvage	Ending Balance	Accruals	Amort. of NS	Retirements	Cost of Removal	Salvage	Ending Balance
29,762.27	-	-	-	-	22,950,778.24	29,762.27	-	-	-	-	22,980,540.51
43.08	-	141.55	-	-	35,237.86	43.57	-	74.25	-	-	35,207.18
5.52	-	27.10	-	-	9,632.37	5.58	-	14.22	-	-	9,623.74
6.31	-	7.03	-	-	1,422.46	6.38	-	3.69	-	-	1,425.16
1,012.14	-	1,192.61	-	-	174,599.65	1,023.18	-	625.59	-	-	174,997.23
9,464.04	469.92	8,670.55	1,425.91	-	1,771,870.80	9,566.13	469.92	4,548.19	747.97	-	1,776,610.69
3,209.61	-	2,767.46	-	-	697,417.83	3,274.87	-	2,117.49	-	-	698,575.21
413.06	25.31	253.23	75.97	-	121,052.94	421.71	25.31	193.76	58.13	-	121,248.07
4.07	-	9.04	-	-	3,567.29	4.20	-	6.92	-	-	3,564.57
104,454.49	5,989.46	70,749.40	30,012.07	-	20,848,883.63	106,582.55	5,989.46	54,132.96	22,963.34	-	20,884,359.34
15,370.34	51.69	7,861.04	258.01	-	2,395,288.70	15,844.71	51.69	6,014.77	197.41	-	2,404,972.92
12,203.31	1,110.54	8,781.72	7,000.45	-	4,441,264.41	12,457.67	1,110.54	6,719.22	5,356.30	-	4,442,757.10
16,946.52	1,061.54	10,273.10	9,995.81	-	3,395,906.32	17,078.03	1,061.54	4,721.43	4,593.99	-	3,404,730.47
33,635.14	5,263.00	8,438.62	6,127.47	0.82	6,894,940.66	33,898.54	5,263.00	3,878.31	2,816.13	0.38	6,927,408.14
572,769.99	84,522.85	255,439.74	172,908.19	1,531.36	119,115,593.34	577,196.86	84,522.85	117,397.85	79,467.08	703.80	119,581,151.92
6,014.65	56.54	2,580.20	202.52	-	1,781,369.98	6,081.47	56.54	1,185.84	93.08	-	1,786,229.08
26,485.74	4,291.85	7,154.48	1,960.87	-	4,583,565.15	26,692.86	4,291.85	3,288.14	901.20	-	4,610,360.52
391,503.32	24,860.23	149,464.45	28,225.80	-	91,133,880.62	394,579.27	24,860.23	68,692.54	12,972.33	-	91,471,655.25
42,422.25	-	9,952.07	-	-	7,041,555.09	42,712.32	-	4,573.88	-	-	7,079,693.53
4,656.90	-	2,293.10	-	-	1,961,507.06	4,693.48	-	1,053.89	-	-	1,965,146.65
1,729.42	-	779.65	-	-	618,706.66	1,742.70	-	358.32	-	-	620,091.04
27,783.58	2,277.23	11,603.10	7,240.46	0.20	7,632,709.74	27,991.52	2,277.23	5,332.68	3,327.65	0.09	7,654,318.25
5,233.33	13.08	1,183.89	-	-	151,951.76	5,241.17	13.08	536.62	-	-	156,669.38
997.96	-	-	-	-	149,471.36	1,017.22	-	-	-	-	150,488.58
221.75	-	-	-	-	212,602.59	226.40	-	-	-	-	212,828.99
126,005.35	-	-	-	-	4,930,671.42	128,621.83	-	-	-	-	5,059,293.25
-	-	146,806.46	-	-	6,404,303.05	-	-	66,543.30	-	-	6,337,759.74
36,469.05	-	65,640.00	-	-	2,686,307.52	37,083.13	-	-	-	-	2,723,390.65
-	-	109,217.54	-	-	2,146,458.48	-	-	49,505.29	-	-	2,096,953.19
37,698.73	-	309,457.00	-	-	1,713,226.15	37,423.11	-	-	-	-	1,750,649.26
-	-	-	-	-	-	-	-	-	-	-	-
-	-	18.09	-	-	(242.00)	-	-	13.84	-	-	(255.84)
-	451.08	642.07	1,284.14	81.53	4,438.24	-	451.08	295.09	590.18	37.47	4,041.52
-	-	567.39	-	-	(24,955.09)	-	-	257.18	-	-	(25,212.27)
1,506,521.92	130,444.32	1,191,971.70	266,717.67	1,613.91	315,984,984.28	1,521,272.73	130,444.32	402,085.27	134,084.79	741.74	317,101,273.01

NATIONAL FUEL STATEMENT NO. 9

MARK C. SCHAEFER

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Docket No. R-2025-3059428

**National Fuel Gas Distribution Corporation
Pennsylvania Division**

Statement No. 9

Direct Testimony of Mark C. Schaefer

**Topics Addressed: Capital Budget
 Leak Prone Pipe Replacement Program**

Dated: January 28, 2026

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Mark C. Schaefer. My business address is 1100 State Street, Erie
4 Pennsylvania 16501.

5
6 **Q. By whom and in what capacity are you employed?**

7 A. I am employed by National Fuel Gas Distribution Corporation, (“NFGDC”) as an
8 Assistant General Manager with responsibility in the Engineering Services department.

9
10 **Q. Please provide your educational background.**

11 A. In 1995, I graduated from Oregon State University with a Bachelor of Science degree in
12 Civil Engineering.

13
14 **Q. Please provide your professional experience.**

15 A. I began my career in 1996 working as an Engineering Technician for the City of
16 Hillsboro Engineering Services Department in Hillsboro, Oregon. From 1999 through
17 2003, I worked for WRG Design, a civil engineering consulting firm in Portland, Oregon
18 as a Project Engineer/Project Manager responsible for designing civil engineering related
19 private and public infrastructure improvement projects. In December 2003, I began my
20 career in the gas industry with Northwest Natural, a local natural gas distribution
21 company based in Portland, Oregon, where I was employed as a Project Engineer/Project
22 Manager designing and coordinating multiple gas distribution and transmission capital
23 pipeline and facility improvement projects until December of 2013. In December 2013, I

1 relocated to Erie, Pennsylvania and began employment as a Senior Engineer in the
2 Engineering Services department of NFGDC’s Pennsylvania Division (“National Fuel”
3 or “Company”), supervising the Pennsylvania district engineering group. In summer
4 2018, my role expanded to include supervision of both the Pennsylvania and New York
5 district engineering groups within our Engineering Services department. In February
6 2021, I was promoted to Assistant General Manager. I am also a registered Professional
7 Engineer in the Commonwealth of Pennsylvania.

8
9 **Q. What are your responsibilities in your current position?**

10 A. I currently supervise and manage our Measurement, Regulation and Odorization
11 (“MRO”) group and our Technical Materials groups as well as support our Technical
12 Training and Engineering Development Programs. In addition, I am also responsible for
13 tracking and supporting our annual NFGDC Capital Budget and leak prone pipe (“LPP”)
14 Replacement Program.

15
16 **Q. Have you previously testified in other proceedings before the Pennsylvania Public
17 Utility Commission (“PAPUC” or the “Commission”) or any other state or federal
18 agency?**

19 A. Yes. I provided direct testimony on behalf of National Fuel under Docket No.
20 R-2022-3035730 for the Company’s last base rate case. I have also testified before the
21 New York Public Service Commission in Case 23-G-0627.

1 **II. PURPOSE OF TESTIMONY**

2 **Q. Please describe the purpose of your testimony.**

3 A. I will provide testimony in support of the Company’s capital budget and proposed
4 accelerated LPP Replacement Program.
5

6 **III. CAPITAL BUDGET**

7 **Q. Please explain the Company’s capital plant additions related to distribution and
8 transmission plant.**

9 A. The Company has increased its capital expenditures related to distribution and
10 transmission plant since 2023, with an actual spend from 2023 to 2025 of \$129.5 million
11 for replacement of mains, services and measurement and regulation stations. As
12 referenced in Table 13 of the Company’s December 11th, 2025, Amended Long Term
13 Infrastructure Improvement Plan (“LTIIIP”) filing the Company plans to continue to
14 increase spending in 2026 and 2027, with a planned total spending of approximately
15 \$253.4 million over the 5-year period as seen in Table 1 below.

16 Table 1: Actual & Projected Annual Capital Expenditures Related to Modernization

Fiscal Year	CapEx (\$MM)	Actual / Budget
2023	\$37.2	Actual
2024	\$48.5	Actual
2025	\$43.8	Actual
2026	\$57.4	Budget
2027	\$66.5	Budget
Total	\$253.4	

17
18 This is an increase of approximately 113% in this area over the actual total spending from
19 2017 to 2021 of \$118.9 million as seen in Table 2 below.

Table 2: Capital Expenditures Related to Modernization (2017-2021)

Fiscal Year	Capital Expenditures	
	Budget (\$MM)	Actual (\$MM)
2017	\$20.0	\$19.8
2018	\$22.2	\$20.5
2019	\$24.1	\$25.2
2020	\$26.4	\$24.8
2021	\$25.7	\$28.7
Total	\$118.4	\$118.9

1 **Q. How does the Company’s actual capital spending compare to the budget?**

2 A. As seen in Table 2 above, from 2017 to 2021, the Company achieved its budget targets
 3 within 0.5% and from 2022 to 2025, the Company achieved its budget targets within
 4 1.5% as seen in Table 3 below.

Table 3: Annual Capital Expenditures Related to Modernization (2022-2025)

Fiscal Year	Capital Expenditures	
	Budget (\$MM)	Actual (\$MM)
2022	\$25.3	\$21.7
2023	\$33.8	\$37.2
2024	\$44.0	\$48.5
2025	\$46.0	\$43.8
Total	\$149.1	\$151.2

5 **Q. Why did the Company file an Amended LTIP in December 2025?**

6 A. As seen in Table 4 below, the Company is projecting an increase in the five-year total
 7 estimated cost of the LTIP of 30% from the existing LTIP projection. This increase is
 8 due to higher LPP replacement costs. The Commission’s regulations require a utility to

1 file for a major modification to its LTIIIP if the total estimated cost of the LTIIIP increase
2 by more than 20%.

Table 4: Amended LTIIIP Expenditure Projections (2023-2027)

Year	LTIIIP (\$MM)	Amended LTIIIP (\$MM)	Increase (\$MM)	Percentage Increase
2023	\$34.1	\$37.2	\$3.1	9%
2024	\$37.9	\$48.5	\$10.6	28%
2025	\$38.7	\$43.8	\$5.1	13%
2026	\$39.1	\$57.4	\$18.3	47%
2027	\$45.8	\$66.5	\$20.7	45%
Total	\$195.6	\$253.3	\$57.7	30%

3 **Q. What are the reasons for the increased LPP replacement costs?**

4 A. The increase in costs is primarily attributed to increases in the average cost per LPP
5 replacement mile for many reasons, including by not limited to increases in restoration
6 costs, material costs, contractor costs, permitting costs and overall inflationary increases
7 from the COVID pandemic.

8
9 **Q. How much has the average cost per LPP replacement mile increased?**

10 A. As described in the Amended LTIIIP, the average cost per mile has increased over 30%
11 for Distribution LPP from an average cost per LPP mile between 2019 and 2022 of
12 \$460,000 to a cost per LPP mile of \$627,000 in 2024 as seen in Figure 1 below. In
13 addition, the average cost per diameter-inch mile for transmission and high-pressure steel
14 pipeline replacements have increased by over 70% from an average cost per diameter-
15 inch mile between 2019 and 2021 of approximately \$170,000 to a cost per diameter-inch
16 mile of approximately \$295,000 in 2024 as seen in Figure 2 below.

Figure 1: Distribution Costs per LPP mile (2019-2024)

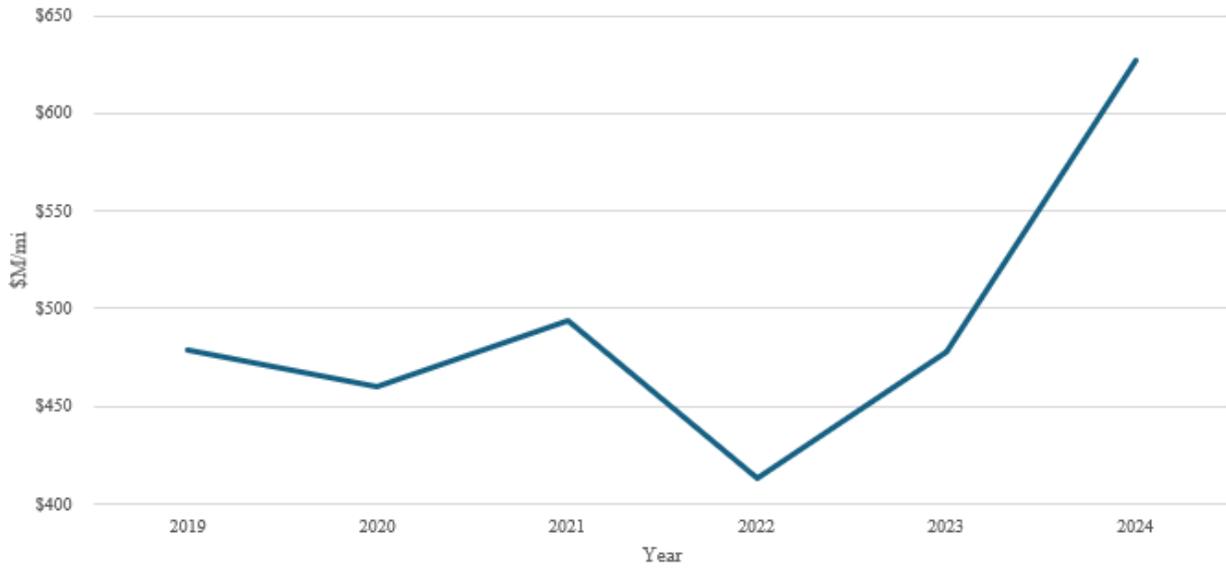
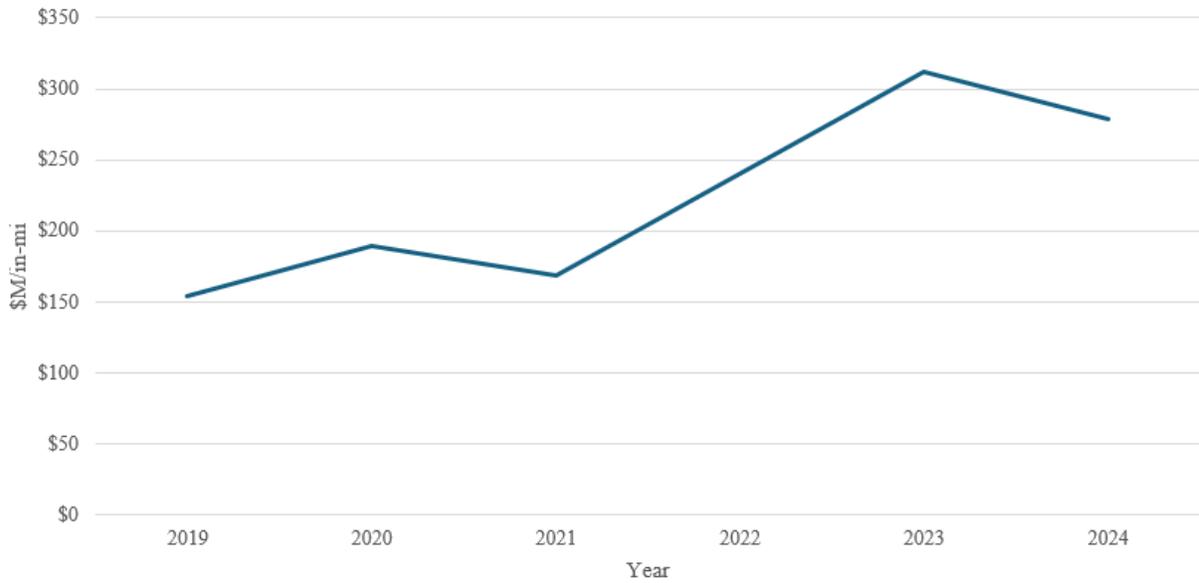


Figure 2: Transmission & HP Steel Distribution Steel Replacement Costs (2019-2024)



1 **Q. What types of pipe material are included in the Company’s LPP Replacement**
2 **Program?**

3 A. The Company has included bare steel, wrought iron and historic plastics that have
4 exhibited or may be prone to leakage, in its LPP Replacement Program.
5

6 **Q. Please describe The Company’s LPP Replacement Program**

7 A. The Company has made significant progress in the effort to replace LPP through our
8 Systematic Replacement Program. This annual program prioritizes pipeline replacements
9 on a system-wide basis using a comprehensive planning process through our Geographic
10 Information System (“GIS”) and our Distribution Probabilistic Risk Model. The
11 Systematic Replacement Program is designed to identify and prioritize LPP replacement
12 projects to reduce risk, control leak rates on LPP and increase the overall system
13 reliability of our distribution system. As seen in Table 5 below, from calendar year end
14 2016 through 2024, the Company has eliminated 371 miles or 31% of its leak prone bare
15 steel and wrought iron pipelines and 7,337 or 34% of its bare steel services.

Table 5: Bare Steel and Wrought Iron Mileage & Bare Steel Services (2016-2024)

Bare Steel & Wrought Iron Mileage & Bare Steel Services (2016-2024)		
Year	CY End Mainline Miles	CY End Bare Steel Services
2016	1,183	21,452
2017	1,103 ²	20,441
2018	1,065	19,518
2019	1,028	18,581
2020	978	17,758
2021	960	16,871
2022	913	16,058
2023	863	15,096
2024	812	14,115

Based on PHMSA annual DOT reporting

² Adjusted for 41.594 miles corrected during 2018 records review; Pipe classified as bare but identified as coated.

1 **Q. Please describe how the Company identifies LPP projects under its Systematic**
2 **Replacement Program.**

3 A. The Systematic Replacement process begins each fall, at the conclusion of the annual
4 leak survey cycle. The Company utilizes GIS to perform a geographic leak analysis to
5 identify areas of concentrated leakage. Our Engineering and Operations management
6 then review areas of higher priority during our semi-annual planning meetings at each
7 operating location. Public safety is of primary importance when considering pipeline
8 replacement projects. During the planning process we utilize our Distribution
9 Probabilistic Risk Model along with reviewing areas of system reliability concerns, active
10 corrosion, and customer interruptions as well as potential conflicts with proposed
11 highway and municipal public improvement projects through the Company's municipal
12 outreach program. The result of the Systematic Replacement review includes three types
13 of projects including smaller scope projects typically completed by Company
14 construction crews, mid-sized projects completed by our contractor blanket construction
15 crews and larger individual projects that are also competitively bid to a pool of qualified
16 contractors.

17
18 **Q. Please describe the Company's municipal outreach program.**

19 A. Each spring the Company's highway utility coordinator mails out letters to municipalities
20 within the Company's service territory requesting information on upcoming highway and
21 municipal infrastructure improvement projects planned within the jurisdiction. The
22 requested information includes copies of construction designs, anticipated scopes, and
23 estimated start dates. The goal is to identify conflicts and coordinate LPP and other gas

1 facilities replacement projects with municipal projects to optimize efficiencies by
2 relocating our facilities in advance of construction. When projects do not involve a direct
3 conflict, the Company may be able to avoid future pavement cuts by replacing LPP prior
4 to repaving. This outreach also provides an opportunity for the Company to review
5 public improvement designs, identify conflicts, and attempt to coordinate with the
6 municipality to potentially avoid or minimize relocating non leak prone pipe facilities
7 through design changes.

8 9 **IV. SYSTEM RELIABILITY AND SAFETY**

10 **Q. How does the Company incorporate elements of its Distribution Integrity**
11 **Management Program (“DIMP”) Plan and Transmission Integrity Management**
12 **Plan (“TIMP”) into its pipeline replacement and facility program?**

13 A. Many DIMP and TIMP elements and programs are considered during pipeline
14 replacement project planning, including the Company’s Systematic Replacement
15 Program discussed above. Both DIMP and TIMP Plans at the Company have System
16 Reliability Reporting (“SRR”) programs, which are used to identify operational problems
17 on pipelines and metering and regulation stations. They are used specifically to evaluate
18 threats to facilities in the categories of natural force damage (primarily washouts and
19 exposures), equipment failure, other outside force damage, incorrect operation, and other
20 causes. When an abnormal operating condition is discovered, an SRR is issued and
21 tracked until the condition is remediated, often resulting in replacement of the facility.
22 System Reliability Reports are tracked as part of the Company’s DIMP performance
23 measure process and are discussed at yearly spring and fall meetings with appropriate

1 Company personnel. Additionally, Engineering investigates plastic system leaks and
2 reports of visually unacceptable fusions or non-pullout resistant couplings through its
3 plastic system integrity program. This program includes accelerated actions that are
4 prescribed based on the likelihood and potential consequences of a future leak.

5 Remediation of fusion leaks and visually unacceptable fusions or non-pullout resistant
6 couplings includes a review of as-built records to determine the number and possible
7 locations of fusions on the project. Aerial photography is reviewed to determine the
8 proximity of buildings. Based on the records review and the number of fusions on the
9 job, additional fusion or coupling inspections or removal of known remaining fusions or
10 couplings may be directed. Based on inspection results, replacement may be required.

11
12 **Q. What existing plastic pipeline materials are within the Company’s operating**
13 **system?**

14 The Company’s existing plastic pipeline is comprised of a combination of Medium-
15 Density Polyethylene (“MDPE”), High-Density Polyethylene (“HDPE”) and unknown
16 vintages. Table 6 below lists pipeline vintage as of October 1st, 2025.

Table 6: Plastic Pipeline by Vintage as of October 1st, 2025

Vintage	Miles
Aldyl A - MDPE 2306 & MDPE 2406	251.7
Orange MDPE 2306	119.0
Black HDPE 3306	0.2
Driscopipe 6500 - MDPE 2406	2.4
Yellow MDPE 2406	808.3
Black HDPE 3408/4710	565.0
Unknown	1,543.9
Total	3,290.4

1 **Q. What efforts has the Company made to identify and categorize its unknown plastic**
2 **pipe?**

3 A. The Company categorizes and replaces its unknown plastic pipeline through thorough
4 record reviews as well as opportunistically throughout the course of its construction
5 operations. This two-pronged approach has reduced the overall mileage of unknown
6 plastic by over 250 miles between 2022 and 2025, from 1,803 in 2021 to under 1,550 in
7 2025. The Company recognizes there is additional risk associated with unknown vintage
8 plastic. As such, plastic with an unknown vintage in Company records is defaulted in the
9 Company's Distribution asset risk model to the most conservative grade considering the
10 install year.

11
12 **Q. Has the Company identified any issues with specific material types of vintage plastic**
13 **pipe?**

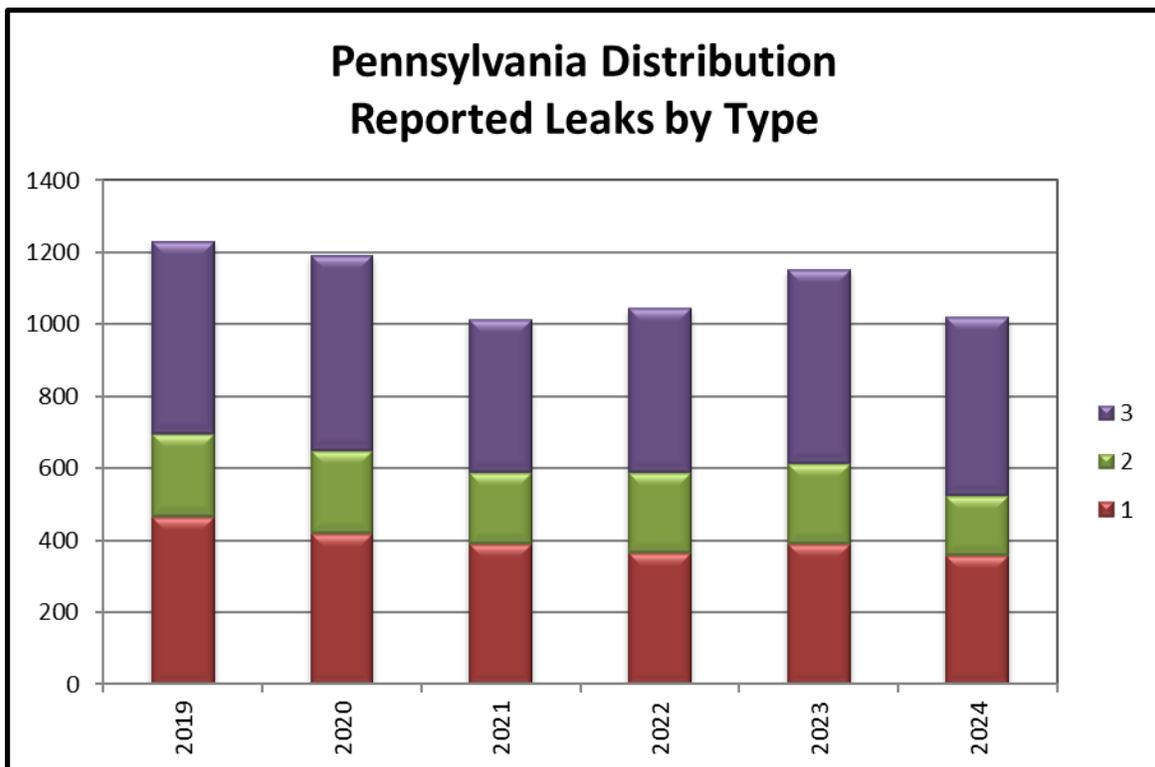
14 A. The Company tracks the risk of specific vintage plastic pipe materials through its DIMP
15 and plastic system integrity program as described above. The primary issues discovered
16 through these programs have been fusion issues attributed to rocky soil, backfill and
17 operator installation. These issues are on a job-by-job basis and have not historically
18 been associated with specific vintage plastic pipe materials.

19
20 **Q. Please describe the Company's efforts to reduce system leaks.**

21 A. Public safety is of primary importance for the Company. As part of its DIMP, the
22 Company regularly evaluates and tracks system leak trends to determine if additional
23 mitigation measures should be considered. The Company classifies leaks as Type 1,

1 Type 2 and Type 3 as described in its September 2, 2022, LTIP filing and in its
2 December 11, 2025, Amended LTIP filing. Type 1 leaks are hazardous leaks that
3 require an immediate response to protect life and property. As seen in Figure 3 below,
4 Type 1 leaks have decreased by 23% between 2019 and 2024. In addition, Type 2 and
5 Type 3 leaks have decreased by 28% and 7%, respectively between 2019 and 2024. This
6 reduction in reported leaks can be attributed to the Company's pipeline modernization
7 and systematic replacement program efforts during this period.

Figure 3: Distribution Reported Leaks by Type



8 **Q. Please discuss the Company's historical, current, and proposed accelerated main**
9 **replacement program.**

10 A. As stated previously, from calendar year end 2016 through 2024, the Company has
11 replaced 371 miles or 31% of its LPP bare steel and wrought iron and 7,337 or 34% of its

1 bare steel services. This included an acceleration under the Company’s approved LTIIP
 2 from 2022-2024 of 50.5 miles and 972 services on an average annual basis compared to
 3 45 miles and 899 services on an average annual basis from 2016-2022. In 2025 the
 4 Company replaced 52 miles of LPP, exceeding the Amended LTIIP mileage of 51 miles
 5 and resulting in approximately 764 miles of bare steel and wrought iron pipe remaining in
 6 the system. As seen in Table 7 below, to further enhance safety, reduce risk, and increase
 7 the overall reliability of its distribution system, the Company plans to continue to
 8 accelerate its LPP replacement program in 2026 and 2027.

Table 7: LPP Replacement (2023-2027)

Year	Type	Initial LTIIP Mileage	Actual Mileage	Amended LTIIP Mileage
2023	Distribution < 124 psig	44	45.9	
	Transmission & High Pressure > 124 psig	4	3.8	
	Total	48	49.7	
2024	Distribution < 124 psig	45	44.9	
	Transmission & High Pressure > 124 psig	7	7.8	
	Total	52	52.7	
2025	Distribution < 124 psig	46		46
	Transmission & High Pressure > 124 psig	7		5
	Total	53		51
2026	Distribution < 124 psig	47		50
	Transmission & High Pressure > 124 psig	7		4
	Total	54		54
2027	Distribution < 124 psig	50		50
	Transmission & High Pressure > 124 psig	7		7
	Total	57		57
LTIIP Total LPP Mileage		264		264.4

9 As part of this acceleration, the Company plans to increase both distribution and
 10 transmission / high pressure leak prone pipe replacement to target retirement of all bare
 11 steel and wrought iron pipe by 2039. The Company defines transmission / high pressure
 12 main as pipe operating with a maximum operating pressure greater than 124 pounds per

1 square inch gage (“psig”). This pipe consists of approximately 11% of the Company’s
2 LPP and is planned to be replaced with cathodic protected coated steel pipe.

3
4 **V. ENVIRONMENTAL**

5 **Q. Please discuss environmental management at the Company.**

6 A. The Company is committed to environmental compliance and stewardship at all levels.
7 The Company has a dedicated environmental management group within its Engineering
8 Services department who work closely with our Project Engineering and Construction
9 Management groups to assure all required environmental permitting, proper design and
10 construction best management practices are followed through on our projects to assure
11 environmental compliance. At the Company we consider environmental management to
12 be the responsibility of all project team members including our engineers, construction
13 and operations management and contractors. The Company prides itself on its history of
14 environmental compliance and long-standing relationships and trust built with the
15 environmental regulatory agencies we work with.

16
17 **Q. Please describe the Company’s Methane Emissions Reduction Program.**

18 A. The Company has developed its Methane Emissions Reduction Program (“MERP”) to
19 help reduce methane emissions associated with the normal operation and maintenance of
20 pipeline facilities. The MERP is used to determine the appropriate best management
21 practice(s) (“BMP”) to apply to pipeline and/or station shutdowns to reduce methane
22 emissions. This program is incorporated into the engineering design process to allow
23 adequate time for planning and collaboration with applicable parties to select and execute

1 practicable methods for minimizing methane releases. MERP targets medium and high-
2 pressure pipeline blowdowns with volumes $\geq 5,000$ Standard Cubic Feet ("SCF")
3 (corrected volume) for application of BMP's. Where appropriate, BMP's may be
4 considered for medium and high-pressure pipeline blowdowns for pipeline volumes
5 between 1,000 and 4,999 SCF (corrected volume), however, portable compression
6 equipment or portable flares should not be considered for these projects due to the
7 greenhouse gas emissions associated with powering and transporting this
8 equipment. BMPs included in the MERP are as follows:

- 9 • Pipeline pressure draw down into an adjacent lower pressure system through
10 existing regulator stations.
- 11 • Pipeline pressure draw down into an adjacent lower pressure system through a
12 temporary regulator and relief valve setup.
- 13 • Use of portable compression equipment.
- 14 • Use of portable flaring equipment where appropriate considering safety and
15 customer relations.
- 16 • Minimizing pipeline segment blowdown length using existing valves and/or
17 installation of controllable fittings, and squeeze-off of plastic pipe.
- 18 • Use of hot taps vs. shutdown and cutting in tees.
- 19 • Coordinating shutdowns for multiple projects/tasks.

20
21 **Q. Does this conclude your direct testimony at this time?**

22 A. Yes, it does.

NATIONAL FUEL STATEMENT NO. 10

JOSHUA C. NOWAK

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Docket No. R-2025-3059428

**National Fuel Gas Distribution Corporation
Pennsylvania Division**

Statement No. 10

Direct Testimony of Joshua C. Nowak

Topics Addressed: Return on Equity

Dated: January 28, 2026

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I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **OCCUPATION.**

3 A. My name is Joshua C. Nowak. I am employed by Concentric Energy Advisors, Inc.
4 (“Concentric”) as a Vice President. Concentric is a management consulting and
5 economic advisory firm, focused on the North American energy and water
6 industries. Based in Marlborough, Massachusetts, and Washington, D.C.,
7 Concentric specializes in regulatory and litigation support, financial advisory
8 services, energy market strategies, market assessments, energy commodity
9 contracting and procurement, economic feasibility studies, and capital market
10 analyses. My business address is 293 Boston Post Road West, Suite 500,
11 Marlborough, Massachusetts 01752.

12 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

13 A. I am submitting this direct testimony to the Pennsylvania Public Utility
14 Commission (“PUC” or the “Commission”) on behalf of National Fuel Gas
15 Distribution Corporation (“NFGDC” or the “Company”).

16 **Q. PLEASE DESCRIBE YOUR EXPERIENCE IN THE ENERGY AND**
17 **UTILITY INDUSTRIES AND YOUR EDUCATIONAL AND**
18 **PROFESSIONAL QUALIFICATIONS.**

19 A. I hold a Bachelor’s degree in Economics from Boston College and have more than
20 15 years of experience in providing economic, financial, and strategic advisory
21 services. As a consultant, I primarily advise clients in regulated utility industries
22 and have provided testimony regarding financial matters before multiple regulatory

1 agencies. I have advised numerous energy and utility clients on a wide range of
2 financial and economic issues with primary concentrations in valuation and utility
3 rate matters. Many of these assignments have included the determination of the cost
4 of capital for valuation and ratemaking purposes. I have provided testimony before
5 the Federal Energy Regulatory Commission (“FERC”), the Canada Energy
6 Regulator (“CER”), as well as state and provincial jurisdictions in the U.S. and
7 Canada. Prior to joining Concentric in 2018, I was employed by National Grid
8 USA where I was responsible for regulatory filings related to the cost of capital
9 across the company’s multiple U.S. operating companies and service territories. A
10 summary of my professional and educational background is presented in Exhibit
11 JCN-1.

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 A. The purpose of my direct testimony is to present evidence and provide a
14 recommendation for the fair rate of return on equity (“ROE”) for NFGDC, as well
15 as assess the reasonableness of the Company’s proposed capital structure.

16 **Q. ARE YOU SPONSORING ANY EXHIBITS IN THIS PROCEEDING?**

17 A. Yes. My analyses and recommendations are supported by the data presented in
18 Exhibits JCN-2 through JCN-10, which have been prepared by me or under my
19 direction. Exhibits JCN-2 through JCN-10 are presented in National Fuel Exhibit

20 B. I sponsor the following Exhibits:

- 21 • JCN-1 – Summary of Professional Background and Experience
- 22 • JCN-2 – Comprehensive Summary of ROE Results
- 23 • JCN-3 – Proxy Group Screening Analysis

- 1 • JCN-4 – Constant Growth Discounted Cash Flow (“DCF”) Analysis
- 2 • JCN-5 – Market Risk Premium (“MRP”)
- 3 • JCN-6 – Capital Asset Pricing Model (“CAPM”) Analysis
- 4 • JCN-7 – Bond Yield Plus Risk Premium Analysis
- 5 • JCN-8 – Comparative Size Analysis
- 6 • JCN-9 – Regulatory Framework Comparison
- 7 • JCN-10 – Proxy Group Capital Structure Analysis

II. SUMMARY OF TESTIMONY

8 **Q. WHAT IS YOUR CONCLUSION REGARDING THE APPROPRIATE**
9 **RATE OF RETURN FOR NFGDC?**

10 A. I have estimated NFGDC’s ROE based on the results of the DCF model, the CAPM,
11 and the Bond Yield Plus Risk Premium (“Risk Premium”) model, and have
12 analyzed the general economic and capital market environment and the influence
13 such conditions exert over the results. I also have analyzed the Company’s business
14 and regulatory risk profile that must be considered in determining where the
15 Company’s cost of equity falls within the range of analytical results. I recommend
16 that the Commission authorize an overall rate of return of 11.25 percent for
17 NFGDC. A summary of the results of my DCF, CAPM, and Risk Premium
18 analyses are shown below in Figure 1.

1

FIGURE 1: SUMMARY OF RESULTS

	Median	Mean
DCF Result	10.70%	11.58%
CAPM Result	11.13%	11.19%
Risk Premium	10.40%	10.40%
Average	10.92%	11.06%

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Based on the results of the DCF, CAPM, and Risk Premium analyses, I consider an ROE range of 10.30 percent to 11.30 percent to be reasonable. From within that range, and considering the Company's risk profile, I recommend a base ROE of 11.00 percent. In addition, I recommend a 25-basis point premium to recognize the Company's exceptional performance and efficiency, as summarized in the direct testimony of Rebecca E. Hillery, National Fuel Statement No. 1. The Commission's practice has been to recognize management performance through a rate of return incentive. My overall ROE recommendation is 11.25 percent.

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11 **Q. PLEASE PROVIDE A BRIEF OVERVIEW OF THE ANALYSES THAT**
12 **YOU CONDUCTED TO SUPPORT YOUR ROE RECOMMENDATION.**

13 A. As mentioned, my ROE recommendation is based on the range of results produced
14 from the DCF, CAPM, and Risk Premium methodologies. Analysts and academics
15 understand that ROE models are tools to be used in the ROE estimation process,
16 and that strict adherence to any single approach, or the specific results of any single
17 approach, may lead to flawed conclusions. No model can exactly pinpoint the
18 correct cost of equity, but each is designed to provide a unique estimate of the return

1 required to attract equity investment. Therefore, my analysis considers the range of
2 results produced by these three different models. The DCF analysis estimates the
3 cost of equity based on market data on dividend yields and analysts' projected
4 earnings per share growth rates from reputable third-party sources. The CAPM
5 analysis is based on both current and forecasted interest rates and a forward-looking
6 market risk premium. The Risk Premium approach calculates the risk premium as
7 the spread between authorized ROEs for natural gas utilities and Treasury bond
8 yields. My ROE recommendation is ultimately based on the range of results
9 produced by these three methodologies.

10 My recommendation is also informed by the general economic and capital
11 market environment, and the influence capital market conditions exert over the
12 results of the DCF, CAPM, and Risk Premium models. In addition, I consider the
13 Company's business and regulatory risks in relation to a set of proxy companies to
14 assist in the determination of the appropriate ROE and capital structure from within
15 the range of my analytical results.

16 **Q. HOW IS THE REMAINDER OF YOUR DIRECT TESTIMONY**
17 **ORGANIZED?**

18 A. The remainder of my Direct Testimony is organized as follows:

- 19 • Section III provides background on the regulatory principles that guide the
20 determination of ROE.
- 21 • Section IV presents a review of current and prospective economic and
22 capital market conditions and the implications on the cost of capital for
23 utilities.

- 1 • Section V describes the criteria and approach for the selection of a proxy
2 group of comparable companies.
- 3 • Section VI provides a description of the data and methodologies used to
4 estimate the cost of equity, as well as the results of the various ROE
5 estimation models and concludes with my recommendation and an
6 assessment of its reasonableness under the *Hope* test.
- 7 • Section VII discusses NFGDC’s regulatory and business risks, relative to
8 the proxy group.
- 9 • Section VIII provides the overall rate of return, including NFGDC’s capital
10 structure and cost rates.
- 11 • Finally, Section IX summarizes my results, conclusions, and
12 recommendation.

III. REGULATORY PRINCIPLES

13 **Q. PLEASE DESCRIBE THE GUIDING PRINCIPLES USED IN**
14 **ESTABLISHING THE COST OF CAPITAL FOR A REGULATED**
15 **UTILITY.**

16 A. The foundations of public utility regulation require that utilities receive a fair rate
17 of return sufficient to attract needed capital to maintain important infrastructure for
18 customers at reasonable rates. The basic tenets of this regulatory doctrine originate
19 from several bellwether decisions by the United States Supreme Court, notably
20 *Bluefield Waterworks and Improvement Company v. Public Service Commission of*
21 *West Virginia*, 262 U.S. 679 (1923) (“*Bluefield*”), and *Federal Power Commission*

1 *v. Hope Natural Gas Company*, 320 U.S. 591 (1944) (“*Hope*”). In *Bluefield*, the

2 Court stated:

3 A public utility is entitled to such rates as will permit it to
4 earn a return on the value of the property which it employs
5 for the convenience of the public equal to that generally
6 being made at the same time and in the same general part of
7 the country on investments in other business undertakings
8 which are attended by corresponding risks and
9 uncertainties...

10 The return should be reasonably sufficient to assure investor
11 confidence in the financial soundness of the utility and
12 should be adequate, under efficient and economical
13 management, to maintain and support its credit and enable it
14 to raise the money necessary for the proper discharge of its
15 public duties.

16 Later, in *Hope*, the Court established a standard for the ROE that remains

17 the guiding principle for ratemaking in regulatory proceedings to this day:

18 [T]he return to the equity owner should be commensurate
19 with returns on investments in other enterprises having
20 corresponding risks. That return, moreover, should be
21 sufficient to assure confidence in the financial integrity of
22 the enterprise, so as to maintain its credit and to attract
23 capital.

1 **Q. PLEASE EXPLAIN HOW THESE PRINCIPLES APPLY IN THE**
2 **CONTEXT OF THE REGULATED RATE OF RETURN.**

3 A. Regulated utilities rely primarily on common stock and long-term debt to finance
4 their operations, including permanent property, plant, and equipment. The allowed
5 rate of return for a regulated utility is based on its weighted average cost of capital,
6 where the costs of the individual sources of capital (i.e., debt and equity) are
7 typically weighted by their respective book values. Since the ROE, which
8 represents the cost of raising and retaining equity capital, is not directly observable,
9 it is estimated by using one or more analytical techniques that use market data to
10 quantify investor requirements for equity returns. However, investors rely on a
11 multi-faceted approach to determine their required returns. As such, the ROE
12 cannot be estimated through quantitative metrics and models alone. To properly
13 estimate the ROE, the financial, regulatory, and economic context must also be
14 considered.

15 The DCF, CAPM, and Risk Premium approaches, while fundamental to the
16 ROE determination, are still only models. To determine a fair and reasonable ROE
17 in line with the *Hope* and *Bluefield* standards, model results must be applied with
18 informed judgment, with consideration of economic and capital market conditions
19 and the relative risk of NFGDC compared to the companies with reasonably similar
20 risk.

21 Based on these widely recognized standards, the Commission's order in this
22 case should provide NFGDC with the opportunity to earn a return on equity that is:

- 1 • Adequate to allow the Company to attract the capital that is necessary to
2 provide safe and reliable service (the “capital attraction standard”);
- 3 • Sufficient to ensure the Company’s ability to maintain its financial integrity
4 (the “financial integrity standard”); and
- 5 • At a level that is comparable to returns required on investments of similar
6 risk (the “comparability standard”).

7 Importantly, a fair return must satisfy all three of these standards. The
8 allowed ROE should enable the Company to finance its operations and capital
9 expenditures on reasonable terms and provide it with the ability to raise capital
10 under a full range of capital market circumstances to serve its customers.

11 **Q. IS NFGDC’S ABILITY TO ATTRACT EQUITY CAPITAL AFFECTED BY**
12 **ROES THAT ARE AUTHORIZED FOR OTHER UTILITIES?**

13 A. Yes, it is. NFGDC competes with other investments of similar risk for equity capital
14 from the market. Since investors have a finite pool of capital to allocate among
15 investments, the ROE awarded to each utility provides investors with signals
16 regarding regulatory support for financial integrity, dividends, growth, and fair
17 compensation for business and financial risk. A company’s cost of equity is defined
18 by, and equal to, the opportunity cost of investing in that company. In other words,
19 if higher returns are available from other investments of comparable risk, investors
20 will direct their capital to those investments. If NFGDC’s authorized ROE is set
21 below the ROEs authorized for other utilities of comparable risk, the Company may
22 face challenges in attracting capital on reasonable terms, leading to a decline in
23 service quality and adversely affecting its customers.

1 **Q. WHAT ARE YOUR CONCLUSIONS REGARDING REGULATORY**
2 **PRINCIPLES?**

3 A. The ratemaking process is premised on the principle that, in order for investors and
4 companies to commit the capital needed to provide safe and reliable utility services,
5 the utility must have the opportunity to recover invested capital and the market-
6 required return on that capital. Because utility operations are capital intensive,
7 regulatory decisions should enable the utility to attract capital on reasonable terms
8 regardless of market conditions. Investors carefully monitor the current and
9 expected financial condition of utility companies, as well as the regulatory
10 environment in which they operate. In that respect, the regulatory environment is
11 one of the most important factors considered by both debt and equity investors in
12 their assessments of risk. It is therefore essential that the ROE authorized in this
13 proceeding take into consideration the current and expected capital market
14 conditions in which NFGDC operates, as well as investors' required returns
15 commensurate with the risks they undertake. A fair and reasonable authorized ROE
16 is required to not only support the Company's continued capital investment with
17 capital raised on reasonable terms, but also to maintain confidence in
18 Pennsylvania's regulatory environment among credit rating agencies and investors.

IV. ECONOMIC AND CAPITAL MARKET CONDITIONS

1 **Q. WHY IS IT IMPORTANT TO CONSIDER THE EFFECTS OF CURRENT**
2 **AND EXPECTED ECONOMIC AND FINANCIAL MARKET**
3 **CONDITIONS WHEN SETTING THE APPROPRIATE ROE?**

4 A. Because utilities are obligated to serve customers safely and reliably regardless of
5 economic conditions, they must maintain consistent access to capital across all
6 market environments. The authorized ROE for a public utility should allow the
7 utility to attract investor capital at a reasonable cost under current and foreseeable
8 economic and financial conditions as underscored by the *Hope* and *Bluefield*
9 decisions discussed previously. The standard ROE estimation tools, such as the
10 DCF, CAPM, and Risk Premium models, incorporate specific economic and
11 financial data. However, these inputs reflect only a subset of the various economic
12 and market forces that determine a utility's required return. It is also important to
13 consider the appropriateness and reasonableness of the inputs in light of expected
14 economic conditions. If investors do not expect current market conditions to
15 continue in the future, it is possible that the ROE estimation models will not provide
16 an accurate estimate of investors' forward-looking required return. Therefore, an
17 assessment of current and projected market conditions is integral to any ROE
18 recommendation.

19 **Q. WHAT ARE THE KEY FACTORS AFFECTING THE COST OF EQUITY**
20 **FOR REGULATED UTILITIES IN THE CURRENT AND PROSPECTIVE**
21 **CAPITAL MARKETS?**

22 A. The cost of equity for regulated utility companies is currently affected by several

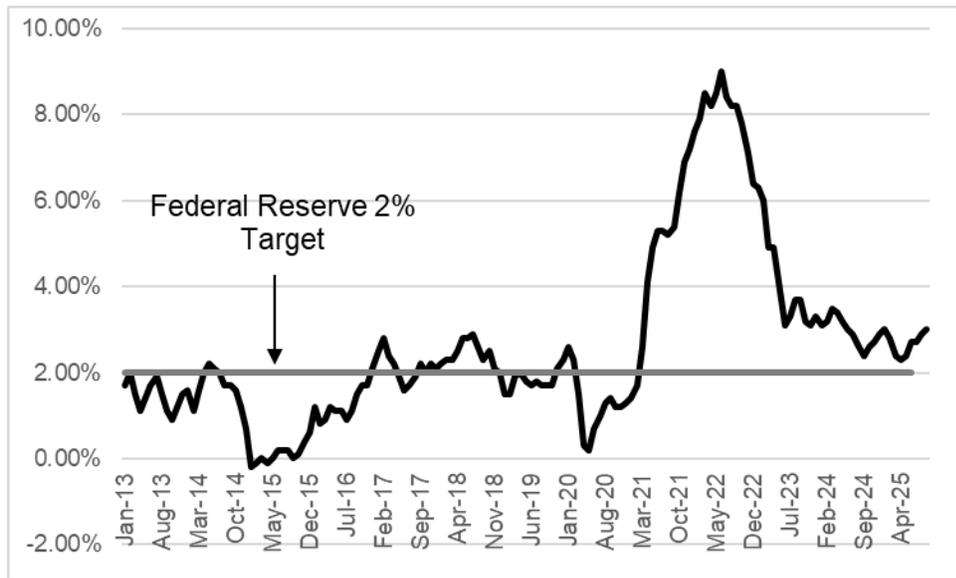
1 key factors including (1) the interest rate environment and central bank monetary
2 policy; (2) inflationary pressure and the longer-term outlook for inflation; and (3)
3 uncertainty in the economic environment resulting from geopolitical events. As
4 discussed below, although the Federal Reserve reduced the Federal Funds rate six
5 times in the last two years as inflation stabilized and moved closer to the central
6 bank’s two percent target, interest rates and inflation are expected to be elevated
7 relative to the exceptionally low interest-rate conditions that prevailed in the early
8 2020s. Despite the 175 basis point reduction in the Federal Funds rate since
9 September 2024, long-term interest rates have not declined and are not expected to
10 change substantially in the coming years. Further, geopolitical events and U.S.
11 foreign trade policy present significant uncertainties with respect to the near-term
12 economic and capital market environment in which NFGDC will be raising capital.
13 As artificial intelligence workloads have grown substantially requiring
14 infrastructure expansions, including data center development, there are several
15 industries offering comparatively attractive returns. NFGDC and other utilities
16 must compete for equity capital with other industries. Therefore a reasonable return
17 is necessary to attract capital in an increasingly competitive capital market
18 environment.

19 **Q. HOW HAVE ECONOMIC AND FINANCIAL CONDITIONS CHANGED**
20 **IN RECENT MONTHS?**

21 A. At the end of 2024, financial markets were optimistic that the Federal Reserve was
22 close to attaining a “soft landing” by taming inflation without a consequential rise
23 in unemployment. Over the past few months, however, federal policy uncertainty

1 has climbed sharply, and financial market volatility has increased. Since the
2 announcement of the Administration’s tariff policies in early April, data have
3 shown a vulnerable and slowing economy with consumer and business sentiment
4 declining and growing anticipation of higher inflation.¹

5 **FIGURE 2: U.S. CONSUMER PRICE INDEX (“CPI”), Y-O-Y CHANGE (2014-2025)²**



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7 As the University of Michigan’s Surveys of Consumers Director Joanne Hsu
8 explains regarding consumer sentiment on inflation for December 2025:

9 After four months of sharp increases to start 2025, long-run
10 expectations fell for three consecutive months through July,
11 followed by three more months of small increases. Long-run
12 expectations softened over the past two months. The December
13 preliminary reading is well below peaks in monthly readings from
14 June 2022 and April 2025, but above most 2024 readings as well as

1 See, e.g., Blue Chip Financial Forecasts, Vol. 44, No. 5, May 1, 2025, at 1.

2 U.S. Bureau of Labor Statistics. Data as of October 30, 2025 was not available as of January 6, 2026. Bureau of Labor Statistics reported a year-over-year change of 2.70 percent for November 2025.

1 readings from 2020 and earlier. Expectations exhibit substantial
2 uncertainty, though less than in mid-2025.³

3 **Q. PLEASE DESCRIBE THE FEDERAL RESERVE’S RECENT MONETARY**
4 **POLICY ACTIONS.**

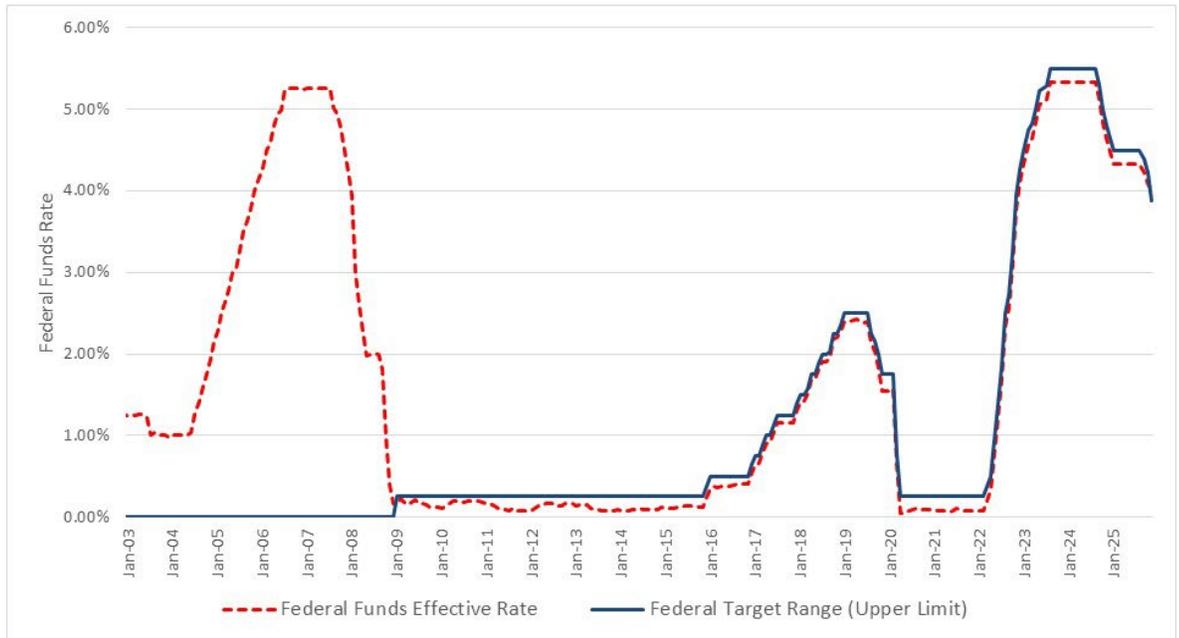
5 A. As shown in Figure 3, the Federal Open Market Committee (“FOMC”) has cut rates
6 by 25 basis points three times since April 2025, ending 2025 with the Federal Funds
7 target range of 3.50 to 3.75 percent. In doing so, the FOMC noted the downside
8 risks to employment on one hand but that “[i]nflation has moved up since earlier in
9 the year and remains somewhat elevated.”⁴ The FOMC has been increasingly
10 divided on the outlook and future rate actions, causing short-term rate expectations
11 to become more volatile.

3 University of Michigan Surveys of Consumers, “December 2025 (P) Update: Current versus Pre-Pandemic Long-Run Inflation Expectations”, December 5, 2025. Accessed January 6, 2026, <https://www.sca.isr.umich.edu/files/px5web202512p.pdf>.

4 Federal Reserve FOMC Press Release, December 10, 2025, <https://www.federalreserve.gov/monetarypolicy/files/monetary20251210a1.pdf>

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FIGURE 3: FOMC FEDERAL FUNDS RATES



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The Fed’s recent policy actions follow a period of substantial monetary tightening in 2022 and 2023 in response to the rapid economic rebound following the COVID-19 lockdowns. During this time, the Federal Reserve tightened monetary policy at the fastest pace since the 1980s by increasing the Federal Funds rate by 525 basis points over the course of 11 consecutive Federal Open Market Committee (“FOMC”) meetings between March 2022 and July 2023, as shown in the figure above. Although the pace of inflation has subsided from its peak reached in 2022, inflation remains above the Federal Reserve’s 2.0 percent target, ticking up to 3.00 percent as of September 30, 2025.

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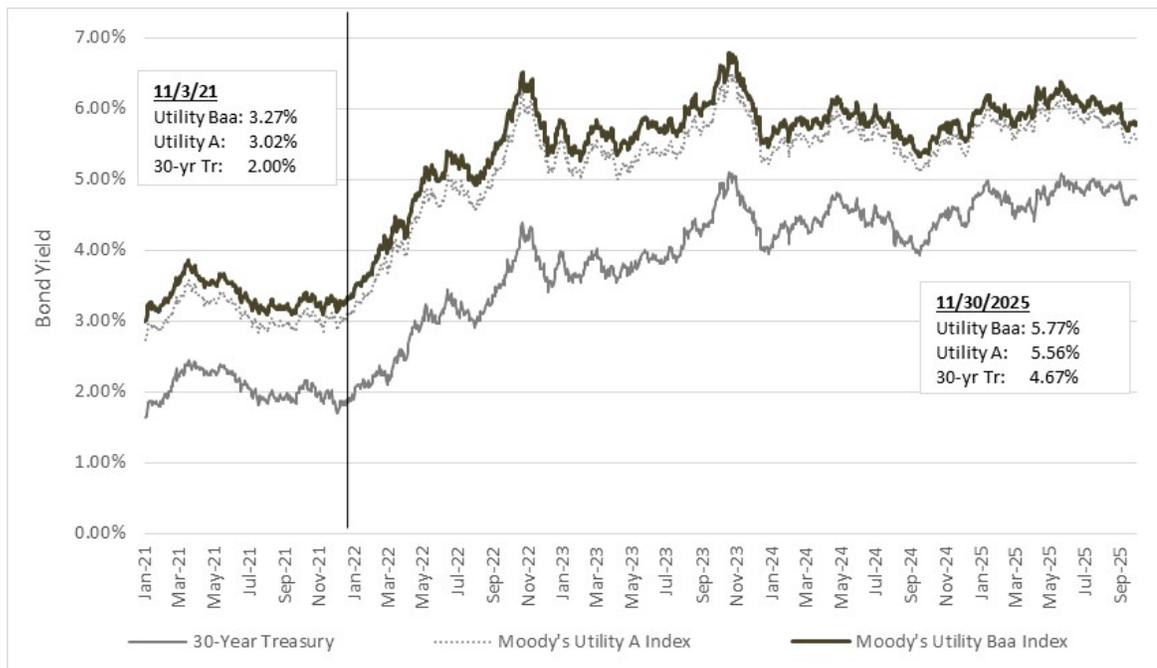
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Q. HOW DID GOVERNMENT AND UTILITY BOND YIELDS RESPOND TO THE FEDERAL RESERVE’S MONETARY POLICY TIGHTENING?

6

1 A. As the U.S. economy improved in 2021 and the Federal Reserve moved
 2 aggressively to tighten monetary policy to fight stubbornly higher inflation,
 3 prevailing interest rates have risen to their highest levels since 2010. As shown in
 4 Figure 4 below, the 30-year Treasury yield has increased 267 basis points since
 5 November 3, 2021 when the Federal Reserve signaled it would begin tapering its
 6 asset purchases. Utility bond yields have increased by nearly 250 basis points over
 7 the same period.

8 **FIGURE 2: 30-YEAR TREASURY BOND AND UTILITY BOND YIELDS (2021-2025)⁵**



9 **Q. PLEASE EXPLAIN HOW HIGHER BOND YIELDS AFFECT THE ROE**
 10 **ESTIMATES.**

11 A. The 30-Year Treasury bond yield is a direct input to both the CAPM and the Risk
 12 Premium models because the term of the security aligns with the long life of gas

⁵ Sources: Federal Reserve Bank of St. Louis, FRED Economic Database; Bloomberg Professional.

1 utility assets. As yields increase, the cost of capital generally increases, and the
2 ROE estimates from those two models also increase, although not on a one-to-one
3 basis. Further, while interest rates are not a direct input to the DCF model, dividend
4 yields on utility stocks must compete with yields on Treasury bonds. As interest
5 rates on government bonds increase, utilities must offer a higher dividend yield to
6 attract and retain investors, signaling an increase in the cost of equity for utilities.
7 All else equal, higher dividend yields produce higher ROE estimates in the DCF
8 model.

9 **Q. HOW HAVE CAPITAL MARKETS RESPONDED TO THE FEDERAL**
10 **RESERVE’S POLICY ACTIONS?**

11 A. The Federal Reserve’s rate since 2024 have had little effect on long-term
12 government and utility bond yields. Long-term bond yields are less sensitive to the
13 Federal Reserve’s monetary policy, and as such have not declined as much as short-
14 term yields, even as the Fed has reduced the Federal Funds rate. As noted by
15 Charles Schwab, “intermediate- and long-term interest rates will continue to
16 respond to expectations about economic growth and inflation.”⁶ As shown in
17 Figure 5 below, since the end of June 2024 (prior to the Fed’s rate cuts), the 1-year
18 and 2-year Treasury yields declined by 148 and 124 basis points, respectively,
19 whereas the 30-year Treasury yields actually *increased* by 16 basis points.

⁶ Charles Schwab, “Fed Cuts Rates for the Third Time This Year,” December 10, 2025. Accessible at: <https://www.schwab.com/learn/story/fomc-meeting>

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FIGURE 5: U.S. TREASURY YIELDS (JUNE 2024 vs. NOVEMBER 2025)⁷

	1-Year Treasury	2-year Treasury	30-Year Treasury
June 28, 2024	5.09%	4.71%	4.51%
November 28, 2025	3.61%	3.47%	4.67%
Change	-1.48%	-1.24%	+0.16%

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Therefore, current long-term yields have not declined commensurate with reductions in the Federal Funds rate but have stayed relatively flat or increased. Since the equity value of utility investments is based on long-lived assets and the models used to estimate the just and reasonable ROE accordingly rely primarily on long-term yields, ROE model results are typically influenced more by the changes in longer-term yields rather than short-term yields.

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Q. HOW HAVE CAPITAL MARKETS RESPONDED TO THE FEDERAL RESERVE’S MONETARY POLICY?

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A. While the S&P 500 closed at record highs on the first trading day of 2022, by mid-June of that year, the S&P 500 was down more than 21 percent, at that time wiping out all of 2021’s gains.

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Although the S&P 500 has steadily gained ground since that time, the utility sector has fared far worse. From September 2022, at the peak of core inflation,

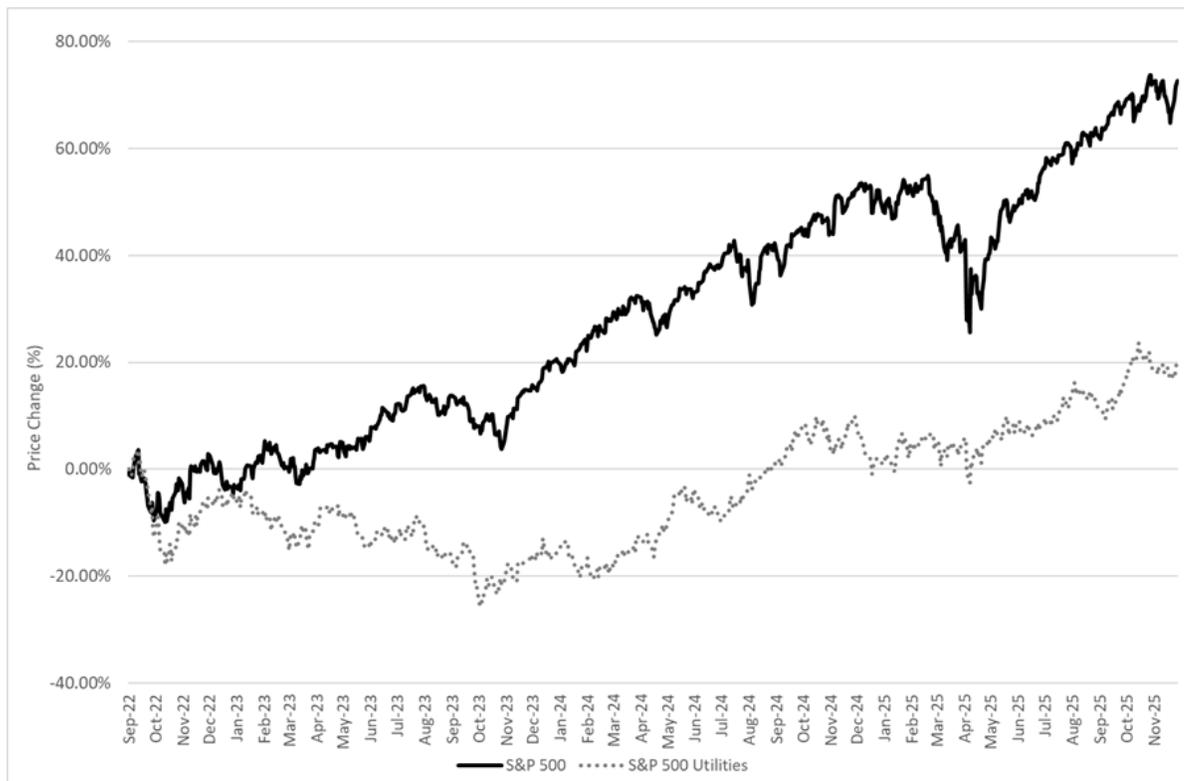
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Source: Spot yields reported by Federal Reserve Board of Governors, H15 Selected Interest Rates. <https://www.federalreserve.gov/datadownload/Choose.aspx?rel=H15>

1 through November 2025, on a total return basis (which includes dividends), the
2 S&P 500 Index increased over 72 percent, but the S&P 500 Utilities Index
3 increased by approximately 20 percent, as shown in Figure 6. As a practical matter,
4 there are several industries offering attractive returns for equity investments as data
5 center expansions have fueled economic growth. As such, utilities must maintain
6 reasonable returns to attract capital in an increasingly competitive environment.

7 **FIGURE 6: S&P 500 AND S&P 500 UTILITIES INDICES PERFORMANCE**
8 (SEPTEMBER 1, 2022 – NOVEMBER 28, 2025)



9 **Q. PLEASE DISCUSS RECENT CHANGES IN U.S. TRADE POLICY.**

10 A. During the first half of 2025, the Trump administration had announced,
11 implemented, or delayed implementation of tariffs on numerous U.S. trade partners.

12 A highlight of this is when, on April 2, 2025, President Trump announced the

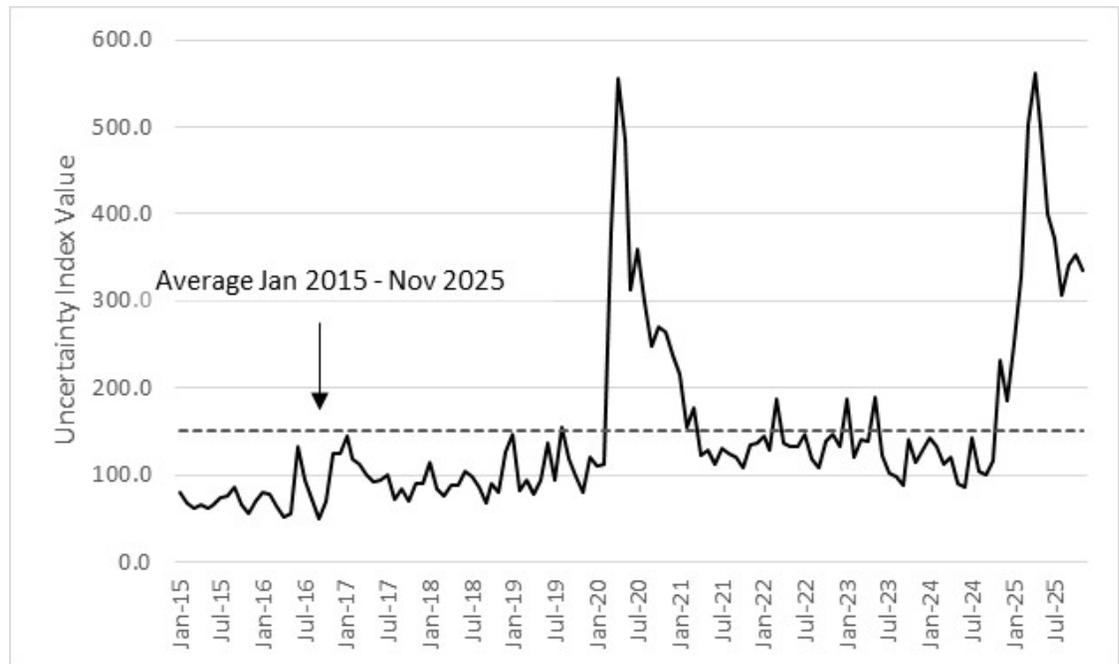
1 administration would impose a 10 percent base tariff on all imports from nearly
2 every country plus an additional “reciprocal” tariff customized for each of
3 approximately 60 countries.⁸ These reciprocal tariffs were subsequently paused,
4 but significant uncertainty remains around the future course of U.S. trade policy
5 and how it will affect the economy.

6 This created significant policy and market uncertainty; as can be seen in
7 Figure 7 below, the Federal Reserve Bank of St. Louis’ Economic Policy
8 Uncertainty Index (the “Index”) spiked to levels not seen since the COVID-19
9 pandemic. The Index has recently retreated from its peak levels in mid-2025 (to
10 335.88 as of November 30, 2025), but remains significantly above the average level
11 since 2015 (151.02) and the levels in October 2022 and June 2023 (139.83 and
12 122.39, respectively) that correspond with the filing and Commission Order in
13 NFGDC’s last rate case. Ongoing trade negotiations and temporary agreements
14 between the U.S. and other countries indicate that there is still significant
15 uncertainty related to international trade and the economy. As a general premise,
16 uncertainty increases risk causing investors to require a higher return, which
17 increases the cost of equity, all else equal.

8 <https://www.whitehouse.gov/presidential-actions/2025/04/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and-persistent-annual-united-states-goods-trade-deficits/>

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FIGURE 3: ECONOMIC POLICY UNCERTAINTY INDEX JANUARY 1, 2015 – NOVEMBER 30, 2025⁹



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Q. PLEASE EXPLAIN WHY ELEVATED INTEREST RATES ARE IMPORTANT TO THE ROE ANALYSIS.

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A. In general, as interest rates on government bonds increase, the cost of capital also must increase, as utilities—competing with interest rates on government bonds—must offer higher dividend yields to attract and retain investors. As utility dividend yields increase, however, the utility stock price declines (and, therefore, the cost of equity increases). The reason for this is that the stock price inherently reflects a company’s future cash flows, thus, future dividends are factored into the share price. After an ex-dividend date (i.e., the date on which a dividend is paid), the stock price often declines to reflect the dividend paid (i.e., distributing a proportion of profits to shareholders). As interest rates remain elevated, utilities must continue

⁹ Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/USEPUINDXD>

1 to pay high dividends to keep investors, which suggests that the stock price of these
2 companies would decline (and the cost of equity increase) in response to interest
3 rates. In general, all else equal, higher dividend yields produce higher ROE
4 estimates in DCF models. Additionally, as interest rates are a direct input to both
5 the CAPM and the Risk Premium models, higher interest rates produce higher ROE
6 estimates in these models.

7 **Q. HAVE YOU FACTORED THESE CIRCUMSTANCES INTO YOUR COST**
8 **OF EQUITY ESTIMATES FOR NFGDC, AND, IF SO, WHAT**
9 **CONCLUSIONS DO YOU DRAW?**

10 A. Yes. I have relied on the most recent market data and forecasts available to me in
11 my analysis and ROE recommendation. Long-term interest rates have increased
12 substantially since the historical lows of 2020 and are expected to remain elevated
13 as the Federal Reserve continues to contend with inflation and rising
14 unemployment. As interest rates increase, the cost of capital generally increases.
15 Interest rates are direct inputs to the CAPM and risk premium analyses and
16 indirectly affect the DCF models, as increasing interest rates influence increases in
17 dividend yields (and decreases in utility stock prices, which suggest an increase in
18 the cost of equity).

19 **Q. WHAT IS YOUR CONCLUSION REGARDING HOW MARKET**
20 **CONDITIONS AFFECT THE COST OF EQUITY FOR UTILITIES SUCH**
21 **AS NFGDC?**

22 A. My primary conclusion is that the cost of capital for both debt and equity has
23 increased for utilities, including NFGDC. This increase is reflected in the results of

1 the models used to estimate the cost of equity. Although the Federal Reserve has
2 cut the level of short-term interest rates, yields on long-term government and utility
3 bond yields increased sharply in 2022 and have remained elevated. Further,
4 inflation has remained stubbornly above the Fed's target level of 2.0 percent, and
5 tariffs could cause inflation to increase again as companies pass through these
6 duties to end-use customers. It is important to recognize that there has been a
7 fundamental change in economic and capital market conditions, and the cost of
8 equity capital for utilities has increased. These factors underscore the importance
9 of using multiple models when determining NFGDC's cost of equity to gain a
10 comprehensive perspective of the effect of fluid and evolving market conditions on
11 the cost of equity.

V. PROXY GROUP SELECTION

12 **Q. WHY IS IT NECESSARY TO SELECT A PROXY GROUP TO ESTIMATE**
13 **THE COST OF EQUITY FOR NFGDC?**

14 A. Since the ROE is a market-based concept and NFGDC is not publicly traded, it is
15 necessary to establish a group of companies that is both publicly traded and
16 comparable to the Company. Even if NFGDC were a publicly traded entity, it is
17 possible that transitory events could bias the Company's market value in one way
18 or another in a given period. A significant benefit of using a proxy group is the
19 ability to mitigate the effects of short-term events that may be associated with any
20 one company. The proxy companies used in my ROE analyses possess a set of
21 business and operating characteristics similar to the Company's natural gas utility
22 operations, and thus provide a reasonable basis for estimating the Company's ROE.

1 **Q. PLEASE PROVIDE A SUMMARY PROFILE OF NFGDC.**

2 A. The Company is a wholly-owned subsidiary of National Fuel Gas Company
3 (“NFG”) and provides natural gas distribution service to approximately 756,000
4 customers, with 213,000 customers in Pennsylvania and 543,000 customers in New
5 York.¹⁰ The Company does not have stand-alone credit ratings. However, its parent
6 company, NFG, has long-term issuer ratings from Moody’s of Baa3 (Outlook:
7 Stable), S&P of BBB- (Outlook: Stable), and Fitch Ratings (“Fitch”) of BBB
8 (Outlook: Stable).¹¹

9 **Q. PLEASE DESCRIBE THE SPECIFIC SCREENING CRITERIA YOU**
10 **HAVE UTILIZED TO SELECT THE PROXY GROUP.**

11 A. I began with the nine investor-owned domestic natural gas distribution companies
12 covered by Value Line and then screened companies according to the following
13 criteria:

- 14 1. Consistently pays quarterly cash dividends;
- 15 2. Maintains an investment grade long-term issuer rating (BBB- or higher) from
16 S&P;
- 17 3. Is covered by more than one equity analyst;
- 18 4. Has positive earnings growth rates published by at least two of the following
19 sources: Value Line, S&P Capital IQ, and Zacks Investment Research
20 (“Zacks”);

10 National Fuel Investor Presentation, Fiscal 2025 – 4th Quarter and Full year Update, November 5,
2025.

11 S&P Capital IQ Pro, Fitch Ratings.

- 1 5. Regulated net operating income makes up more than 50 percent of the
 2 consolidated company’s net operating income (based on a 3-year average from
 3 2022-2024);
- 4 6. Regulated net operating income from regulated natural gas distribution makes
 5 up more than 60 percent of the consolidated company’s regulated net operating
 6 income (based on a 3-year average from 2022-2024); and
- 7 7. Is not involved in a merger or other transformative transaction.

8 **Q. WHAT IS THE COMPOSITION OF YOUR RESULTING PROXY GROUP?**

9 A. Based on the screening criteria discussed above, and financial information through
 10 fiscal year 2024, I arrived at a proxy group consisting of the 7 companies shown in
 11 Figure 8. The results of my screening process are shown in Exhibit JCN-3.

12 **FIGURE 8: PROXY GROUP**

Company	Ticker
Atmos Energy Corporation	ATO
New Jersey Resources Corporation	NJR
NiSource Inc.	NI
Northwest Natural Holding Co.	NWN
ONE Gas Inc.	OGS
Southwest Gas Holdings, Inc.	SWX
Spire, Inc.	SR

13 **Q. IS IT APPROPRIATE TO INCLUDE SPIRE, INC. IN YOUR PROXY**
 14 **GROUP, DESPITE ITS RECENT TRANSACTION?**

1 A. Yes, it is. Spire, Inc. (“Spire”) announced that it is acquiring the Piedmont Gas
2 Tennessee business from Duke Energy.¹² However, considering that the acquisition
3 is not anticipated to have a transformative effect on the company, Spire will
4 continue to be a predominantly natural gas utility company. In fact, the transaction
5 will expand Spire’s natural gas utility operations. Further, the purpose of this
6 screen is to eliminate the impact of extraordinary price changes, such as those often
7 caused by merger and acquisition activity. Since the announcement in July 2025,
8 there has been no meaningful change in Spire’s stock price performance relative to
9 other utility companies. Further, Exhibit JCN-2 presents the model results both
10 including and excluding Spire from the proxy group and the mean results are
11 substantially similar.

12 **Q. DO YOUR SCREENING CRITERIA RESULT IN A GROUP OF**
13 **COMPANIES THAT INVESTORS WOULD VIEW AS COMPARABLE TO**
14 **NFGDC’S OPERATIONS?**

15 A. Yes. While no proxy group will be identical in risk to NFGDC, I believe this group
16 of natural gas utilities is reasonably comparable to the financial and operational
17 characteristics of NFGDC. The proxy group screening criterion requiring an
18 investment grade credit rating ensures that the proxy group companies, like
19 NFGDC, are in sound financial condition. Additionally, I have screened based on
20 the percent of net operating income derived from regulated operations to

12 Spire, Inc. “Spire to acquire Tennessee Piedmont Natural Gas business from Duke Energy.” July 29, 2025. Available here: <https://investors.spireenergy.com/news/news-details/2025/Spire-to-acquire-Tennessee-Piedmont-Natural-Gas-business-from-Duke-Energy/default.aspx>

1 differentiate between utilities that are protected by regulation and those with
2 substantial unregulated operations or market-related risks. Finally, the screening
3 criterion of percentage contribution of the natural gas utility segment to regulated
4 consolidated financial results ensures that proxy companies are focused on natural
5 gas utility operations, since this proceeding is limited to determining the
6 appropriate ROE for the stand-alone gas distribution operations of NFGDC. These
7 screens collectively reflect key risk factors that investors consider in making
8 investments in natural gas utilities. The results of the screening criterion on each
9 potential proxy company are presented in Exhibit JCN-3.

10 **Q. WHAT IS YOUR CONCLUSION WITH REGARD TO THE PROXY**
11 **GROUP FOR NFGDC?**

12 A. I conclude that my group of seven natural gas utilities adequately reflects the broad
13 set of risks that investors consider when investing in a natural gas distribution
14 company such as NFGDC's natural gas utility operations.

VI. DETERMINATION OF THE APPROPRIATE COST OF EQUITY

15 **Q. WHAT MODELS DID YOU USE IN YOUR ROE ANALYSES?**

16 A. I have considered the results of several ROE estimation models, including the
17 Constant Growth DCF model, the CAPM, the Bond Yield Plus Risk Premium
18 approaches. Consistent with the practice of many analysts, when estimating the cost
19 of equity, I gather and evaluate as much relevant data (both quantitative and
20 qualitative) as can be reasonably obtained.

A. Constant Growth DCF Model

1 **Q. PLEASE DESCRIBE THE DCF APPROACH.**

2 A. The DCF approach is based on the theory that a stock's current price represents the
3 present value of all expected future cash flows, which for purposes of the model,
4 are assumed to be equal to all expected future dividends. Thus, the return required
5 by investors is implied by the per share price of a company's common stock. In its
6 most general form, the DCF model is expressed as follows:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_\infty}{(1+k)^\infty} \quad [1]$$

7
8 Where P_0 represents the current stock price, $D_1 \dots D_\infty$ are all expected future
9 dividends, and k is the discount rate, or required ROE. Equation [1] is a standard
10 present value calculation, which can be simplified and rearranged, to the Constant
11 Growth form of the DCF model, expressed as the sum of the expected dividend
12 yield and long-term growth rate:

$$k = \frac{D(1+g)}{P_0} + g \quad [2]$$

13
14 Where "k" equals the required return, "D" is the current dividend, "g" is the
15 expected growth rate, and " P_0 " represents the current stock price. Stated in this
16 manner, the cost of common equity is equal to the expected dividend yield plus the
17 dividend growth rate.

1 **Q. WHAT ARE THE ASSUMPTIONS UNDERLYING THE CONSTANT**
2 **GROWTH DCF MODEL?**

3 A. The Constant Growth DCF model is based on the following assumptions: (1) a
4 constant average growth rate for earnings and dividends; (2) a stable dividend
5 payout ratio; (3) a constant price-to-earnings multiple; and (4) a discount rate
6 greater than the expected growth rate.

7 **Q. PLEASE SUMMARIZE YOUR APPLICATION OF THE CONSTANT**
8 **GROWTH DCF MODEL.**

9 A. I calculated DCF results for each of the proxy group companies using the following
10 inputs:

- 11 • Average stock prices for the historical period, over 30, 90, and 180 trading
12 days through November 28, 2025;
- 13 • Annualized dividend per share as of November 28, 2025; and
- 14 • Company-specific earnings growth forecasts for the term g.

15 My application of the Constant Growth DCF model is provided in Exhibit JCN-4.

1 **Q. WHY DID YOU USE AVERAGING PERIODS OF 30, 90, AND 180**
2 **TRADING DAYS?**

3 A. It is important to use an average of recent trading days to calculate the term P in
4 the DCF model to ensure that the calculated ROE is not skewed by anomalous
5 events that may affect stock prices on any given trading day. At the same time, it is
6 important to reflect the conditions that have defined the financial markets over the
7 recent past. In my view, consideration of those three averaging periods reasonably
8 balances these interests.

9 **Q. DID YOU ADJUST THE DIVIDEND YIELD TO ACCOUNT FOR**
10 **PERIODIC GROWTH IN DIVIDENDS?**

11 A. Yes, I did. Utility companies tend to increase their quarterly dividends at different
12 times throughout the year, so it is reasonable to assume that such increases will be
13 evenly distributed over calendar quarters. Given that assumption, it is reasonable to
14 apply one-half of the expected annual dividend growth rate for the purposes of
15 calculating this component of the DCF model. This adjustment ensures that the
16 expected dividend yield is representative of the coming 12-month period.
17 Accordingly, the DCF estimates reflect one-half of the expected growth in the
18 dividend yield.¹³

13 The expected dividend yield is calculated as $d_1 = d_0 (1 + \frac{1}{2} g)$.

1 **Q. WHAT SOURCES OF GROWTH HAVE YOU USED IN YOUR DCF**
2 **ANALYSIS?**

3 A. I have used the consensus analyst five-year growth estimates in earnings per share
4 (“EPS”) from S&P Capital IQ and Zacks, as well as EPS growth rate estimates
5 published by Value Line.

6 **Q. WHY DID YOU FOCUS ON EPS GROWTH?**

7 A. The Constant Growth DCF model assumes that dividends grow at a constant rate
8 in perpetuity. Accordingly, in order to reduce the long-term growth rate to a single
9 measure, one must assume a constant payout ratio, and that earnings per share,
10 dividends per share, and book value per share all grow at the same constant rate.
11 Over the long term, however, dividend growth can only be sustained by earnings
12 growth. As noted by Brigham and Houston in their text, *Fundamentals of Financial*
13 *Management*: “Growth in dividends occurs primarily as a result of growth in
14 *earnings per share* (EPS).”¹⁴ It is therefore important to focus on measures of long-
15 term earnings growth from credible sources as an appropriate measure of long-term
16 growth in the DCF model.

17 **Q. IS YOUR USE OF EPS GROWTH RATES IN LINE WITH THE**
18 **COMMISSION’S APPROACH?**

19 A. Yes, it is. In its determination of the “Current DCF”, which ultimately factors into
20 the Commission’s Market Based Returns on Common Equity,¹⁵ the Bureau of

14 Eugene F. Brigham and Joel F. Houston, Fundamentals of Financial Management (Concise Fourth Edition, Thomson South-Western), at 317 (emphasis added).

15 See for example, Bureau of Technical Utility Services Report on the Quarterly Earnings of Jurisdictional Utilities for the Year Ended June 30, 2025, Docket No. M-2025-3057215 (October 23, 2025).

1 Technical Utility Services employs the 5-year earnings growth rates from the same
2 sources (i.e., Value Line, Zacks, and S&P) to the dividends per share of each of the
3 companies in its barometer, or proxy, group as I employ in my Constant Growth
4 DCF.

5 **Q. ARE OTHER SOURCES OF DIVIDEND GROWTH AVAILABLE TO**
6 **INVESTORS?**

7 A. Yes, although that does not mean that investors incorporate such estimates into their
8 investment decisions. Academic studies suggest that investors base their investment
9 decisions on analysts' expectations of growth in earnings.¹⁶ I am not aware of any
10 similar findings regarding non-earnings-based growth estimates. In addition, the
11 only forward-looking growth rates that are available on a consensus basis are
12 analysts' EPS growth rates. The fact that earnings growth projections are the only
13 widely accepted estimates of growth provides further support that earnings growth
14 is the most meaningful measure of growth among the investment community.

15 **Q. WHAT ARE THE RESULTS OF YOUR CONSTANT GROWTH DCF**
16 **ANALYSIS?**

17 A. The results of my Constant Growth DCF analysis are provided in Exhibit JCN-4
18 and summarized in Figure 9.

16 See, e.g., Harris and Marston, *Estimating Shareholder Risk Premia Using Analysts Growth Forecasts*, Financial Management, Summer 1992, at 65; and Vander Weide and Carleton, *Investor Growth Expectations: Analysts vs. History*, The Journal of Portfolio Management, Spring 1988, at 81. Please note that while the original study was published in 1988, it was updated in 2004 under the direction of Dr. Vander Weide. The results of that updated study are consistent with Vander Weide and Carleton's original conclusions.

1

FIGURE 9: CONSTANT GROWTH DCF RESULTS

	Mean Low	Median	Mean	Mean High
30-day average	10.51%	10.64%	11.46%	12.21%
90-day average	10.65%	10.68%	11.60%	12.35%
180-day average	10.74%	10.79%	11.69%	12.45%

2 **Q. HOW DID YOU CALCULATE THE MEAN HIGH, MEAN LOW, AND**
3 **OVERALL MEAN DCF RESULTS?**

4 A. I calculated the Mean High DCF result using the maximum growth rate (i.e., the
5 maximum of the S&P Capital IQ, Value Line, and Zacks EPS growth rates) in
6 combination with the expected dividend yield for each of the proxy group
7 companies. I used a similar method to calculate the Mean Low DCF results, using
8 the minimum growth rate for each company. The Mean results reflect the average
9 growth rate from each source for each company in combination with the expected
10 dividend yield.

B. CAPM Analysis

11 **Q. PLEASE BRIEFLY DESCRIBE THE GENERAL FORM OF THE**
12 **CAPITAL ASSET PRICING MODEL.**

13 A. The CAPM is a risk premium approach that estimates the cost of equity for a given
14 security as a function of a risk-free return plus a risk premium (to compensate
15 investors for the non-diversifiable or “systematic” risk of that security).¹⁷ As shown

17 Systematic risks are fundamental market risks that reflect aggregate economic measures and therefore cannot be mitigated through diversification. Unsystematic risks reflect company-specific risks that can be mitigated and ultimately eliminated through investments in a portfolio of companies and/or market sectors.

1 in Equation [3], the CAPM is defined by four components, each of which must
2 theoretically be a forward-looking estimate:

3
$$K_e = r_f + \beta(r_m - r_f) \quad [3]$$

4 Where:

5 K_e = the required ROE for a given security;

6 r_f = the risk-free rate of return;

7 β = the Beta of an individual security; and

8 r_m = the required return for the market as a whole.

9 The term $(r_m - r_f)$ represents the Market Risk Premium (MRP). According
10 to the theory underlying the CAPM, since unsystematic risk can be diversified
11 away, investors should be concerned only with systematic or non-diversifiable risk.
12 Non-diversifiable risk is measured by Beta, which is defined as:

13
$$\beta = \frac{\text{Covariance}(r_e, r_m)}{\text{Variance}(r_m)} \quad [4]$$

14 Where:

15 r_e = the rate of return for the individual security or portfolio.

16 The variance of the market return, noted in Equation [4], is a measure of the
17 uncertainty of the general market, and the covariance between the return on a
18 specific security and the market reflects the extent to which the return on that
19 security will respond to a given change in the market return. Thus, Beta represents
20 the risk that the selected security will not be effective in diversifying systematic
21 market risks.

1 **Q. WHAT RISK-FREE RATE DID YOU USE IN YOUR CAPM ANALYSIS?**

2 A. I considered three estimates of the expected risk-free rate: (1) the current 30-day
3 average yield on 30-year U.S. Treasury bonds (i.e., 4.66 percent);¹⁸ (2) the
4 projected 30-year U.S. Treasury bond yield for Q1 2026 through Q1 2027 (i.e., 4.60
5 percent);¹⁹ and (3) the projected 30-year U.S. Treasury bond yield for 2027 through
6 2031 (i.e., 4.60 percent).²⁰ It is important to consider both current and projected
7 bond yields. Using the 5-year forecast of bond yields helps alleviate any short-term
8 market factors affecting the risk-free rate, or “ r_f ” in the CAPM formula. It is also
9 important to recognize that NFGDC is financing long-lived assets, and the cost of
10 capital should be forward looking to reflect that perspective.

11 **Q. WHAT MEASURES OF BETA DID YOU USE IN YOUR CAPM**
12 **ANALYSIS?**

13 A. As shown in Exhibit JCN-6, I utilized two measures of Beta for the proxy group
14 companies: (1) the reported Beta coefficients from Bloomberg (which are
15 calculated using ten years of weekly data against the S&P 500 Index); and (2) the
16 reported Beta coefficients from Value Line (which are calculated using five years
17 of weekly data against the New York Stock Exchange Composite Index).

18 **Q. WHAT MARKET RISK PREMIUM DID YOU USE IN YOUR CAPM**
19 **ANALYSIS?**

20 A. Consistent with the approach adopted by FERC, I used the Constant Growth DCF
21 model to estimate the market capitalization-weighted total market return for the

18 Bloomberg Professional, as of November 28, 2025.

19 Blue Chip Financial Forecasts, Vol. 44, No. 12, December 1, 2025, at 2.

20 Blue Chip Financial Forecasts, Vol. 44, No. 12, December 1, 2025, at 14.

1 S&P 500 Index, using projected earnings growth rates and dividend yields. As
2 shown in Exhibit JCN-5, to calculate the Constant Growth DCF estimate for each
3 company in the S&P 500, I relied on dividend yields as of November 28, 2025, as
4 reported by S&P Capital IQ, and projected EPS growth rates from Value Line. In
5 my initial analysis, I included all companies in the S&P 500. When investors
6 purchase the S&P 500 Index or a mutual fund or exchange traded fund that mirrors
7 the S&P Index, their total return is based on the returns for all 500 companies in
8 the S&P Index. As such, this methodology provides the best indication as to the
9 expected return for the overall market using the S&P 500 as a proxy. Applying this
10 methodology suggests an expected market return of 15.09 percent. However, I
11 applied FERC's more conservative convention to consider only a subset of S&P
12 500 companies with growth rates that are between 0 percent and 20 percent. This
13 methodology suggests an expected market return of 11.62 percent.

14 **Q. WHAT ARE THE RESULTS OF YOUR CAPM ANALYSES?**

15 A. The results of my CAPM analysis are provided in Exhibit JCN-6 and summarized
16 in Figure 10.

1

FIGURE 10: PROXY GROUP AVERAGE CAPM RESULTS

	CAPM Result
<i>Value Line Beta Coefficients</i>	
Current Risk-Free Rate	11.30%
2026-27 Projected Risk-Free Rate	11.29%
2027-31 Projected Risk-Free Rate	11.29%
<i>Bloomberg Beta Coefficients</i>	
Current Risk-Free Rate	11.09%
2026-27 Projected Risk-Free Rate	11.07%
2027-31 Projected Risk-Free Rate	11.07%

C. Risk Premium Analysis

2 **Q. PLEASE DESCRIBE THE RISK PREMIUM APPROACH THAT YOU**
3 **USED.**

4 A. In general terms, this approach recognizes that equity is riskier than debt because
5 equity investors bear the residual risk associated with ownership. Equity investors,
6 therefore, require a greater return (i.e., a premium) than would a bondholder. The
7 Risk Premium approach estimates the cost of equity as the sum of the Equity Risk
8 Premium and the yield on a particular class of bonds.

9
$$ROE = RP + Y \quad [5]$$

10 Where:

11 *RP* = Risk Premium (difference between allowed ROE and the 30-Year
12 Treasury Yield); and
13 *Y* = Applicable bond yield.

14 Since the equity risk premium is not directly observable, it is typically
15 estimated using a variety of approaches, some of which incorporate *ex-ante*, or
16 forward-looking, estimates of the cost of equity and others that consider historical,

1 or *ex-post*, estimates. For my Risk Premium analysis, I have relied on authorized
2 returns from a large sample of natural gas utility companies.

3 **Q. WHAT DID YOUR RISK PREMIUM ANALYSIS INDICATE?**

4 A. To estimate the relationship between risk premia and interest rates, I conducted a
5 regression analysis using the following equation:

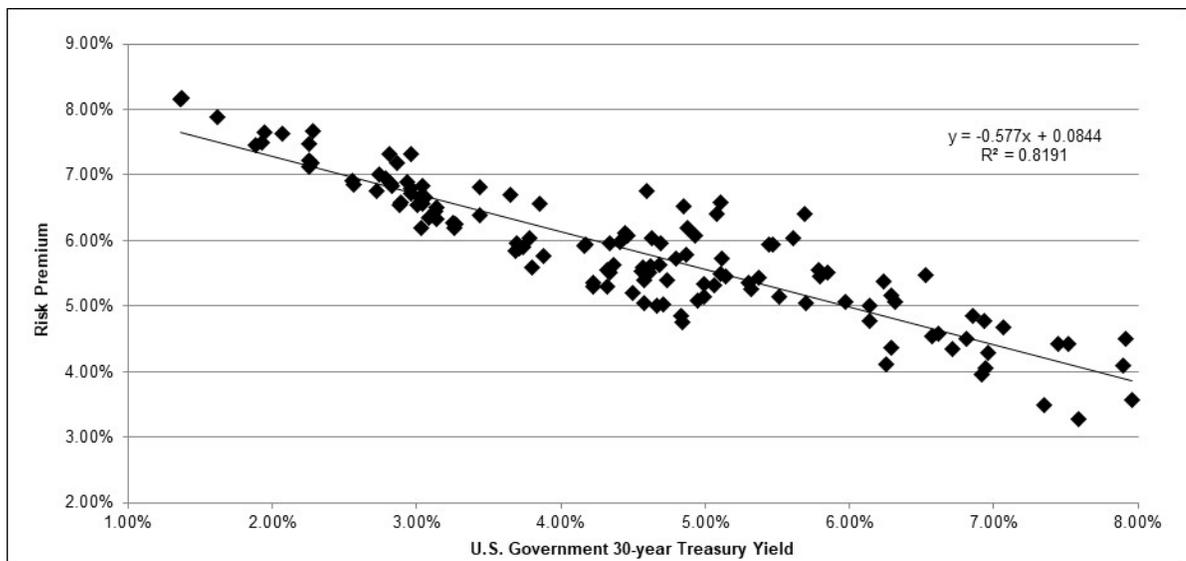
$$RP = a + (b \times Y) \quad [6]$$

7 where:

- 8 RP = Risk Premium (difference between allowed ROEs and the 30-Year
- 9 Treasury Yield);
- 10 a = Intercept term;
- 11 b = Slope term; and
- 12 Y = 30-Year Treasury Yield.

13 Data regarding allowed ROEs were derived from 863 natural gas utility
14 company rate cases from January 1, 1992, through November 28, 2025, as reported
15 by Regulatory Research Associates.

16 **FIGURE 11: RISK PREMIUM RESULTS**



As illustrated by Figure 11 above, the risk premium varies with the level of bond yield, and generally increases as the bond yields decrease, and vice versa. In order to apply this relationship to current and expected bond yields, I consider three estimates of the 30-year Treasury yield, including the current 30-day average, a near-term Blue Chip consensus forecast for Q1 2026 – Q1 2027, and a Blue Chip consensus forecast for 2027–2031. Based on the regression coefficients in Exhibit JCN-7, which allow for the estimation of the risk premium at varying bond yields, the results of my Risk Premium analysis are shown in Figure 12 below.

FIGURE 12: RISK PREMIUM RESULTS USING 30-YEAR TREASURY YIELD

	30-Day Average Yield on 30-Year Treasury Bond	Q1 2026–Q1 2027 Forecast for Yield on 30-Year Treasury Bond²¹	2027-2031 Forecast for Yield 30-Year Treasury Bond²²
Yield	4.66%	4.60%	4.60%
Risk Premium	5.76%	5.79%	5.79%
Resulting ROE	10.41%	10.39%	10.39%

D. Evaluating Model Results

Q. PLEASE EXPLAIN HOW YOU CONSIDERED THE RESULTS OF THE DCF, CAPM, AND RISK PREMIUM ANALYSES TO ARRIVE AT YOUR ROE RECOMMENDATION.

A. As shown in Figure 13, I have considered the results of the DCF, CAPM, and Risk Premium analyses. For the DCF result, I included the average of the 30-day, 90-day, and 180-day analyses. For the CAPM result, I relied on the average of current

21 Blue Chip Financial Forecasts, Vol. 44, No. 12, December 1, 2025, at 2.
 22 Blue Chip Financial Forecasts, Vol. 44, No. 12, December 1, 2025, at 14.

1 and projected Treasury yields, the average of Value Line and Bloomberg Betas
2 coefficients, and the MRP derived from a subset of the S&P 500 companies. For
3 the Risk Premium analysis, I relied on the average of current and projected Treasury
4 yields.

5 **FIGURE 13: BASE ROE RESULTS**

	Average	Median
DCF Result	11.58%	10.70%
CAPM Result	11.19%	11.13%
Risk Premium	10.40%	10.40%
Average	11.06%	10.92%

6
7 As discussed in the next Section of my testimony, these estimates serve as
8 a base prior to consideration of the relative business and financial risks of NFGDC
9 as compared to the proxy companies.

VII. BUSINESS RISKS AND OTHER CONSIDERATIONS

10 **Q. ARE THERE FACTORS SPECIFIC TO THE COMPANY'S RISK**
11 **PROFILE THAT YOU HAVE ALSO CONSIDERED IN DEVELOPING**
12 **YOUR ROE RECOMMENDATION?**

13 **A.** Notwithstanding the care taken to establish a risk-comparable group of proxy
14 companies and to consider the results of multiple analytical approaches, market
15 expectations with respect to future risks and growth opportunities will vary from
16 company to company. Therefore, the Company's business risks must also be taken

1 into consideration when determining where the Company's cost of equity falls
2 within the range of results. As discussed in more detail below, I considered the
3 Company's (1) capital expenditure plan; (2) significantly smaller size compared to
4 the proxy companies; (3) customer concentration risk; and (4) regulatory risk
5 relative to the proxy group companies.

6 **A. Capital Expenditure Program**

7 **Q. PLEASE DISCUSS NFGDC'S CAPITAL EXPENDITURE PROGRAM.**

8 A. The Company's long-standing focus on distribution system safety and reliability
9 drives its capital expenditure program. As indicated in the Company's recent
10 earnings presentation, NFGDC plans to spend between \$185 and \$205 million on
11 total capital expenditures in 2026. In 2025, the Company spent approximately 78
12 percent (or \$147.7 million) of total capital expenditures on safety and reliability
13 improvements.²³ These expenditures include utility main pipeline replacement,
14 modernization of its gas system, and emissions reductions.

15 As with any utility facing capital expenditure requirements, the Company's
16 risk profile is affected in two significant and related ways: (1) an elevated level of
17 capital investment increases the risk of under-recovery or delayed recovery of the
18 invested capital; and (2) an inadequate return would put downward pressure on key
19 credit metrics. The Company's capital spending program will put significant
20 pressure on the Company's need to raise capital, and the terms will have lasting
21 impacts for the Company's customers.

23 National Fuel Investor Presentation, Fiscal 2025 – 4th Quarter and Full year Update, November 5, 2025.

1 **Q. DO CREDIT RATING AGENCIES RECOGNIZE THE RISKS**
2 **ASSOCIATED WITH ELEVATED LEVELS OF CAPITAL**
3 **EXPENDITURES?**

4 A. Yes. From a credit perspective, the additional pressure on cash flows associated
5 with higher levels of capital expenditures exerts corresponding pressure on credit
6 metrics and, therefore, credit ratings. Moody’s explains the implications of large
7 capital expenditure programs on utilities’ credit profiles and notes that “[h]igh
8 capital expenditures were a key driver of most of [Moody’s] negative rating
9 actions” in 2024:²⁴

10 Credit pressure is emerging most acutely for companies with large,
11 complex or multiyear projects or for those that are experiencing a
12 delay in the recovery of investment costs. Unlike exogenous events
13 of recent years – such as severe storms, commodity price spikes and
14 the COVID-19 pandemic, which we viewed as temporary events –
15 capital spending and related financings are core long-term financial
16 policy issues. As such, we are not regarding them as temporary and
17 believe they will likely continue to lead to negative rating actions if
18 not sufficiently mitigated.²⁵

19 S&P explains the importance of regulatory support for large capital projects:

20 When applicable, a jurisdiction’s willingness to support large capital
21 projects with cash during construction is an important aspect of our
22 analysis. This is especially true when the project represents a major
23 addition to rate base and entails long lead times and technological
24 risks that make it susceptible to construction delays. Broad support
25 for all capital spending is the most credit-sustaining. Support for
26 only specific types of capital spending, such as specific
27 environmental projects or system integrity plans, is less so, but still
28 favorable for creditors. Allowance of a cash return on construction
29 work-in-progress or similar ratemaking methods historically were
30 extraordinary measures for use in unusual circumstances, but when
31 construction costs are rising, cash flow support could be crucial to

24 Moody’s Ratings, Electric and Gas Utilities – US Sector In-Depth, “High capital spending will weigh on credit quality without supportive company actions,” at 3 (October 21, 2024).

25 *Id.*, at 2.

1 maintain credit quality through the spending program. Even more
2 favorable are those jurisdictions that present an opportunity for a
3 higher return on capital projects as an incentive to investors.²⁶

4 The utility’s ability to recover its full cost of operations and business, including the
5 costs to maintain and improve its system, is a critical factor in the assessment of its
6 financial strength and creditworthiness. For investors, these considerations factor
7 into the overall perception of risk and consequently, the return required to
8 compensate for this risk. To provide continuous safe and reliable service,
9 maintaining access to capital markets on favorable terms is critical for utilities and
10 their customers, especially during periods of significant capital investment.

11 **Q. WHAT IS YOUR CONCLUSION REGARDING HOW NFGDC’S**
12 **PROJECTED CAPITAL EXPENDITURE PROGRAM AFFECTS THE**
13 **COMPANY’S RISK PROFILE AND COST OF EQUITY?**

14 A. My primary conclusion is that NFGDC’s capital expenditure program is a testament
15 to the Company’s commitment to improving its infrastructure in order to provide
16 reliable and safe operations to its customers. The Company’s capital spending
17 program places pressure on internal cash flows and credit metrics, and will require
18 the company to maintain access to capital markets on favorable terms and
19 conditions. For these reasons, it is important that the authorized ROE be set at a
20 level that allows NFGDC to continue to attract both debt and equity under favorable
21 terms regardless of the economic and financial market conditions.

26 S&P Global Ratings, “Assessing U.S. Investor-Owned Utility Regulatory Environments,” August 10, 2016, at 7.

1 **B. Small Size Risk**

2 **Q. HOW DOES THE COMPANY'S SMALL SIZE AFFECT ITS RISK**
3 **PROFILE AND COST OF EQUITY?**

4 A. The small size of NFGDC relative to the proxy group companies is an important
5 risk factor in determining the Company's cost of equity. Smaller companies
6 generally are thought to be riskier than larger companies, and thus investors require
7 a higher return for investment in smaller firms. That higher return requirement is
8 known as the "size premium." Academic literature recognizes that smaller
9 companies tend to be rewarded with higher total returns than larger companies,
10 even after the relative illiquidity of smaller company stock is taken into account.
11 Exhibit JCN-8 shows NFGDC's implied market capitalization relative to the proxy
12 group companies. By applying the proxy group median market-to-book ratio of
13 1.61 to NFGDC's historical test year book equity balance of \$768 million, the
14 Company's implied market capitalization is \$1.24 billion, or 23.92 percent of the
15 proxy group median market capitalization of \$5.17 billion.

16 NFGDC's small size relative to the proxy group companies indicates that
17 the Company's earnings and cash flows may be disproportionately affected by
18 circumstances such as the loss of large customers as well as general macroeconomic
19 conditions in the service territory. Similarly, capital expenditures for non-revenue
20 producing investments such as system maintenance and replacements will put
21 proportionately greater pressure on the Company's cost of service. Taken together,
22 these risks affect the return required by investors for smaller companies. While I
23 recognize that as a wholly-owned subsidiary of National Fuel Gas NFGDC may

1 have some protection from such external shocks, on a stand-alone basis the
2 Company is relatively small as compared to the proxy group companies used for
3 the ROE analysis. This small size magnifies the effect of other business and
4 financial risks on the Company.

5 **Q. WHY IS IT IMPORTANT TO CONSIDER THE RISK ASSOCIATED**
6 **WITH NFGDC'S SMALL SIZE EVEN THOUGH IT IS A SUBSIDIARY OF**
7 **A LARGER ENTITY?**

8 A. The widely accepted "stand-alone" regulatory principle treats each utility
9 subsidiary as its own company. Parent entities (whether publicly or privately
10 owned) like other investors, have capital constraints and must look at the
11 attractiveness of the expected risk-adjusted return of each investment alternative in
12 their capital budgeting process. The opportunity cost concept applies regardless of
13 the source of the funding. When funding is provided by a parent entity, the return
14 still must be sufficient to provide an incentive to allocate equity capital to the
15 subsidiary or business unit rather than other internal or external investment
16 opportunities. That is, the regulated subsidiary competes for capital with the parent
17 company's affiliates, and with other similarly situated utility companies. In that
18 regard, investors value corporate entities on a sum-of-the-parts basis and expect
19 each division within the parent company to provide an appropriate risk-adjusted
20 return. It therefore is important that the authorized ROE reflects the risks and
21 prospects of the utility's operations and supports the utility's financial integrity from
22 a stand-alone perspective. From that perspective, the fact that NFGDC is a

1 subsidiary of National Fuel Gas is not relevant to the consideration of the risk
2 associated with NFGDC's small size.

3 **Q. DO CREDIT RATING AGENCIES CONSIDER SMALL SIZE AS A**
4 **DISTINGUISHING RISK FACTOR?**

5 A. Yes. Moody's, for example, considers the size and diversity of utility operations
6 to be a distinguishing factor that makes some utilities riskier than others. In
7 discussing its rating methodology for regulated electric and gas utilities, Moody's
8 states:

9 In assessing market position, we consider the economic diversity of
10 the utility's service territory and the diversity of its regulatory
11 regimes, as well as the size and scale of a utility's operations. We
12 also consider the diversity of utility operations (e.g., regulated
13 electric, gas, water, steam) where there are material operations in
14 more than one area.

15 Economic diversity is typically a function of the population, size and
16 breadth of the territory and the businesses that drive its gross
17 domestic product (GDP) and employment. For the size of the
18 territory, we typically consider the number of customers and the
19 volume of generation and/or throughput. For breadth, we consider
20 the number of sizable metropolitan areas served, the economic
21 diversity and vitality in those metropolitan areas, and any
22 concentration in a particular area or industry. In our assessment, we
23 may consider various information sources. We also consider the mix
24 of the utility's sales volumes among customer types, as well as the
25 track record of volume sales and any notable payment patterns
26 during economic cycles. For diversity of regulatory regimes, we
27 typically look at the number of regulators and the percentages of
28 revenues and utility assets that are under the purview of each. Issuers
29 regulated in multiple jurisdictions typically receive the highest
30 scores in the Market Position sub-factor. Where there is only one
31 regulator, we make a differentiation of regimes perceived as having
32 lower or higher volatility. Size of the utility is also considered, since
33 a larger utility can better absorb the impact of temporary, or one-
34 time, adverse events.²⁷

27 Moody's Investor Service, Rating Methodology, Regulated Electric and Gas Utilities, August 6, 2024, at 12.

1 NFGDC's smaller size increases its financial and business risks relative to the
2 proxy group companies. While I did not make a specific adjustment to the ROE
3 recommendation to account for this increased risk, it is an important consideration
4 in setting the ROE within the recommended range to compensate investors for this
5 increased risk.

6 **Q. WHAT IS YOUR CONCLUSION REGARDING HOW THE COMPANY'S**
7 **SMALL SIZE AFFECTS THE COMPANY'S RETURN ON EQUITY?**

8 A. My conclusion is that NFGDC is comparatively smaller than the proxy group
9 companies and the smaller size represents an incremental risk. While I have not
10 made a specific adjustment to reflect the Company's small size, the risk associated
11 with small size indicates that NFGDC's cost of equity is higher than the midpoint
12 of the range of proxy group results.

13 **C. Customer Concentration Risk**

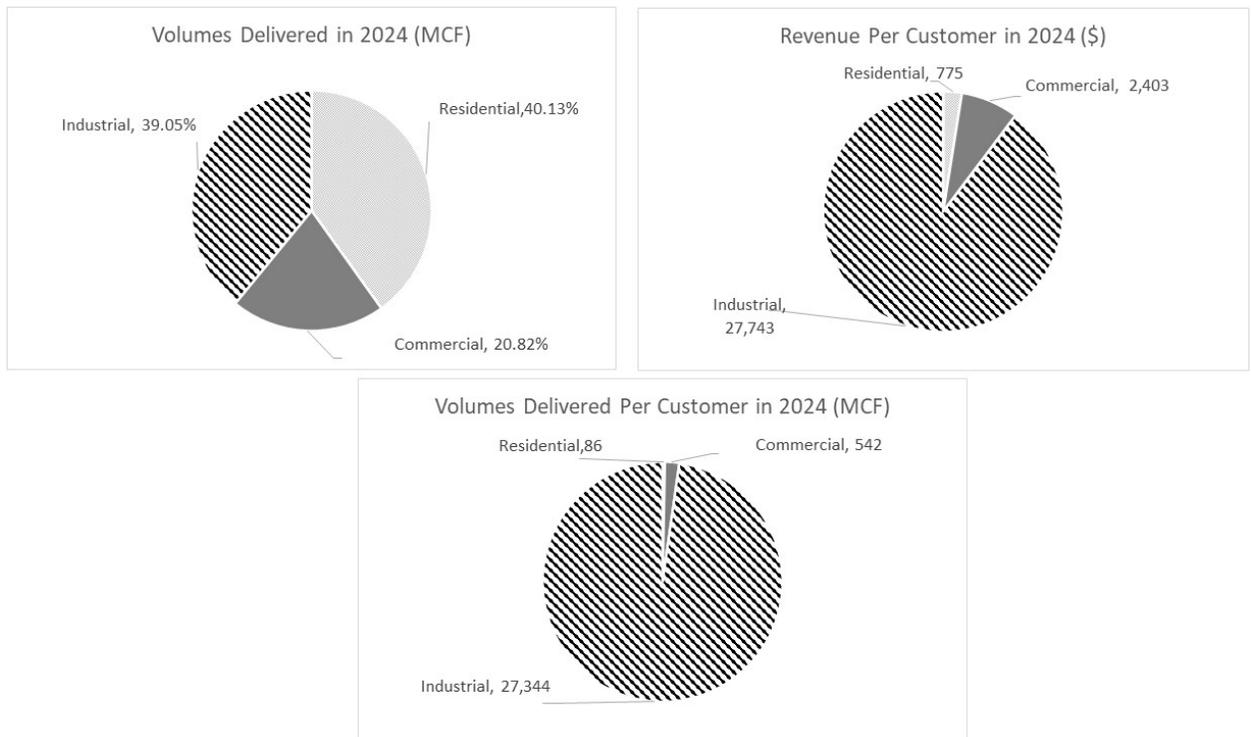
14 **Q. DOES NFGDC FACE ADDITIONAL BUSINESS RISKS RELATED TO ITS**
15 **NATURAL GAS OPERATIONS?**

16 A. Yes, it does. As a natural gas distribution company, NFGDC faces risks related to
17 evolving customer trends, competition from alternative energy sources, and federal
18 and state regulatory requirements. Moreover, NFGDC's position as a supplier for
19 residential, industrial, and commercial customers exposes the Company's
20 operations to macroeconomic and local economic conditions that influence the
21 demand for its product. Particularly, the Company's customer concentration risk is
22 highly pronounced in serving the industrial and manufacturing customers in
23 Pennsylvania. Manufacturing has consistently been one of the largest contributors

1 to Pennsylvania’s state Gross Domestic Product (“GDP”), although its overall
2 contribution has declined since the early 2000s.²⁸ As shown in Figure 14, from the
3 Company’s perspective, approximately 40 percent of the Company’s 2024 total
4 volumes in Pennsylvania were derived from industrial customers.²⁹ Industrial sales
5 are also of significance to the Company’s financial viability as industrial customers
6 represent the highest volume and revenue *per* customer. In other words, the loss of
7 industrial customers presents elevated risk to the Company’s financial health and
8 investors’ perception of business risk, especially for a small sized utility, as
9 discussed in the prior section.

10

FIGURE 14: CUSTOMER CONCENTRATION³⁰



11

28 Bureau of Economic Analysis, Series SAGDP2 (2010-2024).

29 Source: Gas Annual Report submitted to Pennsylvania Public Utility Commission for National Fuel Gas Distribution Corp, for the year ended December 31, 2024.

30 *Id.*

1 **Q. WHY DOES CUSTOMER CONCENTRATION INCREASE BUSINESS**
2 **RISK?**

3 A. Customer concentration exposes the Company to increased business risk due to loss
4 of large volumes and revenues associated with the loss of any single customer. This
5 risk is especially pronounced during periods of high economic and business
6 uncertainty such as the current dynamic with respect to inflation, interest rates, and
7 global geopolitical tensions. If a large industrial customer goes out of business or
8 significantly reduces its gas demand, a significant portion of the Company's
9 revenues will be lost. Furthermore, since the Company's distribution revenue
10 recovers fixed costs, which the Company continues to bear regardless of the
11 volumes delivered, NFGDC will not be able to recover those costs and
12 consequently underearn. These risks are highlighted by Dhaliwal, Judd, Serfling,
13 and Shaikh:

14 Depending on a major customer for a large portion of sales can be
15 risky for a supplier for two primary reasons. First, a supplier faces
16 the risk of losing substantial future sales if a major customer
17 becomes financially distressed or declares bankruptcy, switches to a
18 different supplier, or decides to develop products internally.
19 Consistent with this notion, Hertz et al. (2008) and Kolay et al.
20 (2015) document negative supplier abnormal stock returns to the
21 announcement that a major customer declares bankruptcy. Further,
22 a customer's weak financial condition or actions could signal
23 inherent problems about the supplier's viability to its remaining
24 customers and lead to compounding losses in sales. Second, a
25 supplier faces the risk of losing anticipated cash flows from being
26 unable to collect outstanding receivables if the customer goes
27 bankrupt. This assertion is consistent with the finding that suppliers
28 offering customers more trade credit experience larger negative
29 abnormal stock returns around the announcement of a customer

1 filing for Chapter 11 bankruptcy (Jorion and Zhang, 2009; Kolay et
2 al., 2015).³¹

3
4 This, in turn, will reduce investor confidence in the Company's
5 financial viability, may impact its credit ratings, and further increase capital
6 costs.

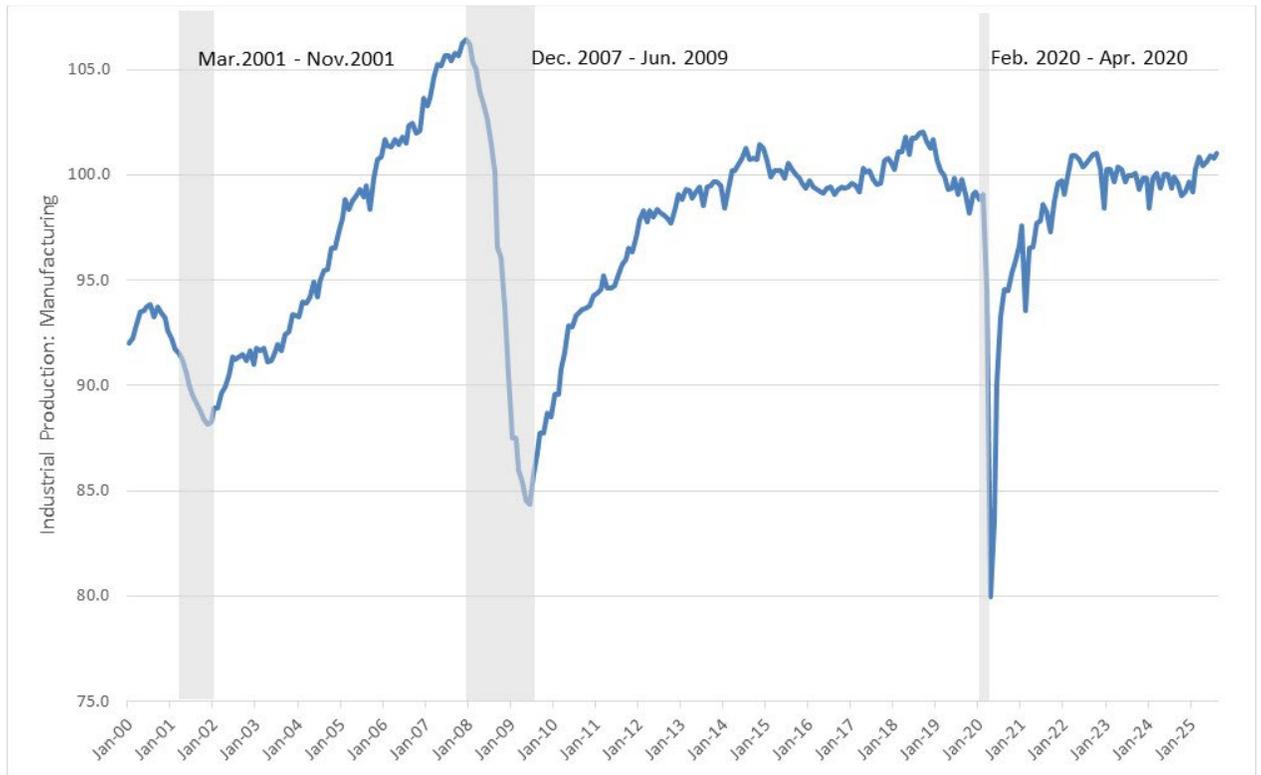
7 **Q. HOW WOULD INDUSTRIAL NATURAL GAS DEMAND BE IMPACTED**
8 **BY AN ECONOMIC DOWNTURN?**

9 A. Chemical and steel manufacturing, the primary industrial customers served by
10 NFGDC, are closely aligned with the general demand of consumer and durable
11 products, such as cars, appliances, buildings, and other machinery. When the
12 economy slows, or there is growing consumer uncertainty, the demand for
13 manufacturing these products eventually slows. This slowdown in manufacturing
14 further extends into the demand for natural gas supply by manufacturing plants.
15 This is evident in the declines in the industrial segment during each of the
16 recessions in recent years, as shown in Figure 15 below:

³¹ Dan S. Dhaliwal, J. Scott Judd, Matthew A. Serfling, and Sarah Shaikh, *Customer Concentration Risk and the Cost of Equity Capital*, SSRN Electronic Journal (2016): 1-2. Web.

1
2

FIGURE 15: U.S. INDUSTRIAL PRODUCTION IN MANUFACTURING ACROSS ECONOMIC CYCLES.³²



3

4

As evident in the figure above, industrial production in manufacturing declined significantly during economic downturns (i.e., March 2001 – November 2011; December 2007 – June 2009; and February 2020 – April 2020). These downturns directly impacted energy demand, as evidenced by the U.S. Energy Information Administration’s (“EIA”) Short-Term Energy Outlook in January 2010:

5

6

7

8

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13

14

EIA estimates that total natural gas consumption fell by 1.5 percent in 2009, primarily because of the economic downturn. Despite low natural gas prices throughout most of 2009, which contributed to a significant increase in natural gas-fired electric power generation, declines in industrial, residential, and commercial sector

³² Source: FRED St. Louis, Industrial Production: Manufacturing (IPMAN).

1 consumption drove the year-over-year decline in total
2 consumption.³³
3

4 Given economic volatility and uncertainty coupled with the Company's
5 significantly small size, NFGDC's customer concentration exposes the Company
6 to significant risk related to natural gas demand, particularly industrial customers
7 that comprise a significant portion of the Company's total volumes and revenues.

8 **D. Regulatory Framework and Relative Risk**

9 **Q. PLEASE EXPLAIN HOW CREDIT RATING AGENCIES CONSIDER THE**
10 **REGULATORY FRAMEWORK IN ESTABLISHING A COMPANY'S**
11 **CREDIT RATING.**

12 A. Moody's, S&P, and Fitch all consider the overall regulatory framework in
13 establishing credit ratings. As shown Figure 16, Moody's establishes credit ratings
14 based on four key factors:

15 **FIGURE 16: MOODY'S RATING FACTORS**

Factor	Weighting
Regulatory Framework	25%
Ability to Recover Costs and Earn Returns	25%
Diversification	10%
Financial Strength	40%
Total	100%

16
17 Two of these factors (*i.e.*, regulatory framework and the ability to recover
18 costs and earn returns) are based on the regulatory environment; thus, half of

33 U.S. Energy Information Administration, Short-Term Energy Outlook, January 12, 2010 Release.

1 Moody's overall assessment of business and financial risk for regulated utilities is
2 based on the regulatory environment.³⁴ Similarly, S&P has identified the regulatory
3 environment as an important factor, stating, "we believe the fundamental regulatory
4 environment in the jurisdictions in which a utility operates often influence credit
5 quality the most."³⁵ Fitch emphasized the importance of the regulatory
6 environment as follows:

7 A benign and supportive regulatory environment could support a
8 rating uplift, all other conditions being equal, even when credit
9 metrics are not in line with those of the relative rating level.
10 Conversely, an extended period of adverse or penalizing regulatory
11 actions could lead to lower ratings given regulatory constructs often
12 tend to be sticky and could take a long time to turn around.³⁶

13
14 **Q. HOW DOES NFGDC'S REGULATORY FRAMEWORK COMPARE TO**
15 **ITS PEER UTILITIES?**

16 A. I have undertaken a review of regulatory mechanisms designed to mitigate certain
17 business risks, and they support treating the results from the proxy group I selected
18 as representative of the business risk of a prudently managed regulated gas utility
19 like NFGDC. The results of my analysis are presented in Exhibit JCN-9.
20 Specifically, I examined the following elements of cost-recovery that affect the
21 regulatory risk of the Company and the proxy group companies: (1) test year
22 convention; (2) rate base convention; (3) revenue decoupling; and (4) capital cost
23 recovery.

34 Moody's Investor Service, Rating Methodology, Regulated Electric and Gas Utilities, August 6, 2024, at 2.

35 Standard & Poor's, *Assessing U.S. Utility Regulatory Environments*, March 11, 2010, at 2.

36 Fitch Ratings, *U.S. Utilities, Power and Gas Ratings Navigator Companion Special Report*, February 9, 2015, at 3.

1 Similar to 41.67 percent of the proxy group companies, NFGDC has a
2 forecasted rate base convention. In addition, NFGDC has a year-end rate base
3 convention, which is similar to 58.33 percent of the proxy group companies. While
4 90.91 percent and 70.83 percent of the proxy group companies have revenue
5 decoupling and capital cost recovery mechanisms, NFGDC has only a partial
6 revenue decoupling mechanism and a capped capital cost recovery mechanism.
7 Specifically, its weather normalization, which was effective starting October 2023,
8 is subject to a 3 percent deadband, and the Distribution System Improvement
9 Charge (“DSIC”), initiated on January 1, 2025, is limited to 5 percent of billed
10 distribution revenues. My conclusion is that while NFGDC has somewhat elevated
11 regulatory risk due to the limitations on its partial revenue decoupling and capital
12 cost recovery mechanisms, I do not make a specific adjustment to the ROE
13 recommendation.

VIII. CAPITAL STRUCTURE

14 **Q. WHAT IS NFGDC’S PROPOSED CAPITAL STRUCTURE?**

15 A. As summarized in the direct testimony of James C. Welch, National Fuel Statement
16 No. 11, the Company capital structure at the end of the FPFTY is projected to be
17 comprised of 56.4 percent common equity and 43.6 percent long-term debt. The
18 Company is proposing to use this capital structure in this proceeding.

19 **Q. HOW HAVE YOU ASSESSED THE REASONABLENESS OF NFGDC’S**
20 **PROPOSED CAPITAL STRUCTURE WITH RESPECT TO THE PROXY**
21 **GROUP?**

1 A. The proxy group has been selected to reflect comparable companies in terms of
2 business and financial risks. Therefore, it is appropriate to compare the financial
3 capital structures operating utilities of the proxy group companies to the financial
4 capital structure proposed by the Company in order to assess whether the
5 Company's capital structure is reasonable and consistent with industry standards
6 for companies with commensurate risk. I calculated the weighted average capital
7 structures for each of the proxy group operating companies for the period 2022 to
8 2024. Exhibit JCN-10 shows that the Company's proposed common equity ratio of
9 56.4 percent is within the range of actual common equity ratios of 46.51 percent to
10 60.16 percent for the operating companies held by the proxy group over this period.

11 **Q. BASED ON THE INFORMATION YOU HAVE PRESENTED, WHAT IS**
12 **THE FAIR RATE OF RETURN THAT SHOULD BE ALLOWED THE**
13 **COMPANY?**

14 A. As shown in Figure 17 below, based on the components discussed above, along
15 with my ROE recommendation of 11.25 percent, the Company should be allowed
16 an overall ROR of 8.78 percent.

17 **FIGURE 17: OVERALL RATE OF RETURN**

	Ratio	Cost	Weighted Cost Rate
Debt	43.6%	5.58%	2.44%
Common Equity	56.4%	11.25%	6.34%
TOTAL	100.0%		8.78%

18

IX. CONCLUSION

1 **Q. WHAT IS YOUR CONCLUSION REGARDING A FAIR ROE FOR**
2 **NFGDC?**

3 A. Based on the quantitative analyses provided in my Direct Testimony, I have
4 established a range of ROE results shown previously in Figure 1 (also see Exhibit
5 JCN-2). I consider an ROE range of 10.30 percent to 11.30 to be reasonable. From
6 within that range, and considering the Company's risk profile and the
7 management's exceptional efficiency, I recommend an ROE of 11.25. My ROE
8 recommendation considers an 11.00 percent base ROE as well as a 25-basis point
9 management efficiency premium.

10 **Q. WHAT IS YOUR RECOMMENDATION WITH REGARD TO NFGDC'S**
11 **OVERALL RATE OF RETURN, INCLUDING ITS CAPITAL**
12 **STRUCTURE IN THIS PROCEEDING?**

13 A. I recommend that the Commission authorize an overall rate of return of 8.78 percent
14 for NFGDC based on a capital structure consisting of 56.40 percent equity and 43.6
15 percent long-term debt.

16 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

17 A. Yes, it does.

NATIONAL FUEL EXHIBIT JCN-1

JOSHUA C. NOWAK
VICE PRESIDENT

Mr. Nowak is a financial and economic consultant with more than fifteen years of experience in the energy industry. He has provided expert testimony on regulatory issues in several proceedings before the Federal Energy Regulatory Commission (FERC), the Canada Energy Regulator (CER), and regulatory commissions in Alaska, California, Connecticut, Kentucky, Minnesota, New Brunswick, New Hampshire, New Jersey, New York, North Dakota, Ohio, South Dakota, and Texas. Mr. Nowak specializes in providing rate case services on economic conditions and financial market matters related to the cost of capital. He is also experienced in providing strategic direction on financing activities including bond offerings, credit rating analysis, and investor relations. Previously, Josh was the Director of Regulatory Strategy & Integrated Analytics at National Grid where he was responsible for issues related to the cost of capital across its federal and state jurisdictional operating companies. He holds a Bachelor's Degree in Economics and History from Boston College.

REPRESENTATIVE EXPERIENCE

Expert Testimony and Litigation Support

Mr. Nowak's work includes regulatory project management, research, and analysis for expert witness testimony. His work has included:

- Expert testimony on cost of capital, financial markets, return on equity, capital structure, and debt financing issues
- Regulatory strategy in return on equity proceedings, including coordination across several utilities in joint-party proceedings
- Extensive support for expert testimony in cost of capital and return on equity proceedings through research, financial analysis, and testimony development
- Expert testimony, sponsoring lead-lag studies, in support of utility cash working capital requirements
- Project management of expert testimony assignments, including all phases of the regulatory schedule
- Performing analysis to support expert testimony regarding affiliate expenses and allocations

Policy Analysis

Mr. Nowak has contributed to projects related to policy review including:

- A review of natural gas capacity options and a cost-benefit analysis for state regulators seeking to reduce energy costs for ratepayers
- Analysis of the economic and environmental benefits of changes to natural gas ratemaking/expansion policy



Management and Operations Consulting

Mr. Nowak has taken a lead analytical role in developing benchmarking analyses and process reviews. Specifically, he has:

- Developed benchmarking analyses, in support of expert testimony, comparing electric and gas utilities' cost and operational efficiency, taking into account a situational assessment of exogenous factors
- Performed a process review of a gas utility's expansion projects, including an evaluation of policies, procedures, and financial models
- Supported analysis for a report of the reasonableness of a shared service company's administrative and general costs

Financial Analysis

Other financial analysis Mr. Nowak has conducted include:

- Extensive analysis on issues related to utilities' cost of capital
- Developing dispatch models to estimate revenues for merchant powerplants
- Estimating damages for breach of contract in fuel delivery commitment
- Researching strategic investment opportunities for merchant generators
- A report on the profitability of various generation technologies in a deregulated energy market
- Reviewing internal financial models used by utility clients
- Supporting utility asset appraisals, including research and analysis for income approach, cost approach, and sales comparison approach

Other Experience

In his previous work, Mr. Nowak contributed to the evaluation of regulatory policy for government clients. His experience included performing policy analysis, including economic impact assessments, for federal regulations.

PROFESSIONAL HISTORY

Concentric Energy Advisors, Inc. (2018 - Present)

Vice President

Assistant Vice President

National Grid USA (2017 - 2018)

Director, Regulatory Strategy & Integrated Analytics

ScottMadden, Inc. (formerly Sussex Economic Advisors, LLC) (2012 - 2016)

Director

Principal



Concentric Energy Advisors, Inc. (2007 – 2012)

Senior Consultant

Consultant

Assistant Consultant

Analyst

RTI International (2006 – 2007)

Economist

EDUCATION

Boston College

B.A., Economics and History, 2006

SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
Regulatory Commission of Alaska				
ENSTAR Natural Gas Company, a Division of Semco Energy, Inc.	06/16	ENSTAR Natural Gas Company, a Division of Semco Energy, Inc.	TA 285-4	Cash Working Capital
California Public Utilities Commission				
Southern California Gas Company	03/25	Southern California Gas Company	A.25-03-011	Return on Equity
San Diego Gas & Electric Company	03/25	San Diego Gas & Electric Company	A.25-03-013	Return on Equity
Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company	02/24	Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company	A.22-04-008 / A.22-04-009 / A.22-04-011 / A.22-04-012	Return on Equity Policy
Southern California Gas Company and San Diego Gas & Electric Company	01/24	Southern California Gas Company and San Diego Gas & Electric Company	A.22-04-011 / A.22-04-012	Return on Equity Policy
Canada Energy Regulator				
South Bow GP (Canada) Ltd.	08/25	South Bow GP (Canada) Ltd.	RH-005-2020	Cost of Capital on Carrying Charges
Connecticut Public Utilities Regulatory Authority				
Yankee Gas Services Company d/b/a Eversource Energy	11/24	Yankee Gas Services Company d/b/a Eversource Energy	Docket No. 24-12-01	Return on Equity
Aquarion Water Company of Connecticut	08/22	Aquarion Water Company of Connecticut	Docket No. 22-07-01	Return on Equity
Aquarion Water Company of Connecticut	01/22	Aquarion Water Company of Connecticut	Docket No. 13-02-20RE06	Return on Equity and Cost of Debt



SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
Federal Energy Regulatory Commission				
National Grid LNG LLC	01/25	National Grid LNG LLC	RP25-473-000	Return on Equity
San Diego Gas & Electric Company	10/24	San Diego Gas & Electric Company	ER25-270-000	Return on Equity
Power Authority of the State of New York	10/24	Power Authority of the State of New York	ER25-198-000	Return on Equity
Mid-Atlantic Offshore Development, LLC	07/24	Mid-Atlantic Offshore Development, LLC	ER24-2564-000	Return on Equity
Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation	04/21	Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation	EL21-66-000, ER21-1647-000	Transmission Ownership Risk and Returns
Central Hudson Gas & Electric Corporation	12/19	Central Hudson Gas & Electric Corporation	ER20-715-000	Return on Equity
Kentucky Public Service Commission				
Duke Energy Kentucky, Inc.	06/25	Duke Energy Kentucky, Inc.	Case No. 2025-00125	Return on Equity
Duke Energy Kentucky, Inc.	12/24	Duke Energy Kentucky, Inc.	Case No. 2024-00354	Return on Equity
Duke Energy Kentucky, Inc.	12/22	Duke Energy Kentucky, Inc.	Case No. 2022-00372	Return on Equity



SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
Minnesota Public Utilities Commission				
Northern States Power Company (Xcel Energy Inc.)	10/25	Northern States Power Company (Xcel Energy Inc.)	G-002/GR-25-356	Return on Equity
Northern States Power Company (Xcel Energy Inc.)	11/24	Northern States Power Company (Xcel Energy Inc.)	E-002/GR-24-320	Return on Equity
Northern States Power Company (Xcel Energy Inc.)	11/23	Northern States Power Company (Xcel Energy Inc.)	G-002/GR-23-413	Return on Equity
New Brunswick Energy and Utilities Board				
New Brunswick Power Corporation (NB Power)	11/22	New Brunswick Power Corporation (NB Power)	Matter 541	Macroeconomic Environment and Capital Market Conditions
Public Utilities Commission of New Hampshire				
Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities	04/16	Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities	Docket No. DE 16-383	Cash Working Capital
New Jersey Board of Public Utilities				
Rockland Electric Company (Consolidated Edison, Inc.)	07/25	Rockland Electric Company (Consolidated Edison, Inc.)	Docket No. ER25060374	Return on Equity



SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
New York Public Service Commission				
Consolidated Edison Company of New York, Inc.	01/25	Consolidated Edison Company of New York, Inc.	Case 25-S-0741	Return on Equity
Consolidated Edison Company of New York, Inc.	01/25	Consolidated Edison Company of New York, Inc.	Case 25-E-0072/ Case 25-G-0073	Return on Equity
Central Hudson Gas & Electric Corporation	08/24	Central Hudson Gas & Electric Corporation	Case 24-E-0461/ Case 24-G-0462	Return on Equity
Niagara Mohawk Power Corporation d/b/a National Grid	05/24	Niagara Mohawk Power Corporation d/b/a National Grid	Case 24-E-0322/ Case 24-G- 0323	Return on Equity
National Fuel Gas Distribution Corporation	10/23	National Fuel Gas Distribution Corporation	Case 23-G-0627	Return on Equity
Central Hudson Gas & Electric Corporation	07/23	Central Hudson Gas & Electric Corporation	Case 23-E-0418/ Case 23-G-0419	Return on Equity
The Brooklyn Union Gas Company d/b/a National Grid NY ("KEDNY") and KeySpan Gas East Corporation d/b/a National Grid ("KEDLI")	04/23	The Brooklyn Union Gas Company d/b/a National Grid NY ("KEDNY") and KeySpan Gas East Corporation d/b/a National Grid ("KEDLI")	Case 23-G-0225/ Case 23-G-0226	Return on Equity
Niagara Mohawk Power Corporation d/b/a National Grid	07/20	Niagara Mohawk Power Corporation d/b/a National Grid	Case 20-E-0380/ Case 20-G- 0381	Return on Equity
Niagara Mohawk Power Corporation d/b/a National Grid	07/17	Niagara Mohawk Power Corporation d/b/a National Grid	Case 17-E-0238/ Case 17-G- 0239	Capital Structure and Overall Cost of Capital



SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
North Dakota Public Service Commission				
Northern States Power Company (Xcel Energy Inc.)	12/24	Northern States Power Company (Xcel Energy Inc.)	Docket No. PU-24-376	Return on Equity
Northern States Power Company (Xcel Energy Inc.)	12/23	Northern States Power Company (Xcel Energy Inc.)	Docket No. PU-23-367	Return on Equity
Public Utilities Commission of Ohio				
Duke Energy Ohio, Inc.	01/23	Duke Energy Ohio, Inc.	Case No. 22-1153-EL-UNC	Return on Equity
State of Rhode Island Public Utilities Commission				
The Narragansett Electric Co. d/b/a Rhode Island Energy	11/25	The Narragansett Electric Co. d/b/a Rhode Island Energy	Docket No: 25-45-GE	Return on Equity
South Dakota Public Utilities Commission				
Northern States Power Company (Xcel Energy Inc.)	06/25	Northern States Power Company (Xcel Energy Inc.)	Docket No. EL25-024	Return on Equity
Public Utility Commission of Texas				
Wind Energy Transmission Texas, LLC	12/24	Wind Energy Transmission Texas, LLC	Docket No. 52799	Cash Working Capital
Wind Energy Transmission Texas, LLC	05/15	Wind Energy Transmission Texas, LLC	Docket No. 44746	Cash Working Capital
Lone Star Transmission, LLC	05/14	Lone Star Transmission, LLC	Docket No. 42469	Cash Working Capital
Railroad Commission of Texas				
Texas Gas Service Company, a Division of One Gas, Inc.	06/16	Texas Gas Service Company, a Division of One Gas, Inc.	GUD No. 10526	Cash Working Capital



SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
Texas Gas Service Company, a Division of One Gas, Inc.	03/16	Texas Gas Service Company, a Division of One Gas, Inc.	GUD No. 10506	Cash Working Capital
Texas Gas Service Company, a Division of One Gas, Inc.	12/15	Texas Gas Service Company, a Division of One Gas, Inc.	GUD No. 10488	Cash Working Capital
CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	03/14	CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	GUD No. 10432	Cash Working Capital