PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

Public Meeting held February 19, 2026

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Kathryn L. Zerfuss
John F. Coleman, Jr.
Ralph V. Yanora

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

v.

Columbia Gas of Pennsylvania, Inc.

OPINION AND ORDER

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BY THE COMMISSION:

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the Petition for Reconsideration filed by the Office of Small Business Advocate (OSBA) on December 23, 2025 (OSBA Petition), seeking reconsideration of the Commission's Opinion and Order entered December 9, 2025 (*December 2025 Order*), relative to the above-captioned proceeding. Also, before the Commission is the Petition for Reconsideration filed by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), filed on December 23, 2025 (CAUSE-PA Petition), seeking reconsideration of the *December 2025 Order*. On December 30, 2025, the Office of Consumer Advocate (OCA) filed an Answer in Opposition to the OSBA Petition (OCA Answer to OSBA Petition) and an Answer in Support of the CAUSE-PA Petition (OCA Answer to CAUSE-PA Petition). Columbia Gas of Pennsylvania, Inc. (Columbia or the Company) filed Answers to the OSBA Petition and the CAUSE-PA Petition on January 2, 2026 (Columbia Answer to OSBA Petition and Columbia Answer to OSBA Petition, respectively).[1]

In its Petition, the OSBA seeks reconsideration of the *December 2025 Order*, pertaining to the Commission's decision to adopt the OCA's proposed revenue allocation in this proceeding. The OSBA requests that the Commission reverse the decision and instead adopt the revenue allocation proposed by Columbia or the OSBA. In its response, the OCA opposes the OSBA Petition. Columbia takes no position on the OSBA Petition but asks that, if the Commission approves the OSBA Petition, then the Commission adopt the Company's proposed revenue allocation.

[1] On January 5, 2026, the Commission's Bureau of Investigation and Enforcement (I&E) filed a letter advising that it would not be filing Answers to the OSBA Petition or the CAUSE-PA Petition.

For the reasons stated more fully, *infra*, we conclude that the OSBA has failed to assert a sufficient basis for reconsideration of our *December 2025 Order*. Therefore, based upon the record in this proceeding, and upon consideration of the OSBA's arguments, we shall deny the OSBA Petition, consistent with the discussion in this Opinion and Order.

In its Petition, CAUSE-PA argues that the Commission should reconsider, clarify, and modify three aspects of the *December 2025 Order*. First, CAUSE-PA contends that the Commission erred as a matter of law and overlooked critical facts pertaining to Columbia's consumer education about the competitive gas market. Second, CAUSE-PA asserts that the Commission misapplied the law by allowing Columbia's pilot Weather Normalization Adjustment (WNA) charge to continue on the grounds that it has not enabled the Company to recover more than its authorized revenue requirement. Third, CAUSE-PA argues that the Commission overlooked the additional reforms to the WNA proposed by CAUSE-PA. In its Answer, the OCA supports the CAUSE-PA Petition. Columbia, however, opposes the CAUSE-PA Petition.

For the reasons discussed, *infra*, we conclude that CAUSE-PA has failed to assert a sufficient basis for reconsideration of our *December 2025 Order*. Therefore, based upon the record in this proceeding, and upon consideration of CAUSE-PA's arguments, we shall deny CAUSE-PA's Petition, consistent with the discussion in this Opinion and Order.

I. History of the Proceeding

On March 20, 2025, Columbia filed its proposed Supplement No. 392 (Supplement No. 392) to Tariff Gas Pa. P.U.C. No. 9 (Tariff Gas) at Docket No. R-2025-3053499, to be effective for service rendered on or after May 19, 2025. Therein, the Company proposed changes to its natural gas distribution base rates designed to

produce an increase in annual operating revenues of approximately $110.497 million, representing a 12.0% increase in its overall distribution revenue requirement. The Company also proposed increasing its monthly residential customer charge from $17.25 to $31.97, an increase of $14.72, or 85.3%. Additionally, Columbia sought approval to: (1) convert its pilot WNA into a permanent program; (2) implement a Revenue Normalization Adjustment (RNA); (3) introduce a new tariff rate, Rate Economic Development Distribution Service (Rate EDDS); and (4) renew its residential energy efficiency (EE) program and establish a new commercial EE program. Both the residential EE Program and the new commercial EE Program were set forth in the Company's proposed Phase II Three-Year EE Plan (Phase II EE Plan or EE Plan).

On March 24, 2025, I&E filed a Notice of Appearance.

On March 28, 2025, Ms. Linda Allison filed a Formal Complaint at Docket No. C-2025-3054434.

On April 8, 2025, the OCA filed a Formal Complaint, Public Statement, and Notice of Appearance at Docket No. C-2025-3054484.

On April 11, 2025, the OSBA filed a Formal Complaint at Docket No. C-2025-3054550.

Also, on April 11, 2025, Linda Slick filed a Formal Complaint at Docket No. C-2025-3054552.

Additionally, on April 11, 2025, CAUSE-PA filed a Petition to Intervene.

On April 17, 2025, Ms. Terri Walker filed a Formal Complaint at Docket No. C-2025-3054662.

On April 24, 2025, The Pennsylvania State University (PSU) filed a Formal Complaint at Docket No. C-2025-3054780.

On April 24, 2025, the Commission entered an Order (*April 2025* Order) instituting an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in Supplement No. 392. The Commission also suspended Supplement No. 392 by operation of law until December 19, 2025, and assigned this matter to the Office of Administrative Law Judge (OALJ) for the prompt scheduling of hearings, culminating in the issuance of a Recommended Decision.

On April 28, 2025, Columbia filed Supplement No. 399 to Tariff Gas (Supplement No. 399), pursuant to the *April 2025 Order*, suspending the proposed rates and rules contained in Supplement No. 392 until December 19, 2025.

On May 5, 2025, the Pennsylvania Weatherization Providers Task Force (Task Force) filed a Petition to Intervene.

On May 7, 2025, a Prehearing Conference was held. Counsel for Columbia, I&E, the OCA, and the OSBA appeared, as well as counsel for CAUSE-PA, the Task Force, and PSU (collectively, the Parties). Additionally, Ms. Slick, a *pro se* Complainant, attended the conference.

On May 9, 2025, a Prehearing Order was entered consolidating the complaints of the OCA, the OSBA, PSU, Ms. Walker, Ms. Slick, and Ms. Allsion with

the above-docketed rate proceeding. In addition, the Petitions to Intervene filed by CAUSE-PA and the Task Force were granted.[2]

On May 12, 2025, Ms. Garlitz filed a Formal Complaint at Docket No. C-2025-3055233.

Several in-person and telephonic public input hearings were held in this proceeding.

On June 3, 2025, the first in-person public input hearing was held at 1 pm in Washington, Pennsylvania. Testimony was presented by consumer Complainants Ms. Garlitz and Mr. Richard Culbertson.

A second in-person public input hearing was held in Washington, Pennsylvania, at 6 p.m., on June 3, 2025. Testimony was presented by Ms. Carla Dunlap.

The first telephonic public input hearing was convened as scheduled on Wednesday, June 4, 2025, at 1 p.m. Testimony was presented by Mr. Daniel Skvarla, Mr. Ethan Story, a representative of the Center for Coalfield Justice (CCJ), and Mr. Alexander Louderback.

A second telephonic public input hearing was held on June 4, 2025, at 6 p.m. Testimony was presented by Ms. Andrea Evans, Ms. Kim Brown and Ms. Joyce Schlag.

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[2] We note that subsequently, the Formal Complaints of Ms. Alexandra Garlitz, filed on May 12, 2025 at Docket No. C-2025-3055233; and Mr. and Ms. Daniel and Stacy Chronister, filed on July 10, 2025 at Docket No. C-2025-3056194, were also consolidated with the above Formal Complaints and the above-docketed rate proceeding.

Two in-person public input hearings were held in York, Pennsylvania, on June 11, 2025. No witnesses testified at either the 1 p.m. or the 6 p.m. hearings.

On June 9, 2025, Columbia filed a Motion for a Protective Order. Columbia averred that no Party indicated that it opposed the proposed Protective Order.

On June 26, 2025, an Interim Order was entered granting Columbia's Motion for a Protective Order and adopting the proposed Protective Order attached to its Motion.

On July 7, 2025, a Formal Complaint was filed by Mr. and Ms. Chronister at Docket No. C-2025-3056194.

On August 1, 2025, an Interim Order was entered establishing the requirements for the submission of briefs and settlement documents, and imposing a deadline for the filing of briefs, settlement documents, and objections to any settlement reached in this proceeding.

On August 6, 2025 and August 7, 2025, an evidentiary hearing was held in this matter.

Counsel for Columbia, I&E, the OCA and OSBA appeared, as well as counsel for, CAUSE-PA, the Task Force, and PSU. No *pro se* Complainants attended the evidentiary hearing. Statements and Exhibits for each of the Parties were admitted into the evidentiary record at the hearing.

On August 26, 2025, Main Briefs were filed by Columbia, I&E, the OCA, the OSBA, CAUSE-PA, the Task Force, and PSU.

On September 2, 2025, an Interim Order was entered regarding the filing of Reply Briefs and compliance with the Interim Orders of the ALJs.

Reply Briefs were filed on September 5, 2025, by Columbia, I&E, the OCA, the OSBA, CAUSE-PA, and PSU.

The record closed on September 5, 2025, the deadline for the filing of Reply Briefs.

On October 3, 2025, the Commission issued the Recommended Decision (R.D.) of Administrative Law Judges (ALJs) Jeffrey A. Watson and Chad L. Allensworth. Therein, the ALJs recommended that the Commission deny Columbia's requested revenue increase in its entirety. According to the ALJs, Columbia failed to meet its burden of proof that the proposed rate increase, rate design, and alternate rate mechanisms are in the public interest and will result in just and reasonable rates, consistent with the Public Utility Code (Code), 66 Pa.C.S. §§ 101, *et seq*. Alternatively, the ALJs explained that should the Commission disagree with their primary recommendation to disallow the Company's requested increase in its entirety, then the ALJs recommended that the Commission approve an increase in annual operating revenues in the amount of approximately $66,424,574, or approximately 7.23% over total revenues at present rates. R.D. at 2.

The ALJs also recommended, *inter alia*, that: (1) the Company's monthly residential customer charge remain at $17.25, without mains; (2) the Company's WNA and RNA proposals be denied; (3) the Company's request for: (a) approval to introduce Rate EDDS and (b) permission to renew its residential EE Program, and to establish a new commercial EE Program be denied; and (4) that Columbia's new rates become effective the first day of the FPFTY, January 1, 2026. R.D. at 2.

On October 14, 2025, Columbia, the OCA, and PSU filed Exceptions to the Recommended Decision. On October 21, 2025, Columbia, I&E, the OCA, the OSBA, CAUSE-PA, and PSU filed Replies to Exceptions.

In the *December 2025 Order*, we granted, in part, and denied, in part, the Exceptions filed by Columbia, the OCA, and PSU, and, *inter alia*, approved an annual revenue increase of $55,627,800 to the Company's total revenues at present rates of $919,007,833, or an increase of 6.05%.

As indicated above, the OSBA and CAUSE-PA filed their respective Petitions seeking reconsideration of the *December 2025 Order*. On December 30, 2025, and January 2, 2026, the OCA and the Company filed Answers to the OSBA and CAUSE-PA Petitions.

II. Discussion

A. Legal Standards

With respect to petitions for rehearing, reconsideration, rescission, and amendment of Commission orders, the Code establishes a party's right to seek relief within fifteen days following the service of a Commission order pursuant to Subsection 703(f). 66 Pa.C.S. § 703(f) (relating to rehearing).[3] Upon the filing of a petition for relief pursuant to Section 703(f), the Commission may affirm, rescind, or modify its original order. 66 Pa.C.S. § 703(f). The Code further provides that the Commission may, at any time, after notice and opportunity to be heard by all affected

[3] Petitions under this section which do not allege new evidence are typically treated as petitions for reconsideration. Petitions for rehearing pursuant to Section 703(f) of the Code typically include an allegation of new evidence. 66 Pa.C.S. § 703(f); *see West Penn Power Co. v. Pa. PUC*, 659 A. 2d 1055 (Pa. Cmwlth. 1995).

parties, rescind or amend any order made by the Commission, pursuant to Section 703(g). 66 Pa.C.S. § 703(g) (relating to rescission and amendment of orders). A request for relief pursuant to § 703(f) or § 703(g) must be brought as a petition for relief consistent with Section 5.572 of Commission Regulations. 52 Pa. Code § 5.572 (relating to petitions for relief).

Petitions for relief predicated upon Sections 703(f) and 703(g) of the Code, whether brought under Section 5.572(c) of Commission Regulations as a petition for reconsideration, rehearing, reargument, clarification, supersedeas, or others within fifteen days of the service of a Commission order, or under Section 5.572(d) as a petition for rescission or amendment filed at any time following service of a Commission order, are reviewed by the Commission as matters seeking relief falling within the agency's discretion.

The Commission's application of the standard for granting a petition for amendment, reconsideration, or recission is set forth in *Philip Duick, et al. v. Pennsylvania Gas and Water Company*, 56 Pa. P.U.C. 553 (1982) (*Duick*) as follows:

> A petition for reconsideration, under the provisions of 66 Pa.C.S. § 703(g), may properly raise any matters designed to convince the Commission that it should exercise its discretion under this code section to rescind or amend a prior order in whole or in part on the grounds that the decision or ruling of the Commission on a matter or issue was either unwise or in error.
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> In this regard we agree with the Court in the *Pennsylvania Railroad Company* case, wherein the Court said,
>
> > [b]ut the grounds for reconsideration should be restricted to the new matters and new or changed conditions set up in the joint petition, which had arisen since and were not presented in the several petitions of these appellants …

> and dismissed by the Commission … and not appealed from. Parties,…, cannot be permitted, by a second motion to review and reconsider, to raise the same questions which were specifically considered and decided against them and not appealed from. …
>
> *Pennsylvania Railroad Co. v. Public Service Commission*, [179 A. 850, 854 (Pa. Super. 1935)].
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> What we expect to see raised in such petitions are new and novel arguments, not previously heard, or considerations which appear to have been overlooked or not addressed by the Commission. Absent such matters being presented, we consider it unlikely that a party will succeed in persuading us that our initial decision on a matter or issue was either unwise or in error.

Duick at 559; *see also AT&T v. Pa. PUC*, 568 A.2d 1362 (Pa. Cmwlth. 1990).

The Commission utilizes a two-step analysis in determining whether to exercise its discretion to grant relief under *Duick*. *See, e.g., SBG Management Services, Inc./Colonial Garden Realty Co., L.P. v. Philadelphia Gas Works*, Docket Nos. C-2012-2304183 and C-2012-2304324 (Opinion and Order entered May 9, 2019)[4] at 4-5 (discussing *Application of La Mexicana Express Service, LLC, to transport persons in paratransit service, between points within Berks County*, Docket No. A-2012-2329717; A-6415209 (Opinion and Order entered September 11, 2014)). The first step is to determine whether a party has offered any basis to persuade the Commission to exercise its discretion, including but not limited to, new and novel arguments or identified considerations that appear to have been overlooked or not addressed by the Commission in its previous order. This initial step examines whether a party raises the same questions which were specifically considered and decided against them by a prior Order

[4] *Affirmed, Phila. Gas Works v. Pa. PUC*, 249 A.3d 963 (Pa. 2021), *remand granted, in part*, 256 A.3d 1092 (Pa. 2021) (Table).

of the Commission. If so, it is unlikely that the Commission will be persuaded to exercise its discretion to grant relief. *Duick* at 559 (citing *Pennsylvania Railroad Co. v. Public Service Commission*, 179 A. 850 (Pa. Super. 1935)). The second step of the *Duick* analysis is to evaluate any matter the Commission has deemed worthy of consideration, to determine whether to grant any relief.

Finally, we note that any argument not specifically delineated shall be deemed to have been duly considered and denied without further discussion. The Commission is not required to consider expressly or at length each contention or argument raised by the parties. *Consolidated Rail Corp. v. Pa. PUC*, 625 A.2d 741 (Pa. Cmwlth. 1993); *see also, generally*, *University of Pennsylvania v. Pa. PUC*, 485 A.2d 1217 (Pa. Cmwlth. 1984).

B. *December 2025 Order*

This matter involved a fully litigated rate proceeding. Accordingly, our *December 2025 Order* addressed a multitude of contested issues to evaluate the justness and reasonableness of every element of Columbia's rate increase request. Ultimately, the Commission approved an annual base rate increase of $55,627,800 and made a variety of modifications to the Recommended Decision.

Relevant to the OSBA Petition, the *December 2025 Order* addressed the Company's proposed revenue allocation for customer classes in relation to the respective costs of service and adopted the OCA's proposed methodology. Regarding the CAUSE-PA Petition, the *December 2025 Order* authorized the continuation of WNA charges as a pilot program, with modifications. Additionally, our *December 2025 Order* evaluated and denied the proposals of CAUSE-PA and the OCA to address purported harm to Columbia's residential and low-income shopping customers. In the sections

below, we provide a summary of the *December 2025 Order,* relative to the issues raised in the OSBA and CAUSE-PA Petitions.[5]

C. OSBA Petition – Revenue Allocation

1. *December 2025 Order* Summary

Our *December 2025 Order* contained a robust discussion of the issues pertaining to rate structure and rate design. Therein, we addressed the ALJs' recommendations pertaining to cost of service, revenue allocation, and rate design. We began the analysis by noting that the Company filed an allocated class cost of service study (ACCOSS or ACCOS Study) in which it assigned to each customer class a rate based upon operating costs that it incurred in providing that service. *December 2025 Order* at 242 (citing 52 Pa. Code § 53.53; *Lloyd v. Pa. PUC,* 904 A.2d 1010, 1015 (Pa. Cmwlth. 2006) (*Lloyd*)).[6]

In this proceeding, Columbia proposed assigning these costs to seven different rate classes, as follows:

1. Residential Sales Service (RSS) and Residential Distribution Service (RDS);

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[5] For a summary of the dispositions of the various other issues addressed in this proceeding, see the *December 2025 Order* at pages 16-424.

[6] An ACCOSS is a benchmark for evaluating customer class cost responsibility, with the fundamental purpose of aiding in the accurate and reasonable design of rates by identifying all the capital and operating costs incurred by the utility in serving its customers, and then directly assigning or allocating these costs to each individual rate class based on established principles of cost causation. *December 2025 Order* at 244.

2. Low-volume Small General Sales Service (SGSS), Small Commercial Distribution (SCD), and Small General Distribution Service (SGDS);

3. High-volume SGSS, SCD, and SGDS;

4. Small Distribution Service (SDS) and low-volume Large General Sales Service (LGSS);

5. Large Distribution Service (LDS) and high-volume LGSS;

6. Main Line Sales Service (MLS) and Main Line Distribution Service (MLDS); and

7. Flexible Rate Provisions and Negotiated Contract Service (FLEX).

December 2025 Order at 243-44 (footnotes omitted).

Additionally, we explained that Columbia prepared and presented three ACCOS Studies in its filing, as discussed below:

1. Customer-Demand Study: The Customer-Demand Study weights the allocation of mains using a factor based on the number of customers (Customer) and the Company's peak day design (Demand). This method recognizes the customer number component of mains.

2. Peak & Average Study (P&A ACCOSS): The Peak & Average Study assigns the allocation of mains using a weighting factor of 50% to the Company's peak design day (Peak) and 50% to the Company's throughput (Average).

3. Average Study (Average ACCOSS): The Average Study is an average of the Customer-Demand Study and the Peak & Average Study and gives equal weight (50%/50%) to both methods.

December 2025 Order at 244-45 (footnotes omitted).

In their Recommended Decision, the ALJs agreed that the Company's proposed P&A ACCOSS should be utilized for the purpose of allocating any potential revenue increase among Columbia's customer classes. R.D. at 393-94, 401-02. The ALJs also echoed the following assertion of the OCA, stating that:

> the evidence of record does not indicate a sufficient basis to move away from the Commission's precedent supporting the P&A methodology in similar circumstances as presented here, and that the results of the Company's P&A [ACCOSS] to allocate any potential revenue increases among Columbia customer classes are reasonable and should be given significant weight.

Id. at 393-94. In the *December 2025 Order*, we affirmed the ALJs' determination, finding the P&A ACCOSS to be the most appropriate allocation methodology to use in this proceeding because it is based on the premise of load-based investment. *December 2025 Order* at 253.[7]

Regarding the revenue allocation disposition, we first addressed the positions of Parties. In summary, Columbia based the reasonableness of its proposed revenue allocation on the progress made by each rate class toward the system average rate of return, with no class receiving an increase exceeding 1.5 times the system average increase, meeting the goals of moving each class closer toward their respective costs of service, while mitigating extreme impacts. *December 2025 Order* at 255-56 (citations omitted).

In the *December 2025 Order*, we reiterated that Columbia selected its P&A ACCOSS to guide its revenue allocation and rate design process. Columbia's

[7] In making this determination, we denied PSU's Exception No. 1. For a discussion of the arguments pertaining to this issue and our disposition, see the *December 2025 Order* at 250-55.

witness, Mr. Kevin L. Johnson, explained how this ACCOSS was utilized in apportioning the requested increase among the classes, with the intention of moving each rate class toward parity with the system average rate of return. The results of the Company's P&A ACCOSS, as shown in Table 22 on page 257 of the *December 2025 Order* and reprinted below, indicated that currently, five rate classes (RS/RDS, SGS/DS-1, SGS/DS-2, SDS/LGSS, and MLS/MLDS) are paying more than the cost of providing service to those customers within the class (as reflected by an index above 1.0), while two rate classes (LDS/LGSS and FLEX) are paying less than the full cost of providing service to customers under those rate schedules (as reflected by an index that is less than 1.0). Columbia also asserted that the information outlined in Table 22 illustrated the Company's efforts to correct some of these discrepancies through its proposed revenue allocation at its full revenue requirement request.

Table 22: Columbia's Proposed Revenue Distribution

					Relative Rate of Return (P&A ACCOSS)	
Class	**Present Rates**	**Proposed Rates**	**Increase**	**Percent Increase**	**Present Rates**	**Proposed Rates**
RSS/RDS	$472,225,754	$546,101,990	$73,876,236	15.64%	1.19	1.18
SGS/DS-1	$58,132,981	$68,791,241	$10,658,260	18.33%	1.11	1.10
SGS/DS-2	$65,814,353	$77,886,598	$12,072,245	18.34%	1.12	1.10
SDS/LGSS	$43,113,653	$50,669,037	$7,555,384	17.52%	1.14	1.11
LDS/LGSS	$29,678,996	$36,012,952	$6,333,956	21.34%	0.40	0.47
MLS/MLDS	$1,890,168	$1,890,168	$0	0.00%	38.05	28.83
FLEX	$3,120,443	$3,121,087	$644	0.02%	(0.53)	(0.40)
Total	$673,976,348	$784,473,073	$110,496,725	16.39%	1.00	1.00

December 2025 Order at 256-57 (citing Columbia Exh. 111, Sch. 2 at 2, 3, 7).

We also summarized the OCA's argument that the primary points of contention regarding revenue allocation were: (1) whether and to what extent the LDS/LGSS class should receive a greater rate increase than proposed by the Company; and (2) if the LDS/LGSS class receives a greater rate increase, how the increased rates from the LDS/LGSS class should be applied to lower the rate increases for the subsidizing classes. *December 2025 Order* at 257 (citing OCA M.B. at 183).[8]

The OCA's witness, Mr. Jerome Mierzwa, and the OSBA's witness, Mr. Mark D. Ewen, proposed the same revenue increase for the LDS/LGSS, MLS/MLDS, and FLEX customer classes, but different increases for the RSS/RDS, SGS/DS-1, SGS/DS-2, and SDS/LGSS customer classes. In rebuttal testimony, Mr. Ewen included the following table, which compared the OCA's and the OSBA's revenue allocation proposals at the Company's full revenue request:

Table IEc-1R
Summary of Revenue Increase Allocation Proposals

	Columbia		OSBA		OCA	
	($mm)	%	($mm)	%	($mm)	%
Residential	$73.88	15.6%	$71.53	15.1%	$65.48	13.9%
SGS1	$10.66	18.3%	$9.83	16.9%	$12.33	21.2%
SGS2	$12.07	18.3%	$11.44	17.4%	$14.09	21.4%
Med Gen'l (SDS/LGSS)	$7.56	17.5%	$7.96	18.5%	$8.86	20.6%
Lg Gen'l (LDS/LGSS)	$6.33	21.3%	$9.73	32.8%	$9.73	32.8%
MDS	$-	0.0%	$-	0.0%	$-	0.0%
Flex	$0	0.0%	$-	0.0%	$-	0.0%
Total	$110.50	16.4%	$110.50	16.4%	$110.50	16.4%
Note: Source: IEc WP1-R						

December 2025 Order at 258 (citing OSBA St. 1-R at 3).

We further referenced the testimony of the Company's witness, Mr. Johnson, who observed that 1.5 times the system average increase "represents the

[8] Additionally, we described how Columbia proposed to allocate its requested increase across customer classes in relation to each Party's revenue allocation proposal. *December 2025 Order* at 258-59.

upper bound for rate gradualism used by the Commission in [*Columbia Gas 2021*]…." *December 2025 Order* at 260 (citing Columbia St. 6-R at 10). The OCA argued in its Main Brief that, while reliance on the outcome of *Columbia Gas 2021*[9] is misplaced, the Commission should nevertheless rely on dicta concerning gradualism generally discussed in *Columbia Gas 2021* to justify a 2.0 times the system average increase to the SDS/LGSS and LDS/LGSS classes. *December 2025 Order* at 260 (citing OCA M.B. at 186-87).[10]

Regarding the Recommended Decision, we next noted that the ALJs recommended the adoption of the Company's P&A ACCOSS. However, we explained that the ALJs did not clearly recommend the adoption of any Party's revenue allocation proposal. Despite finding that "[t]he residential customer class currently pays the highest proportion of subsidies provided to other customer classes relative to its revenues,"[11] we found that the ALJs did not reach a determination regarding how the chosen P&A ACCOSS should be implemented to allocate revenue. Rather, we cited the ALJs' recommendation, as follows:

> 19. That [Columbia's] use of the peak and average methodology to allocate any potential revenue increases among Columbia customer classes is approved in this proceeding and [Columbia] shall continue to show a separate customer class for flex rate customers.

December 2025 Order at 261 (citing R.D. at 682, Ordering Paragraph No. 19).

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[9] *See Pa. PUC, et al. v. Columbia Gas of Pa.*, Docket Nos. R-2020-3018835, *et al*. (Opinion and Order entered February 19, 2021) (*Columbia Gas 2021*).

[10] Additionally, we summarized the Parties' various scale back proposals to the extent that the increase granted by the Commission is less than that proposed by Columbia. *December 2025 Order* 260-61.

[11] R.D. at 41, FOF No. 98 (citing OCA St. 4 at 11).

In their respective Exception Nos. 10 and 2, Columbia and PSU considered multiple alleged flaws in the ALJs' analysis, most notably the absence of a specific recommendation regarding how to implement the Company's P&A ACCOSS to allocate the rate increase across Columbia's customer classes. *See* Columbia Exc. at 17; PSU Exc. at 11.

Accordingly, Columbia and PSU requested that, if the Commission authorizes a rate increase and the Company's P&A ACCOSS is adopted, then the rate increase should be allocated consistent with the Company's proposal. Columbia Exc. at 17-18; PSU Exc. at 11-12. PSU added that "should the Commission choose the Peak and Average [ACCOSS], [PSU] submits that the Company's revenue allocation, scaled back proportionally, should be utilized to develop rates." PSU Exc. at 11.

In its Replies to Exceptions, the OCA maintained that its proposed revenue allocation should be adopted. OCA R. Exc. at 18.

In its Exception No. 9, similar to Columbia and PSU, the OCA observed that the ALJs did not reach a determination regarding how the recommended P&A ACCOSS should be implemented to allocate revenue. The OCA explained that the ALJs' recommendation lacked guidance on whether the appropriate gradualism ceiling for the LDS/LGSS customer class is 1.5 times (as proposed by Columbia and supported by I&E) or 2.0 times the system average increase (as proposed by the OCA and the OSBA) and, if the gradualism ceiling is increased to 2.0, how the difference in revenue should be allocated among the remaining classes. Therefore, the OCA maintained its position, seeking to move all customer classes toward an equalized relative rate of return and to impose a larger-than-average increase (up to 2.0 times the system average) on LDS/LGSS customers, which, according to the OCA, is an equitable and appropriate allocation given the significant current subsidy to the LDS/LGSS class. OCA Exc. at 35-36. Accordingly, the OCA objected to the allocation of any revenue increase in

accordance with the Company's revenue allocation, without modification. OCA Exc. at 34-35.

In Replies, Columbia and PSU attempted to rebut the arguments contained in the OCA's Exception No. 9 in support of the OCA's revenue allocation proposal, which employed a system average increase of 2.0 times the system average increase for the LDS/LGSS rate class, in lieu of the 1.5 times the system average increase proposed by the Company. Columbia R. Exc. at 15-16; PSU R. Exc. at 2-7.

Columbia argued that the Company's proposal to limit increases to any particular customer class to 1.5 times the system average increase was consistent with the Commission's decision in *Columbia Gas 2021* and noted that its revenue allocation proposal was supported by I&E and was also supported by PSU, if the P&A ACCOSS was adopted. Columbia R. Exc. at 15-16 (citing Columbia M.B. at 143; PSU Exc. at 12).

PSU contended that reliance on the Company's P&A ACCOSS was the driver behind the OCA's proposed revenue allocation to the LDS/LGSS class because, according to the P&A ACCOSS, Columbia's larger customers are far below their share of revenue recovery responsibility. Thus, PSU asserted that the OCA's proposal to increase the amount of the revenue increase allocated to the LDS/LGSS class, increasing the limit from 1.5 to 2.0 times the system average increase, would far exceed recovery of the actual cost to serve the LDS/LGSS class from customers in that class and would result in an unfair shifting of costs to the LDS/LGSS class, when viewed in the context of PSU's preferred Customer-Demand ACCOSS. According to PSU, under the Company's Customer-Demand ACCOSS, the LDS/LGSS class already shows strong relative rates of return, undermining the OCA's subsidy claim. PSU R. Exc. at 4-5.

Regarding the OCA's reference to the Commission's decision in *Pa. PUC* v. *PECO Energy Company - Gas Division*, Docket No. R-2020-3018929 (Opinion and

Order entered June 22, 2021) (*PECO 2021*), where an increase of 2.5 times the system average increase was approved, PSU explained that that proceeding was exceptional because PECO's large-volume class had been frozen for over a decade, creating a severe cost imbalance, which represented conditions that are not present in this proceeding. PSU R. Exc. at 6 (citing OCA M.B. at 185). PSU added that no further acceleration was warranted, since Columbia's LDS/LGSS class already received above-average increases in 2020, 2021, 2022, and 2024, while the residential class received below-average increases. PSU R. Exc. at 6.

Although the proposals offered by the OCA and the OSBA were similar, these Parties disagreed with how to allocate the difference in revenue among the customer classes currently subsidizing the LDS/LGSS customers. Therefore, in its Replies, the OSBA urged the Commission to deny the OCA's Exception No. 9, contending that the OCA's method of equalizing relative rates of return is not an appropriate goal in a base rate proceeding. Rather, the OSBA argued that the correct measure of movement toward cost of service is the percentage increase, for each customer class, compared to the system average percentage increase. According to the OSBA, the OCA's proposed revenue allocation would raise rates for small commercial and industrial (C&I) classes (SGS/DS-1, SGS/DS-2, and SDS/LGSS) to about 1.29 to 1.30 times the system average increase, even though these classes already over-recover their cost of service under Columbia's P&A ACCOSS. The OSBA asserted that such an outcome would move small business classes further from their cost of service, violating Section 1301 of the Code, 66 Pa.C.S. § 1301, and *Lloyd*, which prohibits subsidies and mandates cost-based rates. OSBA R. Exc. at 2.

In our disposition of these Exceptions, we began by noting that once an appropriate ACCOSS has been adopted, the rate design process may begin, which involves two primary functions. The first step is the determination of inter-class rates, which involves the assignment of the revenue requirement between the various customer

classes. The second step in the rate design process is the allocation of any class rate increase (or decrease) among the various intra-class rate elements. In this step, we explained that the manner, in which the class revenue requirement will be collected from customers, must be examined. *December 2025 Order* at 265.

Next, we acknowledged that the ALJs' only recommended guidance regarding the appropriate revenue allocation to be adopted in this proceeding was, as follows:

> Because [Columbia's] proposed revenue allocation is based on the results of its [ACCOSS], which includes a proposed customer charge with mains costs, resulting in an excessive increase, and which the ALJs find unreasonable, the Company's proposed revenue allocation is likewise unreasonable and not a clear reflection of the costs to [Columbia] for providing service to the various customer classes.

R.D. at 402. As to this statement, we noted that the ALJs' suggestion that the Company's revenue allocation proposal was based on a proposed customer charge with mains costs reflected a misunderstanding of revenue allocation and rate design. Rather, we explained that the customer cost analysis with mains costs relates to rate design, and not revenue allocation. Therefore, we found that the Company's revenue allocation proposal was unrelated to its customer cost analyses. Accordingly, we granted Columbia's Exception No. 10, the OCA's Exception No. 9, and PSU's Exception No. 2, to the extent that we found that the ALJs did not reach a determination regarding how the chosen P&A ACCOSS should be implemented to allocate revenue. *December 2025 Order* at 265-66.

In our disposition, we recognized that there were essentially four divergent positions regarding the appropriate distribution of the Company's requested revenue increase among its customer classes, with the actual numbers to be based on the proportionate adoption of the actual revenue requirement approved. We stated that the

methods employed by each Party (Columbia, the OCA, the OSBA, and PSU), in consideration of their respective proposals, were similar, in that they each utilized cost guidelines in evaluating class revenue levels. However, as discussed, *supra*, we found the argument for using Columbia's P&A ACCOSS, as supported by I&E, the OCA, and the OSBA, in this proceeding to be more compelling. Therefore, based upon our prior determination and discussion, *supra*, with respect to the rejection of PSU's Customer-Demand ACCOSS, in favor of Columbia's P&A ACCOSS, we found that the OCA's proposed revenue allocation should be approved. *December 2025 Order* at 266.

In support, we reasoned that, if all customers were the same size and had identical usage characteristics, cost allocation would be simple, even unnecessary. However, we opined that a utility's customer base is not so simple. Rather, we noted, customers, or customer groups, tend to vary greatly in the amount of service required throughout the year such that there are small usage and large usage customers. Therefore, we acknowledged that differences in usage should be considered. Because different groups of customers also utilize the system at varying degrees during the year, we determined that consideration should also be given to the demands placed on the system during peak usage periods. *December 2025 Order* at 266.

With regard to rate class revenue levels, we highlighted that the rate of return results showed that certain rate classes are currently being charged rates that recover less than their indicated costs of service (LDS/LGSS and FLEX). As a result, we stated, rates for other rate classes provide for recovery of more than the indicated costs of serving these other rate classes. By adjusting rates in accordance with the Company's P&A ACCOSS results, Columbia, the OCA, and the OSBA attempted to bring each rate class's revenue level closer in line with the indicated costs of service, resulting in movement of rate class rates of return toward the system average rate of return and resulting in rates that are more in line with the cost of providing service. However, we reasoned that the results of an ACCOSS are not always relevant to all types of service, as

was evident in the instant proceeding. In particular, we determined that this situation applied to Columbia's FLEX rate class customers, where rates are based on their competitive characteristics. *December 2025 Order* at 267.

As further rationale, we explained that the main difference in the proposed revenue allocations of each Party is how they interpret gradualism. The OCA and the OSBA recommended an increase to the LDS/LGSS class of 2.0 times the system average increase, while the Company and I&E recommended an increase of less than 1.5 times the system average. PSU proposed that a much lower percentage be applied to the LDS/LGSS customer class, but as previously noted, it accepted Columbia's revenue allocation proposal, conditioned upon the adoption of the Company's P&A ACCOSS. *December 2025 Order* at 267 (citing PSU Exc. at 12).

In support, we referenced Table 23, on page 268 of the *December 2025 Order* and reprinted below, which compared the Company's cost of service utilizing the P&A method and its revenues under proposed rates, as filed.

Table 23: Comparison of the Cost to Serve to Columbia's Proposed Revenue Allocation (using the Company's Originally Filed Revenue Increase Request)

Class	Cost of Service (P&A ACCOSS) ($MM)	Proposed Rate Revenues ($MM)	Difference ($MM)
RSS/RDS	$511.8	$546.1	$34.3
SGS/DS-1	$65.8	$68.8	$3.0
SGS/DS-2	$74.4	$77.9	$3.5
SDS/LGSS	$48.2	$50.7	$2.4
LDS/LGSS	$49.8	$36.0	($13.8)
MLS/MLDS	$0.6	$1.9	$1.3
FLEX	$33.9	$3.1	($30.8)
Total	$784.5	$784.5	$0.0

December 2025 Order at 268 (citing Columbia Exh. 111, Sch. 2 at 2, 3, 7).[12] We noted that to provide revenues equal to the cost of service indicated by the Company's P&A ACCOSS at proposed rates, LDS/LGSS customer revenue would need to be increased from the current level of $29.7 million to $49.8 million, or by approximately $20.1 million. Likewise, we noted that FLEX customer revenue would need to be increased by approximately $30.8 million in order to provide revenues equal to its cost to serve. [$33.9 million - $3.1 million = $30.8 million]. Therefore, at the Company's proposed rates, we acknowledged that other customers would be providing a subsidy of approximately $44.6 million to LDS/LGSS and FLEX rate customers, resulting in an

[12] We also noted that the proposed rates shown in Table 23 above excluded $245 million of revenue associated with gas costs.
[$1,029.5 million - $245 million = $784.5 million].

inter-class cross-subsidization borne primarily by residential customers. [$13.8 million + $30.8 million = $44.6 million]. *December 2025 Order* at 268.

Additionally, we referenced Columbia's proposed increase for the residential class in proportion to their cost-based revenue requirement at proposed revenue levels; and we noted that the Company also allocated an additional increase of approximately $34.3 million to the residential class (RSS/RDS) in order to lower the overall returns for the groups because of over-contributions (*i.e.*, MLS/MLDS), and as a result of the limited increases proposed for the LDS/LGSS and FLEX rate customers. We determined that, in effect, the residential class would be recovering approximately 77% of the LDS/LGSS and FLEX revenue shortfall. [($34.3 ÷ ($34.3 + $3.0 + $3.5 + $2.4 + $1.3) = 77%] (numbers are in $ millions). *December 2025 Order* at 269.

Despite the contentions of the Company and PSU, we found that, given that the LDS/LGSS rate class would be providing a return which is significantly lower than the indicated cost of service under Columbia's proposed revenue allocation of a 1.5 times system average increase, the 2.0 times system average increase, as proposed by the OCA and the OSBA, comported with the principles of gradualism and was appropriate for the LDS/LGSS rate class in order to develop an overall revenue allocation that is more reasonable in this proceeding. Although the appropriate ceiling on a rate increase for a particular customer class should be determined on a case-by-case basis, based on the weight of evidence presented, the OCA's witness, Mr. Mierzwa, explained that "typically an increase of 1.5 to 2.0 times the system average increase is considered consistent with the concept of gradualism." *December 2025 Order* at 269 (citing OCA St. 4 at 11). We noted that even with the 32.8% increase that the LDS/LGSS rate class customers would experience under the OCA's proposal, the revenue recognition from that class was still shown to be below its cost to serve, and would therefore continue to be substantially subsidized by other rate classes. *December 2025 Order* at 269.

Specifically, we found the OCA's revenue allocation proposal to be equitable and reasonable. Citing to Table 24 on page 270 of the *December 2025 Order*, and reprinted below, under the OCA's revenue allocation proposal, we explained that the relative rates of return for the RSS/RDS, SGS/DS-1, SGS/DS-2, and SDS/LGSS customer classes would essentially be equalized, thereby providing for an equitable sharing of the subsidy paid for by each of these four classes.

Table 24: Relative Rates of Return under the OCA's Proposal

Relative Rates of Return Under OCA's Proposal (P&A ACCOSS)		
Class	**Under Present Rates**	**Under Proposed Rates**
RSS/RDS	1.19	1.15
SGS/DS-1	1.11	1.15
SGS/DS-2	1.12	1.14
SDS/LGSS	1.14	1.15
LDS/LGSS	0.40	0.57
MLS/MLDS	38.05	28.83
FLEX	(0.53)	(0.40)
Total	**1.00**	**1.00**

December 2025 Order at 270 (citing OCA St. 4 at 11).

Therein, we stated:

> [a]lthough, under the OCA's proposal, there is a negligible amount of movement away from the cost to serve for rate classes SGS/DS-1, SGS/DS-2, and SDS/LGSS, there is no basis for continuing to require the RSS/RDS class to pay for a greater share of the subsidy than other rate classes, as the OSBA's proposal, providing for parallel progress towards cost-based rates for each of the four classes (RSS/RDS, SGS/DS-1, SGS/DS-2, and SDS/LGSS), would maintain. As

illustrated by Table 25, below, under the OCA's revenue allocation proposal, the residential class would still be recovering approximately 63% of the LDS/LGSS and FLEX revenue shortfall, [$25.9 ÷ ($25.9 + $4.7 + $5.5 + $3.7 + $1.3) = 63%], as opposed to 77% under the Company's proposal (*i.e.*, [$34.3 ÷ ($34.3 + $3.0 + $3.5 + $2.4 + $1.3) = 77%]) and 78% under the OSBA's proposal ([$32.0 ÷ ($32.0 + $2.2 + $2.9 + $2.8 + $1.3) = 78%]).[13]

Table 25: Comparison of Columbia's Cost of Service to the OCA's and the OSBA's Revenue Allocation Proposals

		Columbia		OCA		OSBA	
Class	Cost of Service (P&A ACCOSS)	Proposed Rate Revenues	Difference	Proposed Rate Allocation	Difference	Proposed Rate Allocation	Difference
	($MM)	($MM)	($MM)	($MM)	($MM)	($MM)	($MM)
RSS/RDS	$511.8	$546.1	$34.3	$537.7	$25.9	$543.8	$32.0
SGS/DS-1	$65.8	$68.8	$3.0	$70.5	$4.7	$68.0	$2.2
SGS/DS-2	$74.4	$77.9	$3.5	$79.9	$5.5	$77.3	$2.9
SDS/LGSS	$48.2	$50.7	$2.4	$52.0	$3.7	$51.1	$2.8
LDS/LGSS	$49.8	$36.0	($13.8)	$39.4	($10.4)	$39.4	($10.4)
MLS/MLDS	$0.6	$1.9	$1.3	$1.9	$1.3	$1.9	$1.3
FLEX	$33.9	$3.1	($30.8)	$3.1	($30.8)	$3.1	($30.8)
Total	$784.5	$784.5	$0.0	$784.5	$0.0	$784.5	$0.0

December 2025 Order at 270-71 (citing Columbia Exh. 111, Sch. 2 at 2, 3, 7; OCA St. 4 at 11; OSBA St. 1 at 14).

Therefore, we found the OCA's proposal to be reasonable. Accordingly, we denied, in part, Columbia's Exception No. 10 and PSU's Exception No. 2.

Furthermore, because we did not grant the entirety of Columbia's requested revenue increase, an important consideration was the determination of how the proposed revenue allocation would be affected by the scale back in rates. We agreed

13 All numbers in $ millions.

with the ALJs' recommendation and found it necessary for the Company to proportionally scale back the customer charge and usage rate increases to the various customer classes, limited to those classes receiving an increase, based on Columbia's P&A ACCOSS and the OCA's proposed revenue allocation, when filing its compliance tariff(s) in this proceeding. *December 2025 Order* at 271.

2. OSBA Petition and Answers

In its Petition, the OSBA begins by noting that in the *December 2025 Order,* the Commission adopted the Company's cost of service study – the P&A ACCOSS. Citing to Table 22, *supra*, the OSBA next asserts that Columbia proposed a revenue allocation that would reduce the over-collection of the cost of service of the SGS/DS-1 and SGS/DS-2 classes, which it described as the "small business customer classes." OSBA Petition at 3.

The OSBA asserts that instead of adopting Columbia's revenue allocation proposal, the Commission chose the OCA's proposal, finding it to be equitable and reasonable. However, citing to Table 24, *supra*, the OSBA argues that the OCA revenue allocation proposal would move the small business customer classes further away from their respective costs of service. OSBA Petition at 3.

The OSBA objects to the Commission's adoption of the OCA's proposed revenue allocation, and the following statement by the Commission: "[U]nder the OCA's proposal, there is a negligible amount of movement away from the cost to serve for rate classes SGS/DS-1, SGS/DS-2, and SDS/LGSS…." OSBA Petition at 3 (citing *December 2025 Order* at 270).

The OSBA contends that there is nothing in the Code or the Commission's Regulations that defines what a "negligible amount" is, or which explains how to

calculate what is a just and reasonable "negligible amount" of movement away from cost to serve. According to the OSBA, there is no mathematical equation which calculates what a "negligible amount" should be. Referencing the Merriam-Webster dictionary definition, the OSBA proffers that the word "negligible" is "so small or unimportant or of so little consequence as to warrant little or no attention." OSBA Petition at 3-4. The OSBA submits that it does not consider revenue allocation, nor the tenet of cost-based rates, to be unimportant. Additionally, the OSBA proffers that there is no mathematical equation for the new "negligible amount" standard, which will create chaos in other Commission proceedings and should be abandoned. *Id.* at 4, 6.

In support of its contentions, the OSBA references the Commonwealth Court's recent decision in *NazAarah Sabree, Small Business Advocate v. Pa. PUC*, 348 A.3d 758 (Pa. Cmwlth. 2025), *pet. for alloc. filed*, 732 M.A.L. 2025 (December 17, 2025) (*Sabree*).[14] The OSBA argues that in *Sabree* the Commonwealth Court re-affirmed the requirements in *Lloyd*, that while different rates may be charged to different customer classifications, the set rates for each must be primarily based on the cost of providing service for that specific classification. According to the OSBA, the Commonwealth Court in *Sabree* determined that:

> [T]he Commission usurped the cost of providing service as the primary ratemaking concern when it set water rates inclusive of the Act 11 wastewater subsidy because it "allow[ed] factors like gradualism, quality of service, and affordability of rates to come to the foreground." *** As a

[14] In *Sabree*, the Commonwealth Court vacated the Commission's decisions in *Pa. PUC, et al. v. Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc.*, Docket Nos. R-2021-3027385, *et al*. (Opinion and Order entered October 27, 2022), and remanded the matter for further proceedings pertaining to Aqua's methodology for allocating a portion of its wastewater revenue requirement to the combined water and wastewater customer base pursuant to Act 11 of 2012, as codified in 66 Pa.C.S. § 1311(c).

> further consequence, the Commission masked the actual cost of providing water service to Aqua Water customers.

OSBA Petition at 5 (citing *Sabree* at *8).

Similarly, here, the OSBA contends that by adopting the OCA revenue allocation for Columbia's small business customer classes, the Commission has masked the respective costs of service for its customers, which violates both *Lloyd* and *Sabree*. The OSBA argues that the Commission must reverse its decision in the *December 2025 Order* to adopt the OCA's revenue allocation because it is unjust and unreasonable to require the currently over-paying small business customer classes to over-pay even more. OSBA Petition at 6.

As a final argument, the OSBA submits that the Commission is prohibited from employing its discretion to declare that the "negligible amount" standard is just and reasonable. The OSBA reiterates that there is no support in the Code or the Commission's Regulations for this newly created standard, and it should be struck down immediately. OSBA Petition at 6.

In its Answer to the OSBA Petition, the OCA argues that the OSBA is attempting to relitigate the previous arguments raised in its testimony, briefs, and Reply Exceptions, and which were expressly rejected in the *December 2025 Order*. Accordingly, the OCA asserts that the OSBA Petition should be denied for failing to meet the *Duick* standard. OCA Answer to OSBA Petition at 2-4.

In support, the OCA cites to our disposition in the *December 2025 Order*, wherein we restated the OSBA's proposal – that the RSS/RDS customer class should pay a greater share of the subsidy which benefits to the LDS/LGSS and FLEX customer class shortfalls – and concluded that it is more appropriate for the subsidy to be shared

proportionally among the RSS/RDS, SGS/DS-1, SGS/DS-2, and SDS/LGSS customer classes. OCA Answer to OSBA Petition at 5 (citing *December 2025 Order* at 270). Additionally, the OCA references in comparison the OSBA's arguments in its briefs and Reply Exceptions. OCA Answer to OSBA Petition at 5 (citing OSBA M.B. at 11; OSBA R.B. at 6-7; and OSBA R. Exc. at 1-2).

The OCA also challenges the OSBA's legal reasoning pertaining to *Lloyd*. According to the OCA, *Lloyd* merely states that the Commission must justify its determination as to differences in rates and revenue allocations by relying on ratemaking concerns, including and especially the cost of providing service, with an aim to reduce inter-class cross-subsidization over time. Moreover, the OCA asserts that the recent decision of the Commonwealth Court did not modify the holding in *Lloyd*, because *Sabree* was strictly limited to the allocation of subsidies approved by the Commission as in the public interest, pursuant to Section 1311(c) of the Code. Answer to OSBA Petition at 5 (citing *Lloyd*, 904 A.2d at 1020).

Further, the OCA contends that neither *Lloyd* nor *Sabree* prohibit the Commission from approving a revenue allocation proposal which moves customers away from the indicated cost of service. Instead, the OCA submits, revenue allocation must be based on "the hard economic facts of life and a complete and thorough knowledge and understanding of all the facts and circumstances which affect rates and services" and that "'[w]hile cost to serve is important, other relevant factors may also be considered.'" OCA Answer to OSBA Petition at 6 (citing *Lloyd*, 904 A.2d at 1016 (internal citation omitted)).

The OCA contends that the Commission in this proceeding recognized the clear record evidence demonstrating that residential customers bear a disproportionate share of inter-class cross-subsidies under present rates and under all revenue allocation proposals other than that adopted by the Commission. According to the OCA, there

cannot be a cost-of-service basis to conclude that residential customers should continue to bear a disproportionate burden of existing inter-class subsidies. OCA Answer to OSBA Petition at 6.

Moreover, the OCA argues that the OSBA's proposal to make parallel progress among customer classes is inconsistent with *Lloyd* because it attempts to "justify allowing one class of customers to subsidize the cost of service for another class of customers over an extended period of time" without offering an explanation as to how the disproportionate burden borne by residential customers is "going to be gradually alleviated." OCA Answer to OSBA Petition at 6 (citing *Lloyd*, 904 A.2d at 1016 (internal citation omitted)). In contrast, the OCA contends that in adopting the OCA's proposal, the Commission complied with the requirements of *Lloyd* by considering – within the context of the indicated cost of service of Columbia's customer classes – how inter-class cross-subsidization should be borne by the subsidizing classes both reasonably and equitably. The OCA argues that in contrast to *Lloyd*, the Commission here did not allow other ratemaking considerations to trump cost of service. OCA Answer to OSBA Petition at 7.

Next, the OCA asserts that the OSBA's argument, that the Commission created a new, unmeasurable legal standard by describing a "negligible amount" of movement away from the cost to serve for small business customers, is baseless. According to the OCA, the Commission's description of movement away from cost to serve in determining revenue allocation as a "negligible amount" is supported by record evidence as a factual observation. OCA Answer to OSBA Petition at 8.

Moreover, the OCA proffers that the Commission's use of the phrase "negligible amount" is not necessary to reach its ultimate determination to adopt the

OCA's proposed revenue allocation, citing to 52 Pa. Code § 1.96.[15] The OCA contends that the phrase "negligible amount" does not apply to the basis for the Commission's ultimate determination and, if removed from the *December 2025 Order*, would not change the resolution of the issue of revenue allocation. Thus, the OCA argues that the use of the phrase is not necessary to resolve the case and is properly treated as dictum, thereby negating the OSBA's challenge to the *December 2025 Order*. OCA Answer to OSBA Petition at 9-10.

In Columbia's Answer to the OSBA Petition, the Company states that it takes no position on the arguments advanced by the OSBA. However, Columbia asserts that, if the Commission grants the OSBA Petition, then it should adopt Columbia's proposed revenue allocation. The Company contends that its proposed revenue allocation is reasonable and is based on Columbia's P&A ACCOSS. Additionally, the Company submits that its proposed revenue allocation has been accepted by both the OSBA and I&E as reasonable and is consistent with the Commission's position in *Columbia 2021*. Further, Columbia asserts that its proposed revenue allocation moves the unitized returns for the classes towards parity (unitized returns of 1.00). Columbia Answer to OSBA Petition at 1.

Columbia also states that it proposed to limit the rate increases for each class to no more than 1.5 times the total system average increase of 16.73%. According to Columbia, the Company's proposed revenue allocation represents a fair allocation of

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[15] Statements contained in formal opinions of the Commission or in decisions of a presiding officer which are not necessary in resolving the case… are only considered as aids to the public, do not have the force and effect of law or legal determinations, and are not binding upon the Commonwealth or the Commission.

52 Pa. Code § 1.96.

the proposed revenue increase among the customer classes, considering the range of outcomes produced by the ACCOS Studies.[16] Columbia Answer to OSBA Petition at 1.

3. Disposition

In its Petition, the OSBA requests that the Commission reconsider the decision to adopt the OCA's revenue allocation and to instead adopt either the revenue allocation of the Company or the OSBA. In support, the OSBA cites to our disposition in the *December 2025 Order,* in which we summarized the cost of service arguments of both the OCA and the OSBA and ultimately adopted the OCA's proposal. The OSBA previously asserted these arguments in support of its alternative revenue allocation throughout this proceeding. *See* OSBA M.B. at 11 (citing OSBA St. 1-S at 3); OSBA R.B. at 6-7; and OSBA R. Exc. at 1-2. Dissatisfied with our determination in the *December 2025 Order*, the OSBA essentially reiterates its cost of service proposal, with contentions that are neither new nor novel and, thus, fail to satisfy the *Duick* standard for reconsideration.

As discussed above, our disposition adopting the OCA's proposed revenue allocation provided, as follows:

> Specifically, we find the OCA's revenue allocation proposal to be equitable and reasonable. As illustrated in the following table, Table 24, under the OCA's revenue allocation proposal, the relative rates of return for the RSS/RDS, SGS/DS-1,

[16] The Company reiterates that it selected the P&A ACCOSS to guide the revenue allocation and rate design process, while using all three ACCOS studies to evaluate the reasonableness of the proposed revenue allocation. Columbia emphasizes that the results indicated that five rate classes – RS/RDS, SGS-1/SGDS-1, SGS-2/SGDS-2, SDS/LGSS and MLDS – are overcontributing, compared to the rate of return earned on rate base, and two rate classes – LDS/LGSS and Flex – are under contributing based upon the P&A ACCOSS methodology. Columbia Answer to OSBA Petition at 5-6 (citing Columbia M.B. at 141-42).

> SGS/DS-2, and SDS/LGSS customer classes would essentially be equalized, thereby providing for an equitable sharing of the subsidy paid for by each of these four classes.

December 2025 Order at 269. Next, we set forth Table 24, which provided the relative rates of return under the OCA's proposal, as follows:

Relative Rates of Return Under OCA's Proposal (P&A ACCOSS)		
Class	**Under Present Rates**	**Under Proposed Rates**
RSS/RDS	1.19	1.15
SGS/DS-1	1.11	1.15
SGS/DS-2	1.12	1.14
SDS/LGSS	1.14	1.15
LDS/LGSS	0.40	0.57
MLS/MLDS	38.05	28.83
FLEX	(0.53)	(0.40)
Total	**1.00**	**1.00**

Id. at 270 (citing OCA St. 4 at 11).

Thereafter, we summarized the OCA's proposal in relation to the OSBA's proposal, as follows:

> [a]lthough, under the OCA's proposal, there is a negligible amount of movement away from the cost to serve for rate classes SGS/DS-1, SGS/DS-2, and SDS/LGSS, there is no basis for continuing to require the RSS/RDS class to pay for a greater share of the subsidy than other rate classes, as the OSBA's proposal, providing for parallel progress towards cost-based rates for each of the four classes (RSS/RDS, SGS/DS-1, SGS/DS-2, and SDS/LGSS), would maintain. As illustrated by Table 25, below, under the OCA's revenue

> allocation proposal, the residential class would still be recovering approximately 63% of the LDS/LGSS and FLEX revenue shortfall, [$25.9 ÷ ($25.9 + $4.7 + $5.5 + $3.7 + $1.3) = 63%], as opposed to 77% under the Company's proposal (*i.e.*, [$34.3 ÷ ($34.3 + $3.0 + $3.5 + $2.4 + $1.3) = 77%]) and 78% under the OSBA's proposal ([$32.0 ÷ ($32.0 + $2.2 + $2.9 + $2.8 + $1.3) = 78%]).

December 2025 Order at 270. Following this summary, we included Table 25, *supra*, which provided a comparison of Columbia's cost of service to the OCA's and the OSBA's revenue allocation proposals. *Id*. at 271.

In summary, we determined that the OCA's proposal produces the most equitable and cost of service-based revenue allocation, whereby the RSS/RDS, SGS/DS-1, SGS/DS-2, and SDS/LGSS customer classes more equally bear the subsidies provided to the LDS/LGSS and FLEX classes equally.

In its Petition, the OSBA argues that in adopting the OCA's proposal, the Commission erred as a matter of law by violating the requirements of the Commonwealth Court decisions in *Lloyd* and *Sabree*. We disagree.

In *Lloyd* and *Sabree*, we find no support for the OSBA's contention that the Commission is absolutely prohibited from approving a revenue allocation proposal which moves customer classes away from the indicated cost of service. Indeed, the OSBA provides no cite or quotation in support of this proposition. Rather, as *Lloyd* makes clear, there "is no requirement that rates for different classes of service must be either uniform or equal or that they must be equally profitable." *Lloyd*, 904 A.2d at 1016 (citing

Philadelphia Suburban Transp. Co., v. Pa. PUC, 283 A.2d 179, 186 (Pa. Cmwlth. 1971)). Instead, the Commonwealth Court in *Lloyd* clarified:

> Rate structure, which is an essential, integral component of rate-making, is not merely a mathematical exercise applying theoretical principles. Rate structure must be based on the hard economic facts of life and a complete and thorough knowledge and understanding of all the facts and circumstances which affect rates and services; and the rates must be designed to furnish the most efficient and satisfactory service at the lowest reasonable price for the greatest number of customers, *i.e.*, the public generally. While cost to serve is important, other relevant factors may also be considered.

Id.[17]

We acknowledge that in *Sabree,* the Commonwealth Court reiterated the conclusion in *Lloyd* pertaining to "gradualism," as follows:

> [W]hile permitted, gradualism is but one of many factors to be considered and weighed by the Commission in determining rate designs, and principles of gradualism cannot be allowed to trump all other valid ratemaking concerns and do not justify allowing one class of customers to subsidize the cost of service for another class of customers over an extended period of time.

Sabree at *7 (citing *Lloyd*, 904 A.2d at 1020).

However, in the *December 2025 Order*, we did not simply rely on the principle of gradualism in adopting the revenue allocation and, thus, plainly did not allow it to trump all other ratemaking considerations. Rather, we analyzed the record evidence

[17] We do not read *Sabree* as modifying the holding in *Lloyd*, noting that *Sabree* pertained to the allocation of subsidies approved by the Commission as in the public interest under Section 1311(c) of the Code, 66 Pa.C.S. § 1311(c).

and found a clear demonstration that residential customers bear a disproportionate share of inter-class cross-subsidies under present rates and under the revenue allocation proposals by Columbia and the OSBA. We determined that there can be no cost of service basis to conclude that residential customers should continue to bear a disproportionate burden of existing inter-class subsidies. *December 2025 Order* at 270.[18]

Additionally, the OSBA objects to the following clause in our disposition: "under the OCA's proposal, there is a *negligible amount* of movement away from the cost to serve for rate classes SGS/DS-1, SGS/DS-2, and SDS/LGSS …." OSBA Petition at 3 (emphasis added). According to the OSBA, this clause creates a new, ungovernable standard which would cause "utter chaos throughout the Commission's dockets." *Id*. at 6. This argument lacks merit for two main reasons.

First, our use of the clause "negligible amount" was simply a general description of the evidence pertaining to the relative rates of return cited in the record and supported in the table preceding the quoted language. *See December 2025 Order* at 270; Table 24. This descriptive language was limited to the facts and circumstances of this proceeding and was not intended, nor should it be construed, as having any precedential impact on any other Commission proceeding.

Second, our use of the descriptive term "negligible amount" was not necessary to the ultimate determination in adopting the revenue allocation proposal. That is, even without it, our holding, which was based primarily on the reduction of existing,

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[18] In contrast to the OSBA's arguments, we agree with the OCA that the OSBA's proposal would appear inconsistent with the holding in *Lloyd,* as recently reiterated in *Sabree.* *See* OCA Answer to OSBA Petition at 7. Under the OSBA's proposed revenue allocation, one class of customers would "subsidize the cost of service for another class of customers over an extended period of time" without offering an explanation as to how the disproportionate burden borne by residential customers is "going to be gradually alleviated." *Id*. (citing *Lloyd*, 904 A.2d at 1020).

disproportionately borne inter-class cross-subsidization, would have been unchanged. Accordingly, pursuant to 52 Pa. Code § 1.96, the clause "negligible amount" is without the force and effect of law and is not considered precedential.

Upon consideration, we will deny the OSBA's Petition on the grounds that it fails to persuade us that reconsideration is warranted or that we should exercise our discretion to modify the *December 2025 Order*.

D. CAUSE-PA Petition – WNA Charges

1. *December 2025 Order* Summary

In this proceeding, Columbia sought to make its WNA Pilot program permanent. Columbia characterized its WNA, as follows: "The WNA is a method of adjusting the delivery portion of a customer's bill to reflect 'normal' weather conditions rather than actual weather. It helps mitigate the impact of unusually cold or warm weather on customer bills during the heating season, which runs from November through May." Columbia St. 17 at 28.

The Company's WNA Pilot program has been in place for over ten years. Columbia M.B. at 155. Pursuant to the settlement agreement in *Pa. PUC, et al. v. Columbia Gas of Pennsylvania Inc*., Docket Nos. R-2024-3046519, et al. (Opinion and Order entered November 21, 2024) (*Columbia Gas 2024*), resolving the Company's 2024 rate increase request, the Company's WNA Pilot will expire unless it is allowed to continue in an order entered in this proceeding, as the first base rate case filed by the Company after the entry of the Opinion and Order in *Columbia Gas 2024.* R.D. at 421 (citing *Columbia Gas 2024*, Joint Petition for Settlement filed August 28, 2024 at ¶ 35). The WNA rider applies to Columbia's residential customers receiving service under the

RSS/RDS and Customer Assistance Program (CAP) rate schedules.[19] Columbia Exh. 14, Sch. 2, Attachment B at 25. The WNA adjusts residential bills in the heating months of November through May, to reflect the impact of actual weather on the weather-normalized heating degree days (NHDD). Columbia's WNA has a 3% deadband, such that the WNA adjustment will apply only if the Actual Heating Degree Days (AHDD) for the billing cycle are lower than 97% or higher than 103% of the NHDD for the billing cycle.[20] Columbia Exh. 14, Sch. 2, Attachment B at 25. The AHDDs are the actual experienced heating degree days based on data from the National Oceanic and Atmospheric Administration (NOAA). The NHDD calculation is updated annually by September 1st, using the same methodology established in the Company's most recent rate case (*i.e., Columbia Gas 2024*). The NHDD for any given day is based upon the 20-year average for the given day. *Id.*

In the *December 2025 Order*, we noted Columbia's position that the purpose of its WNA is to "levelize revenues for both customers and the Company to better reflect the level of revenues that are authorized for recovery…." *December 2025 Order* at 288 (citing Columbia M.B. at 155). Columbia explained that the WNA adjusts residential customers' monthly commodity charges based on the actual temperatures experienced during the month, thereby protecting customers and the Company from usage variations due to weather. Columbia argued that its WNA is in the public interest, and the Commission should make the existing WNA a permanent program, rather than a

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[19] *See* Tariff Gas at One Hundred First Revised Page No. 3, effective December 29, 2021; Seventy-eighth Revised Page No. 4, effective December 14, 2024, respectively.

[20] The deadband was 5% until January 31, 2019. *See Id.* at Fourteenth Revised Page No. 162, effective December 14, 2024. The deadband was reduced to 3% and the month of October excluded from the WNA as a result of a partial settlement in Columbia's 2018 rate proceeding. *See Pa. PUC, et al. v. Columbia Gas of Pa*, Docket No. R-2018-2647577 (Opinion and Order entered December 6, 2018) (*Columbia Gas 2018*).

pilot program. Columbia further claimed that its WNA is necessary to recover its revenues as set in its base rate proceedings. According to Columbia, without the WNA, the Company would have lost $74 million since the start of the WNA, due to warmer than normal weather. Columbia averred that "[w]inter weather has been abnormally getting warmer, and the Company should not be required to bear the abnormal risk of warming weather." *December 2025 Order* at 288-89 (citing Columbia M.B. at 155-58).

Additionally, in the *December 2025 Order*, we summarized I&E's position that Columbia has received over $74 million in revenue from Columbia ratepayers through the application of the WNA. I&E provided that Columbia's WNA does not properly align revenues with cost causation principles as to both fixed and variable costs. I&E submitted that Columbia's WNA shifts costs from customers who can afford to make efficiency improvements to those customers who cannot. I&E also argued that the WNA, in general, and its billing process, are too complex and confusing for customers. I&E recommended that Columbia's WNA Pilot program be discontinued. Conversely, I&E contended that if the WNA is made permanent, then a 5% deadband should be implemented because the 3% deadband has not been an effective customer protection. In addition, I&E recommended that the "shoulder" month of May should be removed from the WNA calculation, and the time period used to calculate the normal HDDs should be shortened to ten years if the Commission approves the WNA on a permanent basis. *December 2025 Order* at 289 (citing I&E M.B. at 66-68 (internal citations omitted)).

Next, we noted the OCA's characterization of the WNA Pilot as a failure. In this regard, the OCA argued that: (1) the WNA Pilot fails to satisfy the Commission's

policy factors[21] regarding alternative ratemaking mechanisms; (2) Columbia's customers who testified at the public hearing do not support the WNA; (3) Columbia's use of the FPFTY, ability to utilize the distribution system improvement charge (DSIC), and the Company's frequent rate case filing each demonstrate that Columbia does not need the WNA; (4) the WNA does not follow cost causation principles; (5) the WNA discourages conservation and energy efficiency measures by customers; (6) the WNA disproportionately harms low income customers; and (7) Columbia has failed to meet its burden of proving that its proposal to make the WNA permanent will result in a just and reasonable rate. The OCA concluded that the Company "has not demonstrated by a preponderance of the evidence that the WNA would be a just and reasonable rate if implemented on a permanent basis." *December 2025 Order* at 289-90 (citing OCA M.B. at 205-42 (internal citations omitted)).

Finally, we summarized the position of CAUSE-PA, wherein it maintained that Columbia's WNA raises "deep concerns about fairness and equity." *December 2025 Order* at 290 (citing CAUSE-PA M.B. at 78). Similar to the OCA, CAUSE-PA provided that the proposed permanent WNA should be rejected because it will, *inter alia*: (1) undermine cost of service principles; (2) reduce incentives to conserve energy; (3) obscure price signals; (4) make customer bills unpredictable and difficult to understand; (5) have a disproportionate impact on low income customers; and (6) lack any consumer protections. *Id*. at 290-91.

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[21] Section 69.3301 of our Regulations sets forth a policy statement that "invite[s] the proposal, within a utility's base rate proceeding, of fixed utility distribution ratemaking mechanisms and rate designs that further . . . the objectives of 66 Pa.C.S. § 1330 (relating to alternative ratemaking for utilities)." 52 Pa. Code § 69.3301. Section 69.3302 of our Regulations sets forth fourteen policy factors for the Commission to consider "[i]n determining just and reasonable alternative distribution ratemaking mechanisms and rate designs that promote the purpose and scope of this statement of policy and the objectives of 66 Pa.C.S. § 1330." *Id.* at § 69.3302. *See Fixed Utility Distribution Rates Policy Statement*, Docket No. M-2015-2518883 (Order entered July 18, 2019) (*2019 Statement of Policy*).

In their Recommended Decision, the ALJs noted that the stated purpose of the WNA is to adjust the temperature sensitive portion of a customer's bill in order to mitigate the impacts of warmer or colder than normal weather. The ALJs explained that under the WNA, the Company can adjust a customer's base rate bill, which was calculated based on Commission-approved rates, outside the scope of a base rate case and without requiring the Commission's approval. R.D. at 490.

The ALJs further explained that the Commission may authorize the implementation of alternative ratemaking mechanisms like the WNA, but the utility must provide substantial evidence that the mechanism would result in just and reasonable rates. The ALJs concluded that the Company has failed to meet this burden. R.D. at 491 (citing 66 Pa.C.S. §§ 315(a), 1330).

According to the ALJs, the Parties thoroughly addressed the WNA in accordance with the Commission's *2019 Statement of Policy*, where the Commission identified fourteen factors to consider when evaluating an alternative rate mechanism. The ALJs noted the position of I&E that Columbia's WNA does not properly align revenues with cost causation principles as to both fixed and variable costs. Additionally, the ALJs stated, the WNA shifts costs from customers who can afford to make energy efficiency improvements to those who cannot, when the customer who implemented energy efficiency improvement measures then pays less of the WNA share. R.D. at 492.

Similarly, the ALJs found that while some describe the 3% deadband as a customer protection, the deadband did not afford any substantial protection to consumers. Further, the ALJs concluded that the record evidence clearly established that the WNA billing process is too complex and confusing to customers. Upon consideration of the analysis by the Parties, especially with regard to the *2019 Statement of Policy* and the reasoning applied in the Commission's recent decision in *Pa. PUC v. PECO Energy Company – Gas*, Docket No. R-2024-3046932 (Opinion and Order entered

December 12, 2024) (*PECO Gas 2024*), relative to the WNA, the ALJs recommended that the WNA Pilot program be permitted to expire, and that no permanent WNA be put in place. R.D. at 493.

The ALJs also acknowledged the positions of the OCA and CAUSE-PA that the WNA has systematically overcharged customers without providing commensurate benefits, collecting $74 million in additional revenues for Columbia in the five most recent heating seasons. The OCA averred that during the five most recent heating seasons, Columbia did not issue a refund to customers despite claiming that the WNA is a symmetrical mechanism. The ALJs agreed with the OCA's conclusion that the WNA has functioned as a one-sided charge, imposing consistent financial burdens on ratepayers while failing to deliver bill stability or balance. Further, the ALJs noted the OCA's explanation that despite the issues with the WNA, the Company has made no proposal in the instant case to work towards developing a more effective WNA mechanism. Rather, the ALJs stated, the Company merely seeks to continue the WNA Pilot indefinitely, without correcting or addressing the issues raised by the opposing parties that result in one-sided adjustments. R.D. at 493-94.

Upon consideration of the *2019 Policy Statement* and the statutory basis for the statement, the ALJs agreed with CAUSE-PA and found that the Company's proposal should be rejected because it: (1) undermines cost of service principles, (2) diminishes consumer incentives to reduce energy usage, (3) obscures price signals and makes customer bills more unpredictable, (4) has a disproportionate impact on low income customers, (5) is difficult for consumers to understand, and (6) lacks any meaningful consumer protections. R.D. at 494 (citing 66 Pa.C.S. § 1330(a)(2); 52 Pa. Code §§ 69.3301-69.3302).

The ALJs considered several potential modifications advocated by I&E and CAUSE-PA, in the event that the Commission decides to allow the WNA Pilot to

continue. More specifically, the ALJs noted that I&E proposed three potential changes to the WNA: (1) the shoulder month of May should be removed from the WNA; (2) the time period to determine normal HDDs should be shortened to ten years; and (3) the deadband should be increased to 5%. The ALJs further noted I&E's explanation that May is typically when customers in Pennsylvania expect to see their heating bills decrease. The ALJs agreed with I&E's proposal to remove the month of May from the WNA calculation and further agreed with CAUSE-PA's recommendation, *infra*, to confine the WNA to the period between December and March. R.D. at 494-95.

Regarding the twenty-year weather cycle currently used to calculate HDDs, the ALJs reasoned that a ten-year weather cycle better reflects the Company-acknowledged warming trend. The ALJs agreed that a 5% deadband places more of the onus of calculating weather fluctuations on the Company as a normal course of business, rather than on customers. R.D. at 495.

CAUSE-PA proposed, and the ALJs agreed, that if the Commission allows the WNA to continue, then the WNA Pilot should remain as a Pilot and be limited in duration. As noted, *supra*, CAUSE-PA also recommended that the WNA duration align with the winter moratorium on shutoffs and should be confined to the period between December and March. CAUSE-PA reasoned that Columbia should not be allowed to assess weather-related charges in the additional months of November, April, and May. The ALJs agreed with this recommendation. Finally, CAUSE-PA proposed, and the ALJs agreed, that the WNA should not apply to CAP customers. According to the ALJs, for CAP customers whose bills are based on a percentage of budget bill, the WNA unreasonably increases these customers' CAP bills.[22] Thereby, the WNA on CAP bills

[22] CAP customers who are enrolled in Columbia's percentage of income plan do not pay WNA charges or receive credits; however, CAP customers whose CAP bills are based on a percentage of budget bills are subject to the Company's WNA. Columbia St. 17 at 31; CAUSE-PA St. 2 at 64.

unnecessarily increases the costs of the CAP program paid for by other residential customers. R.D. at 496-97 (citing CAUSE-PA St. 2 at 63).

In conclusion, the ALJs recommended that the Commission allow Columbia's WNA program to expire, and that no permanent WNA be put in place. Alternatively, the ALJs recommended that if the Commission concludes that the WNA should continue, then the recommended modifications proposed by I&E and CAUSE-PA[23] should be implemented, as detailed, *supra*. R.D. at 493, 497.

Upon review of Columbia's Exception No. 12, challenging the ALJ's Recommended Decision on the issue of the WNA in the *December 2025 Order*, we summarized the basis for Columbia's Exception. Generally, Columbia argued that the WNA Pilot program should be made permanent and submitted that the WNA "provides [the Company with] a reasonable opportunity to recover its Commission-authorized revenue requirement." Columbia contended that the "extreme and abnormal warming trends are outside of the Company's control, which prevent the company from recovering its authorized revenue requirement due to the mismatch between fixed cost incurrence and volumetric cost recovery." *December 2025 Order* at 295 (citing Columbia Exc. at 22).

Columbia opined that the ALJs erred in accepting misconceptions regarding the WNA. In this regard, Columbia averred that the $74 million collected from customers over the last five years was part of the Commission-approved revenue

[23] CAUSE-PA also recommended that Columbia should be required to propose, in its next rate case, changes to the WNA formula including: (1) normal heating degree days should be calculated on a rolling 10-year average; and (2) the WNA should be proposed on a per class basis and reconciled annually, and surcharged over the full 12 months of the subsequent year. The ALJs did not recommend the adoption of these additional proposals in their alternative disposition. R.D. at 497 (citing CAUSE-PA St. 2 at 65).

requirement and was not additional or excess revenue for the Company. According to Columbia, the $74 million "did not allow the Company to fully recover its authorized revenues because of the deadband." *December 2025 Order* at 295 (citing Columbia Exc. at 22-23). Columbia noted that in the first six years of the WNA Pilot, the Company provided refunds to customers in four of those six years, and the lack of refunds to customers over the past few years was due to "extremely abnormal weather conditions that are outside the Company's control." *December 2025 Order* (citing Columbia Exc. at 24).

Columbia argued that the 3% deadband is a customer protection and has helped customers, contrary to the ALJs' findings. Columbia Exc. at 23 (citing R.D. at 493). Columbia maintained that the 3% deadband prevented the Company from collecting the first 3% of revenues that were lost to warmer than normal weather. *December 2025 Order* at 295 (citing Columbia Exc. at 23).

Further, Columbia asserted that the ALJs were incorrect in their contention that the WNA does not follow cost causation. Columbia claimed that the "abnormal warming weather" prevents the Company from recovering its authorized revenues and that the WNA "better aligns distribution revenues with cost-causation principles by accounting for variation in usage due to weather." *December 2025 Order* at 295-96 (citing Columbia Exc. at 23).

Columbia provided that: (1) its WNA Pilot has been in effect for over ten years, (2) the Company "has not had the issues that [PGW] experienced,"[24] and (3) the WNA Pilot has had few complaints. For these same reasons, Columbia averred that the

[24] Columbia noted that PGW "had to refund approximately $12 million of WNA charges due to high bills in May 2022." Columbia Exc. at 24 (citing *Petition of Philadelphia Gas Works for Emergency Order*, Docket No. P-2022-3033477 (Emergency Order dated July 1, 2022) (*PGW 2022 Emergency Order*)).

changes to its WNA Pilot that were proposed by I&E and CAUSE-PA are not necessary. Columbia asserted that its WNA is very similar to the WNA the Commission approved for Peoples Natural Gas Company LLC (Peoples), as both the Company's WNA program, and that of Peoples, employ a 3% deadband and serve similar service territories. Further, Columbia submitted, it would be confusing to customers if changes were made to the existing WNA. However, the Company explained that it "would be willing to forego May in the WNA, which would be consistent with [UGI Utilities Inc.-Gas Division (UGI)]'s WNA that was achieved through a settlement." *December 2025 Order* at 296 (Columbia Exc. at 24-25).

In reply to Columbia's Exception No. 12, I&E submitted that Columbia's WNA Pilot program should not be made permanent, based on multiple Commission-issued policy questions. Namely, I&E maintained that the WNA Pilot does not align revenues with cost causation principles, inappropriately shifts costs to lower income customers, and is generally too complex and confusing to customers. I&E averred that the ALJs properly considered the evidence in forming their recommendation to end the WNA Pilot or, alternatively, to implement the changes as proposed by I&E and CAUSE-PA. *December 2025 Order* at 296 (citing I&E R. Exc. at 9-10).

In its reply to Columbia Exception No. 12, the OCA agreed with the ALJs that it is not in the public interest "for Columbia to reconcile the day-to-day temperature variations that are part and parcel with normal business" through a WNA. *December 2025 Order* at 297 (OCA R. Exc. at 20-21). The OCA restated its argument that the WNA Pilot collected over $74 million in rates and did not operate symmetrically. The OCA provided that the ALJs' conclusion was supported by the record evidence and applicable legal standards. *December 2025 Order* at 297 (citing OCA R. Exc. at 21).

The OCA found Columbia's contention, that the WNA recovers only authorized revenues, to be misleading because it was based on Columbia's premise of an

entitlement to recovery that does not exist under law, rather than the opportunity to recover its authorized revenue. The OCA contended that any revenue collected by the WNA is in excess of the revenue collected by the base rates established using the Company's billing determinants and which are calculated to produce the authorized revenue requirement. The OCA further explained that the Company did not except to the ALJs' conclusion that the billing determinants established in this proceeding are sufficient to earn the authorized revenue requirement. *December 2025 Order* at 297 (OCA R. Exc. at 21).

The OCA opined that the ALJs were correct in their conclusion that the deadband "did not afford any substantial protection to consumers at all," because Columbia collected $74 million with the deadband in place. *December 2025 Order* at 297-98 (citing OCA R. Exc. at 21).

Further, the OCA agreed with the ALJs' finding that the WNA Pilot does not conform to cost of service principles. Similarly, the OCA contended that Columbia's WNA is not similar to other WNAs currently in effect in Pennsylvania. The OCA continued that even if the Company's WNA was similar to that of other natural gas distribution companies (NGDCs) in Pennsylvania, the similarities would not constitute evidence of just and reasonable rates. The OCA insisted that the WNA would not result in just and reasonable rates, but rather, would operate as a one-sided surcharge without benefit to Columbia's customers. *December 2025 Order* at 298 (citing OCA R. Exc. at 22).

In its Replies to Exceptions, CAUSE-PA provided that the WNA Pilot has operated in a one-sided manner in favor of the Company. Similar to the OCA, CAUSE-PA explained that the WNA Pilot has resulted in over $74 million in net additional charges to customers for service they did not use. CAUSE-PA further explained that over the last six years, net WNA charges to customers were sixteen times

larger than the net benefits of the WNA in its first six years of operation. *December 2025 Order* at 297 (citing CAUSE-PA R. Exc. at 8).

CAUSE-PA also maintained that all rate setting is based on projections and Columbia is not entitled to assurance during ratemaking that it will be able to recover net revenues, but merely a reasonable opportunity to do so. CAUSE-PA reasoned that weather-related usage reduction is a traditional business risk of providing gas distribution service. CAUSE-PA continued that "[i]f Columbia's projections are wrong, it has all the tools that it needs to course correct – including filing a rate case, which Columbia does almost annually." *December 2025 Order* at 298-99 (citing CAUSE-PA R. Exc. at 8-9).

Additionally, CAUSE-PA averred that the WNA lacks effective consumer protections, noting that the 3% deadband has not provided meaningful protection. CAUSE-PA asserted that there is no cap on the charge assessed on an individual customer and no backstop to prevent excessive individual charges. Further, CAUSE-PA reinforced its position that the WNA does not exempt any low-income customers, thereby exacerbating energy insecurity and driving up the cost of CAP for other residential customers. *December 2025 Order* at 299 (citing CAUSE-PA R. Exc. at 9).

CAUSE-PA provided that the warming trends that are now present are not abnormal and that the ALJs correctly explained that changing weather is a normal business risk of providing gas service. CAUSE-PA contended that by shifting the risk of warming weather to consumers, the WNA shields Columbia from traditional business risk and erodes incentives for efficient management performance. CAUSE-PA further submitted that it is clear that Columbia's projections of normal weather over the last six years have not matched actual weather, such that the WNA is not a symmetrical mechanism. CAUSE-PA concluded that the Commission should discontinue the "complex, one-sided pilot WNA, as it produces patently unjust and unreasonable rates." *December 2025 Order* at 299 (citing CAUSE-PA R. Exc. at 10).

Upon review, we granted Columbia's Exception No. 12, in part, and denied it, in part. Therein, we noted that in a rate case, the Commission approves a revenue number which produces customer rates that afford the utility the opportunity to earn the approved revenue amount. For a natural gas utility, we stated that a large portion of its revenue is based on home heating, but that the cost of delivering gas is not weather-dependent. In our rationale, we explained that weather that is colder or warmer than expected results in revenue that is higher or lower than that approved by the Commission and that a WNA may be used to align revenue collected to that approved by the Commission. If temperatures are warmer than expected, the utility will add a surcharge to give it the opportunity to collect revenues up to the amount approved by the Commission. Conversely, if weather is colder than expected, customers receive a credit on their bills to limit the utility from collecting revenue above the Commission-approved amount. *December 2025 Order* at 299-300.

In this case, we highlighted I&E's recommendation that the WNA be discontinued and its alternative position that, if the WNA is made permanent, the following customer protections should be put in place: (1) a 5% deadband should be used to protect customers; (2) the "shoulder" month of May should be removed from the WNA calculation; and (3) the time period used to calculate the NHDDs should be shortened to ten years. *December 2025 Order* at 300.

We also referenced the ALJs' recommendation that the Commission allow Columbia's WNA program to expire, and that no permanent WNA be put in place. Additionally, we acknowledged the ALJs alternative recommendation that if the Commission concludes that the WNA should continue, then the recommended modifications proposed by I&E should be adopted. We further noted that the ALJs agreed with the alternate recommendation of CAUSE-PA to confine the WNA to the period between December through March. *December 2025 Order* at 300 (citing R.D. at 494-95).

Our *December 2025 Order* further referenced Columbia's argument in its Exception No. 12 that the WNA Pilot program should be made permanent. Therein, we acknowledged Columbia's contentions that the WNA "provides a reasonable opportunity to recover its Commission-authorized revenue requirement" and that the "extreme and abnormal warming trends are outside of the Company's control, which prevent the company from recovering its authorized revenue requirement due to the mismatch between fixed cost incurrence and volumetric cost recovery." *December 2025 Order* at 301.

We agreed with Columbia's Exception on this issue to the extent that our *December 2025 Order* authorized the Company to continue its WNA Pilot program to allow it a reasonable opportunity to earn up to its Commission-authorized revenue requirement. Based on the evidence presented regarding Columbia's WNA, which has been in place for ten years, we determined that the WNA has not enabled the Company to recover revenue outside of the Commission-authorized revenue requirement and has received very few complaints. *December 2025 Order* at 301 (citing Columbia M.B. at 161-62; Columbia R.B. at 82-84).

Although we agreed that the WNA should be approved, in the form of permitting the Company to continue its WNA Pilot program, we also supported the additional customer protections proposed by I&E. There, we agreed with the rationale of I&E that if the goal of the WNA is to improve stability and customer bills and Company revenues, a 5% deadband would adequately capture what could be considered normal weather fluctuations in Pennsylvania. Additionally, we explained that this places more of the burden for calculating and forecasting weather variations back onto the Company as a normal part of doing business. *December 2025 Order* at 301 (citing I&E M.B. at 69).

Additionally, we found I&E's argument pertaining to the elimination of the shoulder month of May from the WNA calculation to be persuasive. We agreed that May

is not a winter or traditional heating month in Pennsylvania, but is more appropriately a shoulder month when customers can expect to start seeing their heating bills decline. Accordingly, we determined that the retention of May in Columbia's WNA calculation could result in customers seeing WNA bill increases as late as June. *December 2025 Order* at 301-02 (citing I&E M.B. at 68).

Moreover, we found I&E's proposed adjustments to the time period for determining NHDDs to be reasonable. Specifically, we concluded that using a twenty-year cycle rather than a ten-year cycle appears to result in an "historical bias" that diminishes the effect of the claimed recent trends and results in providing revenue to the Company when, instead, customers should be realizing savings. *December 2025 Order* at 302 (citing I&E M.B. at 68).

Furthermore, we reasoned that the WNA should be kept as a pilot to evaluate the impact of the customer protections. Implementation of the three customer protections listed above, we found, will balance the risk of changing weather patterns between the Company and customers. Accordingly, we concluded that these three protections and the WNA remaining as a pilot will be required as a condition of approving the continuation of the WNA program. *December 2025 Order* at 302.

Thus, we authorized Columbia to continue its WNA mechanism in the form of a pilot, as modified in the *December 2025 Order*, until a final order is entered in the Company's next rate case filed after the entry of this Opinion and Order. For informational purposes, we required the Company to continue to maintain and provide to I&E, the OCA, and the OSBA, by October 1 of each year, all reports and records supporting the operation of Columbia's WNA for the preceding year, including the Company's monthly computation of the WNA and all data underlying the Company's monthly WNA computation. We also affirmed that all parties shall reserve their

respective rights to propose or oppose a WNA in a future base rate proceeding. *December 2025 Order* at 302.

2. CAUSE-PA Petition and Answers

In its Petition, CAUSE-PA argues that the Commission misapplied the law by allowing Columbia's WNA Pilot program to continue based upon the finding that the Company's WNA Pilot program has not enabled the Company to "over collect" or recover more than its authorized revenue requirement. For relief, CAUSE-PA requests that the Commission reverse the decision to continue the WNA, based on proper application of Commission policy and substantial record evidence. CAUSE-PA Petition at 13.

CAUSE-PA submits that the relevant inquiry in evaluating the WNA proposal should not have been whether Columbia collected more than its authorized revenue requirement. Rather, CAUSE-PA contends that the Commission should have determined whether – absent the WNA – Columbia would not have otherwise had "a reasonable opportunity" to collect its authorized revenue requirement. CAUSE-PA Petition at 16 (citing *Federal Power Comm'n v. Hope Natural Gas Co*., 320 U.S. 591, 603 (1944)). According to CAUSE-PA, allowing for continuation of an alternative ratemaking mechanism, such as the WNA, simply on the grounds that it does not allow the utility to over collect, would set a dangerous precedent, signaling entitlement to Commission authorized revenue, which is not the law in Pennsylvania. CAUSE-PA Petition at 16-17.

CAUSE-PA asserts that the Commission's ruling incorrectly presumes that rates and rate projections are outside of Columbia's control and ignores the fact that when the Company is setting rates, it gets the benefit of projecting rates into the future, based on a Fully Projected Future Test Year (FPFTY). In reality, CAUSE-PA submits,

Columbia has various tools to course correct if its earnings are falling short of projected and authorized revenues, including by filing a rate case. CAUSE-PA Petition at 17.

Moreover, CAUSE-PA argues that the Commission's decision overlooks the ways in which the WNA effectively penalizes consumers for warming weather, undermines energy efficiency and conservation goals, and otherwise detracts from other critically important policy objectives. CAUSE-PA also contends that the WNA works in one direction, allowing Columbia to assess a surcharge for energy that customers do not use. CAUSE-PA Petition at 17-18.

CAUSE-PA argues that the ALJs appropriately weighed the relevant facts and data and evaluated the Commission's *2019 Statement of Policy* in rejecting the Company's WNA proposal. In the *December 2025 Order*, however, CAUSE-PA contends that the Commission inappropriately overruled the ALJs without providing any rationale about how its decision to overturn the ALJs' decision relates to the *2019 Statement of Policy*. CAUSE-PA Petition at 18.

CAUSE-PA submits that additional time is not necessary to evaluate the WNA as a pilot, noting that there has already been more than a decade of evidence demonstrating that the WNA shores up profits and eliminates Columbia's normal business risks. According to CAUSE-PA, Columbia has failed to carry its burden to demonstrate that the more than $74 million in charges generated by the WNA since its inception are just and reasonable. Thus, CAUSE-PA requests that the Commission exercise its discretion to allow the Company's WNA to expire as of the effective date of rates in this proceeding. CAUSE-PA Petition at 18-19.

Addressing the alternative recommendations to reform the WNA, CAUSE-PA argues that the Commission overlooked CAUSE-PA's additional recommended reforms to the WNA. If allowed to continue, CAUSE-PA requests that the

Commission further limit application of the WNA to December through March and exempt confirmed low-income customers, consistent with the weight of the evidence in this proceeding. CAUSE-PA Petition at 19.

CAUSE-PA notes that the Commission adopted I&E's alternative recommended reforms to the WNA but failed to address CAUSE-PA's proposals or explain why it chose to deviate from the ALJs' recommendation that its critical reforms also be adopted. Specifically, CAUSE-PA criticizes the Commission for failing to provide any rationale or citation to substantial evidence for why it declined to adopt the ALJs' recommendation that the shoulder months of November and April should also be removed. Additionally, CAUSE-PA asserts that the Commission failed to address the ALJs' recommendation that confirmed low income customers should be exempt from the WNA. According to CAUSE-PA, the ALJs agreed "that low-income customers already face acute affordability challenges each month and the addition of surprise charges on their bill because the weather is warmer than historical averages is both unfair in general and unreasonable as applied to economically vulnerable households." CAUSE-PA Petition at 20.

Specifically, CAUSE-PA contends that the Commission overlooked extensive data and information about the uniquely harmful impact of the WNA on confirmed low-income customers who are not enrolled in CAP. CAUSE-PA notes that 70,000 low-income customers are not enrolled in CAP and asserts that they will bear the full impact of the approved rate increase and the additional charges levied through the WNA. CAUSE-PA Petition at 21-22.

CAUSE-PA also argues that the Commission failed to consider the extensive information and data indicating unique harm to CAP participants, noting that

the WNA serves to increase costs to CAP participants and other ratepayers in multiple ways. For example, CAUSE-PA states that:

> For CAP participants that receive Columbia's percentage of income CAP rate, capped at a percentage of household income, application of the WNA increases the cost of CAP to other ratepayers. For CAP customers that receive Columbia's percent of budget CAP rate, application of the WNA increases CAP bills directly – dollar for dollar – up to their applicable percent of income. As a result, more percent of bill CAP rate participants are likely to transition to the percent of income CAP rate – again increasing the cost of CAP to other ratepayers. In other words, applying the WNA to CAP participants forces other residential customers to pay twice for the WNA – compounding energy insecurity while driving up overall universal service costs.

CAUSE-PA Petition at 21 (citations omitted).

Moreover, CAUSE-PA highlights that the Commission recently approved a settlement involving the WNA in *Pa. PUC v. UGI Utilities, Inc.*, Docket No. R-2024-3052716 (Final Order entered September 11, 2025) (*UGI Gas 2025*). CAUSE-PA finds it notable that the Commission in *UGI Gas 2025* found the exemption of low-income customers from the WNA to be just and reasonable in that proceeding. CAUSE-PA Petition at 22.

Furthermore, CAUSE-PA proffers that the ALJs agreed with its argument that if December through March are the only months when economically vulnerable households must retain service because of the possibility of cold weather, it is unreasonable to allow Columbia to assess a weather-related charge in the additional months of November, April, or May. According to CAUSE-PA, the Commission acknowledged the ALJs' agreement on this point but failed to provide any reason or cite

to any evidence as to why it would overrule this recommendation. CAUSE-PA Petition at 22.

In summary, CAUSE-PA asserts that the Commission has overlooked these points and should amend the *December 2025 Order* to exempt all confirmed low-income customers (including those enrolled in CAP) from the WNA charge and limit the WNA to December through March. CAUSE-PA Petition at 22.

In its Answer to the CAUSE-PA Petition, the OCA argues that the Commission overlooked and did not address the arguments and evidence presented by CAUSE-PA and the OCA in the *December 2025 Order* pertaining to the WNA. In substantially similar arguments to CAUSE-PA, the OCA asserts that the Commission failed to provide any adequate factual and legal support for the determination that the WNA provides Columbia with a reasonable opportunity to earn its authorized revenue requirement. OCA Answer to CAUSE-PA Petition at 8-10.

The OCA proffers that a court on appeal would be unable to effectively review the determination in the *December 2025 Order* regarding the proposed WNA, due to the absence of factual support for its authorization. Thus, the OCA asserts that reconsideration is an appropriate remedy in this proceeding because the Commission, in its *December 2025 Order*, overlooked or did not fully consider the breadth of the factual record which formed the basis for the ALJs' recommendation. Additionally, the OCA reiterates the arguments of CAUSE-PA that the Commission failed to address its policy factors in the *2019 Statement of Policy.* OCA Answer to CAUSE-PA Petition at 10.

The OCA submits that, in the absence of the WNA, Columbia is well-positioned to earn a significant return on its investment. In support, the OCA notes the existing regulatory framework in Pennsylvania, including the significant 10.0% return on equity adopted in the *December 2025 Order* and the continued use of the Equal Life

Group procedure for calculating depreciation rates, thereby ensuring that Columbia has ample cash flow to make all needed infrastructure investment and to attract capital from investors. Further, the OCA contends that the weight of evidence presented by the Parties opposed to the WNA, which is supported by the applicable legal framework, stands in stark contrast to the *December 2025 Order*.[25] Accordingly, the OCA argues that reconsideration and modification or clarification is appropriate due to what it considers to be a sparsely supported rationale in the *December 2025 Order*. OCA Answer to CAUSE-PA Petition at 13.

Additionally, the OCA contends that the Commission overlooked, and did not address, CAUSE-PA's recommended modifications to the proposed WNA when it determined to adopt only I&E's recommended modifications. Although the OCA stresses that it does not support Columbia's proposed WNA, even with the modifications supported by I&E and CAUSE-PA, the OCA asserts that CAUSE-PA's additional recommended modifications will make the proposed WNA less unjust and unreasonable than if the modifications were not in place. OCA Answer to CAUSE-PA Petition at 13-14.

Regarding CAUSE-PA's proposed modification to limit the WNA to the months of December through March, the OCA submits that CAUSE-PA's proposal is consistent with the Commission's own definition of the heating season, and the Commission did not provide a basis to deviate from that definition in the *December 2025 Order*. In support, the OCA cites to the regulatory basis for defining the heating season as December 1 through March 31, as the Commission defines this period in its Regulations as "winter" and prevents electric and natural gas distribution utilities from terminating customers for nonpayment if the customer earns at or below 250% of the

[25] In support, the OCA cites to the *2019 Statement of Policy* and the Commission's decision *PECO Gas 2024* at 94-101, applying the policy factors. OCA Answer to CAUSE-PA Petition at 10-11.

Federal poverty level, except upon request. OCA Answer to CAUSE-PA Petition at 14-15 (citing 52 Pa. Code § 56.100(b)).

Additionally, the OCA argues that low income customers have different natural gas usage patterns, as compared to non low income customers, meaning that the assumptions which underlie the WNA are not applicable to low income customers. OCA Answer to OSBA Petition at 15 (citing OCA M.B. at 234-35). Accordingly, the OCA agrees with CAUSE-PA that if the WNA is adopted, low-income customers should be excluded. OCA Answer to CAUSE-PA Petition at 16.

In summary, the OCA asserts that:

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

OCA Answer to CAUSE-PA Petition at 16. Arguing that the *December 2025 Order* did not address what the OCA purports to be undisputed evidence, the OCA argues that the Commission should exercise its discretion to modify its prior Order. *Id*.

In its Answer to the CAUSE-PA Petition pertaining to the requested denial of the WNA, the Company asserts four main arguments, including that: (1) the Commission did not err as a matter of law in approving the WNA; (2) the WNA does not guarantee recovery of Columbia's authorized revenue requirement; (3) the WNA results

in just and reasonable rates; and (4) filing a rate case would not allow Columbia to recover previously authorized revenues that were lost due to weather.

First, Columbia argues that the Commission did not err as a matter of law in approving the WNA. Instead, the Company contends that CAUSE-PA misapplies the law by promoting an analysis that disregards the alternative ratemaking statutory provision pursuant to 66 Pa.C.S. § 1330. Columbia Answer to CAUSE-PA Petition at 8-9. Columbia submits that CAUSE-PA incorrectly describes the required legal analysis as "whether – absent the WNA – Columbia would have otherwise had a *reasonable opportunity* to collect its authorized revenue requirement." Columbia Answer to CAUSE-PA Petition at 9 (emphasis in original).

Columbia states that the Commission has classified a WNA as a limited decoupling mechanism and that Section 1330(b) of the Code, 66 Pa.C.S. § 1330(b), allows the Commission to approve alternative ratemaking mechanisms, including decoupling mechanisms. According to the Company, neither Section 1330, nor any other provision of the Code, imposes the legal standard proposed by CAUSE-PA: that the Commission is required to find that a utility does not have a reasonable opportunity to recover its revenue requirement before approving any alternative ratemaking mechanism under Section 1330, including decoupling mechanisms, performance-based rates, formula rates, and multi-year rate plans. *Id*.

The Company also contends that the WNA supports the policy of providing investments in, and replacement of, aging utility infrastructure, including the funding of the Company's Long Term Infrastructure Improvement Plan (LTIIP). Moreover, Columbia addresses the contention that there is no statutory guarantee of net revenue by citing to the express statutory authority of the WNA under Section 1330 of the Code. Asserting that CAUSE-PA is confusing traditional cost of service ratemaking principles with alternative ratemaking mechanisms which are statutorily authorized, Columbia

argues that the Commission should reject the Petition of CAUSE-PA. Columbia Answer to CAUSE-PA Petition at 10.

In its second main argument, the Company asserts that the WNA does not guarantee recovery of Columbia's authorized revenue requirement. Columbia argues that the WNA only adjusts revenue for weather in certain months of the year and does not account for other variables. The Company submits that without a WNA, Columbia would not have a reasonable opportunity to recover its reasonable and fair costs authorized by the Commission during abnormal weather conditions. Columbia Answer to CAUSE-PA Petition at 11 (citing Columbia St. 17-R at 12-13).

Moreover, the Company asserts, approving the WNA would not set a dangerous precedent in Pennsylvania, highlighting that Columbia's WNA has been in place for over ten years and has been approved for several other NGDCs. Columbia Answer to CAUSE-PA Petition at 11-12.

As to its third main argument, Columbia proffers that it has met the burden of demonstrating that the WNA results in just and reasonable rates. Referencing its testimony and arguments in its briefs, Columbia argues that the WNA is a just and reasonable rate mechanism that mitigates the Company's revenue loss during periods when weather is warmer than normal and reduces customers' bills when weather is colder than normal. Columbia Answer to CAUSE-PA Petition at 12-14 (citing, in part, Columbia St. 17 at 28-42; Columbia St. 17-R at 4-20; and Columbia St. 17-RJ at 3-5).

In its fourth main argument, the Company contends that Columbia cannot simply file another rate case to recover revenues that were lost due to abnormally warm weather. Noting that filing a rate case does not allow Columbia to recover previously authorized revenues that were lost due to weather, the Company argues that without a WNA, it will always be in a position of under-recovering its fixed costs through

volumetric rates when weather is warmer. Columbia Answer to CAUSE-PA Petition at 14.

Turning to CAUSE-PA's alternative proposals for modifications to restrict the Company's WNA, Columbia asserts that the Commission should deny the request to approve additional modifications to the WNA. As an initial matter, the Company submits that the Commission did not overlook CAUSE-PA's proposals, citing the references to the proposals on pages 294 and 299 of the *December 2025 Order*, and noting that the absence of a specific determination does not mean the Commission overlooked the arguments. In support, the Company cites the legal standard that any issue not specifically addressed is deemed to be considered and denied without further discussion. Columbia Answer to CAUSE-PA Petition at 14-15 (citing *December 2025 Order* at 16).

In further support, Columbia contends that the CAUSE-PA proposed modifications to the WNA are unreasonable and should not be adopted. Regarding the request to drop the months of November and April from the WNA, Columbia argues that these months are cold in Pennsylvania and experience significant weather variations.[26] Additionally, the Company argues that the Commission already removed the month of May in response to CAUSE-PA's and I&E's concerns. Columbia Answer to CAUSE-PA Petition at 15.

As to the CAUSE-PA proposal to exclude low-income customers from the WNA, Columbia argues that the WNA levelizes bills for low-income customers and

[26] In its Answer to the CAUSE-PA Petition, Columbia incorrectly states that CAUSE-PA is recommending to drop November and *March* from the WNA. Columbia Answer to CAUSE-PA Petition at 15 (emphasis added). However, it is clear from the CAUSE-PA Petition that CAUSE-PA is recommending the removal of the months of November and *April* from the WNA, and not the month of March. CAUSE-PA Petition at 19. Accordingly, we will disregard this apparent errant reference by the Company.

reduces bills when they are the highest in cold months. The Company also notes that it does not have a separate customer class for confirmed low-income customers. Columbia Answer to CAUSE-PA Petition at 15.

Regarding the CAUSE-PA's argument that the WNA increases costs to CAP participants, Columbia asserts that CAUSE-PA ignores several key points. First, the Company submits that most CAP customers pay a percentage of income for their usage, and the WNA does not increase the amount that they pay each month. Columbia notes that other CAP customers pay a "percentage of bill," and this is also limited by "percentage of income." Moreover, the Company emphasizes that all CAP bills are reviewed monthly to ensure the customer is on the lowest option available. Columbia Answer to CAUSE-PA Petition at 15.

Responding to CAUSE-PA's argument that other customers will pay twice for the WNA, Columbia asserts that this misunderstands the operation of the CAP, noting that amounts not recovered from CAP customers due to income-based payment caps are recovered from non-CAP customers through existing CAP cost-recovery mechanisms. According to the Company, any over or under recovery associated with the WNA does not result in duplicative recovery, but instead affects the total CAP-related amounts recovered from non-CAP customers, which may increase or decrease accordingly. Further, Columbia contends that the argument of CAUSE-PA ignores the fact that the WNA provides credits when weather is colder than normal, which benefits other customers. Columbia Answer to CAUSE-PA Petition at 15-16.

Columbia adds that customers have received WNA credits approximately 40% of the time since the WNA's inception. Also, the Company argues that the WNA helps to recover fixed costs that are not otherwise recovered due to warmer than normal weather and should apply to all residential customers, not just a subclass. Columbia Answer to CAUSE-PA Petition at 16.

3. Disposition

Alleging errors of law and a disregard of the evidentiary record, CAUSE-PA requests that we reconsider the *December 2025 Order* and deny the Company's WNA, or alternatively, that we further modify the WNA to add additional consumer protections. We shall deny CAUSE-PA's request. Upon review, we find no error in our application of the relevant law or in our application of the evidentiary record. Accordingly, we shall decline to exercise our discretion to modify the *December 2025 Order* pertaining to our approval of the continuation of the Company's WNA as a pilot program.

The primary argument of CAUSE-PA and of the OCA is that we erred as a matter of law by approving Columbia's WNA based upon the finding that it has not enabled the Company to over recover, or collect *more than* its authorized revenue requirement. This is a constricted reading of our disposition and disregards the statutory authority of the Commission to approve alternative ratemaking mechanisms.

In our disposition, we determined that Columbia should be permitted to continue its WNA Pilot program to allow the Company a reasonable opportunity to earn up to its Commission-authorized revenue requirement. Additionally, we stated: "[b]ased on the evidence presented, Columbia's WNA, which has been in place for ten years, *has not enabled the Company to recover revenue outside of the Commission-authorized revenue requirement* and has received very few complaints." *December 2025 Order* at 301 (citing Columbia M.B. at 161-62; Columbia R.B. at 82-84) (emphasis added). CAUSE-PA and the OCA argue that this emphasized clause essentially created a new legal standard that guarantees a specific revenue requirement for Columbia. We disagree, finding that our statement was simply an acknowledgment of the testimonial evidence in the context of our consideration of the alternative ratemaking proposal.

Specifically, the Company testified that the WNA does not allow for the Company to collect more than its authorized revenue and, in fact, during the last six years, Columbia has been unable to recover the Commission authorized revenue requirement. Columbia St. 17 at 37. In support, the Company compared the authorized revenue requirement approved by the Commission over this period to what was recovered through rates, the WNA, and any unrecovered amounts in Table 6 of Columbia Statement 17, as follows:

Table 6 – Columbia's Residential Authorized Revenue Requirement vs. Billed Amounts (in millions)

Year	(a) Total Authorized Residential Revenue	(b) Actual Billed Base Revenue	(c) Actual Billed WNA	(d) = (b) + (c) Total Actual Billed Base Revenue + WNA	(e) = (d) - (a) Unrecovered Balance
2019	$290.1	$283.1	($1.5)	$281.5	($8.6)
2020	$290.1	$273.0	$10.9	$283.9	($6.2)
2021	$334.4	$326.1	$3.3	$329.4	($5.1)
2022	$372.1	$364.5	$1.3	$365.8	($6.3)
2023	$402.8	$360.6	$22.0	$382.7	($20.2)
2024	$402.8	$343.6	$36.7	$380.2	($22.6)
				Total	**($68.9)**

Id. at 38.

Nowhere in our disposition, however, did we make the determination that Columbia is *guaranteed* a level of revenue. Rather, we simply noted that at no time has the WNA enabled the Company to earn a level of revenue beyond the Commission-authorized revenue requirement. Indeed, our statement is supported by the record, as illustrated in Table 6, above, which shows that the actual billed base revenue, when added to the actual billed WNA revenue, has been far below the total Commission-authorized residential revenue level for the past six years. Thus, we disagree with the

argument that our acknowledgement of this reality essentially abrogated the principle that in Pennsylvania there is no statutory guarantee of net revenues.

Instead, our holding in the *December 2025 Order* approving the continuation of the WNA, as modified, is rooted firmly in the statutory authority of Section 1330 of the Code, pertaining to alternative ratemaking for utilities. As referenced in the policy provision of Section 1330: "It is the policy of the Commonwealth that utility ratemaking should encourage and sustain investment through appropriate cost-recovery mechanisms to enhance the safety, security, reliability or availability of utility infrastructure and be consistent with the efficient consumption of utility service." 66 Pa.C.S. § 1330(a)(2).

Section 1330(b) of the Code, 66 Pa.C.S. § 1330(b), permits the Commission to approve various alternative ratemaking mechanisms, including decoupling mechanisms. A decoupling mechanism is defined as a rate mechanism: "that reconciles authorized distribution rates or revenues for [the] difference between the projected sales used to set rates and actual sales, which may include, but not be limited to, adjustments resulting from fluctuations in the market of customers served and other adjustments deemed appropriate by the commission." 66 Pa.C.S. § 1330(f). The Commission has identified WNAs as decoupling mechanisms. *See Alternative Ratemaking Methodologies*, Docket No. M-2015-2518883 (Tentative Order entered March 2, 2017) at 7.

In our *December 2025 Order*, we agreed with the primary arguments of Columbia, as set forth in its Exception No. 12, that the WNA should be permitted to continue, albeit as a pilot program. In response, both CAUSE-PA and the OCA contend that our determination is not supported by substantial evidence that the WNA is just and reasonable. Specifically, they criticize the alleged failure of this Commission to apply the factors in the *2019 Statement of Policy*.

As a preliminary matter, we note that the *2019 Statement of Policy* did not establish a binding norm. *See 2019 Statement of Policy* at 7. Accordingly, the Commission was not required to address the factors individually in the disposition of the *December 2025 Order*. Nonetheless, we acknowledge that our determination was based on our adoption of the arguments and evidence advanced by Columbia that the WNA was just and reasonable, which included an evaluation of the factors in the *2019 Statement of Policy*. *See* Columbia St. 17 at 28-42; Columbia St. 17-R at 4-20; and Columbia St. 17-RJ at 3-5.

In the *December 2025 Order*, we evaluated the evidentiary record and the Exceptions and Reply Exceptions pertaining to the WNA, and determined that the continued approval of the WNA, as modified with impactful customer protection provisions, would be just and reasonable. Upon review here, we reiterate this prior determination as being consistent with the Commission's discretionary authority to authorize reasonable alternative ratemaking mechanisms under Section 1330 of the Code.

In particular, we agree with the Company that it has adequately supported the reasons why the WNA is necessary. As set forth in the Company's testimony, the WNA is a decoupling mechanism, as defined in Section 1330, designed to stabilize utility revenues when the rate design does not fully recover fixed costs through monthly customer charges. According to Columbia, in the absence of a rate structure that aligns fixed cost recovery with fixed charges, NGDCs must rely heavily on weather-sensitive volumetric revenues. We acknowledge that this presents a substantial problem for gas utilities and their customers, because of the difficulty in projecting temperatures for any one year. Columbia St. 17-R at 12.

This is exemplified by the fact that costs incurred by Columbia do not vary with weather. For example, "Columbia does not hire more or less employees because of a temperature change, it must still maintain its facilities regardless of temperatures, and it

still must send bills to customers regardless of changes to temperatures." Columbia St 17-R at 13-14. As such, there is the significant potential for revenue volatility and a mismatch between how costs are incurred and how revenues are recovered. *Id*. at 12.

Columbia asserted that without a WNA, the Company may fall short of cost recovery in warm winters and over-recover from customers during colder than normal periods, even if total system costs remain unchanged. Thus, the Company has utilized the WNA with the intent of normalizing usage, promoting rate stability, and supporting long-term planning and investment and thereby benefiting customers. Columbia St. 17-R at 12.

Nonetheless, one of the significant criticisms of the Company's WNA, as implemented is that the mechanism has resulted in net revenues to the Company of over $74 million during the years of operation of the pilot program, as follows:

Summary of WNA Annual Reports

Heating Season	Revenue Impact
2013-2014	($9,356,200)
2014-2015	(10,981,225)
2015-2016	11,522,044
2016-2017	13,904,914
2017-2018	(6,052,270)
2018-2019	(3,734,377)
Subtotal	(4,697,114)
2019-2020	4,979,367
2020-2021	5,327,158
2021-2022	2,530,224
2022-2023	17,441,275
2023-2024	36,341,358
2024-2025	12,296,217
Total	$74,218,485

See I&E St. 3-SR at 15; I&E Exh 3-SR, Sch. 1 at 4; OCA St. 1, Exh. MWD-11; CAUSE-PA St. 2-SR, Appendix A at 12.

In the *December 2025 Order*, however, we implemented several significant customer protection provisions designed to address this potential imbalance by further customizing the WNA to help normalize usage and promote long-term rate stability. One of the critical modifications was the adoption of I&E's request to expand the temperature deadband from 3% to 5%. As explained in the *December 2025 Order*, the deadband was 5% until January 31, 2019. However, it was reduced to 3% and the month of October

was excluded from the WNA as a result of a partial settlement in *Columbia Gas 2018*. *December 2025 Order* at 288 (citing *Columbia Gas 2018*).

We note that during the time-period in which Columbia utilized the 5% deadband (Heating Seasons 2013-2014 through 2018-2019), customers received net credits annualized over those years and amounting to $4,697,114. While not determinative of how WNA credits and charges will be applied in the future, we acknowledge this data as being historically significant and that the return to the 5% deadband, coupled with the other modifications, will potentially reorient the alternative ratemaking provision to operate as intended.

Moreover, as a pilot program, authorized only until the issuance of an order addressing the Company's next rate case filing, the Company and the Parties will be able to better evaluate the available data and to assist the Commission in determining whether the continuation of the WNA, as modified in this proceeding, would be in the public interest. In this regard, we further emphasize the importance of the continuation of the transparent reporting requirements in the *December 2025 Order*.

Columbia will be required to continue to make annual filings documenting the WNA's operation, including the following data:

- counts of the total residential customers billed each month as well as the customers receiving WNA bills and those within the deadband;
- monthly WNA revenue and the average adjustment per heating customer; and
- monthly billing HDDs, both actual and normal with a calculated percentage for warmer or colder than normal weather.

Columbia St. 17-R at 9. These reports help to provide transparency to the operation of the WNA and will assist in further Commission review of the program as deemed necessary.

CAUSE-PA further argues that the Commission improperly disregarded the other modifications to the WNA proposed by CAUSE-PA. We decline to exercise our discretion to reconsider the *December 2025 Order* to add CAUSE-PA's further requested modifications to the WNA at this time.

In addition to the removal of the month of May from the WNA calculations, as adopted in the *December 2025 Order*, CAUSE-PA sought the removal of the months of November and April. Although the removal of these additional months would add apparent symmetry with the Winter Termination Moratorium months as advocated by CAUSE-PA, it is unclear from the record what impact it would have on the anticipated application of the WNA going forward during the pilot test period. That is, with the addition of the three customer protections added in the *December 2025 Order* – the 5% temperature deadband, the ten-year period cycle for determining NHDDs, and the elimination of the shoulder month of May – we find it would be premature to add additional modifications until further data is available as to how the WNA is operating during the pilot period.

In light of the prior data pertaining to the first 5% deadband period in which net annual customer credits were issued over a period of six years, and out of concern that the months of November and April are cold months in Pennsylvania that experience significant weather variations, we find that it was reasonable to decline to adopt CAUSE-PA's additional modification in this proceeding. *See* Columbia St. 17-R at 17-18. Furthermore, removing the months of November and April from the WNA calculation could potentially reintroduce the kind of weather-driven revenue volatility that the alternative rate mechanism is designed to mitigate. Nonetheless, we invite the Parties to address this issue in the context of a future proceeding when additional data becomes available.

Moreover, in the *December 2025 Order*, we declined to consider CAUSE-PA's other proposed modification: to exclude confirmed low-income customers from the WNA. In light of the significant modifications mandated in the *December 2025 Order*, we find that our determination to decline to adopt the additional CAUSE-PA modification pertaining to low-income customers was reasonable.

Similar to the reasons outlined above, it would be premature to implement additional restrictions on the WNA at this stage without additional data. Also, as a result of the mechanism modifications adopted in the *December 2025 Order*, we would want all customers to potentially share in the revenue leveling aspects of the WNA when operating as intended. In other words, we do not believe it would be in the public interest to exclude all low-income customers who would otherwise be eligible for credits under the WNA when weather is abnormally cold.

Given the existing modifications already adopted in this proceeding, including the implementation of a ten-year cycle for calculating NHDDs – and until such time as additional data and information is available in relation to these modifications – we do not believe it would be in the public interest to eliminate customers from the application of the WNA based on their income.

In summary, we find no basis to exercise our discretion to reconsider our decision in the *December 2025 Order* to approve the continuation of the WNA as a pilot program, as modified, and shall deny the CAUSE-PA Petition as to this issue.

E. CAUSE-PA Petition – Competitive Supply Issues

1. *December 2025 Order* Summary

In the *December 2025 Order*, we described Columbia's opposition to the recommendation of the OCA and CAUSE-PA, to require Columbia to send targeted communications to customers who are enrolled with a Natural Gas Supplier (NGS) and paying supplier rates that are higher than the Company's price to compare (PTC). Rather, Columbia contended that its outreach and messaging to shopping customers is fully compliant with all regulatory requirements, and that its customers are provided the information necessary to evaluate NGS offers and compare shopping costs. *December 2025 Order* at 381.

In addition, we noted Columbia's argument that the messaging recommended by the OCA and CAUSE-PA conflicts with the intent of the Natural Gas Choice and Competition Act, 66 Pa.C.S. § 2201, *et seq*. (Choice Act) because it expressly requires that customers have the opportunity to choose a variety of products and services, including supply and pricing options, from NGSs, and it does not require lower natural gas rates or costs. Columbia took the position that the proposed messaging should be rejected because it could discourage customers from shopping for an NGS, which directly conflicts with the purpose of the Choice Act. Furthermore, Columbia averred that CAUSE-PA's recommended messaging is unnecessarily discriminating to low income customers who are paying supply rates higher than the PTC, and that, to the extent low income customers are paying excessive shopping rates, it is because those rates are a result of NGS pricing and are not due to Columbia's PTC or the information the Company supplies to its customers. *December 2025 Order* at 381-82.

Finally, Columbia argued that imposing additional communication requirements regarding competitive supply rates in this proceeding would be improper

because supplier interests are not adequately represented in this proceeding. *December 2025 Order* at 381.

Next, we noted the position of the OCA, which proposed that Columbia be required to send additional educational messaging to customers, who are enrolled with an NGS and are paying rates that are higher than the PTC, that explains how to compare NGS charges to the PTC and urging them to compare rates on a monthly basis. The OCA's witness, Ms. Barbara Alexander, identified that certain customers are paying more for NGS service, as compared to the PTC, which negatively impacts customer bills. The OCA argued that while Columbia promotes customer choice, the Company does not take responsibility when customers pay higher bills for NGS service. The OCA stated that the Commission has issued orders recognizing the adverse impact of customer choice shopping on low income customers, and that these customers may pay higher prices for utility service when served by retail suppliers. Therefore, the OCA recommended that, due to the risk of the potential termination of service for the inability to pay higher prices, Columbia should target educational messages to choice customers to urge them to compare NGS charges to the PTC on a monthly basis. *December 2025 Order* at 382.

We summarized the similar position of CAUSE-PA, which recommended that Columbia be required to develop a targeted letter for low-income shopping customers who are being charged rates higher than the PTC, to be sent at least once every six months and include clear instructions for applying for CAP. CAUSE-PA averred that Columbia's residential and low-income shopping customers are consistently charged rates that exceed the PTC, which in turn increases collections and Universal Service Program costs, termination rates, and distribution rates paid by all residential customers. In order to guard against these consequences, CAUSE-PA recommended that the Commission should require Columbia to improve its general residential shopping

education by providing targeted education to low-income shopping customers about the availability and benefits of CAP. *December 2025 Order* at 382-83.

Furthermore, CAUSE-PA submitted that Columbia has exhibited an indifference to the excessive charges in the competitive market, which runs contrary to its obligation to prudently manage collections and minimize costs borne by other ratepayers. CAUSE-PA further contended that Columbia's position contradicts the Company's statutory and regulatory obligations regarding education and universal service under the Choice Act, which requires Columbia to educate customers about the competitive market and to provide information to assist customers in making choices regarding natural gas service. CAUSE-PA asserted that the main goal of the Choice Act is to promote competition through the deregulation of the natural gas supply industry in order to reduce energy costs for consumers, and that the Commission has the authority to limit competition in order to provide for access, affordability, and cost-effectiveness. *December 2025 Order* at 383.

Moreover, we noted the averment of CAUSE-PA that Columbia's discussion of the PTC and information about shopping on its customers' bills and the Company's webpage is insufficient to help customers compare NGS offers or to assess their eligibility for a lower rate through CAP. Further, CAUSE-PA stated that Columbia's opposition to additional education about shopping and the availability of CAP for low-income customers is without merit. *December 2025 Order* at 383.

In their Recommended Decision, the ALJs explained that the Choice Act requires that the Commission ensure that universal service and energy conservation programs are available in each NGDC's service territory to assist low-income customers in affording natural gas service. The ALJs further noted that the Choice Act recognizes that the ability of low-income customers to both afford and maintain gas service is of paramount concern. The ALJs found that the evidence suggests that at least 25% of

Columbia's low-income shopping customers are unable to afford the maintenance of service to their home, resulting in involuntary termination at rates which surpass low-income default service customers. R.D. at 622-23 (citing 66 Pa.C.S. §§ 2202, 2203 (7)-(8)).

The ALJs noted that the OCA and CAUSE-PA both identified an issue and proposed a solution to address a concern that affects many Columbia customers. In proposing that Columbia should send targeted communications to customers who are enrolled with an NGS and are paying supplier rates that are higher than the Company's PTC, the ALJs concluded that the OCA and CAUSE-PA each provided proposals to address and potentially resolve these issues for the benefit of Columbia's customers. Furthermore, the ALJs found that Columbia's response, *i.e.*, that its customers are already provided with the information necessary to evaluate NGS offerings, fails to address the substance of the issue or propose a solution to alleviate a concern that may have a real detrimental impact on its customers. The ALJs stated that the standard in addressing such consumer related issues is not whether the Company is doing that which is required by law to address customer issues, where a problem clearly exists and the Company's approach has not resolved the issue. Moreover, the ALJs found that there was no credible evidence presented that the issue raised by the OCA and CAUSE-PA does not exist, or that their proposed resolution would be unduly costly or burdensome to Columbia, or that the proposed remedy would run afoul of any provision of the Code or any Commission Regulation. Also, the ALJs concluded that Columbia's argument, that targeting low-income customers that are paying supply rates that are higher than the PTC is unnecessarily discriminatory to those customers, was unsupported by the record. R.D. at 626.

According to the ALJs, a base rate case is the proper venue for addressing the customer service issues raised in this proceeding. In addition, the ALJs concluded that there is no requirement for a specific law, order, or policy to be in effect that

specifically mandates the relief requested by the OCA and CAUSE-PA, in order for such relief to be implemented by the Company. Furthermore, the ALJs stressed that Section 1501 of the Code, 66 Pa.C.S. § 1501, requires Columbia to provide safe, adequate, and reasonably continuous service. R.D. at 626.

In conclusion, the ALJs recommended that the proposals of the OCA and CAUSE-PA be implemented by Columbia. R.D. at 626. Specifically, the ALJs recommended that the Commission direct Columbia to develop a targeted letter for low-income shopping customers that are enrolled with a supplier at a rate which exceeds the applicable PTC. The ALJs recommended that this letter inform these customers of the availability of CAP and other universal service programs, including the benefits of each program and how to enroll. Further, the ALJs recommended that the Commission direct Columbia to send this letter at least once every six months. R.D. at 626, 685.

In our *December 2025 Order* we summarized Columbia's Exception No. 14, in which the Company argued that the ALJs' recommendation on this issue should be rejected because it would inappropriately require Columbia to send targeted messaging to shopping customers that could discourage them from shopping for natural gas supply, which is contrary to the intent of the Choice Act. Columbia contended that the purpose of the Choice Act is to encourage competition for natural gas supply, and that there is no language in the Choice Act that requires lower rates or costs for natural gas supplied by NGSs, or that places the responsibility on NGDCs if customers are paying high NGS rates. Columbia further averred that it would be improper to impose additional communication requirements regarding competitive supply rates in a proceeding where supplier interests are not adequately represented. Columbia submitted that the rates of NGSs are outside of the Company's control, and that it would be inappropriate and inconsistent with the Choice Act for Columbia, as the provider of last resort in its service territory, to discourage customer choice. *December 2025 Order* at 385-86 (citing Columbia Exc. at 26-27.)

Furthermore, Columbia submitted that the Recommended Decision was unclear as to how Columbia should implement the ALJs' recommendation to send additional targeted messaging to shopping customers. Columbia pointed out that while the ALJs, through their analysis, recommended that both the OCA's and CAUSE-PA's proposals be implemented, Ordering Paragraph No. 39 of the Recommended Decision only contemplated the adoption of CAUSE-PA's proposal. Columbia averred that the OCA's proposal was different than CAUSE-PA's proposal because it would require that messaging be sent to all shopping customers. As such, Columbia contended that this inconsistency creates ambiguity for compliance purposes because it is unclear which customers should be sent communications, what content should be included in the messages, and how often the communications should be sent. Columbia requested that, if the Commission adopted the ALJs' recommendation on this issue, then it also provide clarity on these points. *December 2025 Order* at 386 (citing Columbia Exc. at 27-28).

Columbia further argued that CAUSE-PA's proposal to specifically target low-income customers would be discriminatory to those customers, as they should not be singled out and discouraged from shopping for an NGS. Columbia insisted that it has no desire to interfere with its low-income customers' shopping choices, and that any NGS rates being paid by low-income customers that are higher than the PTC are the result of NGS pricing, rather than Columbia's PTC or the information provided by the Company. Columbia noted that shopping customers choose to do so for many reasons, even if the NGS rates they pay may be higher than the PTC. *December 2025 Order* at 386 (citing Columbia Exc. at 28).

We further summarized the reply of the OCA, which asserted that there was no error in the ALJs' recommendation to require messaging to shopping customers without supplier notice. The OCA argued that the ALJs did not err in their recommendation or create inconsistency, as Columbia alleged. Rather, the OCA contended that its proposals were clear and supported by its testimony. Furthermore, the

OCA submitted that the ALJs' recommendation that the Commission adopt the OCA's proposals was consistent with applicable law and supported by substantial evidence and did not create any ambiguity. Finally, the OCA stated that it supported the recommended requirement, set forth in Ordering Paragraph No. 39 of the Recommended Decision, for Columbia to send the letter, discussed above, once every six months to low-income shopping customers. *December 2025 Order* at 387 (citing OCA R. Exc. at 11-13).

Regarding the reply of CAUSE-PA, we noted its support for the ALJs' recommended requirement that Columbia provide additional messaging to educate low-income customers about shopping. CAUSE-PA asserted that the data in this proceeding demonstrates that residential shopping customers are charged substantially higher rates, and that low-income shopping customers experience higher rates of involuntary termination, increasing bills, energy insecurity, and higher collections and universal service costs. In addition, CAUSE-PA contended that the main goal of the Choice Act is to promote competition, resulting in reduced costs for consumers. CAUSE-PA submitted that the Choice Act: (1) provides the Commission with the authority to effectively limit competition in the interests of affordability and cost-effectiveness, (2) acknowledges that the ability of low income customers to afford and maintain gas service is of paramount concern, and (3) imposes an obligation on Columbia to operate programs to address these key imperatives, which includes educating consumers about the competitive market. *December 2025 Order* at 387 (citing CAUSE-PA R. Exc. at 12-14).

In addition, CAUSE-PA averred that Columbia's consumer education is inadequate to support consumer choice and to assist low-income shopping customers in maintaining service. CAUSE-PA stated that it is unacceptable, and contrary to the Choice Act, that one out of four of Columbia's low-income shopping customers are unable to afford to maintain service to their home; and that something needs to be done to reverse this outcome. CAUSE-PA also opined that Columbia's argument, that the lack of

NGS participation in this proceeding should prevent the Commission from ordering Columbia to educate its low-income shopping customers, is absurd. According to CAUSE-PA, it was irrelevant whether a party chose to intervene in this case with respect to determining whether Columbia met its statutory obligations to educate consumers about the competitive market and to ensure low-income customers can afford and maintain gas service. CAUSE-PA further argued that Columbia's lack of desire to interfere with the shopping choices of its low-income customers demonstrated the Company's general disregard for ensuring that its low income customers have adequate information to make informed decisions about their supply so they can remain connected to service. *December 2025 Order* at 388 (citing CAUSE-PA R. Exc. at 14-15).

In our *December 2025 Order*'s disposition of Columbia Exception No. 14, we reversed the recommendation of the ALJs on this issue. We declined to order Columbia to send targeted communications to customers who are enrolled with an NGS and who are paying supplier rates that are higher than the Company's PTC. Although we indicated general support of beneficial consumer education that customers can use to make informed shopping choices, we found that it was not appropriate to impose the additional requirements proposed by the OCA and CAUSE-PA on Columbia, as an NGDC, based upon the circumstances in this proceeding. *December 2025 Order* at 388-89.

We agreed with the ALJs that the record evidence suggests that some Columbia shopping customers, including low-income shopping customers, may be paying rates that are higher than the Company's PTC. However, we found that the record evidence does not support the conclusion that Columbia's current education and outreach to its shopping customers is not compliant with the Code, the Choice Act, the Company's tariffs, or any Commission Regulation or Order. In our view, neither the OCA nor CAUSE-PA proved that Columbia is not fully compliant with its statutory and regulatory outreach and educational responsibilities regarding this matter. Furthermore, we

reasoned that the obligation of Columbia to provide safe, adequate, and reasonable service under Section 1501 of the Code, 66 Pa.C.S. § 1501, did not support any requirement to provide the additional consumer education proposed by the OCA and CAUSE-PA at this time. *December 2025 Order* at 389.

We expressed sympathy to the issue raised by the OCA and CAUSE-PA regarding certain shopping customers, including low-income customers, paying more for NGS service than the PTC. Indeed, we noted similar concerns that have been raised in other proceedings before the Commission.[27] Although we agreed with the ALJs' conclusion that a base rate case is the proper venue to consider customer service issues raised in such a proceeding, we did not believe that the question – of whether there are additional communications that Columbia should be providing to shopping customers – is best handled at this time in this case. To the contrary, we agreed with Columbia that addressing these issues and imposing additional communication requirements regarding competitive supply rates in a specific NGDC's base rate case, without the input of other important stakeholders, including individual NGSs or representatives of the NGS community, was not appropriate.

Rather, we opined that a better approach to address the issue of whether changes or additions to the consumer education activities of NGDCs are necessary, if a party wants to pursue it, would be through a separate proceeding. We explained that

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[27] As examples, we cited to the following: *Pa. PUC v. Peoples Natural Gas Company LLC,* Docket No. R-2023-3044549 (Opinion and Order entered September 12, 2024) (The Commission adopted the recommendation of ALJ Mary D. Long to deny additional education requirements for shopping customers); *Petition of PECO Energy Company for Approval of Its Default Service Program for the Period From June 1, 2025, Through May 31, 2029*, Docket No. P-2024-3046008 (Opinion and Order entered November 7, 2024) (The Commission approved a proposal to include chart on bill comparing [electric generation supplier (EGS)] pricing and the PTC); and *UGI Gas 2025* (The Commission approved settlement including provision to move the PTC from the back of the bill to the front). *December 2025 Order* at 389, n.209.

under such an approach, the issue could be considered on an industry-wide basis, as opposed to one specific company in a base rate case, providing an opportunity for all interested stakeholders to participate, and allowing a comprehensive review of all relevant issues associated with such a petition.[28] To that end, we clarified that we would also refrain from addressing the merits of the arguments offered by the Parties regarding the underlying intent of the Choice Act; if any improvement to Columbia's current shopping education and any associated costs are necessary; whether such messaging could discourage customer choice; and whether additional education to low income customers would be discriminatory. *December 2025 Order* at 390.

Accordingly, we granted Columbia's Exception No. 14 and rejected the ALJs' recommendation to require Columbia to conduct the additional messaging to shopping customers as proposed by the OCA and CAUSE-PA. *December 2025 Order* at 390.

2. CAUSE-PA Petition and Answers

In its Petition, CAUSE-PA argues that the Commission erred as a matter of law and overlooked critical facts by rejecting proposals of CAUSE-PA and the OCA to address uncontroverted harm to consumers pertaining to competitive market shopping. CAUSE-PA asserts that the Commission should amend the *December 2025 Order* to improve Columbia's consumer education about the competitive gas market. CAUSE-PA Petition at 6.

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[28] We referenced the Commission's prior review and consideration of enhancements to NGS information contained on NGDCs' bills on an industry-wide basis. *December 2025 Order* at 390, n.210 (citing *Investigation of Pennsylvania's Retail Natural Gas Market: Joint Natural Gas Distribution Company – Natural Gas Supplier Bill*, Docket No. M-2015-2474802 (Final Order entered August 20, 2015)).

Regarding the allegations that the Commission overlooked relevant facts, CAUSE-PA submits that the record in this proceeding is replete with evidence that Columbia's residential and low-income shopping customers are harmed by a lack of understanding of the competitive market. Additionally, CAUSE-PA proffers that the record demonstrates that consistently high commodity prices in the competitive market drive up collections, termination, and universal service program costs borne by all residential consumers, and have a particularly harmful impact on low-income households. CAUSE-PA Petition at 6.

CAUSE-PA also avers that the record clearly demonstrates that Columbia does not provide adequate information to consumers about shopping and the PTC. In support, CAUSE-PA cites, in part, to arguments that the price to compare is buried in fine print on the back of Columbia's bill, often without common defined terms and without information to help customers compare offers or assess lower eligibility through CAP. CAUSE-PA also asserts that the Company's website information about shopping is inadequate or is not located on pages customers would normally look for information. CAUSE-PA Petition at 6-7 (citing CAUSE-PA M.B. at 152-53).

As discussed above, CAUSE-PA notes that the ALJs recommended the adoption of the proposals of CAUSE-PA and the OCA, that the Commission require the Company to improve educational efforts with focused attention on customers enrolled with an NGS and paying higher rates than Columbia's price to compare. CAUSE-PA further states that the ALJs recommended the adoption of its proposal that education for low income shoppers include clear instructions for applying to CAP. CAUSE-PA Petition at 7-8.

Additionally, CAUSE-PA asserts that the ALJs, in recommending the adoption of these proposals, articulated the applicable standard of review, as follows:

> [T]he standard in addressing such consumer related issues is not whether the Company is doing that which is required by law to address customer issues, where a problem clearly exists and the Company's approach has not resolved the issue. …
>
> It is well established that a base rate case is the proper venue for hearing the customer service issues raised in the proceeding. In addition, it is not required that a specific law, order or policy be in effect that specifically requires the relief requested by [the] OCA and CAUSE-PA to be implemented by the Company.

CAUSE-PA Petition at 8 (citing R.D. at 626).

CAUSE-PA contends that, in contrast, the Commission improperly found that "neither the OCA nor CAUSE-PA proved that Columbia is not fully compliant with its statutory and regulatory outreach and educational responsibilities in this matter." CAUSE-PA Petition at 8 (citing *December 2025 Order* at 389). CAUSE-PA further objects to the Commission's conclusion that Columbia's obligation under Section 1501 to provide safe, adequate, and reasonable service does not require additional consumer education. *Id*.

CAUSE-PA argues that the Commission erred as a matter of law by applying the wrong standard of review for the proposals of CAUSE-PA and the OCA. Instead, CAUSE-PA asserts that it and the OCA only needed to provide substantial evidence that these proposals were just, reasonable, and in accordance with the law, which required the proposal to satisfy a preponderance of the evidence standard. CAUSE-PA Petition at 9 (citing, in part, *NRG Energy, Inc. v. Pa. PUC*, 233 A.3d 936, 939 (Pa. Cmwlth. 2020)).

In particular, CAUSE-PA objects to what it characterizes as the Commission's summary rejection of the education proposals by finding that Columbia is generally compliant with the Code, the Choice Act, the Company's tariffs, and Commission Regulation and Orders - and that "neither the OCA nor CAUSE-PA proved that Columbia is not fully compliant with its statutory and regulatory outreach and educational responsibilities." CAUSE-PA Petition at 9 (citing *December 2025 Order* at 389).

Additionally, CAUSE-PA asserts that the Commission overlooked the extent of the harm documented in the record, including the substantial increase in termination rates of low-income shopping customers and increased costs to other ratepayers. According to CAUSE-PA, the Commission, by ignoring clear evidence that high costs in the competitive market are driving higher universal service costs, effectively eschews its responsibility to ensure universal service programs are cost effective and available to help low-income consumers maintain natural gas service to their homes. CAUSE-PA Petition at 10-11.

Next, CAUSE-PA contends that the Commission incorrectly deferred the proposals of CAUSE-PA and the OCA to a potential statewide proceeding, asserting that the Commission overlooked unrefuted harm in Columbia's service territory. CAUSE-PA proffers that the proposals are responsive to identified shortcomings by Columbia and that there is no reason to delay implementation of basic outreach and education in Columbia's service territory. Also, CAUSE-PA posits that there was no credible evidence that the proposals would be costly or burdensome or would warrant delaying them to a statewide proceeding. CAUSE-PA Petition at 11.

Addressing the concerns in the *December 2025 Order* that the proposals are best handled in a statewide proceeding because NGSs did not intervene in this case, CAUSE-PA submits that NGS parties were notified and chose not to participate.

CAUSE-PA clarifies that it is not opposed to the initiation of a statewide proceeding, but maintains that the Commission should immediately address real harms to Columbia's residential and low-income consumers in this proceeding. CAUSE-PA Petition at 12.

In its Answer in support of the CAUSE-PA Petition, the OCA argues that the Commission overlooked and failed to address the evidence and supportive arguments presented by CAUSE-PA and the OCA regarding Columbia's failure to adequately educate its low-income customers regarding shopping for natural gas suppliers. The OCA agrees with CAUSE-PA that the Commission overlooked the substantial evidence presented, applied the incorrect legal standard, and that its holding is inconsistent with recent orders regarding quality of service. OCA Answer to CAUSE-PA Petition at 5-6.

Regarding CAUSE-PA's argument that NGSs had the opportunity to intervene in this proceeding to comment on issues related to shopping, the OCA asserts that the Commission could also craft a remedy which requires Columbia to solicit participation from NGSs regarding any updates to educational materials. According to the OCA, the Commission, in the *December 2025 Order*, directed the Company to evaluate its payment plans and policies in collaboration with the Universal Service Advisory Committee. OCA Answer to CAUSE-PA Petition at 6 (citing *December 2025 Order* at 321). Although the Commission directed Columbia to collaborate with relevant stakeholders as to that issue, the OCA contends that the Commission failed to consider a similar directive for Columbia to work with CAUSE-PA and the OCA regarding revisions to its competitive shopping education materials and provide NGSs an opportunity to file comments. The OCA requests that the Commission reconsider the *December 2025 Order* to address this internal inconsistency and consider whether a

similar collaborative approach with relevant stakeholders would address its concerns about the lack of NGS input. *Id*.[29]

The OCA also objects to the Commission's determination that in order to direct a utility to make adjustments for a quality of service issue there must be a violation of Section 1501 of the Code. According to the OCA, this view is inconsistent with a prior Columbia rate case proceeding in which the Commission directed the Company to perform a root cause analysis on the correlation between the number of leaks and the amount of pipeline replaced and inspect all field-assembled risers without finding that Columbia's service was deficient under Section 1501 of the Code. OCA Answer to CAUSE-PA Petition at 6-7 (citing *Columbia Gas 2021* at 183-86).[30]

In its Answer to the CAUSE-PA Petition, Columbia requests that the Commission deny reconsideration of the *December 2025 Order*, arguing that CAUSE-PA is attempting to force the Company to intervene in the competitive market. For support, Columbia asserts three main arguments, including that: (1) the Commission did not err as a matter of law in rejecting CAUSE-PA's proposal; (2) Columbia already provides reasonable education and information to customers about shopping and the PTC; and (3) the Commission correctly determined that the competitive market issue is better addressed in a statewide proceeding. Columbia Answer to CAUSE-PA Petition at 5-8.

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[29] In further support, the OCA cites to *Pa. PUC v. Aqua Pa., Inc.*, Docket Nos. R-2021-3027385, *et al.* (Opinion and Order entered May 16, 2022) at 375-76, in which the Commission directed Aqua, the OCA and I&E to engage in collective exchanges regarding various data and cooperate in a root cause analysis to potentially reduce contested issues in future proceedings. OCA Answer to CAUSE-PA Petition at 6.

[30] The OCA also opines that in *Pa. PUC v. Pa.-American Water Co.*, Docket Nos. R-2023-3043189, *et al*. (Opinion and Order entered July 22, 2024) at 10-13, the Commission ordered a root cause analysis in the utility's quality of service without finding a deficiency under Section 1501 of the Code. OCA Answer to CAUSE-PA Petition at 7.

First, Columbia argues that the Commission did not err as a matter of law in rejecting CAUSE-PA's proposal to require Columbia to improve consumer education about the competitive market. As background, the Company states that in this proceeding, CAUSE-PA specifically requested that Columbia be required to send targeted communications to customers who are enrolled with an NGS and who are paying supplier rates that are higher than the PTC. Thus, Columbia submits that, in contrast to the contentions of CAUSE-PA, this issue is not one of general education about the competitive market, but whether the Company has any lawful obligation to target outreach to certain shopping customers regarding the price they are paying for unregulated, competitive supply. Columbia Answer to CAUSE-PA Petition at 5.

Further, Columbia asserts that CAUSE-PA relies on a flawed legal analysis to allege that the Commission erred as a matter of law in addressing the competitive market issue. Specifically, Columbia notes the admission of CAUSE-PA that the Company is not violating any specific law, order or policy, and that CAUSE-PA must only show its proposals are just, reasonable, and in accordance with the law. According to Columbia, CAUSE-PA is erroneously attempting to use a burden of proof standard to create a duty under law where none otherwise exists. Columbia argues that the statutory and legal citations offered by CAUSE-PA in support of this argument are inapplicable because they relate to the burden of proof. Columbia Answer to CAUSE-PA Petition at 5-6.

Additionally, Columbia contends that CAUSE-PA is improperly attempting to impose a duty on the Company to intervene in the unregulated competitive market to convince customers to switch to regulated service. The Company also avers that, in contrast to CAUSE-PA's contentions, Columbia is in full compliance with the Competition Act's requirements to provide universal service programs that help residential low income retail gas customers maintain natural gas supply and distribution service, pursuant to 66 Pa.C.S. §§ 2202-2203. According to Columbia, nothing in the

Competition Act requires the Company to intervene in the competitive market in the manner requested by CAUSE-PA. Columbia Answer to CAUSE-PA Petition at 6-7.

In its second main argument, Columbia asserts that it already provides reasonable education and information to customers about shopping and the PTC. As examples, the Company notes that it: publishes its PTC as a benchmark to NGS rates; maintains a calculator on its website for customers to make rate and savings comparisons; and maintains a list of suppliers on its website. Columbia Answer to CAUSE-PA Petition at 7.

The Company further contends that it has neither the duty nor obligation to ensure that shopping customers are paying less than the PTC. According to Columbia, it would be unreasonable to force the Company to intervene in the competitive market, as proposed by CAUSE-PA and the OCA, especially where Columbia would be required to incur the costs to do so. Columbia Answer to CAUSE-PA Petition at 8.

Regarding its third main argument, Columbia asserts that the Commission correctly determined that the competitive market issue is better addressed in a statewide proceeding. In support, the Company argues that because Columbia did not propose to interfere in the competitive market in this proceeding, NGSs were not notified that this would be an issue. Accordingly, the Company submits that no NGSs participated in this proceeding and thereby, no comprehensive review of the issues related to the proposal was developed. Columbia Answer to CAUSE-PA Petition at 8.

3. Disposition

Upon review, we find that the Petition of CAUSE-PA pertaining to the competitive market issues, *i.e.*, the proposal for targeted communications to promote shopping, does not raise any new or novel arguments, or considerations that were not

addressed by the Commission in the *December 2025 Order*. As fully summarized in the *December 2025 Order* section, *supra*, all of the arguments were either previously asserted during the briefing stage or were argued in the context of the Exceptions and Reply Exceptions. We ruled on these arguments in the *December 2025 Order* and determined that the Commission would decline to order Columbia to send targeted communications to customers who are enrolled with an NGS and who are paying supplier rates higher than the Company's PTC. *December 2025 Order* at 388. Here, CAUSE-PA and the OCA present no arguments that were not previously considered and rejected. Accordingly, the CAUSE-PA Petition fails to persuade us to exercise our discretion to reconsider our determination in the *December 2025 Order*.

The principle holding in the *December 2025 Order* is that record evidence failed to support a conclusion that Columbia's current education and outreach to its shopping customers is not compliant with the Code, the Choice Act, the Company's tariffs, or any Commission Regulation or Order. As an additional finding, we explained that Columbia's obligation to provide safe, adequate, and reasonable service under Section 1501 of the Code does not support any requirement to provide the additional consumer education proposed by CAUSE-PA and the OCA at this time. *December 2025 Order* at 389.

CAUSE-PA's primary challenge to our holding in the *December 2025 Order* is that we committed an error of law by applying the incorrect legal standard. Here, both CAUSE-PA and the OCA submit that we incorrectly required that a specific law, order or policy be in effect that specifically requires the requested relief – *i.e.*, the approval of their competitive marketing proposals. Instead, CAUSE-PA and the OCA contend that they only needed to provide substantial evidence that their proposals were just, reasonable, and in accordance with the law. In other words, CAUSE-PA and the OCA argue that we should have applied the same legal conclusion utilized by the ALJs in their Recommended Decision, which stated: "it is not required that specific law, order or

policy be in effect that specifically requires the relief requested by [the] OCA and CAUSE-PA to be implemented by the Company." *See* R.D. at 626.

In the *December 2025 Order*, we plainly considered and rejected the ALJs' legal conclusion when we granted Columbia's Exception No. 14 and modified the Recommended Decision to remove the requirement that Columbia conduct additional targeted messaging to shopping customers. That is, we held that Columbia should not be required to undertake a proposal when there is no underlying duty to do so. This holding was made pursuant to the evidence presented within the context of this proceeding and the applicable legal authority. Dissatisfied with our determination, CAUSE-PA and the OCA ask us to revert to the ALJs' prior legal conclusion. Having already considered and rejected this application of Columbia's legal duties in relation to the Code, the Choice Act, the Company's tariff, and applicable Commission Regulations and Orders, we find no error in our prior determination and decline to exercise our discretion to reconsider this ruling.

In its Petition, CAUSE-PA also argues that the *December 2025 Order* overlooked critical facts in rejecting the proposals to address uncontroverted harm to consumers. We disagree, noting our agreement with the ALJs that the record evidence suggested that some Columbia shopping customers, including low-income shopping customers, may be paying rates that are higher than the Company's PTC. We also concurred with the ALJs that a base rate case is the proper venue to consider customer service issues raised in such a proceeding. However, we determined that under the circumstances, which included proposals to impose targeted communications implicating the unregulated competitive supply market, the better approach would be to address the issue in a separate proceeding with the input of other stakeholders, including representatives of the NGS community. *See December 2025 Order* at 389-90.

We remain of the opinion that a separate proceeding with appropriate notice and participation by the relevant stakeholders is the correct approach to address the issues in a comprehensive manner. In this regard, we disagree with CAUSE-PA that NGSs had the opportunity to intervene and participate in this proceeding but chose not to do so. Here, the Company did not propose to intervene in the competitive market in this proceeding and, thus, NGSs were not effectively put on notice that there would be an issue implicating the need to participate in its rate case.

Accordingly, we reiterate our determination that the better approach – to address the issue of whether changes or additions to the consumer education activities of NGDCs are necessary and which potentially implicate issues outside the regulatory authority of the Commission – would be through a separate proceeding, if a party chooses to pursue it. As we articulated in the *December 2025 Order:*

> Under such an approach the issue could be considered on an industry-wide basis, as opposed to one specific company in a base rate case, providing an opportunity for all interested stakeholders to participate, and allowing a comprehensive review of all relevant issues associated with such a petition. To that end, we will also refrain, in this Opinion and Order, from addressing the merits of the arguments offered by the Parties regarding the underlying intent of the Choice Act; if any improvement to Columbia's current shopping education and any associated costs are necessary; whether such messaging could discourage customer choice; and whether additional education to low income customers would be discriminatory.

December 2025 Order at 390 (footnote omitted).

Thus, we shall deny the Petition of CAUSE-PA pertaining to the competitive market issues, *i.e.*, the proposal for targeted communications to promote shopping.

III. Conclusion

Based on our review of the record in this proceeding, we shall deny both the OSBA Petition and the CAUSE-PA Petition, consistent with this Opinion and Order; **THEREFORE,**

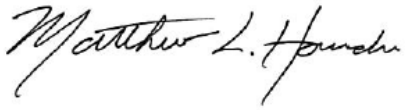
IT IS ORDERED:

1. That the Petition for Reconsideration filed by the Office of Small Business Advocate on December 23, 2025, seeking reconsideration of the Commission's Opinion and Order entered December 9, 2025, relative to the above-captioned proceeding, is denied, consistent with this Opinion and Order.

2. That the Petition for Reconsideration filed by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania filed on December 23, 2025, seeking reconsideration of the Commission's Opinion and Order entered on December 9, 2025, relative to the above-captioned proceeding, is denied, consistent with this Opinion and Order.

3. That this proceeding be marked closed.

BY THE COMMISSION,



Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: February 19, 2025

ORDER ENTERED: February 19, 2026