

**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

Docket Nos.:

Securities Certificate of Columbia Gas of
Pennsylvania Inc. for the Issuance of Promissory
Notes up to \$410,000,000

S-2025-3059403

Affiliated Interest Agreement between Columbia
Gas of Pennsylvania Inc. and NiSource Inc.

G-2025-3059405

ORDER

BY THE COMMISSION:

On December 19, 2025, Columbia Gas of Pennsylvania, Inc (“Columbia” or the “Company”) filed for registration pursuant to Chapter 19 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 1901-1903, the above-docketed securities certificate for the issuance of promissory notes between Columbia and NiSource Inc. (NiSource) in an aggregate principal amount not to exceed \$410,000,000. Columbia also filed for approval pursuant to Chapter 21 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 2101-2102, the above-docketed affiliated interest agreement related to the issuance of the promissory notes between Columbia and NiSource.

The Commission extended the consideration period of the affiliated interest agreement until further order of the Commission.¹ Columbia voluntarily extended the consideration period of the securities certificate until February 20, 2026.

Columbia, utility code 120700, is a jurisdictional public utility corporation engaged in the purchase and sale of natural gas to retail customers, as well as the transportation of customer-owned volumes of natural gas. Columbia provides natural gas service to approximately 445,812 customers across its service territory consisting of all or part of twenty-six counties located principally in western and south-central Pennsylvania. The Company is a wholly-owned subsidiary of NiSource Gas Distribution Group, Inc. (NGD), which is a wholly-owned subsidiary of NiSource.

NiSource, which holds 100% of the long-term debt of Columbia, is the sole provider of Columbia's long-term debt and meets the capital requirements of Columbia through the issuance of promissory notes. Under the current securities registration, the issuance of promissory notes by Columbia will occur from time to time based upon market conditions and capital requirements of Columbia during the period beginning with the date of this order and ending December 31, 2027.

Columbia further states that the promissory notes will be unsecured, will be issued with maturities of up to 30 years, and will bear an interest rate that corresponds to the pricing being offered to companies with similar credit ratings. Specifically, the interest rate of the promissory notes will be determined by directly referencing the prevailing yield on U.S. utility bonds as reported by Bloomberg Finance L.P. for companies with credit ratings equivalent to that of NiSource.

¹ See Secretarial Letter dated December 19, 2025, at Docket No. G-2025-3059405.

According to Columbia, the proceeds from the issuance of the promissory notes will be used to partially finance its 2025-2027 construction program and the projected costs associated with the Company's Long Term Infrastructure Improvement Plan (LTIIIP).² Columbia estimates that the capital expenditures during the 2025-2027 construction program will total \$1,278,102,000. In addition to financing its capital program, Columbia's other uses of the proceeds include: refinancing short-term debt and a long-term debt maturity of \$58,000,000 in December 2027; adjusting its capital structure; and, for other corporate requirements.

As of September 30, 2025, Columbia's capital structure consists of 43.9% long-term debt, 2.8% short-term debt, and 53.3% equity. Columbia projects that its capital structure will consist of 2.0% short-term debt, 43.3% long-term debt, and 54.7% equity for the period ending December 31, 2026, and 1.4% short-term debt, 44.2% long-term debt, and 54.4 % equity for the period ending December 31, 2027.

With the instant filing, Columbia provided audited financial statements as of September 30, 2025. Commission rules require that a public utility seeking a securities certificate provides a balance sheet of the public utility dated within at least three months of the date of the securities certificate.³

Compliance checks found that Columbia is current with its annual financial, quarterly earnings, and Security Planning and Readiness reports and has no outstanding Commission fines, fees, or assessments due.

Upon examination of the instant securities certificate filed by Columbia, we have determined that the proposed indebtedness of up to \$410,000,000 in the form of

² See Order entered on April 10, 2023, at Docket No. P-2022-3037388, whereby the Commission approved Columbia's five-year LTIIIP covering the years 2023 through 2027.

³ See 52 Pa. Code § 3.601(c)(9)(i).

promissory notes issued to NiSource is necessary or proper for the present and probable future capital needs of the utility and, as a result, the securities certificate should be registered. We also find that the instant affiliated interest agreement for the issuance of the notes between Columbia and NiSource appears to be reasonable and consistent with the public interest under Section 2102(b) of the Public Utility Code, 66 Pa.

C.S. § 2102(b); **THEREFORE,**

IT IS ORDERED:

1. That the securities certificate filed by Columbia Gas of Pennsylvania, Inc. for the issuance of promissory notes in an aggregate principal amount not to exceed \$410,000,000 is hereby registered.

2. That the affiliated interest agreement for the issuance of promissory notes between Columbia Gas of Pennsylvania, Inc. and NiSource, Inc., is hereby approved.

3. That approval of the affiliated interest agreement does not preclude the Commission from investigating during any formal proceeding the reasonableness of any charges under the arrangement.

4. That within 30 days of the issuance of the securities pursuant to the instant registration, Columbia Gas of Pennsylvania, Inc. shall file notice with the Commission of such issuance together with a summary of terms including the interest rate and maturity of the securities issued, as well as providing the prevailing yield on U.S. utility bonds as reported by Bloomberg Finance L.P. for companies with a credit risk profile equivalent to that of NiSource Inc.

5. That registration of the subject securities certificate will end on December 31, 2027.

6. That consistent with Section 1903(b) of the Public Utility Code, 66 Pa.C.S. 1903(b), the registration of the subject securities certificate does not represent Commission approval of the proposed projects for rate recovery pursuant to 66 Pa.C.S. §§ 1301-1328.

7. That upon receipt of the notice required in Ordering Paragraph No. 4, above, this case be marked closed.

BY THE COMMISSION,



Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: February 19, 2026

ORDER ENTERED: February 19, 2026