



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

February 23, 2026

Via Electronic Filing

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

Re: Pennsylvania Public Utility Commission v.
National Fuel Gas Distribution Corporation
Docket No. R-2025-3059428
I&E Prehearing Memorandum

Dear Secretary Homsher:

Enclosed for electronic filing please find the Prehearing Memorandum of the Bureau of Investigation and Enforcement in the above-captioned proceeding.

Copies are being served on parties per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Scott B. Granger'.

Scott B. Granger
Senior Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 63641
(717) 425-7593
sgranger@pa.gov

SBG/ac
Enclosures

cc: Administrative Law Judge Katrina L. Dunderdale (via email – kdunderdal@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3059428
	:	
National Fuel Gas Distribution Corporation	:	
Base Rates	:	

**PREHEARING MEMORANDUM OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO ADMINISTRATIVE LAW JUDGE KATRINA L. DUNDERDALE:

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Prehearing Memorandum in the above-captioned proceeding.

The Bureau of Investigation and Enforcement Prosecutor in this proceeding will be Scott B. Granger. Contact information is as follows:

By mail: Scott B. Granger
 Pennsylvania Public Utility Commission
 Bureau of Investigation and Enforcement
 Commonwealth Keystone Building
 400 North Street
 Harrisburg, PA 17120

By e-mail: sgranger@pa.gov

By telephone: (717) 425-7593

I. INTRODUCTION

On January 28, 2026, National Fuel Gas Distribution Corporation (“National Fuel” or the “Company”) filed Supplement No. 294 to National Fuel Gas Distribution Corporation Gas Tariff – PA P.U.C. No. 9 (“Supplement No. 294”). In Supplement No. 294, National Fuel is seeking a base rate increase pursuant to 66 Pa. C.S. § 1308 of the Public Utility Code of approximately \$19.7 million. If the Company's entire request is approved, the total bill for a residential customer using 80 ccf per month would increase from \$83.49 to \$88.44 per month, or by 5.9%. Supplement No. 294 contains an issue date of January 28, 2026, and an effective date of March 29, 2026.

The Company’s filing includes a proposal to reinstate a tariff rider that would provide a refund of Other-Post Employment Benefits (“OPEB”) funds of approximately \$6.2 million to all customers and also provide a one-time bill credit of \$30, totaling approximately \$1.025 million, to Customer Assistance Program (“CAP”), Level 1, and Level 2 customers.

NFG also included a request for approval of two alternative rate mechanisms in accordance with Act 58 of 2018, 66 Pa. C.S. § 1330: (1) a Weather Normalization Adjustment; and (2) an Energy Efficiency pilot program.

On February 2, 2026, I&E its Notice of Appearance in this proceeding.

On February 3, 2026, October 10, 2025, the Office of Small Business Advocate (“OSBA”) filed its Notice of Appearance. Then, on February 9, 2026, the OSBA filed its Formal Complaint and Public Statement.

On February 4, 2026, the Office of Consumer Advocate (“OCA”) filed its Formal Complaint, Public Statement, and Notice of Appearance.

The Pennsylvania Weatherization Providers Task Force, Inc. (“Providers Task Force”) filed its Petition to Intervene on February 9, 2026.

On February 10, 2026, the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (“CAUSE-PA”) filed its Formal Complaint and Notice of Appearance.

On February 19, 2026, the Commission entered an Order pursuant to Section 1308(d) of the Public Utility Code suspending the implementation of the proposed rates by operation of law until October 29, 2026, and opening an investigation into the lawfulness, justness, and reasonableness of the proposed rates, rules, and regulations contained therein.

Additionally the Commission ordered that within ten (10) days following the entry date of the Suspension Order, pursuant to 52 Pa. Code § 53.71, National Fuel Gas shall file or e-file a tariff supplement with the Commission and post the same at the Company to announce that the aforementioned tariff supplement is suspended until October 29, 2026.

Finally, the case was assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a Recommended Decision.

A telephonic Prehearing Conference is scheduled for February 26, 2026, at 9:00 a.m. before Administrative Law Judge Katrina L. Dunderdale (“ALJ”).

II. ISSUES

The following list represents I&E's preliminary determination of the potential issues in this proceeding:

1. Labor Expense
2. Material Expense
3. Rent Expense
4. Transportation Expense
5. Utilities Expense
6. Outside Services Expense
7. Equipment Purchases Expense
8. Employee Benefits Expense
9. Incentive Compensation
10. Other Post-Employment Benefits
11. Office – Employee Expenses
12. Advertising Expense
13. Research and Development Expense
14. Dues and Membership Expense
15. Employee Activity Costs
16. Other Expense
17. Uncollectibles Expense
18. Regulatory Assessment Expense
19. Other Insurance Expense
20. Injuries and Damages Expense
21. Postage Expense
22. Information Services Expense
23. Messenger Expense
24. Environmental Expense
25. Rate Case Expense
26. Customer Assistance Preprograms
27. Taxes Other than Income
28. Cash Working Capital
29. Federal and State Income Tax Expense
30. Energy Efficiency Pilot Program
31. Cost of Equity
32. Cost of Debt
33. Capital Structure
34. Overall Rate of Return
35. Proxy Group
36. Risk Analysis
37. Rate Base

38. Depreciation Expense
39. Reporting Requirements
40. Cost of Service
41. Weather Normalization Adjustment
42. Energy Efficiency Pilot Program
43. Present/Proposed Revenues
44. Rate Design
45. Scale Back of Rates
46. Cost of Main Replacement and Restoration Costs
47. Methane Detectors
48. Long Term Infrastructure Improvement Plan (LTIIIP)
49. Distribution Integrity Management Plan (DIMP) Risk Rankings
50. Leak Statistics and Detection
51. Outage and Restoration of Service Statistics

The listing is as complete as can be made at this time. I&E specifically reserves the right to address other relevant issues as it may deem appropriate.

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

1. Christopher Keller, Fixed Utility Financial Analyst
2. Drew Breuning, Fixed Utility Financial Analyst
3. Ethan Cline, Fixed Utility Valuation Engineer
4. Divya Dorairajan, Fixed Utility Valuation Engineer
5. Jesse Burket, Pipeline Safety Fixed Utility Engineer
6. Anthony Spadaccio, Fixed Utility Valuation Supervisor
7. David Kline, Pipeline Safety Fixed Utility Engineer Supervisor

The I&E witnesses may be contacted through the information listed above for Mr. Granger. The witness list is provided without the benefit of complete discovery or analysis of the positions of the other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal, and surrebuttal testimony and accompanying exhibits at the evidentiary hearings. Moreover, I&E intends to rely on the Authority's filing, supplemental testimony, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources, and other public documents and reports. However, there may be issues of law or Commission policy that are not properly the subject of testimony or factual issues that are clear on the record and need not be supported by testimony. I&E thereby reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed through briefing.

V. DISCOVERY

Discovery in these proceedings will be conducted according to 52 Pa. Code §§5.321 et. seq. No modifications to the rules of discovery have been proposed by I&E. I&E will give due consideration to any discovery modifications proposed by any other party. In the past, I&E has not opposed the discovery modifications as routinely proposed by the OCA. Also, pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing.

VI. CONSOLIDATION

I&E generally supports the consolidation of formal complaints and the ALJ's discretion to consolidate dockets for judicial efficiency.

VII. SCHEDULE

As of this date, the parties are actively negotiating an amicable litigation schedule.

I&E tentatively proposes the following schedule:

Filed	January 28, 2026
Prehearing Conference	February 26, 2026
Other Parties Direct	April 16, 2026
Rebuttal Testimony	May 12, 2026
Surrebuttal Testimony	May 27, 2026
Rejoinder Outline	June 1, 2026
Evidentiary Hearings	June 2-4, 2026
Main Brief	June 22, 2026
Reply Brief	July 1, 2026

VIII. PUBLIC INPUT HEARINGS

I&E proposes the use of both telephonic and in-person public input hearings to encourage increased participation by ratepayers.

IX. SERVICE OF DOCUMENTS

I&E requests that all documents in this proceeding be served on:

Scott B. Granger, Esq.
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
sgranger@pa.gov

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony, briefs, and other documents during this proceeding, and consistent with Commission regulations and policy, I&E proposes to only serve and accept electronic delivery of documents.

X. SETTLEMENT

I&E will maintain an open dialogue and is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully submitted,

A handwritten signature in cursive script that reads "Scott B. Granger".

Scott B. Granger
Senior Prosecutor
PA Attorney ID No. 63641

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Dated: February 23, 2026

