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File #: 212923

February 25, 2026

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

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

Dear Secretary Homsher:

Attached for filing please find the Prehearing Conference Memorandum on behalf of National Fuel Gas Distribution Corporation in the above-referenced proceeding. Copies are being provided as indicated on the Certificate of Service.

Respectfully submitted,



Megan E. Rulli
Associate

MER/sa
Attachment

cc: The Honorable Katrina L. Dunderdale (*via email; w/attachment*)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL

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Harrisburg, PA 17101
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Date: February 25, 2026



Megan E. Rulli

2. National Fuel agrees to receive service of documents electronically in this proceeding. Please include Mr. Kanagy and Ms. Rulli on all correspondence in this proceeding.

II. PROCEDURAL HISTORY

3. This proceeding was initiated on January 28, 2026, when National Fuel filed Supplement No. 294 to National Fuel Gas Distribution Corporation Gas Tariff – PA P.U.C. No. 9 (“Supplement No. 294”) with the Pennsylvania Public Utility Commission (“Commission”). Supplement No. 294 was issued to be effective for service rendered on or after March 29, 2026. It proposed changes to National Fuel’s base retail distribution rates designed to produce an increase in revenues of approximately \$19.7 million, exclusive of its proposed Energy Efficiency (“EE”) pilot program that would recover an additional \$0.7 million from residential customers annually in a separate rider. The filing was made in compliance with the Commission’s regulations and contains all supporting data and testimony required to be submitted in conjunction with a tariff change seeking a general rate increase. 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. The following monthly bill impact analysis applies to National Fuel’s customers, and assumes that the Company’s proposals for full rate relief are accepted:

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

4. On February 2, 2026, the Commission’s Bureau of Investigation and Enforcement (“I&E”) filed a Notice of Appearance.

5. On February 3, 2026, the Office of Small Business Advocate (“OSBA”) filed a Notice of Appearance.

6. On February 4, 2026, the Office of Consumer Advocate (“OCA”) filed a Notice of Appearance, Public Statement, and Formal Complaint, which was docketed at Docket No. C-2026-3060292.

7. On February 9, 2026, the Pennsylvania Weatherization Providers Task Force (“Providers Task Force”) filed a Petition to Intervene in this proceeding.

8. Also on February 9, 2026, the OSBA filed Public Statement, Verification, and Formal Complaint, which was docketed at Docket No. C-2026-3060354.

9. On February 10, 2026, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) filed a Notice of Appearance and a Formal Complaint, which was docketed at Docket No. C-2026-3060437.

10. On February 19, 2026, the Commission issued an Order initiating an investigation of Supplement No. 294 and suspending Supplement No. 294 by operation of law until October 29, 2026, unless otherwise directed by order of the Commission.

11. Also on February 19, 2026, the Commission issued a Prehearing Conference Notice, which scheduled a telephonic prehearing conference for February 26, 2026, at 9:00 AM before Administrative Law Judge Katrina L. Dunderdale.

12. Pursuant to 52 Pa. Code § 5.224(c), National Fuel hereby submits this Prehearing Conference Memorandum.

III. ISSUES

13. National Fuel intends to demonstrate that its request for an overall annual distribution revenue increase of approximately \$19.7 million for the fully projected future test year ending October 31, 2027,¹ and proposed allowed rate of return on equity of 11.25 percent is just and reasonable and should be approved by the Commission.

14. National Fuel also intends to demonstrate that one primary contributor to its need for rate relief is significant capital investment in its distribution system. In addition to modernizing facilities, National Fuel is replacing its non-contemporary infrastructure at an accelerated pace, as described in its recently-filed Amended Long Term Infrastructure Improvement Plan (“LTIIIP”).² Furthermore, this case incorporates a number of necessary annual wage and salary increases, required to attract, maintain, and promote a highly qualified work force.

15. The principal reasons for National Fuel’s request for rate relief are: (1) to allow it to earn a fair return on investments used and useful to continue to provide safe and reliable service to the public; (2) to support its infrastructure replacement programs designed to enhance safety and reliability; (3) to address increasing levels of operating costs, which are principally being influenced by broader macroeconomic trends; and (4) to mitigate the adverse impacts of warmer weather trends on customer usage.

¹ As noted above and as explained in the Company’s direct testimony, the Company has also proposed a new five-year EE pilot program that would recover additional program costs from residential customers annually in a separate rider.

² Docket No. P-2022-3034957.

16. National Fuel intends to demonstrate that its proposed 11.25 percent return on equity is the minimum required for the Company to attract the capital needed to make system investments that will enhance the reach and capacity of its distribution system and to replace older, obsolete facilities, each of which is prudent to ensure continued system reliability, safety, and customer service performance. National Fuel intends to demonstrate that the proposed return on equity is particularly appropriate in view of the Company's management effectiveness.

17. National Fuel further intends to demonstrate that its proposed class cost allocation study is reasonable and consistent with long-standing Commission precedent and that its proposed allocation of the requested revenue increase is just, reasonable, non-discriminatory, and consistent with principles established by the Commonwealth Court in *Lloyd v. Pa. PUC*, 904 A.2d 1010 (Pa. Cmwlth. 2006). The Company's proposed revenue allocation will move all rate classes toward the overall system average rate of return.

18. National Fuel also intends to demonstrate that its proposal to make the Weather Normalization Adjustment ("WNA") mechanism permanent will protect customers from higher bills when actual weather is colder than normal and help insulate the Company's authorized delivery revenues when actual weather is warmer than normal. The Company has demonstrated that the WNA addresses the criteria set forth in the Commission's policy statement regarding alternative ratemaking mechanisms at 52 Pa. Code § 69.3302 and should be approved.

IV. WITNESSES

19. National Fuel presently intends to offer the following witnesses to testify in this proceeding on the following subject matters:

Statement No.	Witness	Subjects Addressed
1.	Rebecca E. Hillery Managing Director of Rates and Regulatory Affairs National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	Rate Filing Overview Key Drivers of Rate Relief Management Effectiveness and Performance Introduction of Witnesses
2.	Donald N. Koch Lead Rate Analyst National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	Revenue Requirement Operating Revenues and Expenses
3.	Anthony T. Formato Director of Finance National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	O&M Expense Budget Process (Capital and O&M)
4.	Valerie L. Hawthorn Managing Director, Human Resources National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	Labor Market Employee Retention Total Rewards
5.	Michael P. Weidner Senior Director, Human Resources National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	Benefits Including Retirement
6.	Monika M. Duszenko Rate Analyst II National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	Rate Base Working Capital Lead/Lag Study Net Plant
7.	Michael J. Maggioli Lead Accountant National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	Balance Sheet Historic O&M Expense

8.	John J. Spanos President Gannett Fleming Valuation and Rate Consultants, LLC 300 Sterling Parkway Mechanicsburg, PA 17050	Depreciation
9.	Mark C. Schaefer Assistant General Manager, Engineering Services National Fuel Gas Distribution Corporation 1100 State Street Erie, PA 16501	Capital Budget Leak Prone Pipe Replacement Program
10.	Joshua C. Nowak Vice President Concentric Energy Advisors, Inc. 293 Boston Post Road West, Suite 500 Marlborough, MA 01752	Return on Equity
11.	James C. Welch Treasurer and Vice President of Finance National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	Financial Data Capital Structure Cost of Debt
12.	Erica L. Forcucci Managing Director, Tax Department National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	Income Taxes
13.	Cathryn E. Hilliard Lead Utility Analyst National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	Test Year Sales Volumes and Accounts
14.	Courtney T. Mann Rates Analyst National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	Fully Projected Future Test Year Revenues Future Test Year Revenues Historic Test Year Revenues Tariff Rider Proposals Rate Design and Bill Impacts

15.	Wanya' D. Bruce Rate Analyst National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	Tariff Revisions
16.	Jason Scouten Superintendent, Pennsylvania Division Operations National Fuel Gas Distribution Corporation 225 Wayne Street Erie, PA 16507	System Overview Safe and Reliable Service System Integrity and Damage Prevention Construction Execution Operations Performance Metrics Initiatives
17.	Matthew W. Stoops Jr. Consumer Business Manager National Fuel Gas Distribution Corporation 1100 State Street Erie, PA 16501	Universal Service Programs Customer Initiatives
18.	Erik M. Solomon Director, Energy Services National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	Energy Efficiency Program Research, Development, and Demonstration Competitive Assessment
19.	John D. Taylor Managing Partner Atrium Economics, LLC 10 Hospital Center Commons, Suite 400 Hilton Head Island, SC 29926	Cost of Service Study Weather Normalization Adjustment
20.	Daniel J. Czechowicz Director, Gas Supply Administration National Fuel Gas Distribution Corporation 6363 Main Street Williamsville, NY 14421	Transportation Programs

As part of its 2026 base rate case filing, National Fuel previously filed copies of the written direct testimony listed in the table above. The Company's testimony and exhibits fully support National Fuel's proposed rate increase, allocation of that increase among the customer classes, and design of rates to recover that increase from customers.

20. National Fuel also reserves the right to call and present additional witnesses to address any issues that may arise during the course of the proceeding.

V. DISCOVERY

21. To date, National Fuel has received a number of discovery requests from other parties in this proceeding and has been diligently preparing and serving responses. Proprietary information has been requested in discovery, and National Fuel intends to timely submit an appropriate Motion for Protective Order.

VI. LITIGATION SCHEDULE

22. National Fuel has discussed the schedule with the parties that have intervened as of the time of this writing. Based on these discussions, National Fuel proposes that the following schedule be adopted for resolution of this matter:

Filing	January 28, 2026
Prehearing Conference	February 26, 2026
Direct of Other Parties	April 16, 2026
Rebuttal	May 12, 2026
Settlement Conference #1	May 19, 2026
Surrebuttal	May 27, 2026
Settlement Conference #2	May 29, 2026
Written Rejoinder Outlines	June 1, 2026
Evidentiary Hearings	June 2-4, 2026
Main Briefs	June 22, 2026
Reply Briefs	July 1, 2026

National Fuel is continuing to work with the other parties to reach an agreement upon the litigation schedule and understands that I&E and CAUSE-PA are in agreement with the schedule proposed above. Further, National Fuel is willing to work with the parties to accommodate potential scheduling conflicts for the parties' witnesses to attend and testify at the evidentiary hearings.

VII. PUBLIC INPUT HEARINGS

23. National Fuel is continuing to work with the other parties regarding the times and locations for in-person public input hearings.

VIII. SETTLEMENT

24. As of this time, no settlement discussions have been held. National Fuel remains open and available for settlement discussions with the other parties and would support initiatives to begin settlement discussions at the earliest possible date.

Respectfully submitted,



Anthony D. Kanagy, Esquire (ID # 85522)

Megan E. Rulli, Esquire (ID # 331981)

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Dated: February 25, 2026

Counsel for National Fuel Gas Distribution
Corporation