

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120

**Petition of National Fuel Gas
Distribution Corporation for
Approval of a Major Modification to
its Existing Long-Term
Infrastructure Improvement Plan**

**Public Meeting of March 26, 2026
3034957-TUS
P-2022-3034957**

STATEMENT OF CHAIRMAN STEPHEN M. DeFRANK

Before the Pennsylvania Public Utility Commission (Commission) for approval today is the Petition of National Fuel Gas Distribution Corporation (NFG) for Approval of a Major Modification to its Existing Long-Term Infrastructure Improvement Plan (LTIP). I am voting to approve NFG's Petition, and I want to take this opportunity to make some comments highlighting the basis for my vote.

I note that NFG is seeking to modify its original LTIP, which was approved for the period of January 1, 2023 through December 31, 2027. NFG's Petition demonstrates that from 2023 through 2025, the Company has consistently met its LTIP mileage replacement targets for leak prone pipe.¹ NFG's LTIP replacement rate is noteworthy given that between 2023 and 2024, the Company's average cost per mile for leak prone pipe increased by over 30%, from \$478,000 to \$627,000.² I find NFG's performance in meeting pipeline replacement targets, despite increased costs, to be commendable and worthy of recognition.

Unfortunately, increased costs are now beginning to impact NFG's ability to meet replacement goals. In 2025, NFG was forced to reduce leak prone pipe replacements from 53 miles to 51 miles due to rising costs attributable to labor, materials, restoration, permitting and inflation.³ As a result, to meet NFG's remaining LTIP replacement goals, the Company's total costs will increase by 30%, from \$195.6 million to \$253.3 million.⁴ Given these facts, approval of NFG's Petition is necessary to ensure that leak prone pipe replacement is not compromised.

March 26, 2026
Date



Stephen M. DeFrank
Chairman

¹ NFG Petition at ¶¶ 8-9.

² *Id.* at ¶ 16.

³ *Id.* at ¶ 9. at ¶ 9.

⁴ *Id.* at ¶ 11.