

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120

**Joint Application of National Fuel
Gas Distribution Corporation and
North East Heat & Light Company
under Sections 1102(a)(1)-(3) of the
Public Utility Code**

**Public Meeting of April 16, 2026
3057864-TUS
A-2025-3057864**

STATEMENT OF CHAIRMAN STEPHEN M. DeFRANK

Before the Pennsylvania Public Utility Commission (Commission) for consideration today is the Joint Application filed by two jurisdictional natural gas distribution companies: National Fuel Gas Distribution Corporation (NFG) and North East Heat and Light Company (NEHL). Through the Joint Application, NFG seeks to acquire NEHL's natural gas distribution facilities, as well as approval to serve the 2,900 customers previously served by NEHL in Erie County, Pennsylvania (Transaction). I am voting to approve the Joint Application, and I want to recognize NFG and NEHL for structuring the Transaction in a manner that will produce public benefits while mitigating costs for ratepayers.

As part of the transaction, NFG agreed to replace NEHL's existing patchwork of customer-owned service lines with new, NFG-owned service lines, at its own expense. Safety and reliability benefits will result, including enhanced line locating practices, uniform construction and maintenance standards, and improved damage prevention. I am also encouraged to see that the parties considered ratepayers' costs as a factor of the Transaction. NFG's customers will not be subject to paying an acquisition premium for the NEHL assets, because NFG agreed not to recover the \$384,388 difference between the \$1,310,000 purchase price for NEHL's assets and their \$925,612 net book value in future rate cases.¹ Ratepayers will also be protected from paying transaction costs, as both NFG and NEHL have agreed not to seek rate recovery for any of the transactional or transitional costs.² I commend NFG and NEHL for these commitments and I strongly encourage other utilities to consider mitigating ratepayers' costs in future transactions.

April 16, 2026
Date


Stephen M. DeFrank
Chairman

¹ Joint Application at ¶ 22.

² *Id.* at ¶ 23.