

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120**

Public Meeting held April 16, 2026

Commissioners Present:

Stephen M. DeFrank, Chairman, Statement
Kimberly Barrow, Vice Chair
Kathryn L. Zerfuss, Statement
John F. Coleman, Jr.
Ralph V. Yanora

Docket Numbers:

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 for approval: (1) of the right for North East Heat & Light Company to transfer certain natural gas distribution facilities and rights to National Fuel Gas Distribution Corporation; (2) for North East Heat & Light Company to abandon the provision of natural gas service to the public in its service territory in the Borough of North East and North East Township, in Erie County, Pennsylvania; and (3) for National Fuel Gas Distribution Corporation to expand its service territory to begin to offer, render, furnish or supply natural gas service to the public in the Borough of North East, Erie County, Pennsylvania.

A-2025-3057864
A-2025-3057865

ORDER

BY THE COMMISSION:

On October 7, 2025, National Fuel Gas Distribution Corporation (“National Fuel” or “the Company”) and North East Heat & Light Company (NEHL) (collectively, “the

Joint Applicants”) filed a Joint Application with the Pennsylvania Public Utility Commission (Commission) pursuant to Chapters 11 and 21 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a)(1)-(3), seeking approval and all certificates of public convenience required for: (1) NEHL to transfer certain natural gas distribution facilities and rights to National Fuel in the Borough of North East and the Township of North East, in Erie County, Pennsylvania; (2) for NEHL to abandon the provision of natural gas service in the Borough of North East and the Township of North East, in Erie County, Pennsylvania; and (3) for National Fuel to expand its service territory to begin to offer, render, furnish or supply natural gas service to the public in the Borough of North East, Erie County.¹

The Joint Application also requires Commission review under Section 2210(a) of the Public Utility Code, 66 Pa. C.S. § 2210(a) because it involves the acquisition and consolidation by a natural gas distribution company of another natural gas distribution company. Under Section 2210(a)(1) of the Public Utility Code, the Commission is required to consider whether a proposed acquisition of or by a natural gas distribution company is likely to result in anticompetitive or discriminatory conduct. 66 Pa. C.S. § 2210(a). Additionally, the Commission is required to consider the impact that a proposed acquisition of or by a natural gas distribution company may have on the employees of the natural gas distribution company. 66 Pa. C.S. § 2210(a)(2).

Procedural History

By Secretarial Letter dated October 8, 2025, the Joint Applicants were directed to publish notice once in a newspaper having a general circulation in the area involved and file proof of publication with the Commission on or before Monday, November 10, 2025.

¹ While not a regulatory approval with respect to the instant Application, National Fuel will be filing, on its behalf and that of NEHL, a joint petition seeking temporary waiver of the FERC’s capacity release regulations in order to effect the permanent release of NEHL’s firm interstate capacity rights on National Fuel Gas Supply Corporation, at maximum tariff rates, to National Fuel.

National Fuel published notice of the Joint Application in two newspapers with general circulations in North East and Erie, Pennsylvania, on October 24, 2025, and October 27, 2025, respectively. The Secretarial Letter also notified the Joint Applicants that the Commission would publish notice of the filing of the Joint Application in the Saturday, October 25, 2025, issue of the *Pennsylvania Bulletin*. See 55 Pa.B. 7480. The Notice directed that all protests be filed by November 10, 2025. Additionally, the Joint Applicants served copies of the Joint Application upon the Office of Small Business Advocate (OSBA), the Office of Consumer Advocate (OCA), and the Commission's Bureau of Investigation and Enforcement.

On October 28, 2025, the OSBA entered its appearance in the above-captioned proceeding. On November 7, 2025, OSBA filed its Notice of Intervention, Protest, Public Statement, and Verification.

On December 8, 2025, the Commission's Office of Administrative Law Judge (OALJ) issued a Call-in Telephonic Prehearing Conference Notice scheduling a prehearing conference for February 5, 2026, before Administrative Law Judge Katrina L. Dunderdale (ALJ Dunderdale). Also, on December 8, 2025, ALJ Dunderdale issued a Prehearing Conference Order requiring the parties to submit prehearing conference memoranda by January 30, 2026.

On December 9, 2025, counsel for NFGDC notified ALJ Dunderdale by email that OSBA intended to withdraw its Protest.

On December 12, 2025, OSBA filed its Notice of Withdrawal of Protest and Notice of Intervention, pursuant to 52 Pa. Code § 5.94(b), indicating OSBA wished to withdraw its protest to the Joint Application.

On December 15, 2025, the Joint Applicants filed a Joint Motion to Transfer the

Joint Application to the Pennsylvania Public Utility Commission's Bureau of Technical Utility Services (TUS). The Joint Applicants requested transfer of the Joint Application to TUS for the purpose of reviewing their Joint Application and final disposition because the only protest was withdrawn.

However, on December 22, 2025, the presiding officer requested specific clarification from the Joint Applicants concerning the location of services and facilities to be transferred and the nature of the rights to be transferred in the Borough of North East and/or the Township of North East, in Erie County.

Accordingly, on December 30, 2025, the presiding officer conducted a telephonic conference with the Joint Applicants and OSBA. The Joint Applicants explained the rights and facilities to be transferred, including the location of facilities to be transferred and abandoned. In addition, the Joint Applicants noted both utility companies - National Fuel and NEHL – had operated in the Township of North East with overlapping authority for many years. National Fuel noted it previously had received a Certificate of Public Convenience from the Commission to provide service within the Township of North East and only sought to obtain a Certificate of Public Convenience for the Borough of North East, in this proceeding.

Since the Protest had been withdrawn, this matter was no longer contested and there were no issues requiring an evidentiary hearing, and as such, the OALJ deemed it appropriate that this matter be transferred to TUS for disposition. Therefore, the OALJ issued an order on January 12, 2026, reassigning these proceedings to TUS for further action.

Background

National Fuel, utility code 121850, is a wholly owned subsidiary of National Fuel Gas Company (NGFC), which is a public utility holding company registered with the Federal Energy Regulatory Commission (FERC). National Fuel is currently certificated to provide natural gas service to North East Township in Erie County, Pennsylvania and serves approximately 214,000 customers throughout its Pennsylvania service territory, which includes all or portions of the following counties: Armstrong, Butler, Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, McKean, Mercer, Venango, and Warren.

NEHL, utility code 122000, is a public utility and natural gas distribution company that provides natural gas service to approximately 2,900 customers in North East Township and the Borough of North East in Erie County, Pennsylvania. Of the 2,900 customers, there are approximately 2,600 residential customer meters, 200 commercial/public building meters, 70 large commercial meters, two industrial customer meters, and six large industrial customer meters. It also provides transportation service to eight customers. Samuel Miller is the President and majority shareholder of NEHL.

The Transaction

The Joint Applicants entered into an Asset Purchase Agreement (APA) on September 10, 2025, whereby National Fuel will acquire substantially all of the assets of NEHL, including all of NEHL's utility plant in service and service rights, with the exception of certain furniture, fixtures, equipment, and real property that National Fuel has determined obsolete for a total purchase price of \$1,310,000, subject to post-closing adjustment to account for items such as working capital (Proposed Transaction). Through the Proposed Transaction, National Fuel will acquire all of NEHL's natural gas distribution system and associated facilities for the provision of natural gas distribution

service in the Borough of North East and North East Township in Erie County, Pennsylvania (Requested Territory).

The Proposed Transaction will be funded through cash on hand and short-term borrowings. The Joint Applicants note that the net book value of NEHL's assets as of June 30, 2025, was \$925,612. As such, National Fuel will be paying an acquisition premium of approximately \$384,388. The Company will record the premium on the Balance Sheet in an account for Gas Plant and Acquisition Adjustment and avers it will exclude any acquisition premium related to this transaction from rate base in future rate cases. Additionally, the Joint Applicants aver that neither National Fuel nor NEHL are seeking rate recovery for any of the transactional or transitional costs associated with the Proposed Transaction.

Upon Closing of the Transaction, National Fuel will take over all of NEHL's gas utility operations and will begin to provide natural gas utility services to the customers formerly served by NEHL, and NEHL will cease to exist as a natural gas utility.

Effect of the Proposed Transaction on Rates

The Joint Applicants state that with the exception of the changes described below, the base tariff distribution rates of NEHL in effect at the time the Proposed Transaction is consummated will remain in full force and effect following the completion of the Proposed Transaction for those who are customers of NEHL on the Closing Date (Former NEHL Customers).

In order to implement the proposed changes for the Former NEHL Customers following the consummation of the transaction, National Fuel will create a temporary tariff schedule for the Former NEHL Customers, which shall be maintained until Former NEHL Customers are fully integrated into all of National Fuel's rates, which will

ultimately be completed through one or more base rate cases (the “NEHL Rate Schedule”).² The NEHL Rate Schedule will only apply and be available to Former NEHL Customers at the service location(s) from which they received service from NEHL as of the Closing Date. All new customers/applicants for service located in the former NEHL service territory whose service start date begins after the Closing Date who receive service in the former NEHL service territory, and transfers of service by Former NEHL Customers will not be eligible for service under the NEHL Rate Schedule. That is, these customers will receive service as National Fuel customers at National Fuel’s standard full tariff rates.

The Joint Applicants further explain that other than with respect to: (a) the NEHL Rate Schedule; and (b) modifications to Rule No. 5 of the Tariff to account for the National Fuel’s replacement of customer-owned service lines over time, all other rules and conditions of service under National Fuel’s Tariff will apply to the former NEHL Customers.

National Fuel is proposing to merge NEHL’s purchased gas cost (PGC) rates into the Company’s PGC rates. The Joint Applicants aver that merging NEHL’s PGC rates into National Fuel’s PGC rates will offer several benefits to both Former NEHL Customers and to National Fuel; Former NEHL Customers will benefit from National Fuel’s diverse supply portfolio, and National Fuel’s gas procurement practices should offer Former NEHL Customers price stability through its procurement diversity and greater access to suppliers. Merging NEHL’s PGC rates also benefits National Fuel since it would eliminate the administrative burden of maintaining separate PGC rates and gas supply portfolios.

² National Fuel filed a rate case on January 28, 2026, whereby they are asking for a 7.49% increase in annual revenues, resulting in an increase in residential customer’s bills using 80 ccf per month from \$83.49 to \$88.44 per month (5.4%). The filing has been suspended until October 29, 2026. *See* Docket No. R-2025-3059428.

The Company's witness Donald N. Koch further explains that National Fuel's PGC rates include a component for current costs (C-Factor), an E-Factor rate which collects prior over-under collection balances, a Merchant Function Charge (MFC) for the amount of gas costs that is expected to be uncollectible, and a Gas Procurement Charge (GPC), which is the charge associated with the costs of procuring gas supplies. The total of all these charges determine National Fuel's Price to Compare (PTC).

Witness Koch explains that by using a 3-year average of PGC rates, NFG's average PGC rate would be \$0.4902 per ccf, while NEHL's 3-year average would be \$0.6374 per ccf. By using an average residential consumption of 84 ccf per month, Witness Koch determined that National Fuel's PGC costs would've been on average \$12.36 cheaper per month.³

Witness Koch notes that at the time of the Joint Application National Fuel's and NEHL's current PGC rates were very similar. National Fuel's PGC rate effective August 1, 2025, was \$0.5648 per ccf, while NEHL's rate effective November 1, 2024, was \$0.5224 per ccf.⁴ We note that based on National Fuel's tariff effective February 1, 2026, the Company's PTC for residential customers is \$0.60493 per ccf⁵ whereas NEHL's current PGC, which was effective November 1, 2025, is \$0.5501.⁶

National Fuel is proposing to migrate Former NEHL Customers receiving transportation service from NEHL to National Fuel's Monthly Metered Transportation service (MMT). Former NEHL Customers will receive the base delivery rate specified in the NEHL Rate Schedule, however, these customers will be subject to the transportation

³ Witness Koch used NEHL and National Fuel PGC rates that were in effect from November 1, 2022 through August 1, 2025. *See* National Fuel Exhibit DNK-1 PGC Rate Comparison.

⁴ *See* Direct Testimony of Donald N. Koch, Joint Applicants Statement No. 3, p. 7.

⁵ *See* National Fuel's tariff Supplement No. 296 to Gas - Pa. P.U.C. No. 9 Sixty-Fourth Revised Page No. 169.

⁶ *See* NEHL's tariff Supplement No. 149 to Gas - PA P.U.C. No. 12 Eighty-fifth Revised Page No. 4.

rules and programs in National Fuel's Tariff, as well as balancing charges and other applicable transportation-related fees.

According to Witness Koch, from the marketer-related information provided to National Fuel, the Company has confirmed that all the marketers currently providing gas supplies to NEHL customers are approved and actively serving transportation customers on National Fuel's system. Therefore, the marketers are familiar with the various transportation services offered through National Fuel's tariff transportation program and the detailed requirement of the program specified in its Gas Transportation Operating Procedures (GTOP). The GTOP describes all aspects of procedures, protocols and business practices for transportation service on the National Fuel system. Generally, these marketers are in good standing with National Fuel, and the Company anticipates the NEHL marketers' familiarity with National Fuel's GTOP will facilitate a smooth transition for the transportation customers. Witness Koch states that NEHL transportation customers will be subject to National Fuel's balancing charges and other applicable transportation related fees, except that NEHL customers will continue to receive their current base delivery rate. After closing, former NEHL customers may elect to transition to Daily Metered Transportation Service (DMT). To help inform these customers, National Fuel's Energy Service Department will be undertaking outreach prior to the closing date to apprise the largest C&I customers of these options.⁷

National Fuel is proposing to apply three additional riders or surcharges to Former NEHL Customers upon closing of the acquisition: (1) Rider B – the State Tax Adjustment Surcharge; (2) Rider E – the Customer Education Charge; and (3) Rider F – the Customer Assistance Program (CAP) Discount Charge.

National Fuel is proposing to apply Rider B, the Company's State Tax Adjustment

⁷ See Direct Testimony of Donald N. Koch, Joint Applicants Statement No. 3, pp. 10-11.

Surcharge, to Former NEHL Customers and states that applying Rider B to Former NEHL Customers' bills will not have any noticeable impact on Former NEHL Customers' bills.⁸

Rider E, National Fuel's Customer Education Charge, provides for recovery of costs of providing consumer education to inform customers of the changes in the natural gas utility industry. The Company states that Rider E is a zero rate applicable to residential customers only and is forecasted to remain a zero rate for the foreseeable future. Therefore, National Fuel avers that applying Rider E to Former NEHL Customers' bills will not have any impact on Former NEHL Customers.

Rider F, National Fuel's CAP Discount Charge, provides for the recovery of costs of projected CAP rate discounts, pre-program arrearage forgiveness, and program costs exclusive of Company labor. Rider F is applicable to residential customers only. National Fuel asserts that it is appropriate to include these charges upon closing of the acquisition because it will provide Former NEHL Customers with immediate access to the Company's Universal Service programs, including bill and arrearage assistance through CAP.

The Company's witness Elma Bico explains that Customers enrolled in CAP receive a monthly bill tailored to their unique financial needs and designed to be more affordable than non-CAP customers. In addition to receiving a discounted rate, CAP participants can obtain arrearage forgiveness of their pre-enrollment past due balance. CAP also features energy management and conservation components such as Energy Education for customer's residence, Energy Audits for participants whose usage exceeds that of a typical residential customer, written energy education materials, and screening

⁸ National Fuel's current STAS rate is (0.17)% and is applied to all non-Purchased Gas Cost charges. *See* National Fuel's tariff Supplement No. 289 to Gas - Pa. P.U.C. No. 9 Eighty-Second Revised Page No. 157

for referrals to National Fuel's LIURP or National Fuel's Low Consumption Low-Income Usage Reduction Pilot Program (LC-LIURP) weatherization assistance. For NEHL customers that enroll in CAP, National Fuel will determine the monthly CAP payment for each household based on either a percentage of income payment, an average monthly bill amount, or the CAP minimum payment amount of \$12.00. NEHL customers enrolled in CAP will be transitioned to National Fuel rates in order to calculate their monthly CAP payment and will remain on National Fuel rates until or unless they are removed from CAP.⁹

National Fuel is also requesting Commission approval to begin charging Former NEHL Customers National Fuel's Distribution System Improvement Charge (DSIC), subject to incorporation of the NEHL system into the National Fuel's Long-Term Infrastructure Improvement Plan (LTIIP). As part of this request, the Company proposes to file a modification to its LTIIP to include the NEHL facilities within 90 days of closing of the transaction. Following approval of the amended LTIIP, the Company proposes to begin applying the DSIC to Former NEHL Customers in its next quarterly DSIC filing. National Fuel states that it will not include investments in the NEHL system in its DSIC until the Company starts applying the DSIC to Former NEHL Customers.

In summary, National Fuel states that based on its proposed rate changes and until Former NEHL Customers are fully integrated into all of National Fuel's rates, NEHL customers' base distribution rates will remain the same but with an estimated increase in delivery due to the addition of the various Riders of \$1.79 per month, and an estimated decrease due to the new PGC rates of \$12.36 per month, resulting in a total estimated net decrease of \$10.57 per month.¹⁰

As noted above, all the rate changes discussed will apply to those who are

⁹ See Direct Testimony of Elma Bico, Joint Applicants Statement No. 2, pp. 7-8.

¹⁰ See National Fuel Exhibit National Fuel Exhibit DNK-2 Residential Rate Impact Analysis.

customers of NEHL on the Closing Date of the transaction. Any customers who apply for service in the former NEHL service territory after the Closing Date and transfers of service by former NEHL customers within the service territory will receive service as National Fuel customers at its standard full tariff rates.

Post-Acquisition Operation of NEHL'S Distribution Facilities

Upon closing, National Fuel will use the NEHL Assets acquired through the APA to provide natural gas service to Former NEHL Customers. National Fuel will operate and manage the provision of natural gas service to Former NEHL Customers, including field operations services and on-ground support, from its nearby Erie Service Center, which is located approximately 13 miles from NEHL's territory. The Company's witness William F. Snyder, III, states that after the acquisition, NEHL will no longer operate as a small stand-alone utility with basic systems and limited resources. Instead, its facilities and customers will be integrated into National Fuel's established Pennsylvania operations.¹¹

Over time, National Fuel plans to systematically enhance and improve the overall reliability and efficiency of NEHL's distribution system through infrastructure improvements. National Fuel's long-term plans include tying in NEHL's current systems into National Fuel's distribution system, which surrounds the NEHL system. National Fuel's anticipated infrastructure improvements include, among other things, the replacement of certain mains as well as regulator station upgrades, including the installation of additional relief valves.

Currently, all customer service lines in the Requested Territory are customer owned. Over time, National Fuel intends to replace this patchwork of customer-owned

¹¹ See Direct Testimony of William F. Snyder, III, Joint Applicants Statement No. 1, p. 7.

service lines with new, National Fuel-owned service lines. To mitigate line strikes, when National Fuel replaces mains and service lines, it will undertake safety measures including installing tracer wire to improve locatability.

As further detailed by Witness Snyder's testimony, following the acquisition, National Fuel plans to transition service line ownership from customer owned to Company-owned service lines over time. The Company will install Company-owned service lines when the Company determines, in its sole discretion as system operator, that an existing customer-owned service line requires replacement. At that time, National Fuel will install a new Company-owned service line at its expense, replacing all portions of the existing service line from the main to the meter. Once the Company makes the determination to replace the service line, it will be a condition of service that the customer permit National Fuel to install its service line. When such replacements occur, the existing customer-owned service line will be disconnected and abandoned in place in accordance with Company standards and applicable codes.¹²

This requirement will also apply to new service applicants in the former NEHL territory. If an existing (customer-owned) service line is present at the premises to be served and attached to the applicant's interior plumbing, National Fuel may elect, in its sole discretion, to install, at its expense, a new Company-owned service line to serve the premises. As part of this installation, National Fuel will abandon the old customer-owned line in place. If no service line is present, or the line has been removed/cut off, the applicant will be required to pay for the extension of facilities in accordance with the provisions otherwise set forth in National Fuel's Tariff.¹³

Witness Snyder asserts that this approach will bring parity with the Company's existing Pennsylvania customers, who are served through Company-owned service lines,

¹² See Direct Testimony of William F. Snyder, III, Joint Applicants Statement No. 1, p. 9.

¹³ See Direct Testimony of William F. Snyder, III, Joint Applicants Statement No. 1, pp. 9-10.

and provides safety and reliability benefits, including clear responsibility for line locating that will lead to more efficient locating practices, uniform construction and maintenance standards, and improved damage prevention. Additionally, customers will benefit because they will no longer bear the cost of replacing aging service lines.

To implement this change, National Fuel is proposing an addition to Rule 5 Maintenance of Facilities in its tariff, applicable to former NEHL customers only, to reflect the transition to Company-installed, Company-owned service.

Additionally, National Fuel's geographic information system (GIS), electronic field data systems, and order-routing platforms will be applied, ensuring all NEHL infrastructure and work processes are captured and managed within the same enterprise tools used across National Fuel's broader service territory. These anticipated infrastructure improvements will be carried out in line with National Fuel's LTIIP, which the Company is proposing to amend to include the Requested Territory.

Public Interest Considerations

The Joint Applicants claim that the proposed transfer of control is in the public interest for the following reasons:

- NEHL's current ownership has expressed interest in exiting the utility business. Samuel Miller, the current Majority Shareholder and President of NEHL, is preparing for retirement and wanted to ensure its customers are transitioned into the ownership of a reputable utility company that focuses on customer service and reliability;
- Integrating NEHL's current system into National Fuel's system will strengthen safety, reliability, and the efficient delivery of natural gas to

end use customers, as National Fuel plans to further modernize and enhance reliability of the existing NEHL system;

- NEHL's customers will benefit from GIS-based flow modeling, enhanced emergency response times, and the support of a mature Pipeline Safety Management System, dedicated Quality Assurance Department, and comprehensive employee training programs;
- NEHL customers will have access to National Fuel's customer service network, favorably ranked among its utility peers according to Commission metrics and annual customer service reports. NEHL customers will also be eligible to participate in National Fuel's low-income customer programs, including the Company's Customer Assistance Program;
- The combined footprint will eliminate confusion over providers, reduce duplicative system mileage for those areas currently served by both National Fuel and NEHL, and increase efficiency, yielding incremental savings and potential rate stabilization;
- The Proposed Transaction would not result in anti-competitive or discriminatory conduct in the retail market for natural gas in Pennsylvania, nor would it have any adverse effect on the retail natural gas market in Pennsylvania. Rather, it will enhance retail competition by expanding supply options for NEHL customers and connecting Pennsylvania gas producers with NEHL customers; and,
- National Fuel, as a certificated public utility, possesses the technical expertise and the financial resources to operate NEHL's system and to maintain the operations and make improvements to meet continuing and future customer needs. Therefore, National Fuel is both legally fit and financially fit to own and operate the NEHL system.

2210 Considerations

Under Section 2210(a)(1) of the Public Utility Code, the Commission, in conjunction with the proper exercise of its authority to approve certain transactions, including the acquisition of a natural gas utility, must consider whether the transaction is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail gas customers from obtaining the benefits of a properly functioning and effectively competitive retail natural gas market. 66 Pa. C.S. § 2210(a)(1).

The Joint Applicants assert that the Proposed Transaction will not result in anti-competitive or discriminatory conduct in the retail market for natural gas in Pennsylvania, nor will the Proposed Transaction have any adverse effect on the retail natural gas market in Pennsylvania. To the contrary, the Proposed Transaction will enhance retail competition by expanding supply options for NEHL customers and connecting Pennsylvania gas producers with NEHL customers. The Joint Applicants state that National Fuel's long-term plans include integrating NEHL's existing system and National Fuel's own distribution system which surrounds NEHL's existing system. Once the systems are integrated, Pennsylvania gas producers with interconnects to National Fuel's existing distribution system will gain access to the additional customers on NEHL's system and former NEHL Customers will have additional options in terms of retail choice, which will also encourage competition.

The Joint Applicants note that the Proposed Transaction is a certificated entity to certificated entity asset and operations transfer within the Requested Territory. Other than NEHL, which is selling its assets, no corporation, partnership, or individual is now furnishing or has corporate or franchise rights to furnish similar service to that to be rendered by National Fuel in the Requested Territory nor are any other local distribution companies providing natural gas services within one mile of the Requested Territory,

apart from National Fuel. Thus, no competitive conditions will be created by the Proposed Transaction.

Under Section 2210(a)(2) of the Public Utility Code, in conjunction with its consideration of the disposition of assets of natural gas distribution companies, the Commission is to consider the effects of the Proposed Transaction on employees. 66 Pa. C.S. § 2210(a)(2). The Joint Applicants claim that as of the date of this filing, NEHL currently employs five full time employees, including NEHL President Samuel Miller, and three part-time employees. Per the APA, National Fuel has agreed to offer all employees the opportunity to interview for any current job openings at National Fuel.

For the reasons advanced by the Joint Applicants, we conclude that the record provides substantial evidence of affirmative public benefits sufficient to warrant approval of the proposed transaction under *City of York v. Pa. Pub. Util. Comm'n*, 295 A.2d 825 (Pa. 1972); *Irwin A. Popowsky v. Pa. Pub. Util. Comm'n*, 937 A.2d 1040 (Pa. 2007).

Finally, we find that the transfer by NEHL of certain natural gas distribution facilities and rights to National Fuel in the Borough of North East and the Township of North East, in Erie County, Pennsylvania; for NEHL to abandon the provision of natural gas service in the Borough of North East and the Township of North East, in Erie County, Pennsylvania; and for National Fuel to expand its service territory to begin to offer, render, furnish or supply natural gas service to the public in the Borough of North East, Erie County will not have an impact on retail competition in NEHL's service territory as the Proposed Transaction will not result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power. Nor will it prevent retail gas customers from obtaining the benefits of a properly functioning and effectively competitive retail natural gas market. Additionally, the Proposed Transaction will have little impact on NEHL's five full time employees and three part-time employees since National Fuel has

agreed to offer all employees the opportunity to interview for any current job openings at National Fuel and NEHL President Samuel Miller has announced his plans to retire. Therefore, we find that the Proposed Transaction preserves the benefits of a properly functioning and effectively competitive retail natural gas market as proposed. *See* 66 Pa. C.S. § 2210.

Conclusion

In conclusion, the Joint Application will be approved, and a certificate of public convenience be issued for the transfer to National Fuel of all property of NEHL used or useful in the public service, pursuant to Section 1102(a)(1)-(3) of the Public Utility Code, 66 Pa. C.S. § 1102(a)(1)-(3). The granting of the Joint Application is proper for the service of the public, and a certificate of public convenience should be issued, evidencing the Commission's approval. Additionally, the Proposed Transaction is approved as it preserves the benefits of a properly functioning and effectively competitive retail natural gas market as proposed in accordance with Section 2210 of the Public Utility Code, 66 Pa. C.S. § 2210.

The Commission has determined that the Joint Applicants are current with their quarterly annual financial and Security Planning and Readiness Self Certification report filing requirements, and there are no outstanding Commission fines, fees, or assessments due. In addition, it has been determined that there are no outstanding gas safety issues.

Having reviewed the Joint Application, we conclude that the proposed transfer of all property of NEHL to National Fuel, pursuant to Section 1102(a)(1)-(3) of the Public Utility Code, 66 Pa. C.S. § 1102(a)(1)-(3) and the proposed transfer of control by a natural gas distribution company pursuant to 2210 of the Public Utility Code, 66 Pa. C.S. § 2210 should be approved; **THEREFORE,**

IT IS ORDERED:

1. That the Joint Application of National Fuel Gas Distribution Corporation and North East Heat & Light Company for the proposed transfer of certain natural gas distribution facilities and rights of North East Heat & Light Company to National Fuel Gas Distribution Corporation is hereby approved and that a certificate of public convenience be issued evidencing our approval.

2. That the Joint Application of National Fuel Gas Distribution Corporation and North East Heat & Light Company for the approval of National Fuel Gas Distribution to begin to provide natural gas distribution service in Pennsylvania in the service territory previously served by North East Heat & Light Company in the Borough of North East, Erie County is hereby approved and that a certificate of public convenience be issued evidencing our approval.

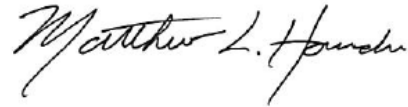
3. That the Joint Application of National Fuel Gas Distribution Corporation and North East Heat & Light Company for North East Heat & Light Company to abandon service as a natural gas distribution utility in the Commonwealth of Pennsylvania is hereby approved and that, upon receipt of the notice outlined in Ordering Paragraph 4, below, a certificate of public convenience be issued evidencing our approval.

4. That within thirty (30) days following consummation of the transaction approved by Ordering Paragraph No. 1, above, National Fuel Gas Distribution Corporation shall notify this Commission of the effective date of the asset transfer and National Fuel Gas Distribution Corporation shall file a compliance tariff supplement on at least one day's notice following consummation of the acquisition with the changes proposed in the pro forma tariff supplement filed as Appendix G to the Joint Application.

5. That if the Joint Applicants determine that the proposed transaction will not occur, they shall promptly file notice of such determination with the Commission.

6. That upon filing of either notice directed by Ordering Paragraphs Nos. 4 or 5, above, the proceedings at Docket Nos. A-2025-3057864 and A-2025-3057865 shall be marked closed.

BY THE COMMISSION,



Matthew Homsher
Secretary

(SEAL)

ORDER ADOPTED: April 16, 2026

ORDER ENTERED: April 16, 2026