

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

**Pennsylvania Public Utility Commission**  
v.  
**Peoples Natural Gas Company LLC**

**Public Meeting of April 16, 2026**  
**3060855-TUS**  
**Docket No. R-2026-3060855**

**STATEMENT OF VICE CHAIR KIMBERLY BARROW**

Before us for consideration is the proposed rate increase request by Peoples Natural Gas Company LLC (Peoples or Company). Peoples proposes an increase of \$163.2 million (13.8%) in additional annual revenues to become effective May 26, 2026. The proposal will result in an increase in a residential customer's bill using 86 Mcf per month from \$122.20 to \$138.23, a 13.1% increase.

I vote to approve the suspension and investigation of this filing, pursuant to 66 Pa.C.S. § 1308(d). In so doing, I urge the Parties to take a critical look at the Company's requested rate of return and return on equity (ROE) as well as the capital structure (common equity ratio and debt capital) to ensure reasonableness. Deviations in each of these items translate into millions of dollars charged to customers of all rate classes. Too often, the relationship between debt and ROE to cost of debt and capital is asserted as a general matter from basic economic principle alone. However, those relationships are not established empirically and left for the Commission to assume the relationship without any supporting data. Therefore, I believe a careful and detailed review of Peoples' claimed capital structure and ROE is warranted.

Additionally, Peoples stated that the primary reason for the instant rate filing is its investment in replacing aging infrastructure. According to Peoples, the investment in net plant in service for the fully projected future test year (FPFTY) ended December 31, 2027, is projected to be \$5.5 billion. When the Company requested a rate increase for the FPFTY ending September 30, 2025, the Company's investment in net plant was approximately \$4.1 billion. According to Peoples, the \$1.4 billion increase in net plant has largely been the result of continued investments necessary to enhance and maintain the safety and reliability of the Company's distribution system, which includes the replacement of aging gas plant infrastructure.

Section 315 of the Code, 66 Pa.C.S. § 315(e), states that whenever a utility utilizes an FPFTY as the basis for its rate increase, the utility shall provide appropriate data evidencing the accuracy of the estimates of its FPFTY. Thus, it is incumbent upon Peoples and the Parties challenging the filing to ensure that Peoples' estimates in its last and current rate filing comply with Section 315 of the Code. Specifically, Peoples should provide documentation/information showing estimates of its FPFTY in its last rate case were accurate or met expectations. If not, the Company should provide an explanation for the deviation and the appropriate adjustments made to account for such deviations in the instant rate filing.

**April 16, 2026**



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**Kimberly Barrow, Vice Chair**