



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

April 24, 2026

Via Electronic Filing

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v.
Peoples Natural Gas Company, LLC
Docket No. R-2026-3060855
I&E Prehearing Memorandum

Dear Secretary Homsher:

Enclosed for electronic filing please find the Prehearing Memorandum of the Bureau of Investigation and Enforcement (“I&E”) in the above-captioned proceeding.

Copies are being served on parties per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Michael Podskoch'.

Michael A. Podskoch, Jr.
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 330132
(717) 783-6151
mpodskoch@pa.gov

MAP/ac
Enclosures

cc: Administrative Law Judge Charece Z. Collins (via email – charcollin@pa.gov)
Per Certificate of Service

I. INTRODUCTION

On March 27, 2026, Peoples Natural Gas Company LLC (“Peoples” or “Company”) filed proposed Original Tariff Gas – Pa. P.U.C. No. 49 and Original Tariff Gas – Pa. P.U.C. No. S-5 with a proposed effective date of May 26, 2026. The rates set forth therein, if approved by the Commission, would increase Peoples’ annual jurisdictional revenues by \$163.2 million, or 13.8%.

On March 31, 2026, the Office of Consumer Advocate (“OCA”) filed a Formal Complaint and Public Statement. That same day, the Office of Small Business Advocate (“OSBA”) filed its Notice of Appearance. On April 2, 2026, I&E filed its Notice of Appearance. On April 7, 2026, OSBA filed a Formal Complaint and Public Statement. That same day, the Pennsylvania Weatherization Providers Task Force, Inc. (“Providers Task Force”) filed a Petition to Intervene. On April 9, 2026, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) filed a Formal Complaint. On April 13, 2026, CAUSE-PA filed its Notice of Appearance.

On April 16, 2026, the Commission entered an Order pursuant to Section 1308(d) of the Public Utility Code suspending the implementation of the proposed rates by operation of law until December 26, 2026, and opening an investigation into the lawfulness, justness, and reasonableness of the proposed rates, rules, and regulations contained therein. The case was assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a Recommended Decision.

A telephonic Prehearing Conference is scheduled on April 28, 2026, at 10:00 a.m. before Administrative Law Judge (“ALJ”) Charece Z. Collins.

II. ISSUES

The following list represents I&E's preliminary determination of the potential issues in this proceeding:

1. Labor
2. STI/Incentive Compensation
3. Pension
4. Post Retirement Benefits Other Than Pensions
5. Other Employee Benefits
6. Outside Services - Contracted
7. Outside Services - IT
8. Outside Services - A&G
9. Building Leases
10. Corporate Insurance
11. Injuries and Damages
12. Travel
13. Company Memberships
14. Licenses and Permits
15. Utilities & Fuel Used in Company Operations
16. Advertising
17. Fleet
18. Materials & Supplies
19. Other O&M
20. Debt Issuance Costs
21. Payment Processing
22. Rate Case Expense
23. Uncollectible Accounts
24. USP/SCR Rider
25. PNG Gathering
26. Interest on Customer Deposits
27. Taxes Other than Income
28. Cash Working Capital
29. Proxy Group Composition
30. Capital Structure
31. Cost of Debt
32. Cost of Equity Analysis (including the methods and data used)
33. Reasonableness of Return on Equity
34. Flotation Cost Impact
35. Business and Regulatory Risks Assessment
36. Management Performance Reward
37. Effective Date of New Rates
38. Rate Base
39. Plant in Service
40. Plant Additions and Retirements

41. Depreciation Reserve
42. Annual Depreciation Expense
43. Fully Projected Future Test Year Reporting Requirements
44. Discount Rate Customers
45. Weather Normalization Adjustment
46. Annual Heating Degree Day Average
47. Cost of Service Allocation
48. Customer Cost Analysis
49. Customer Charges
50. Scale Back of Rates
51. Pipe Replacement
52. Leaks
53. Damage Prevention
54. Restoration Costs
55. Long-Term Infrastructure Improvement Plan Rates
56. Methane Detection

The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues as it deems appropriate if any such relevant issues arise.

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

1. Vanessa Okum, Fixed Utility Financial Analyst
2. D. C. Patel, Fixed Utility Financial Analyst
3. Eryan Sakaya, Fixed Utility Valuation Engineer
4. Robert Gobrecht, Fixed Utility Valuation Engineer

The I&E witnesses may be contacted through the information listed above for Mr. Podskoch. The witness list is provided without the benefit of complete discovery or analysis of the positions of the other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal, and surrebuttal testimony and accompanying exhibits at the evidentiary hearings. Moreover, I&E intends to rely on the

Company’s filing, supplemental testimony, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources, and other public documents and reports. However, there may be issues of law or Commission policy that are not properly the subject of testimony or factual issues that are clear on the record and need not be supported by testimony. I&E thereby reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed through briefing.

V. DISCOVERY

Discovery in this matter has begun and is ongoing. I&E supports the OCA’s proposed discovery modifications.

VI. SCHEDULE

I&E supports the OCA’s proposed litigation schedule:

| | |
|------------------------------|-------------------|
| Non-Company Direct Testimony | June 18, 2026 |
| Rebuttal Testimony | July 16, 2026 |
| Surrebuttal Testimony | July 31, 2026 |
| Rejoinder | August 4, 2026 |
| Hearings | August 5-7, 2026 |
| Main Briefs | August 26, 2026 |
| Reply Briefs | September 4, 2026 |

I&E proposes that the evidentiary hearings be held in Harrisburg in order to save the Commission the expense of sending the I&E prosecutor and witnesses to out-of-town hearings.

VII. PUBLIC INPUT HEARINGS

I&E proposes the use of telephonic public input hearings to encourage increased participation by ratepayers.

VIII. SERVICE OF DOCUMENTS

I&E requests that all documents in this proceeding be served on:

Michael A. Podskoch, Jr., Esq.
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
mpodskoch@pa.gov

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony, briefs, and other documents during this proceeding, and consistent with Commission regulations and policy, I&E proposes to both only serve and accept electronic delivery of documents.

IX. SETTLEMENT

I&E will maintain an open dialogue and is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully submitted,



Michael A. Podskoch, Jr.
Prosecutor
PA Attorney ID No. 330132

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Dated: April 24, 2026

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2026-3060855
 :
 Peoples Natural Gas Company, LLC :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated April 24, 2026, in the manner and upon the persons listed below.

Served via Electronic Mail Only

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