

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

Public Meeting held May 21, 2026

Commissioners Present:

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

Shirley A. Nicodemus

F-2025-3055828

v.

Peoples Natural Gas Company LLC

OPINION AND ORDER

BY THE COMMISSION:

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition are the Exceptions filed by Peoples Natural Gas Company LLC (Peoples or the Company) on February 17, 2026, to the Initial Decision (I.D.) of Administrative Law Judge (ALJ) Katrina L. Dunderdale, issued on January 28, 2026, in the above-captioned proceeding.

In the Initial Decision, ALJ Dunderdale sustained a Formal Complaint (Complaint) filed by Shirley A. Nicodemus (Ms. Nicodemus or Complainant) and

assessed a civil penalty against Peoples for violations of the Public Utility Code (Code) and Commission Regulations and Orders.

No replies to the Exceptions have been filed.

For the reasons set forth below, the Commission shall grant, in part, and deny, in part, the Exceptions filed by Peoples. Therefore, the Initial Decision of ALJ Dunderdale shall be adopted as modified, consistent with this Opinion and Order.

I. History of Proceeding

On June 13, 2025, Ms. Nicodemus filed the instant Complaint against Peoples, indicating that for a period beginning in June 2024, she did not receive bills via mail and had to call Peoples to ensure receipt of her bills, and that Peoples damaged her property while relocating her meter, causing water damage to her basement.¹ Complaint at 2-3. While not referenced in her Formal Complaint form, Ms. Nicodemus' Informal Complaint before BCS included an allegation that Peoples cashed a check from Ms. Nicodemus that was made out to Ms. Nicodemus' insurance company and inadvertently sent to Peoples.² I.D. at 2.

On July 11, 2025, Peoples filed an Answer to the Complaint. In its Answer, Peoples denied that Ms. Nicodemus had been billed improperly or incorrectly.

¹ The Complaint is a timely appeal from an informal decision of the Commission's Bureau of Consumer Services (BCS) issued on May 1, 2025, at BCS No. 4037356, as it was filed within thirty (30) days of the mailing of a Formal Complaint form by the Secretary of the Commission. *See* 52 Pa. Code § 56.172(c). Appeals of informal complaint decisions by BCS are subject to *de novo* review. 52 Pa. Code § 56.173(a).

² ALJ Dunderdale permitted testimony on this issue at hearing based on inclusion of the allegation as part of the Informal Complaint. I.D. at 2; *see also* Tr. at 9-12.

Peoples acknowledged a delay in the mailing of customer bills because of the closure of a third-party vendor Peoples contracted with for mailing. Answer at 1. Peoples categorically denied Ms. Nicodemus' allegation that damage to the Complainant's property was caused by Peoples, outlined the remedial steps taken by the Company and its contractors, and stated that any damages or claims for reimbursement should be addressed in the Court of Common Pleas, rather than the Commission. *Id.* at 2-3.

On July 18, 2025, an Initial Telephonic Hearing Notice was issued, setting the hearing for September 9, 2025. A Prehearing Order for Telephonic Hearing was issued on July 18, 2025.

On August 25, 2025, Peoples filed a Motion for Continuance of Hearing. On August 26, 2025, the Commission issued an Interim Order scheduling the hearing for October 8, 2025.

On October 8, 2025, the hearing was convened as scheduled. Ms. Nicodemus represented herself and offered one exhibit, which was admitted into the record without objection.³ Peoples was represented by counsel and presented the testimony of two witnesses. Peoples offered four exhibits, which were admitted into the record without objection. *I.D.* at 3.

On October 31, 2025, an Interim Order Closing the Hearing Record was issued. *I.D.* at 3.

³ Ms. Nicodemus' exhibit was comprised of 77 pages and included material deemed confidential by ALJ Dunderdale. Based on the commingling of confidential and non-confidential material, ALJ Dunderdale admitted the entire exhibit as confidential. *I.D.* at 3.

On January 28, 2026, the Commission issued the Initial Decision of ALJ Dunderdale. In the Initial Decision, ALJ Dunderdale made thirty-eight Findings of Fact and reached five Conclusions of Law. I.D. at 4-9, 20-21. As stated, *supra*, in the Initial Decision, the ALJ found that Ms. Nicodemus carried her evidentiary burden, sustained the Complaint, and imposed a civil penalty of \$1,500 upon Peoples for violations of Commission Code and Orders. *Id.* at 20-21.

As previously noted, on February 17, 2026, Peoples filed timely Exceptions arguing the ALJ erred in sustaining the Complaint and imposing a civil penalty. No replies to the Exceptions were filed.

II. Discussion

A. Legal Standards

1. Jurisdiction

Section 701 of the Code outlines the Commission's procedure for the review of complaints, stating in relevant part:

The commission, or any person... having an interest in the subject matter... may complain in writing, setting forth any act or thing done or omitted to be done by any public utility in violation, or claimed violation, of any law which the commission has jurisdiction to administer, or of any regulation or order of the commission.

66 Pa.C.S. § 701. Accordingly, Section 701 of the Code provides for complaints against a public utility for anything done, or not done, in violation of the laws administered by the Commission or Commission Regulations and Orders. *Id.*

However, for the Commission to sustain a complaint against a public utility, the utility must be found to be in violation of its duty under the Code, the Commission's Regulations, or an Order of the Commission. Without proof of such a violation, the Commission does not have authority to require any action by the public utility in relation to the customer's complaint. *See West Penn Power Co. v. Pa. PUC*, 478 A.2d 947 (Pa. Cmwlth. 1984).

2. Burden of Proof

As the party seeking affirmative relief from the Commission, the complainant in a formal complaint proceeding has the burden of proof. 66 Pa.C.S. § 332(a). The evidence necessary to meet that burden must be substantial. 2 Pa.C.S. § 704. "Substantial evidence" is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. *Consolidated Edison Company of New York v. National Labor Relations Board*, 305 U.S. 197, 229. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & Western Ry. Co. v. Pa. PUC*, 413 A.2d 1037 (Pa. 1980). Opinions and conclusions cannot be relied upon as substantial evidence in a decision by the Commission. *Norman v. Phila. Gas Works*, Docket No. C-2018-2640719 (Opinion and Order entered October 7, 2021) (*Norman*).

To establish a sufficient case and satisfy the burden of proof, the complainant must show that the respondent utility is responsible or accountable for the problem described in the Complaint. *Patterson v. The Bell Telephone Company of Pennsylvania*, 72 Pa. P.U.C. 196 (1990). The offense must be a violation of the Code, a Commission Regulation or Order, or a violation of a Commission-approved tariff. 66 Pa.C.S. § 701. Such a showing must be by a "preponderance of the evidence." *Samuel J. Lansberry, Inc. v. Pa. PUC*, 578 A.2d 600 (Pa. Cmwlth. 1990), *alloc. denied*, 602 A.2d 863 (1992). That is, the Complainant's evidence must be more convincing, by

even the smallest amount, than that presented by the respondent. *Se-Ling Hosiery, Inc. v. Margulies*, 364 Pa. 45, 70 A.2d 854 (1950).

The burden of proof is comprised of two distinct burdens: (1) the burden of production; and (2) the burden of persuasion. *Hurley v. Hurley*, 754 A.2d 1283 (2000). The burden of production, also called the burden of going forward with the evidence, determines which party must come forward with evidence to support a particular claim or defense. *Scott and Linda Moore v. National Fuel Gas Distribution*, Docket No. C-2014-2458555 (Initial Decision issued May 11, 2015) (*Moore*). The burden of production goes to the legal sufficiency of a party's claim or affirmative defense. *See Moore*. The burden of production may shift between the parties during a hearing. A complainant may establish a *prima facie* case with circumstantial evidence. *See Milkie v. Pa. PUC*, 768 A.2d 1217, 1220 (Pa. Cmwlth. 2001) (*Milkie*). If a complainant introduces sufficient evidence to establish legal sufficiency of the claim, also called a *prima facie* case, the burden of production shifts to the utility to rebut the complainant's evidence. *See Moore*.

If the utility introduces evidence sufficient to balance the evidence introduced by the complainant, that is, evidence of co-equal value or weight, the complainant's burden of proof has not been satisfied and the burden of going forward with the evidence shifts back to the complainant, who must provide some additional evidence favorable to the complainant's claim. *See Milkie*, 768 A.2d at 1220; *see also Burlison v. Pa. PUC*, 443 A.2d 1373 (Pa. Cmwlth. 1982), *aff'd*, 501 Pa. 433, 461 A.2d 1234 (1983) (*Burlison*).

Having produced sufficient evidence to establish legal sufficiency of a claim, the party with the burden of proof must also carry the burden of persuasion to be entitled to a favorable ruling. *See Moore*. While the burden of production may shift back and forth during a proceeding, the burden of persuasion never shifts; it always remains on

a complainant as the party seeking affirmative relief from the Commission. *See Milkie*, 768 A.2d at 1220; *see also Riedel v. County of Allegheny*, 633 A.2d 1325, 1328, n.11 (Pa. Cmwlth. 1993); *see also Burlison*, 443 A.2d at 1375. It is entirely possible for a party to carry the burden of production but not be entitled to a favorable ruling because the party did not carry the burden of persuasion. *See Moore*. In determining whether a complainant has met the burden of persuasion, the fact-finder⁴ may engage in determinations of credibility, may accept or reject testimony of any witness in whole or in part, and may accept or reject inferences from the evidence. *See Moore*, citing *Suber v. Pennsylvania Com'n on Crime and Delinquency*, 885 A.2d 678, 682 (Pa. Cmwlth. 2005).

3. Adequate, Efficient, Safe and Reasonable Service

Pursuant to Section 1501 of the Code, a public utility has a duty to maintain “adequate, efficient, safe, and reasonable service and facilities” and to make repairs, changes, and improvements that are necessary or proper for the accommodation, convenience, and safety of its patrons, employees, and the public. *See* 66 Pa.C.S. § 1501. Section 1501 of the Code provides, in pertinent part, as follows:

Every public utility shall furnish and maintain adequate, efficient, safe, and reasonable service and facilities, and shall make all such repairs, changes, alterations, substitutions, extensions, and improvements in or to such service and facilities as shall be necessary or proper for the accommodation, convenience, and safety of its patrons, employees, and the public . . . Such service and facilities

⁴ In formal complaint proceedings, the Commission, not the ALJ, is the ultimate fact-finder; it weighs the evidence and resolves conflicts in testimony. When reviewing the initial decision of an ALJ, the Commission has all the powers that it would have had in making the initial decision except as to any limits that it may impose by notice or by rule. *Milkie*, 768 A.2d at 1220, n. 7 (citing, *inter alia*, 66 Pa.C.S. § 335(a)).

shall be in conformity with the regulations and orders of the commission.

66 Pa.C.S. § 1501.

The statutory definition of “service” is to be broadly construed.

Country Place Waste Treatment Co., Inc. v. Pa. PUC, 654 A.2d 72 (Pa. Cmwlth. 1995).

The Code defines “service” as:

Service, used in its broadest and most inclusive sense, includes any and all acts done, rendered, or performed, and any and all things furnished or supplied, and any and all facilities used, furnished, or supplied by public utilities, or contract carriers by motor vehicle, in the performance of their duties under this part to their patrons, employees, other public utilities, and the public, as well as the interchange of facilities between two or more of them.

66 Pa.C.S. § 102. Accordingly, utility billing and facility construction or relocation are included within the scope of reasonable service.

4. Civil Penalties

A public utility that violates the Code or a Commission Order or Regulation may be subjected to a civil penalty of up to \$1,000 per violation for every day of that utility’s continuing offense. *See* 66 Pa.C.S. § 3301(a)–(b). The Commission’s policy statement at 52 Pa. Code § 69.1201 (Policy Statement) establishes specific factors and standards the Commission will consider in evaluating litigated cases involving violations and in determining whether a fine is appropriate.

The factors and standards that will be considered by the Commission include the following:

- (1) Whether the conduct at issue was of a serious nature. When conduct of a serious nature is involved, such as willful fraud or misrepresentation, the conduct may warrant a higher penalty. When the conduct is less egregious, such as administrative filing or technical errors, it may warrant a lower penalty.
- (2) Whether the resulting consequences of the conduct at issue were of a serious nature. When consequences of a serious nature are involved, such as personal injury or property damage, the consequences may warrant a higher penalty.
- (3) Whether the conduct at issue was deemed intentional or negligent. This factor may only be considered in evaluating litigated cases. When conduct has been deemed intentional, the conduct may result in a higher penalty.
- (4) Whether the regulated entity made efforts to modify internal practices and procedures to address the conduct at issue and prevent similar conduct in the future. These modifications may include activities such as training and improving company techniques and supervision. The amount of time it took the utility to correct the conduct once it was discovered and the involvement of top-level management in correcting the conduct may be considered.
- (5) The number of customers affected and the duration of the violation.
- (6) The compliance history of the regulated entity which committed the violation. An isolated incident from an otherwise compliant utility may result in a lower penalty, whereas frequent, recurrent violations by a utility may result in a higher penalty.
- (7) Whether the regulated entity cooperated with the Commission's investigation. Facts establishing bad faith,

active concealment of violations, or attempts to interfere with Commission investigations may result in a higher penalty.

(8) The amount of the civil penalty or fine necessary to deter future violations. The size of the utility may be considered to determine an appropriate penalty amount.

(9) Past Commission decisions in similar situations.

(10) Other relevant factors.

52 Pa. Code § 69.1201(c)(1)-(c)(10).⁵

B. ALJ's Initial Decision

As noted above, in the Initial Decision, ALJ Dunderdale made thirty-eight Findings of Fact and reached five Conclusions of Law. I.D. at 4-9, 20-21. The Findings of Fact and Conclusions of Law are incorporated into this Order by reference, unless they are expressly or by necessary implication rejected or modified by this Order. The Findings of Fact and Conclusions of Law led ALJ Dunderdale to sustain Ms. Nicodemus' Complaint and impose a civil penalty of \$1,500 on Peoples for violations of Commission Regulations and Orders. *Id.* at 1, 21-22.

The ALJ determined that Peoples committed three violations: (1) the Company failed to provide timely monthly bills to Ms. Nicodemus, a violation of 66 Pa.C.S. §1509; (2) the Company erred in cashing a check made out to Ms. Nicodemus' insurance company, a violation of 66 Pa.C.S. §1501; and (3) the Company damaged Ms. Nicodemus' property while installing a new service line and relocating a meter, a violation of 66 Pa.C.S. §1501. *See* I.D. at 12-14. Upon finding

⁵ The Commission's Regulations governing the factors and standards applicable to a determination whether to impose a civil penalty are commonly known as the "Rosi factors," having been developed in *Rosi v. Bell Atlantic-Pennsylvania, Inc.*, Docket No. C-00992409 (Opinion and Order entered February 10, 2000) (*Rosi*).

Peoples committed the violations, the ALJ assessed a civil penalty of \$500.00 for each violation, resulting in a total civil penalty of \$1,500.00. *Id.* at 19. Throughout the Initial Decision, ALJ Dunderdale pointedly noted the Company's nonchalance in addressing the issues raised by Ms. Nicodemus.

First, the ALJ considered Ms. Nicodemus' claim that Peoples failed to provide monthly bills to the Complainant from June 2024 through December 2024. I.D. at 13. After Peoples' admission that its mailing vendor closed without warning, ALJ Dunderdale chastised that Peoples "cannot contract" away its responsibility to provide a bill to customers at least every month. *Id.* (citing 66 Pa.C.S. § 1509). ALJ Dunderdale held that Ms. Nicodemus' testimony showed Peoples had failed to issue bills and that she only received bills when she called Peoples to request a bill copy be sent via mail. *Id.* The ALJ found the failure to send billing statements constituted a violation of the Code. I.D. at 13.

Second, the ALJ considered Ms. Nicodemus' claim that Peoples improperly deposited a check made out to her insurance provider and failed to refund the check amount or resolve the issue. I.D. at 13-14. ALJ Dunderdale found that despite Peoples banking vendor depositing the check, Peoples failed to testify to remedial steps taken by the Company or its vendor to ensure the issue did not occur again. *Id.* at 13. ALJ Dunderdale expressed concern that the check was cashed without a Peoples' billing slip and noted the lack of independent review by Peoples. The ALJ found that cashing of the mislabeled check was a violation of the Code. *Id.* at 13-14

Third, the ALJ considered Ms. Nicodemus' claim that Peoples damaged her property while installing a new service line and relocating her meter, resulting in her basement flooding. The ALJ dismissed the evidence offered by Peoples, finding that Peoples' witness did not have personal knowledge and was unable to testify to the creation of certain documents. After rejecting the evidence submitted by Peoples, the

ALJ sustained Ms. Nicodemus' claims, finding that Peoples failed to provide reasonable and adequate service at the property by damaging the property during the mainline replacement and meter relocation project. I.D. at 14.

After making these findings, the ALJ analyzed whether to impose a civil penalty for Peoples violations of Commission Regulations and Orders. I.D. at 15-19. In considering a civil penalty, ALJ Dunderdale applied the ten *Rosi* factors codified at 52 Pa. Code §69.1201(c).

The ALJ first found that the conduct alleged in the Complaint was of a serious nature – particularly the failure of the Company to provide Ms. Nicodemus with a monthly bill and the damages to her property – and resulted in serious consequences for Ms. Nicodemus. ALJ Dunderdale held that the first two *Rosi* factors merited a higher civil penalty. I.D. at 17.

Despite the serious nature of the conduct, the ALJ held that the conduct was not intentional. Since the conduct was deemed to be unintentional, the ALJ held the third *Rosi* factor warranted a lesser civil penalty. I.D. at 17.

After finding the conduct was serious but not intentional, the ALJ stated that Peoples, as a regulated utility, failed to take timely steps to address Ms. Nicodemus' issues and ensure they did not occur again. I.D. at 17-18. ALJ Dunderdale made specific reference to the length of time it took Peoples to correct the alleged conduct in determining the civil penalty. Noting the seven months it took for Peoples to address the conduct alleged, ALJ Dunderdale found Peoples' actions were evidence of the Company's "nonchalance and cavalier attitude" towards customer service and Ms. Nicodemus' complaint. According to the ALJ, the fourth *Rosi* factor warranted a higher civil penalty. *Id.* at 18.

Having found that Peoples did not timely act to address these issues, the ALJ considered the scope of the conduct. ALJ Dunderdale posited that it was unlikely that only Ms. Nicodemus was impacted by Peoples' errors mailing billing statements. I.D. at 18. Based on the unknown impact of the violation, the ALJ referred this matter to the Commission's Bureau of Investigation and Enforcement (I&E) for a review of Peoples' compliance history, the impact on other customers, and any other action deemed appropriate. *Id.* at 18-19.

To conclude her *Rosi* analysis, the ALJ contemplated what civil penalty would be sufficient to deter future violations. ALJ Dunderdale held that Peoples must do a better job of responding to matters like the ones raised by Ms. Nicodemus. I.D. at 19.

Accordingly, the ALJ found that Peoples had violated the Code and Commission Orders and imposed a civil penalty of \$1,500.00. I.D. at 19-20. The civil penalty was comprised of \$500.00 for the failure of Peoples to issue bills to Ms. Nicodemus, \$500.00 for Peoples erroneously cashing a check not made out to the Company, and \$500.00 for causing damage at Ms. Nicodemus' property. The ALJ ordered Peoples to pay the civil penalty within twenty days and referred this matter to I&E for appropriate action. *Id.* at 21-22.

C. Peoples' Exceptions

Peoples filed its Exceptions to the Initial Decision of ALJ Dunderdale on February 17, 2026. Therein, Peoples raised three specific issues the Company had with the Initial Decision, arguing that: (1) the ALJ erred in finding that Peoples failed to issue Ms. Nicodemus monthly bills from June 2024 through December 2024; (2) the ALJ erred in finding that Peoples did not take seriously the incorrect cashing of a check sent by Ms. Nicodemus; and (3) the ALJ erred in finding that Peoples damaged Ms. Nicodemus' property. Exc. at 2-6.

In its Exception No. 1, Peoples argues that ALJ Dunderdale erred in relying solely upon the testimony of Ms. Nicodemus to find that Peoples did not send bills to the Complainant for a period of seven months. Peoples utilizes the testimony of its witness, Ms. Kelley Prilla, for its position that customer bills and correspondence were going out in a timely manner. Exc. at 2. Peoples builds upon the testimony of Ms. Prilla to argue that there is “no testimony that Peoples disregarded its obligations to provide bills...” Peoples avers that the Company provided Ms. Nicodemus with copies of her bills each time she contacted the Company. *Id.* at 3. Based on its position regarding the lack of testimony supporting the Initial Decision, the Company requests that the \$500.00 civil penalty be removed. *Id.* at 4.

In its Exception No. 2, Peoples expresses the Company’s disagreement with ALJ Dunderdale’s finding that the Company acted in a nonchalant manner in dealing with the incorrect cashing of a check made out to Ms. Nicodemus’ insurance company. In contrast to the findings of the ALJ, Peoples notes that, upon discovery of the issue, the Company opened an inquiry and conversation with its third-party vendor to determine existing procedures and ensure the issue did not occur again. Peoples insists that it took reasonable steps to address this “one-time issue” with Ms. Nicodemus’ account. Exc. at 4.

In its Exception No. 3, Peoples submits that the ALJ erred in finding that the Company damaged Ms. Nicodemus’ property and argues that Ms. Nicodemus failed to present any evidence to demonstrate that the Company caused the damage alleged. Exc. at 4-5. Peoples notes that Ms. Nicodemus could offer only an assertion that Peoples damaged the property and that such an assertion does not meet the burden of proof imposed upon Ms. Nicodemus. *Id.* Ms. Nicodemus’ assertion, according to Peoples, was not supported by testimony of a contractor or plumber, nor with physical evidence or photos. Thus, Peoples maintains that Ms. Nicodemus failed to provide substantial evidence that the Company caused the property damage. *Id.* at 5.

In contrast, Peoples notes the extensive testimony offered by its witness, Mr. Brad Flowers. The Company avers that Mr. Flowers' testimony established that: (1) the type of foundation at Ms. Nicodemus' home tends to allow water seepage, (2) the meter is above-grade and there was no evidence water was entering the basement at the service line entrance, and (3) existing evidence of water damage is a sign that water issues were longstanding. I.D. at 5-6. Peoples also points to the remedial steps taken by the Company to help address the water issues at the property. Based on the evidence provided by the Company and its asserted lack of evidence provided by Ms. Nicodemus, the Company asks that the \$500.00 civil penalty imposed upon Peoples for damage at the property be removed. *Id.* at 6.

Peoples concludes by requesting the Commission grant its Exceptions, reject the erroneous conclusions outlined in the Initial Decision, and dismiss Ms. Nicodemus' Complaint in its entirety. Exc. at 6.

As noted above, no replies to the Exceptions have been filed.

D. Disposition

Before addressing the merits of the Exceptions, we note that any argument or Exception not specifically discussed shall be deemed to have been duly considered and denied without further discussion. The Commission is not required to consider expressly, or at length, each contention or argument made by the parties. *Consolidated Rail Corp. v. Pa. PUC*, 625 A.2d 741 (Pa. Cmwlth. 1993); *see also, generally, University of Pennsylvania v. Pa. PUC*, 485 A.2d 1217 (Pa. Cmwlth. 1984).

After reviewing the record evidence, the Initial Decision, and the Exceptions, the Commission shall grant, in part, and deny, in part, People's Exceptions. In this regard, the Commission shall deny Peoples Exception No. 1. Conversely, the

Commission, on the weight of the evidence, shall grant Peoples' Exceptions Nos. 2 and 3, and find the ALJ erred in concluding that Peoples was solely responsible for erroneously cashing a check made out to Ms. Nicodemus' insurance company and that Peoples damaged Ms. Nicodemus' property, as there was not substantial evidence supporting the ALJ's findings on these issues. In concluding that the ALJ erred in these findings, we shall also remove the portions of the civil penalty associated with those findings. Instead, the civil penalty associated with the failure of Peoples to issue timely monthly bills to the Complainant is increased from \$500.00, as imposed by the ALJ, to \$1,400.00, consistent with the discussion below. The Initial Decision shall be modified to reflect these findings, consistent with this Opinion and Order.

As noted above, the Commission denies Peoples Exception No. 1. In doing so, we find that the ALJ properly considered the record and found Peoples violated 66 Pa.C.S. § 1501 and 66 Pa.C.S. § 1509. More specifically, Peoples violated these provisions of the Code by failing to send monthly bills to Ms. Nicodemus for a period of seven months, as established by Ms. Nicodemus' testimony and exhibits. The evidence submitted by Ms. Nicodemus clearly showed she was sent copies of her bills, rather than billing statements, and that these bills were only sent after she contacted Peoples and requested her bills. Tr. at 18, 78-80; Nicodemus Exh. 1 at 12-13, 78-80.

While Peoples claims in its Exceptions that there was no testimony that bills were not sent to Ms. Nicodemus, Peoples failed to show any proof it sent bills, absent contact from Ms. Nicodemus. Peoples did not submit testimony, mailing receipts, or any other evidence indicating that the Company mailed bills to Ms. Nicodemus, as contemplated in Pa.C.S. § 1509. Peoples admits, as much, in its Exceptions, stating "there was no evidence that Peoples failed to bill [Ms.] Nicodemus for seven (7) months, **only that [Ms.] Nicodemus did not receive her actual bills in the mail...**" Exc. at 4 (emphasis added). This admission by Peoples that Ms. Nicodemus did not receive her bills via mail, as she had requested, paired with the testimony of Ms. Nicodemus,

establishes a clear case that Peoples violated 66 Pa.C.S. § 1509. Therefore, the Commission adopts the Initial Decision as it relates to Peoples failure to send monthly bills to the Complainant.

Nevertheless, the Commission disagrees that a civil penalty of \$500.00, for the failure of Peoples to issue timely monthly bills to Ms. Nicodemus, is sufficient in this matter. Timely billing is a core component of providing utility service, and customers should expect timely billing without being required to insist upon receiving those bills. *See also* 52 Pa. Code § 56.11. Indeed, if Ms. Nicodemus did not actively engage Peoples in receiving the bills but instead passively waited for a bill that was never sent, she would have accrued a large outstanding balance with late fees over that seven-month period. For seven months, Ms. Nicodemus made monthly calls to Peoples in an effort to receive her gas bill. Tr. at 18. Each one of those monthly calls presented Peoples with a direct opportunity to resolve the issue and to begin generating and sending bills to Ms. Nicodemus - but Peoples continually failed to take advantage of those opportunities. The breakdown of this critical process for a seven-month period of time is egregious and warrants a higher civil penalty under the factors the Commission considers for imposing a civil penalty in litigated cases. *See*, 52 Pa. Code § 69.1201. Therefore, as discussed more fully below, the Commission believes a civil penalty of \$200.00 per missed bill, for a total civil penalty of \$1,400.00, is appropriate. [$\$200.00 \times 7 \text{ missed bills} = \$1,400.00$]. *See* 66 Pa.C.S. § 3301(a)-(b). In particular, this civil penalty is appropriate because the conduct at issue was of a serious nature and because of the amount of time it took for the utility to correct the conduct once it was discovered. Also, we find that this civil penalty will serve to deter future violations.

The Commission also agrees that a referral of this matter to I&E is appropriate for I&E to take whatever further action may be warranted based on its review. The extent to which other customers may have been impacted by Peoples' billing issues is unknown, and thus, a referral allows I&E the ability and discretion to

review Peoples' compliance history and determine whether this issue solely affected Ms. Nicodemus, or was a systemic issue.

Conversely, the Commission grants Peoples Exception No. 2 and finds that Peoples was not solely responsible for the cashing of a check made out to Ms. Nicodemus' insurance company as both parties shared fault with this issue. Accordingly, the Commission grants Peoples Exception No. 2 and modifies the Initial Decision to remove the finding of a violation and imposition of a civil penalty upon the Company for cashing a check made out to Ms. Nicodemus' insurance company, consistent with this Opinion and Order.

The Commission also grants Peoples Exception No. 3 and finds that the ALJ erred in finding substantial evidence existed that Peoples caused damage to Ms. Nicodemus' property. Ms. Nicodemus, as the Complainant, has the burden of proof to show, by substantial evidence, that Peoples caused the damages alleged. 66 Pa.C.S. § 332(a); 2 Pa.C.S. § 704. In this case, Ms. Nicodemus proffered her opinions and conclusions that damage caused by Peoples resulted in her basement flooding, but provided no expert testimony, documentary evidence, or estimates in support of her assertions. For example, Ms. Nicodemus unilaterally stated that water was coming into the basement where Peoples installed its service line and relocated her meter, despite admitting the basement had previously had water intrusion issues and that the area had received heavy rainfall. *See* Tr. at 48, 53, 57, 72. As previously found by this Commission in *Norman*, opinions and conclusions alone cannot establish substantial evidence. *See Norman*. The Initial Decision included no detailed discussion or summary of Ms. Nicodemus' testimony and instead, the ALJ summarily dismissed the evidence submitted by Peoples and its witness.

In contrast to the opinions and conclusions of Ms. Nicodemus, Peoples offered the testimony of its witness, Mr. Flowers, who had subject matter and actual

knowledge as the Company's Restoration Supervisor, and who had visited the property multiple times to observe the alleged damages. Mr. Flowers testified that Ms. Nicodemus' property had a field stone foundation, which tends to allow water seepage. Tr. at 110. In addition to the foundation, Mr. Flowers noted that Peoples' meter was installed above-grade and there were no indications that water was entering the basement where the meter was installed. *Id.* at 107. There was, however, evidence that water entering the basement was a longstanding issue based on Mr. Flowers' personal observations of rusted table legs, peeling paint, and water marks on the basement walls. *Id.* at 107-11. Mr. Flowers also noted that Ms. Nicodemus had removed an extender from the downspout near the meter and that reinstallation of the extender would assist in diverting water away from the foundation. *Id.* at 101-02. In addition to this testimony, Peoples also submitted evidence of increased rainfall during the period Ms. Nicodemus' basement was flooding and questioned why, if the Company were responsible, issues did not develop until nineteen months after relocation of Ms. Nicodemus' meter. R. Exc. at 5; Tr. 109-10.

The evidence presented by Peoples is sufficient to counterbalance the opinions and conclusions offered by Ms. Nicodemus. *See Milkie, Burluson, Norman.* As the ultimate fact-finder in this matter, the Commission determines Mr. Flowers to be credible and knowledgeable of both the broad subject matter and the specific circumstances at Ms. Nicodemus' property. The Commission rejects the ALJ's position that Mr. Flowers did not have personal knowledge in this matter. *See Milkie, Moore,* 66 Pa.C.S. § 335(a). In judging Mr. Flowers and Peoples' evidence to be of equal or greater value to the evidence presented by Ms. Nicodemus, the Commission grants Peoples' Exception No. 3 and modifies the Initial Decision to remove the finding of a violation and imposition of a civil penalty upon the Company for damage at Ms. Nicodemus' property.

Finding that Peoples has committed one violation of the Code and Commission Orders by failing to send monthly bills to Ms. Nicodemus, we must consider whether a civil penalty is appropriate. The Commission holds that a civil penalty is appropriate. The Commission must next decide the appropriate amount of a civil penalty. Our consideration here is guided by *Rosi* and 52 Pa. Code § 69.1201(c)(1)-(c)(10).

Upon consideration of the first *Rosi* factor, the seriousness of the conduct, we find the violative conduct of Peoples in this matter to be of a serious nature. While the conduct was administrative in nature, the violations involve core components of the service expected by a regulated utility. Timely billing is a key interaction between a utility and its customers. Customers should expect timely billing without being required to insist upon bills. The conduct here, while not egregious, warrants a higher civil penalty, given its central importance to reasonable service. *See* 52 Pa. Code § 69.1201(c)(1).

In reviewing the second *Rosi* factor, while the violations had far reaching and serious possible consequences, the actual consequences in this matter were minor in nature. Ms. Nicodemus was still billed and received her bill each time she requested it from Peoples. This weighs in favor of a lower penalty. *See* 52 Pa. Code § 69.1201(c)(2).

Third, the Commission finds the actions of Peoples were not intentional or negligent. This factor weighs in favor of a lower penalty. *See* 52 Pa. Code § 69.1201(c)(3).

The fourth *Rosi* factor, whether Peoples took appropriate steps to modify practices and procedures to prevent future violations of the same nature, weighs in favor of a higher penalty. As noted by ALJ Dunderdale, Peoples attempted to shift blame to its third party vendors and takes little ownership over the violative conduct. I.D. at 13;

Exc. at 4. This failure by Peoples supports a higher civil penalty. *See* 52 Pa. Code § 69.1201(c)(4).

The record shows only Ms. Nicodemus being impacted by the conduct in this matter. For this reason, the fifth *Rosi* factor, the number of customers impacted, weighs in favor of a lesser penalty. *See* 52 Pa. Code § 69.1201(c)(5).⁶

The sixth factor, the compliance history of the utility, is not implicated in this proceeding and shall not be considered. *See* 52 Pa. Code § 69.1201(c)(6).

The seventh factor, whether Peoples cooperated in this matter, does not impact the civil penalty analysis as Peoples participated fully in this Complaint proceeding to protect its rights. *See* 52 Pa. Code § 69.1201(c)(7).

The eighth *Rosi* factor, the amount of civil penalty necessary to deter future violations, was focused on by ALJ Dunderdale in the Initial Decision. I.D. at 19. As noted above, we shall grant Peoples' Exception Nos. 2 and 3 and, therefore, shall modify the Initial Decision by removing the \$500.00 civil penalties the ALJ attributed to her conclusions that the Company was solely responsible for the erroneously cashed check and damaged Ms. Nicodemus' property while installing a new service line and relocating a meter. However, as noted above, the Commission believes a civil penalty of \$200 per missed bill, for a total civil penalty of \$1,400, is appropriate to deter future violations.

⁶ However, we note that in the Initial Decision, ALJ Dunderdale posited that it was unlikely that only Ms. Nicodemus was impacted by Peoples' errors mailing billing statements. Based on the unknown impact of the violation, the ALJ referred this matter to I&E for a review of Peoples' compliance history, the impact on other customers, and any other action deemed appropriate. I.D. at 18-19. We concur with the ALJ's decision to refer this matter to I&E and, in the Ordering Paragraphs below, we shall direct that this matter be referred to I&E for any action it may deem appropriate.

We believe the civil penalty imposed in this Opinion and Order to be commensurate with the violations and sufficient to deter future violations. *See* 52 Pa. Code § 69.1201(c)(8).

The ninth and tenth *Rosi* factors were not considered by the ALJ. Likewise, we find that these *Rosi* factors do not factor into our reasoning. *See* 52 Pa. Code §§ 69.1201(c)(9)-(c)(10).

Therefore, as noted, *supra*, and based on the analysis above, we deny, in part, and grant, in part, the Exceptions filed by Peoples in this matter. The Initial Decision of ALJ Dunderdale is adopted, as modified, consistent with this Opinion and Order. The civil penalty imposed in this matter shall be reduced from \$1,500.00 to \$1,400.00 based upon our modification of the Initial Decision. Accordingly, in the ordering paragraphs below, we shall direct that Peoples remit a civil penalty in the amount of \$1,400.00 within twenty (20) days of the entry date of this Opinion and Order.

Further, Conclusion of Law No. 3 in the Initial Decision⁷ is stricken and replaced with the following:

Complainant failed to meet the burden of proving Peoples Natural Gas Company failed to provide reasonable and adequate customer service, or was solely responsible when it cashed a check made out to a different entity. Complainants claims regarding the cashing of the check are denied and dismissed.

In addition, Conclusion of Law No. 4 in the Initial Decision⁸ is stricken and replaced with the following:

⁷ *See* I.D. at 20.

⁸ *See Id.*

Complainant failed to meet the burden of proving Peoples Natural Gas Company LLC failed to provide reasonable and adequate customer service when it relocated the meter at the subject property. Complainant's claims that Peoples Natural Gas Company LLC damaged the property are denied and dismissed.

III. Conclusion

After the Commission's review of the record and the applicable law, the Commission shall deny, in part, and grant, in part, the Exceptions filed by Peoples Natural Gas Company LLC. The Commission shall adopt the Initial Decision of ALJ Katrina L. Dunderdale, as modified, consistent with this Opinion and Order; **THEREFORE,**

IT IS ORDERED:

1. That the Exceptions filed by Peoples Natural Gas Company LLC on February 17, 2026, to the Initial Decision of Administrative Law Judge Katrina L. Dunderdale, issued on January 28, 2026 at F-2025-3055828, are denied, in part, and granted, in part.

2. That the Initial Decision of Administrative Law Judge Katrina L. Dunderdale, issued January 28, 2026, in the above-captioned proceeding, is adopted, as modified, consistent with this Opinion and Order.

3. That the claim in the Formal Complaint of Shirley A. Nicodemus relating to the failure of Peoples Natural Gas Company LLC to send monthly bills and Peoples Natural Gas Company LLC's violations of 66 Pa.C.S. § 1509 and 66 Pa.C.S.

§ 1501, against Peoples Natural Gas Company LLC at Docket No. F-2025-3055828 is sustained, consistent with this Opinion and Order.

4. That the claim in the Formal Complaint of Shirley A. Nicodemus that Peoples Natural Gas Company LLC was solely responsible for the cashing of a check made out to a different entity, against Peoples Natural Gas Company LLC at Docket No. F-2025-3055828 is denied, consistent with this Opinion and Order.

5. That the claim in the Formal Complaint of Shirley A. Nicodemus that Peoples Natural Gas Company LLC caused damage to the property of Shirley A. Nicodemus, against Peoples Natural Gas Company LLC at Docket No. F-2025-3055828 is denied, consistent with this Opinion and Order.

6. That Peoples Natural Gas Company LLC shall pay a total civil penalty as set forth in this decision in the amount of One Thousand Four Hundred Dollars (\$1,400) for the violations of the Public Utility Code by certified check or money order, within twenty (20) days after service of the entry date of this Opinion and Order, forwarded and payable to:

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

7. That a copy of this Opinion and Order shall be served upon the Financial and Assessment Chief, Bureau of Administration.

8. That if Peoples Natural Gas Company LLC fails to pay the total civil penalty of \$1,400 as directed in Ordering Paragraph No. 6 above, it is further ordered that

the Financial and Assessment Section shall refer this matter to the Pennsylvania Office of Attorney General for collection of the total amount set forth above and any other appropriate action.

9. That the Secretary's Bureau shall serve a copy of this Opinion and Order upon the Commission's Bureau of Investigation and Enforcement for any action it may deem appropriate.

10. That upon payment of the civil penalty directed in Ordering Paragraph No. 6, above, the Secretary's Bureau shall mark the proceeding in Shirley A. Nicodemus v. Peoples Natural Gas Company LLC at Docket No. F-2025-3055828 as closed.

BY THE COMMISSION,



Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: May 21, 2026

ORDER ENTERED: June 1, 2026