COMMONWEALTH OF PENNSYLVANIA

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June 10, 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. National Fuel Gas Distribution Corporation
Docket No. R-2025-3059428

Dear Secretary Homsher:

Attached for electronic filing please find the Office of Consumer Advocate's Answer to the National Fuel Gas Distribution Corporation's written objections to the admission of the OCA exhibits MWD-10 and MWD-11 in this matter.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Crystal M. Zook
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Enclosures
cc: The Honorable Katrina L. Dunderdale (email only)
Certificate of Service

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3059428
	:	
National Fuel Gas Distribution Company	:	

I hereby certify that I have this day filed electronically on the Commission's electronic filing system and served a true copy of the following document, the Office of Consumer Advocate's Answer to Objections, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 10th day of June 2026.

SERVICE BY EMAIL ONLY

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Dated: June 10, 2026

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, *et al.*	:	
v.	:	Docket Nos. R-2025-3059428, *et al.*
National Fuel Gas Distribution Corporation	:	

ANSWER OF OFFICE OF CONSUMER ADVOCATE TO THE NATIONAL FUEL GAS DISTRIBUTION CORPORATION'S WRITTEN OBJECTIONS TO THE ADMISSION OF OCA EXHIBITS MWD-10 AND MWD-11

TO ADMINISTRATIVE LAW JUDGE KATRINA L. DUNDERDALE:

Pursuant to 52 Pa. Code Section 5.61, the Office of Consumer Advocate (OCA) submits this answer to the National Fuel Gas Distribution Corporation's (National Fuel or the Company) written objections to the admission of the OCA exhibits MWD-10 and MWD-11 into the record for Docket Nos. R-2025-3059428, *et al.* The OCA requests that Administrative Law Judge (ALJ) Katrina L. Dunderdale deny National Fuel's objections to the admission of OCA exhibits MWD-10 and MWD-11 and National Fuel's request that portions of OCA witness Deupree's Surrebuttal testimony that reference these exhibits be stricken from the record. OCA Exhibits MWD-10 and MWD-11 are attached hereto.

The OCA submits that the exhibits were properly admitted into the record during the hearing because: (1) National Fuel disregarded ALJ Katrina L. Dunderdale's directives regarding written testimony as laid out in the pre-hearing order; (2) the exhibits are not hearsay; (3) the exhibits are relevant; and. (4) the probative value of the exhibits is not outweighed by the danger of unfair prejudice and confusion of the issues in the case. Moreover, because the exhibits were properly admitted into the record, the portions of OCA witness Deupree's Surrebuttal Testimony referencing these exhibits should not be stricken from the record.

In support thereof, OCA states as follows:

I. INTRODUCTION

Through its objection, National Fuel seeks to omit from the record of this proceeding an open letter from Governor Josh Shapiro dated April 29, 2026, marked as OCA Exhibit MWD-10, and a press release by PECO dated April 16, 2026, marked as OCA Exhibit MWD-11, both of which discuss affordability. The open letter from Governor Shapiro, which is addressed to "Utility Leaders" begins: "As you are no doubt aware, many of your customers across the Commonwealth are experiencing markedly higher utility costs." The open letter references rising utility bills being drivers of inflation and that we are at a tipping point where customers must be put first and that utilities "must seek to procure capital in more affordable ways, conscious of the utility burdens facing many consumers across our Commonwealth." Similarly, the PECO press release highlights the need to "prioritize customer affordability while continuing to deliver safe and reliable service," noting the sustained financial strain driven by rising costs and the broader economic backdrop. PECO's press release further discusses customer affordability and focusing efforts on driving down energy supply costs.

Accordingly, National Fuel's objections to the admission of the Governors letter marked as OCA Exhibit MWD-10, the PECO press release marked as OCA Exhibit MWD-11, and its request to strike from the record OCA witness Deupree's Surrebuttal Testimony referencing the exhibits, should be denied.

First, National Fuel's objection should be denied because a cornerstone of evidentiary practice in all administrative agencies in Pennsylvania – Section 505 of the Pennsylvania Rules of Evidence -- provides in total:

> **§ 505. Evidence and cross-examination.**
>
> Commonwealth agencies shall not be bound by technical rules of evidence at agency hearings, and all relevant evidence of reasonably probative value may be received. Reasonable examination and cross-examination shall be permitted.

2 Pa. C.S. § 505. As evidentiary rules are relaxed in administrative proceedings, Commonwealth agencies conducting administrative hearings are not bound by technical rules of evidence and may consider all probative evidence, including hearsay that is not otherwise admissible. *In re: E.A.*, 82 A.3d 370 (Pa. 2013) (*In re: E.A.*). National Fuel's objections fail to consider the broader inclusivity afforded to evidence presented in administrative proceedings, including Commission proceedings.

Second, ALJ Dunderdale's Prehearing Order dated February 27, 2026, specifically stated that "motions with respect to written testimony must be presented in writing no later than 24 hours prior to the day the witness is scheduled to testify."[1] This directive is consistent with the Commission's regulations that authorize the presiding officer to regulate the conduct of the proceeding and maintain order. 52 Pa. Code §§ 5.483(a) and 5.485(a). Despite this, National Fuel disregarded ALJ Dunderdale's pre-hearing directives by not submitting a written motion no later than 24 hours before OCA witness Deupree was originally scheduled to testify. National Fuel received both the Governor's letter marked as OCA Exhibit MWD-10 and the PECO press release marked as MWD-11 nearly an entire week prior to the evidentiary hearing in accordance with the litigation deadlines established in the February 27, 2026 Prehearing Order.

[1] *Pa PUC v. National Fuel Gas Distribution Corp.*, Docket Nos. R-2025-3059428, *et al.*, Pre-hearing Order at 5 (Feb. 27, 2026).

Third, for the reasons explained below, OCA Exhibits MWD-10 and MWD-11 do not qualify as hearsay statements because they are not offered for the truth of the matter asserted.

Fourth, OCA Exhibits MWD-10 and MWD-11 are relevant to the instant proceeding because, as explained below, they speak to broader affordability concerns at issue in the instant proceeding.

Lastly, the probative value of the Governor's letter marked as OCA Exhibit MWD-10 is not outweighed by the danger of unfair prejudice and confusion of the issues in this case.

National Fuel disregarded the Prehearing Order that specifically required any motion with respect to written testimony to be presented in writing no later than 24 hours prior to the day the witness is scheduled to testify. Failing to abide by the ALJ's pre-hearing directives is sufficient reason in and of itself to deny National Fuel's objections. Per the witness matrix submitted to ALJ Dunderdale at 12:10 pm on Friday, May 29, 2026, OCA witness Deupree was scheduled to testify on June 2, 2026, as the first non-Company witness. The day before the evidentiary hearing, at or around 3:20 pm on June 1, 2026, counsel for National Fuel informed OCA via a phone call that National Fuel no longer had cross-examination for OCA witness Deupree and that Mr. Deupree's testimony could be admitted into the record via stipulation with cross examination waived. Counsel for National Fuel did not communicate any oral objection to either the testimony or the attachments to the testimony. Counsel for National Fuel communicated this change to ALJ Dunderdale via email on Monday June 1, 2026, at 4:11 pm.

It is unclear why in the 24 hours between the phone call with OCA counsel and the start of the evidentiary hearing counsel for National Fuel changed plans regarding Mr. Deupree's testimony and exhibits as OCA witness Deupree was no longer scheduled to testify. The OCA submits that, regardless of National Fuel informing the OCA that OCA witness Deupree was no longer required to appear for cross-examination, National Fuel was required to provide in writing a motion objecting to MWD-10 and MWD-11 pursuant to the directives in the February 27, 2026 Prehearing Order and the authority granted to presiding officers in the Commission's regulations. This is particularly so, as the evidentiary hearing began at 1:30 pm on June 2, 2026. At 1:30 on June 1, 2026, 24 hours prior to the start time of the hearing, OCA witness Deupree was still scheduled to testify. National Fuel did not state OCA witness Deupree was no longer needed for cross-examination until approximately 3:20 pm on the day before evidentiary hearing. National Fuel's actions, if permitted, are contrary to long-standing Commission practice and undermines the orderly conduct of Commission proceedings.

Regardless, National Fuel's hyper-technical evidentiary arguments made in its written objections that are rarely, if ever, seen in practice before the Commission, should be rejected. Rather, the ALJ should allow for the admission of the Governor's open letter as OCA Exhibit MWD-10 and the PECO press release as OCA Exhibit MWD-11 and grant both documents the proper weight in determining National Fuel's rate increase request. This is especially true where, less than 24 hours prior to first objecting to the admission of OCA Exhibits MWD-10 and MWD-11, counsel for National Fuel agreed to waive cross examination.

National Fuel's untimely and erroneous objections should be denied and dismissed.

II. RESPONSES

1-5. Admitted as stated.

6. Admitted in part, denied in part. Denied in that 52 Pa. Code Section 5.243(a) and Pa. R.E. 103(a) are not the only relevant references for National Fuel's objections to the admission of these exhibits. Specifically, ALJ Dunderdale's February 27, 2026 Prehearing Order stated that "[m]otions with respect to written testimony must be presented in writing no later than 24 hours

prior to the day the witness is scheduled to testify."[2] The OCA further notes that the Company raised its oral objections to these exhibits during the evidentiary hearing without any advanced warning or communication and after having previously agreed the day before to admit the entirety of Mr. Deupree's testimony into the record via stipulation and waive cross examination.

7. Admitted in part, denied in part. Denied in that these Exhibits MWD-10 and MWD-11 should be admitted into the record because National Fuel failed to follow the February 27, 2026 Prehearing Order by not presenting a motion with respect to OCA witness Deupree's written testimony "no later than 24 hours prior to the day the witness [was] scheduled to testify." Moreover, the exhibits are: (1) not hearsay; (2) relevant, and (3) the probative value of the exhibits is not outweighed by the danger of unfair prejudice and confusion of the issues in this case. Additionally, the statements in OCA St. No. 1 SR that rely on OCA Exhibits MWD-10 and MWD-11 should not be stricken from the record.

8. Denied as stated. The Governor's letter marked as OCA Exhibit MWD-10 and PECO press release marked as MWD-11 speak for themselves.

At its core, this case is about affordability. There are few considerations as important in a rate case as affordability.[3] NFG's rates must be just and reasonable. 66 Pa. C.S. § 1301. As noted above, the Governor Shapiro letter discusses affordability of utility bills and its impact on Pennsylvanians, especially as utility bills are a driver of inflation. Governor Shapiro states that we are at a "tipping point" where customers must be put first. Similarly, the PECO press release highlights prioritizing customer affordability. As such, OCA Exhibits MWD-10 and MWD-11 go to the heart of this

[2] *See also*, 52 Pa. Code §§ 5.483(a) and 5.485(a) (the Commission's regulations authorize the presiding officer to regulate the conduct of the proceeding and maintain order).
[3] *Pa. PUC v. Roaring Creek Water Co.*, 1995 Pa. PUC LEXIS 67 at *116 (Order entered May 31, 1995).

matter – whether NFG's proposed rate increase is affordable – and should be included in the record of this case.

The exhibits should not be excluded from the record and the testimony relying on them should not be stricken from the record because, as explained below, the exhibits are not objectionable and National Fuel's objections to the exhibits fail. Governor Shapiro's Letter to Utility Leaders Dated April 29, 2026, marked as OCA Exhibit MWD-10 is not inadmissible hearsay, is relevant to the issues in the case and its probative value outweighs any danger of unfair prejudice and confusion of the issues in the case. Similarly, the PECO press release dated April 16, 2026, and marked as OCA Exhibit MWD-10 is also not inadmissible hearsay but, rather, is relevant to the issues in this case.

9. Denied. The Governor's letter marked as OCA Exhibit MWD-10 and PECO press release marked as MWD-11 should not be excluded from the record in this proceeding because they are not hearsay statements.

10. Admitted in part, denied in part. Admitted in that OCA Exhibits MWD-10 and MWD-11 consist of out of court statements. Denied in that the exhibits constitute hearsay because the exhibits are not being offered for the truth of the matter asserted.

11. Admitted in part, denied in part. Admitted that "OCA Exhibits MWD-10 and MWD-11 consist of statements that were not written by OCA witness Deupree. Moreover, OCA did not call the authors of either exhibit to testify at the hearing and authenticate the statements therein," as NFG argued. Admitted that "these exhibits are out of court statements." Denied that the exhibits are "being offered for the truth of the matter asserted." Furthermore, it is untenable and unreasonable that the OCA should have called Governor Josh Shapiro, or the author of the PECO press release, to testify in this proceeding to authenticate his open letter sourced from a public

record available online. National Fuel's argument to the contrary should be rejected outright. Both the Governor's letter and the PECO press release are publicly available documents, and such authentication is not necessary where the letter is on official Governor letterhead, and the press release is identified as such.

12. Denied. The exhibits are not hearsay statements and therefore are admissible without being subject to a hearsay exception. In addition, because PECO press release marked as OCA Exhibit MWD-11 does not constitute hearsay, the exhibit does not contain hearsay within hearsay. Indeed, the statements can be given the weight the ALJ and the Commission deem necessary given precisely what they are: a letter from the Governor and a press release from a Pennsylvania public utility. Once admitted into the record, the ALJ and the Commission have the discretion and expertise to determine how these documents may ultimately reflect on the underlying issues in this case, including the affordability of NFG's proposed rate increase.

13. Admitted in part and denied in part. It is admitted that one exception to the hearsay rule is that an expert may express an opinion that is based on material not in evidence, including other expert opinions where such material is a type customarily relied upon by experts in the profession. It is denied that Mr. Deupree could not rely on this material. The Governor's letter marked as OCA Exhibit MWD-10 and the PECO press release marked as OCA Exhibit MWD-11 are precisely the type of documents that experts in utility law rely upon.

14. Admitted in part, denied in part. Admitted that OCA witness Deupree acknowledged that he did not rely on either exhibit to form his opinion. It is denied that the "anti-conduit" rule bars admission of the Governor's letter marked as OCA Exhibit MWD-10 and PECO press release marked as MWD-11. As noted, it is well accepted that Commonwealth agencies shall not be bound by technical rules of evidence at agency hearings, and all relevant evidence of reasonably probative

value may be received. 2 Pa. C.S. § 505; *see also*, *In re E.A.* Similarly, National Fuel's argument that Governor Shapiro and the President of PECO should have been made available during the hearing to authenticate his press release is excessively burdensome, without merit, and should be rejected, given the public nature of these documents.

15. Admitted in part, denied in part. Admitted in that "[a]lthough hearsay statements, such as articles, studies, and treatises, can be relied upon by expert witnesses in forming their opinions, the hearsay statements are not permitted to be entered into the record to prove the truth of the matter asserted." Denied in that the proposed exhibits are not hearsay statements and thus do not violate precedent and can be admitted into the record in this proceeding. Similarly, it is well accepted that Commonwealth agencies shall not be bound by technical rules of evidence at agency hearings, and all relevant evidence of reasonably probative value may be received. 2 Pa. C.S. § 505.

16. Denied. OCA Exhibits MWD-10 and MWD-11 are "public documents," despite National Fuel's argument to the contrary. MWD-10 is an open letter from the Governor that was widely circulated to the public. MWD-11 is a press release. By its very nature, a press release is a public document. The Governor's letter is on official Governor letterhead containing the Governor's watermark and signature. The letter is available on the Governor's website[4] and was also copied on each of the five Commissioners at the Commission. Likewise, the PECO press release is also available on PECO's website.[5]

17. Denied. The Governor's letter marked as OCA Exhibit MWD-10 and PECO press release marked as MWD-11 speak for themselves. These exhibits are not Commission orders or policies

[4] https://www.documentcloud.org/documents/28104878-shapiro-utilities/.
[5] https://www.peco.com/news/news-releases/2026-04-16.

but can be given the weight determined by the ALJ and the Commission using their expert discretion when disposing of National Fuel's rate increase request.

18. Denied. The Governor's letter marked as OCA Exhibit MWD-10 and PECO press release marked as MWD-11 speak for themselves. As noted, OCA Exhibit MWD-10 is an open letter from Governor Shapiro and OCA Exhibit MWD-11 is a press release. National Fuel's continued argument that these are not public records must be rejected, noting again that they are available on the public website for both the Governor and PECO and have otherwise been widely circulated throughout the utility community and Commission. Again, National Fuel's argument that a press release is not a public document ignores the very nature of what a press release is – a deliberate attempt to make information public and widespread. National Fuel's argument to the contrary must be rejected.

19. Denied. The Governor's letter marked as OCA Exhibit MWD-10 and PECO press release marked as MWD-11 are not inadmissible hearsay statements and therefore are not required to meet a hearsay exception to be admitted into the record. If National Fuel's objections are not granted, National Fuel's due process rights will not have been violated because there is no need to test the statements contained therein as the statements were not offered for the truth of the matter asserted. Furthermore, National Fuel previously waived its right to conduct cross examination on Mr. Deupree's testimony, which includes his accompanying exhibits such as OCA Exhibits MWD-10 and MWD-11.

Moreover, National Fuel disregarded the February 27, 2026 Prehearing Order by not submitting a written motion no later than 24 hours before OCA witness Deupree was originally scheduled to testify, despite having both documents for nearly a week. Per the witness matrix submitted to ALJ Dunderdale, OCA witness Deupree was originally scheduled to testify on June 2, 2026.

National Fuel's argument that its due process rights would be violated if the Company were denied the opportunity to cross-examine Mr. Deupree on these exhibits should be rejected. National Fuel had both reasonable notice of OCA Exhibits MWD-10 and MWD-11 as the OCA's Surrebuttal Testimony was provided to National Fuel approximately a week before the evidentiary hearing, and National Fuel had a reasonable opportunity to make objections in accordance with the February, 27, 2026 Prehearing Order.

In fact, it is the OCA's due process rights that would be jeopardized if OCA Exhibits MWD-10 and MWD-11 were excluded from the record. The OCA followed all of the directives contained in the February 27, 2026 Prehearing Order, including completing the witness matrix identifying the amount of cross examination for each witness. Had the OCA sought to strike any written testimony it would have done so in writing at least 24 hours prior to the witness being called, as directed in the Prehearing Order.

Instead, National Fuel attempted to violate the OCA's due process rights by ignoring the directives in the Prehearing Order and ambushing the OCA at hearing with this objection that is 24 hours too late. National Fuel did not raise the objection in advance with the OCA in order to work out a resolution or see if Governor Shapiro or the President of PECO could be available for the hearing, despite having the OCA surrebuttal testimony for nearly a full week before the hearing. The OCA would have little to no notice and opportunity to be heard on any objection to these Exhibits had the presiding officer not granted the OCA an opportunity to respond to National Fuel's objections in writing.

20. Denied. The Governor's letter marked as OCA Exhibit MWD-10 and PECO press release marked as MWD-11 are admissible because they are relevant to the instant proceeding because they directly relate to the affordability of utility rates. Governor Shaprio's letter addresses the significant impact utility rate increases have on Pennsylvania's economy. PECO's letter shows another natural gas distribution company withdrawing their rate case, which was filed during the pendency of National Fuel's instant rate proceeding, in order to address the reality of the current economic situation regarding affordability generally. The heart of this proceeding is affordability. Above all else, National Fuel must demonstrate that any new rates created as part of this proceeding are just and reasonable and consistent with the Public Utility Code. 66 Pa. C.S. § 1301. OCA Exhibits MWD-10 and MWD-11 are directly relevant to these issues.

21. Denied. The Governor's letter marked as OCA Exhibit MWD-10 was made on April 29, 2026, more than three months after National Fuel filed its rate case on January 28, 2026, which is why the exhibit is directly relevant to this proceeding. National Fuel admits in its Objection that the Governor's letter was issued in April of 2026. The Governor's letter was filed in response to multiple requests from utility companies to increase their rates, which includes the instant request filed by National Fuel. Governor Shapiro would not have been able to write his letter prior to National Fuel filing its requested base rate case. National Fuel's argument here in fact supports finding that these Exhibits are relevant because they are in response to filings such as the one at issue in this proceeding.

22. Denied as stated. The affordability concerns highlighted by the Governor's letter marked as OCA Exhibit MWD-10 and OCA witness Deupree's reference to that exhibit[6] are relevant to the instant proceeding and not anything new. Commission Vice Chair Barrow's statement in

[6] OCA St. 1-SR at 2:17-3:5.

suspending the instant proceeding echoed similar concerns about capital structure.[7] OCA witness Deupree noted Governor Shapiro's statement on affordable capital. The Governor of Pennsylvania's statements should not be excluded from evidence due to the fact that they have not been adopted by the Commission or codified into law by the General Assembly. OCA witness Deupree did not reference the Governor's other policy benchmarks or state that the Commission must use them to decide the instant proceeding.

23. Denied as stated. The PECO press release marked as OCA Exhibit MWD-11 is relevant because it shows that affordability is a concern that utilities should be considering when filing for a rate increase. OCA witness Deupree did not reference PECO's press release in an attempt to state that National Fuel should not have filed or to state that, because another utility withdrew its requested rate increase, that National Fuel's request has no merit. The exhibit remains relevant in that affordability is a necessary concern for utility companies to balance with any rate increase request to the Commission. The PECO press release provides important context for natural gas distribution companies like PECO regarding the general macroeconomic environment currently present upon which Mr. Deupree's testimony is based. Mr. Deupree's testimony demonstrates that current macroeconomic conditions warrant denying National Fuel's requested rate increase. The PECO press release provides relevant context for that position.

24. Denied. OCA's arguments that the Governor's letter marked as OCA Exhibit MWD-10 and PECO press release marked as MWD-11 are not offered for the truth of the matter asserted do not underscore the irrelevance of these exhibits. On the contrary, the exhibits serve the purpose of

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[7] *Pa PUC v. National Fuel Gas Distribution Corp.*, Docket Nos. R-2025-3059428, *et al.*, Statement of Commission Vice Chair Kimberly Barrow, Feb. 19, 2026 ("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.")

underscoring a state-wide concern about affordability of utility rates for PA ratepayers and the current macroeconomic environment. Affordability concerns go right to the heart of whether National Fuel's proposed rates are just and reasonable and as reviewed under the framework of the Public Utility Code and the Commission's regulations and orders. The OCA is not attempting to "rope in" unrelated opinions and facts, as National Fuel argued, into the proceeding but is merely showing that affordability is a concern that must be taken into account.

25. Denied. The Governor's letter marked as OCA Exhibit MWD-10 and PECO press release marked as MWD-11 should be admitted into the record because they are relevant to the instant proceeding.

26. Denied. OCA submits that the probative value of the Governor's letter marked as OCA Exhibit MWD-10 is not outweighed by the danger of unfair prejudice and confusion of the issues. National Fuel has not identified how the Company would be unfairly prejudiced by the admission into the record of this proceeding of the Governor's April 29, 2026 letter. The standard is for "unfair" prejudice, which the Governor's letter is not unfairly prejudicial to the Company. The Governor's April 29, 2026 letter supports the OCA's position in this case that now is not the right time for this rate increase. Macroeconomic conditions warrant denying the requested rate increase. That is why Mr. Deupree attached the Governor's letter to his testimony – it supports the OCA's position in this case but not the company's position. That, however, does not mean that the Governor's letter is unfairly prejudicial and should be excluded from the record in this proceeding. If that were true, then all of the OCA's case presented here should be stricken because all of the OCA's case supports denying National Fuel's requested rate increase and is therefore prejudicial to National Fuel. Such a result would be absurd and is not supported by the law. Likewise, simply because the letter supports denying National Fuel's requested rate increase does not mean that the

letter is confusing. The letter is clear and concise, as is the remainder of the OCA's case that National Fuel's requested rate increase should be rejected.

27. Admitted that this is a test for excluding evidence.

28. Denied. The Governor's letter marked as OCA Exhibit MWD-10 is not "offered in a way to bind or constrain the independent authority of the Commission to carry out its duties under the Public Utility Code to review and decide National Fuel's proposed rate increase." OCA witness Deupree did not offer the statement to bind the Commission in any way. OCA Exhibit MWD-10 was offered to underscore the importance of affordability concerns within the current macroeconomic environment as pertains to ratemaking decisions, a topic which already concerns the Commission.

29. Denied. The admission of the Governor's letter marked as OCA Exhibit MWD-10 would not confuse the issues in this case. OCA witness Deupree did not introduce new benchmarks into the record or state that the Commission must use the policy benchmarks in Governor Shapiro's letter for review of the issues of the appropriate cost of capital, capital structure, and return on equity. OCA witness Deupree references the letter because it notes the importance of affordability concerns, something which the Commission can and does already take into account when reviewing base rate cases like National Fuel's.[8]

30. Denied. 52 Pa. Code Sections 5.401(b)(2)(i) and (ii) do not provide a reason to exclude the Governor's letter marked as OCA Exhibit MWD-10 from the record because the Exhibit does not introduce new standards of review for litigated issues.

[8] *See Pa. PUC v. Columbia Gas Co.*, Docket No. R-2025-3053499 (Dec. 4, 2025), Order at 33 (noting that "ratemaking norms permit the consideration and weighing of important factors such as quality of service, gradualism, and rate affordability") (citing *Pa. PUC v. Columbia Gas of Pa., Inc.*, Docket No. R-2020-3018835, *et al.* (Feb. 19, 2021) Order at 48).

31. Denied. For the reasons set forth in this Answer, National Fuel's objections should be denied and the portions of OCA witness Deupree's Surrebuttal Testimony that reference the Governor's letter marked as OCA Exhibit MWD-10 and PECO press release marked as OCA Exhibit MWD-11 should not be stricken from the record.

32. Denied. For the reasons set forth in this reply, National Fuel's objections should be denied and the portions of OCA witness Deupree's Surrebuttal Testimony that reference the Governor's letter marked as OCA Exhibit MWD-10 and PECO press release marked as OCA Exhibit MWD-11 should not be stricken from the record.

33. Admitted in part and denied in part. It is admitted that, pursuant to Section 505 of the Pennsylvania Rules of Evidence, Commonwealth agencies shall not be bound by technical rules of evidence at agency hearings, and all relevant evidence of reasonably probative value may be received. 2 Pa. C.S. § 505; *see also*, *In re: E.A.* The OCA agrees with National Fuel that the ALJ and the Commission have the discretion to determine the appropriate weight that the Governor's letter marked as OCA Exhibit MWD-10 and PECO press release marked as MWD-11 should be given. It is denied that the Governor's open letter and the PECO press release should be given little weight. Rather, the Governor's open letter and the PECO press release should be given the appropriate weight as determined by the ALJ.

III. CONCLUSION

WHEREFORE, the Office of Consumer Advocate respectfully requests that Administrative Law Judge Katrina L. Dunderdale deny and dismiss the Objections of National Fuel Gas Distribution Company to the admission of the Governor's letter marked as OCA Exhibit MWD-10 and PECO press release marked as MWD-11 from the evidentiary record of this proceeding.

Respectfully submitted,

/s/ *Crystal M. Zook*
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DATED: June 10, 2026

Table of Exhibits

Open Letter from Governor Josh Shapiro dated April 29, 2026

GOVERNOR JOSH SHAPIRO

April 29, 2026

Dear Utility Leaders:

As you are no doubt aware, many of your customers across the Commonwealth are experiencing markedly higher utility costs. Rising utility bills have themselves become drivers of inflation. While there are many factors affecting those increases, several core causes are directly within your control and result from your policy and fiscal decisions, including the excessive rate requests several utilities have sought in recent years. Last year alone, 13 Pennsylvania utilities requested $975 million in higher rates after those very same utilities had earned a total of $1.4 billion in profits in 2024.

We have reached a tipping point, and this is a moment to put your customers first and change the behaviors causing rate increases. As I've expressed publicly and privately, I believe the 20th century utility model is broken—we can no longer simply prioritize corporate profitability to drive infrastructure development. Rather, we must be laser focused on delivering on the actual needs of our communities. As I stated clearly in my Budget Address in February, Pennsylvania consumers should not be asked to pay a single dollar more than is needed to support a safe and reliable utility system.

Change is needed, and my Administration stands ready to support each Pennsylvania utility in raising the capital you need to invest in your service territories and workers, both in modernizing with cost-effective new technologies and maximizing the existing infrastructure that you have developed over time. However, as we work together to implement this new approach, you must seek to procure that capital in more affordable ways, conscious of the utility burdens facing many consumers across our Commonwealth.

I write today to lay out three commonsense practices to ensure the needs of Pennsylvanians come first. My Administration will use these three practices as a benchmark to evaluate rate case proposals going forward. Let me be clear: my Administration and I will vocally and forcefully oppose rate case requests from utilities that fail to adhere to these three commonsense practices.

First, utilities should seek to raise the most cost-effective forms of capital. Best practices now require you to protect consumers by disfavoring expensive equity when lower-cost debt is available. Given the low risk profile of monopolistic utilities, which maintain a captive rate base able to repay obligations over time, consumers should not be expected to bolster corporate profits through over reliance on costly equity. This means debt should normally represent a clear majority of a utility's proposed ratemaking capital structure, as it does in many other lower-risk industries. As one measure of this approach, any equity share proposed in a rate case in excess of the amount of equity employed by the utility's parent holding company will require extraordinary justification to receive my Administration's support.

For utilities looking to find low-cost sources of capital, my Administration encourages you to apply to the Department of Energy, which is currently offering loan terms as favorable as the 10-year U.S. Treasury yield plus 35 basis points. By comparison, the average Pennsylvania utility requested a return on equity a staggering 682 basis points above the 10-year U.S. Treasury yield last year. Before raising such expensive equity, you should take advantage of more affordable sources of capital, like these loans, that many of your fellow utilities across the country are pursuing. My Administration stands ready to facilitate an introduction to loan officers at the Department of Energy upon your request.

Second, whenever new revenue is sought, a utility must explain in plain, clear language why its proposed investments are necessary, using transparent data to identify a specific reliability or safety concern that will be addressed, or demonstrating with a thorough cost/benefit analysis that the investment will produce significant savings or reliability benefits for consumers. This means showing the value customers will receive in terms of discrete improvements producing tangible outcomes that are timebound, verifiable, and logically linked to the need for additional capital. Creating real value for customers also means maximizing existing grid resources in ways that control costs and defer the need for future upgrades. You must also describe explicitly what amount of your requested rate increase will be remitted to shareholders through corporate dividends or other means, as compared to what would be used to directly advance the needs of your customers.

Third, you must provide transparent, justifiable equity returns. Pennsylvania has a long, proud tradition of trusting free markets to deliver fair, transparent pricing. In fact, this year marks the 30^{th} anniversary of Act 138, which introduced competition into our utility sector for the first time. That bipartisan law embodies Pennsylvania's deep-seated belief that free-market competition—when properly implemented and overseen—is the best tool for delivering customers the fair value they deserve. Today, we use markets to price our wholesale power and rely on principles of competition to fairly and impartially award public contracts. Yet less accurate administrative determinations—essentially amounting to educated guesses—still govern how much utilities earn on their equity investment. And all too often the outcome of this administrative process is shrouded in "black box" settlements, that do not provide the public with transparency about costs they will have to pay. These vestiges of the past need to evolve to ensure that utilities are not seeking excessive profits but only the opportunity to earn the fair rate of return to which they are entitled.

To accomplish this, utilities can prove their need for a requested return on equity by providing a benchmark (representing at least 10% of the incremental requested equity) that is transparently derived through a public process with competitive bidding by multiple participants to establish a fair market cost of that equity. This sample offers the energy consumer and Public Utility Commission real-world evidence of the proper authorized return on equity, an amount that will allow the utility to earn reasonable equity returns under efficient operations. If a utility declines to justify its requested return on equity through a competitive, transparent process, it creates a presumption in the view of my Administration that the requested rate is higher than would have been derived from such a competitive process. Absent extraordinary and unforeseen circumstances, a utility can overcome that presumption by requesting a return on equity that does not exceed the rate of the current 10-year U.S. Treasury yield plus the five-year median of the equity risk premium as published in the Federal Reserve's Financial Stability Reports. In simple terms, this allows the filing utility to earn the same expected return as the stock market as a whole, according to Federal Reserve estimates, comfortably exceeding typical Public Utility Commission calculations of risk for the utility sector.

This provides an outcome that is fair for your utility and your customers even without an auction or other market-based price discovery mechanism.

This letter is an effort to be up front with you about my Administration's approach to rate requests going forward. In directly laying out these practices, I am making clear my expectations. I stand ready to collaborate with you, the Public Utility Commission, and other stakeholders in advancing thoughtful rate requests that put Pennsylvania families and businesses first and control costs after years of unacceptably high rate increases. Should you wish to have my Administration's support for any future rate requests, you must submit a description of your compliance with these practices to my Special Counsel for Energy Affordability alongside your rate case filings.

I appreciate your compliance with these practices and look forward to working together to control costs for ratepayers and build out the needed infrastructure for our Commonwealth.

Sincerely,

Governor Josh Shapiro

Cc: Honorable Stephen M. DeFrank, Chair, Pennsylvania Public Utility Commission
Honorable Kimberly M. Barrow, Vice Chair, Pennsylvania Public Utility Commission
Honorable Kathryn L. Zerfuss, Commissioner, Pennsylvania Public Utility Commission
Honorable John F. Coleman, Commissioner, Pennsylvania Public Utility Commission
Honorable Ralph V. Yanora, Commissioner, Pennsylvania Public Utility Commission
Mark Szybist, Special Counsel for Energy Affordability, Office of General Counsel

PECO Communication dated April 16, 2026

FOR IMMEDIATE RELEASE

PECO Withdraws Electric and Natural Gas Regulatory Rate Review Filings to Prioritize Customer Affordability

PHILADELPHIA | April 16, 2026 PECO Communications | PECO.Media@exeloncorp.com

PHILADELPHIA, PA (April 16, 2026) – Citing significant financial pressures facing households and businesses across southeastern Pennsylvania, PECO announced it is withdrawing its previously filed electric and natural gas distribution rate review filings with the Pennsylvania Public Utility Commission (PUC). The decision reflects a deliberate effort to prioritize customer affordability while continuing to deliver safe and reliable service.

Customers and communities across the region are facing sustained financial strain driven by rising costs for housing, food, healthcare, transportation, energy supply costs, and other everyday essentials. Against that broader economic backdrop, and taking into consideration conversations with Governor Josh Shapiro, as well as input from customers, community partners, and stakeholders, PECO reassessed the cumulative impact of the proposed rate changes on customers and determined now is not the right time to move forward.

"Keeping bills as low as possible through efforts like PECO's $12.5 million Customer Relief Fund to help low- and middle-income customers struggling with high energy costs is a top priority," said David Vahos, PECO president and CEO. "While our filing with the PUC would have provided needed improvements in safe and reliable energy delivery, we recognize that Pennsylvanians are struggling with basic necessities like gas, food, and energy and have decided to withdraw our proposal. We look forward to working with stakeholders across the region to find long-term solutions to high energy costs and to make needed investments at another time."

The withdrawn filings were intended to support near- and long-term electric and natural gas system modernization. However, it was determined that advancing those longer-term investments at this time would place additional strain on customers who are already managing significantly higher energy supply costs and broader cost-of-living challenges.

This decision reflects a careful balance between customer affordability and the company's responsibility to deliver high-quality service for the long term. PECO is committed to putting customers and communities first and acting responsibly when making major decisions. The company will continue near-term investments focused on system safety, essential maintenance, operational integrity, and reliability standards customers depend on every day. Customers can expect continued strong reliability performance as PECO continues to manage costs responsibly.

At the same time, PECO will continue evaluating longer-term grid modernization investments that support economic growth, job creation, and evolving energy needs across southeastern Pennsylvania. Withdrawing the filings gives the company the flexibility to better assess the timing, scope, and sequencing of those investments in the context of affordability and system priorities.

The company will also refocus on efforts to enact changes that will help to drive down energy supply prices – costs that the company does not control or profit from – to ensure adequate energy supply is available to meet rising demand. This continued "all-of-the-above" strategy is essential to continued affordability and reliability.

Safety remains non-negotiable. This strategic pivot does not change how PECO operates or protects its electric and natural gas systems, its employees, or the communities it serves.

PECO remains committed to a strong, transparent partnership with the PUC and will continue engaging regulators and stakeholders as it evaluates the appropriate path forward.