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File #: 217062

June 12, 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. Columbia Gas of Pennsylvania, Inc.
Docket No. R-2026-3060762

Dear Secretary Homsher:

Attached for filing is the Joint Petition for Settlement and Statements in Support thereof on behalf of Columbia Gas of Pennsylvania, Inc. ("Columbia"), the Bureau of Investigation & Enforcement ("I&E"), the Office of Consumer Advocate ("OCA"). The Office of Small Business Advocate is not a party to the Settlement but has indicated that it does not object to the Settlement. OSBA is separately filing its letter of non-opposition to the Settlement. Copies will be provided per the Certificate of Service.

Respectfully submitted,

Megan E. Rulli

MER/sll
cc: The Honorable Emily I. DeVoe *(via email; w/attachment)*
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL

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Date: June 12, 2026

Megan E. Rulli

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket No. R-2026-3060762
Office of Consumer Advocate	:	Docket No. C-2026-3060987
Office of Small Business Advocate	:	Docket No. C-2026-3061456
v.	:	
	:	
Columbia Gas of Pennsylvania, Inc.	:	

JOINT PETITION FOR SETTLEMENT OF RATE INVESTIGATION PURSUANT TO 66 Pa.C.S. §1307(f)

TO ADMINISTRATIVE LAW JUDGE EMILY I. DEVOE:

I. INTRODUCTION

Columbia Gas of Pennsylvania, Inc. ("Columbia" or the "Company"), the Office of Consumer Advocate ("OCA"), and the Public Utility Commission's ("Commission") Bureau of Investigation and Enforcement ("I&E"),[1] parties to the above-captioned proceedings (hereinafter collectively referred to as the "Petitioners"), hereby file this Joint Petition for Settlement of Rate Investigation Pursuant to 66 Pa.C.S. § 1307(f) ("Settlement") and respectfully request that Administrative Law Judge Emily I. DeVoe (the "ALJ") and the Commission expeditiously approve the Settlement as set forth below. In support of this Settlement, the Petitioners state the following:

II. BACKGROUND

1. Columbia is a "public utility" and "natural gas distribution company" ("NGDC") as those terms are defined in Sections 102 and 2202 of the Public Utility Code, 66 Pa.C.S. §§ 102, 2202. Columbia provides natural gas distribution, sales, transportation,

[1] The Office of Small Business Advocate ("OSBA") is not a party to the Settlement but has indicated that it does not object to the Settlement. OSBA is separately filing its letter of non-opposition to the Settlement.

and/or supplier of last resort ("SOLR") services to customers in portions of 26 counties of Pennsylvania.

2. On February 27, 2026, as required by 52 Pa. Code §§ 53.64 and 53.65, Columbia filed with the Commission "Information Submitted in Compliance with Act 74 of 1984 and Pursuant to Title 52, Pennsylvania Code, Sections 53.64 and 53.65 Supporting Recovery of Purchased Gas Costs" containing certain pre-filing data required under the Commission's regulations concerning annual changes to rates for recovery of purchased gas costs.

3. On April 6, 2026, Columbia filed Supplement No. 415 to Tariff Gas Pa. P.U.C. No. 9 ("Supplement No. 415"), along with its definitive filing, which included the written direct testimony of four witnesses and contained updated versions of certain prefiling exhibits, *i.e.*, Revised Columbia Ex. Nos. 1-A, 1-B, and 5. Supplement No. 415 is to become effective for service rendered on and after October 1, 2026. In Supplement No. 415, Columbia proposed an increase in its rates for recovery of purchased gas costs ("PGC") of $0.04740/Therm. Supplement No. 415 was docketed by the Commission at Docket No. R-2026-3060762 and was assigned to the ALJ for the issuance of a recommended decision.

4. I&E filed a Notice of Appearance in this proceeding. The OCA and OSBA filed Formal Complaints. The OCA's Complaint was docketed at C-2026-3060987, and the OSBA's Complaint was docketed at C-2026-3061456.

5. A prehearing conference was held on April 2, 2026. At the prehearing conference, the ALJ established a litigation schedule. The ALJ also set forth discovery rules, which included shorter response times than those provided in the Commission's regulations.[2]

6. On April 15, 2026, the ALJ issued a Prehearing Order that confirmed the litigation schedule established at the Prehearing Conference.

7. None of the other parties submitted testimony in this proceeding.

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[2] *See* 52 Pa. Code §§ 5.341 *et seq*.

8. A full settlement in principle was achieved prior to the date for evidentiary hearings. On May 14, 2026, counsel for the Company advised the ALJ of the settlement in principle and requested that the scheduled evidentiary hearing be canceled and that the parties be permitted to admit their evidence by stipulation.

9. On May 22, 2026, the parties filed a Joint Stipulation for Admission of Evidence ("Joint Stipulation"), requesting that the evidence be entered into the record by stipulation, waiving cross-examination of all witnesses, and requesting that the evidentiary hearing be canceled.

10. On May 28, 2026, the Commission issued a Hearing Cancellation Notice, which canceled the evidentiary hearing scheduled for May 28, 2026.

11. On May 29, 2026, the ALJ issued an Interim Order Adopting and Entering into the Record the Joint Stipulation for the Admission of Evidence ("Interim Order"), which adopted the Joint Stipulation and admitted into the record the statements and exhibits listed. The Interim Order also required the parties to file all admitted evidence with the Commission's Secretary's Bureau by 4:00 PM on June 3, 2026, and to file and serve the Joint Petition for Settlement, along with statements in support, by June 12, 2026.

12. On June 3, 2026, Columbia filed its admitted evidence with the Commission's Secretary's Bureau.

III. <u>PROPOSED FINDINGS OF FACT</u>

The Petitioners agree that the following facts were entered into the record by Columbia, and that subject to the terms and conditions in this Settlement, are sufficient to approve the Settlement and Columbia's 2026 PGC filing as confirmed by the Settlement. Columbia requests that the Commission make the following findings of fact and such other findings of fact, if any, as may be required or appropriate:

1. Columbia's Exhibit No. 3 lists Federal Energy Regulatory Commission ("FERC") proceedings through calendar year 2025 affecting Columbia's ratepayers. Exhibit No. 3 outlines Columbia's participation in these FERC proceedings. Columbia has intervened and actively participated in proceedings of the interstate pipelines serving Columbia. Columbia has been active before the FERC in rulemakings and policy

statements that have the potential to significantly impact Columbia's efforts to provide reliable gas service at the least cost.[3]

2. Specifically, Columbia was active in relevant FERC cases involving Columbia Gas Transmission, L.L.C. ("TCO"),[4] Equitrans, L.P. ("Equitrans"), National Fuel Gas Supply Corporation ("National Fuel"), Tennessee Gas Pipeline Company, L.L.C. ("Tennessee"), Texas Eastern Transmission, L.P. ("Texas Eastern") and Eastern Gas Transmission and Storage ("EGTS").[5]

3. Columbia will continue its policy of active participation in individual pipeline supplier rate and certificate proceedings before the FERC, along with FERC generic type rulemaking and policy proceedings which could have a material impact on Columbia's costs or operations, as fully described in Columbia Statement No. 1, pp. 33-36.

4. Columbia has full responsibility for purchasing all of its gas supplies directly from producers and marketers. To the extent that affiliated interests offer Columbia gas supplies under competitive terms and conditions, Columbia will consider those supplies like all others in accordance with its policy of purchasing gas supplies from reliable sources at the lowest cost.[6]

5. Columbia's gas purchasing objectives and strategies seek a portfolio of least-cost supply from both Pennsylvania and interstate producers. Columbia also seeks capacity that is flexible and reliable. These efforts will continue.[7]

6. Columbia contracts for sufficient firm gas supplies to serve, at a minimum, the demand of its firm service customers under design weather conditions, both design day and seasonal. Firm gas supplies include storage supplies, purchases under firm gas supply

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[3] Columbia St. No. 1, pp. 33-36; Columbia Ex. No. 3.

[4] As explained in Paragraph 15, TCO is not affiliated with Columbia.

[5] Columbia St. No. 1, pp. 33-36, Columbia Ex. No. 3.

[6] Columbia Ex. No. 8-C.

[7] Columbia St. No. 1, pp. 4-26; Revised Columbia Ex. No. 5, p. 1.

contracts and firm monthly and daily gas supply purchases, delivered through firm transportation capacity and local gas supplies on a seasonal basis.[8]

7. Columbia purchases firm supplies to provide flexibility in recognition of annual fluctuations in seasonal and daily demand and to minimize gas costs for its customers.[9]

8. Columbia is responsible for balancing all deliveries to its city gates on a daily basis. All transportation and storage capacity services are provided to Columbia from non-affiliated pipeline companies.[10]

9. Columbia contracts for firm transportation and storage services to meet customers' requirements in its diverse market areas.[11] Columbia's firm contracts for gas supply provide it with sufficient supply to meet the human needs demand of firm customers under design weather conditions.[12]

10. Columbia's capacity portfolio contains a sufficient amount of storage. Storage capacity enables Columbia to purchase a majority of its annual customer requirements during the summer months. Some of the summer purchase volume is used to serve current customer demand, while storing most of the volume to serve customer demand the following winter.[13]

11. Columbia's reconciliation of its firm peak day capacity entitlement level with its future years' firm design day demand includes a maximum hourly design adjustment

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[8] Columbia St. No. 4, pp. 3-7.

[9] Columbia St. No. 4, p. 4.

[10] Columbia St. No. 1, p. 11, Columbia Ex. No. 8-C.

[11] Revised Columbia Ex. No. 5; Columbia St. No. 1, pp. 10-15.

[12] Columbia St. No. 1, pp. 20-21, 29-33.

[13] Revised Columbia Ex. No. 5, p. 10.

("Max Hour Adjustment") to the design day demand.[14] The Max Hour Adjustment was made to account for the potential of hourly flow restrictions on EGTS.[15]

12. Columbia's current peak day capacity level is 102.6%, which is within the bounds contained in Columbia's Portfolio Design policy, which provides that Columbia will have sufficient capacity to be within a range of up to 103% of the highest of its projected design day firm requirements for the five-year period of its Design Day Forecast.[16]

13. On September 30, 2024, TCO filed a rate case at FERC, which included a proposal to implement 1/24th hourly rights on TCO's system.[17] In the Company's 2025 PGC proceeding, the Company expressed concerns about the proposal and the Company's ability to comply with the proposed changes. Accordingly, the Settlement reached in the 2025 PGC proceeding provided that the Company would further evaluate its capacity portfolio and design day requirements in light of TCO's proposal and provide an update in this proceeding.[18]

14. The proposed 1/24th hourly rights tariff change was not included in the settlement agreement approved by FERC on October 30, 2025, in TCO's FERC rate case. Therefore, the Company's concerns raised in its 2025 PGC proceeding, regarding Columbia's ability to comply with these changes, are not relevant at this time.[19]

15. TCO is an unaffiliated interstate pipeline. Numerous TCO facilities are used to transport and store Columbia's supply purchases. Because Columbia's local market

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[14] Revised Columbia Ex. No. 5, p. 9; Columbia Ex. TMM-2.

[15] Columbia St. No. 1, pp. 18-19.

[16] Columbia St. No. 1, p. 18; Columbia Ex. No. TMM-2; Revised Ex. No. 5, p. 10.

[17] Columbia St. No. 1, pp. 19-20; Columbia Ex. No. 3, pp. 6-10.

[18] Columbia St. No. 1, pp. 19-20; *see also Pa. PUC v. Columbia*, Docket No. R-2025-3053663 at 17 (Recommended Decision issued June 30, 2025) *adopted without modification*, Docket No. R-2025-3053663 (Order entered July 24, 2025).

[19] Columbia St. No. 1, pp. 19-20; Columbia Ex. No. 3, pp. 6-10.

areas are spread across Pennsylvania and are connected primarily, and in many cases exclusively, to TCO facilities, the vast majority of Columbia's peak day supply is delivered by TCO.[20]

16. Columbia contracts with TCO for 134,931 Dth of Firm Transportation capacity to retain enough capacity to meet firm demands.[21]

17. TCO provides approximately 66% of Columbia's winter season demand and about 81% of Columbia's Design Day capacity.[22]

18. The majority of Columbia's TCO capacity also has grandfathered Maximum Daily Delivery Obligation ("MDDO") and Daily Delivery Quantity ("DDQ") rights. These grandfathered MDDO and DDQ rights provide Columbia the necessary flexibility to receive varying volumes at each of its approximately 300 individual receipt points from TCO each day. This flexibility is critical to the efficient operation of Columbia's transportation services and the efficient, least cost management of Columbia's capacity portfolio.[23]

19. Columbia contracts for three primary firm services from TCO: Firm Transportation Service ("FTS"), Firm Storage Service ("FSS"), and Storage Service Transportation ("SST"). The FTS capacity provides for the firm transportation of flowing gas supplies delivered by TCO, either from Appalachian receipt points or interconnects with upstream pipelines, to Columbia's city gates or storage. The FSS capacity provides daily injection and withdrawal capacity into or out of storage, along with firm daily deliverability and seasonal storage capacity. SST capacity primarily is used to provide firm transportation of storage volumes from TCO's storage fields to Columbia's city gates. SST capacity also transports flowing gas supplies, in excess of Columbia's FTS capacity

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[20] Columbia St. No. 1, pp. 10-11; Revised Columbia Ex. No. 5, pp. 10-11.

[21] Exhibit No. 1-D-3 Attachment 1, p. 1.

[22] Revised Columbia Ex. No. 5, p. 10.

[23] Revised Columbia Ex. No. 5, p. 11.

level, to fill storage during the summer. The use of FSS in conjunction with SST provides Columbia with its primary daily no-notice balancing service.[24]

20. In addition to its contracts for transportation and storage from TCO, Columbia has access to various other pipelines. These arrangements currently include the following:

(a) Columbia has six firm transportation contracts and three storage contracts with EGTS. The first transportation contract, provided under EGTS's rate schedule Firm Transportation No-Notice - General Storage Service ("FTNN-GSS"), for 6,000 Dth per day, is utilized to transport storage supplies from EGTS's storage fields to Columbia's city gates. Storage supplies are also transported to Columbia's city gates via a transportation contract under EGTS's rate schedule Firm Transportation ("FT"). This contract has a quantity of 3,000 Dth per day from November through March of each year, and 2,000 Dth per day from April through October of each year. The associated storage contract with EGTS provides Columbia with 9,000 Dth/day of peak day deliverability and approximately 941,176 Dth of seasonal supply. Columbia utilizes these EGTS contracts to provide supplies to its customers in Beaver County through its Darlington interconnect and in Cranberry Township through its Warrendale interconnect.[25]

(b) Columbia has two additional storage contracts and three FTNN and FT transportation contracts with EGTS that are utilized to meet the demand and balancing requirements in the State College market. The storage contracts provide for daily withdrawal of 15,000 Dth/day and 4,800 Dth/day with seasonal quantities of 930,000 Dth and

[24] Columbia St. No. 1, pp. 10-11.

[25] Columbia St. No. 1, p. 12.

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240,000 Dth, respectively. Columbia utilizes 19,800 Dth/day of Rate Schedule FTNN transportation capacity to deliver the EGTS storage supplies to the State College market. Additionally, Columbia has 5,000 Dth/day of FT capacity which it also uses to serve the State College market.[26]

(c) Lastly, Columbia has 255 Dth/day of FT capacity with EGTS that provides service to an interconnection serving the Centre Hall market.[27]

(d) Columbia also contracts for firm transportation and storage service with Equitrans. The storage service provides peak day deliverability of 19,130 Dth and 2,000,000 Dth of seasonal capacity. The maximum winter season city gate deliveries total 55,000 Dth per day including up to 19,130 Dth from storage. Summer capacity levels are sculpted with 32,000 Dth per day in April and October and 20,000 Dth per day May through September.[28]

(e) Columbia excludes from the PGC the cost of the Equitrans storage service, approximately 9,559 Dth/day of the associated 19,130 Dth/day of the winter season FTS Transportation Quantity ("TQ"), and the EGTS storage service and associated 4,800 Dth/day FTNN transportation contract, to provide service to General Distribution Service ("GDS") customers under Columbia's Elective Balancing Service ("EBS") Option 1.[29]

(f) Columbia contracts for firm transportation service with Tennessee totaling 23,600 Dth/day. A total of approximately 19,300

[26] Columbia St. No. 1, pp. 12-13.

[27] Columbia St. No. 1, p. 13.

[28] Columbia St. No. 1, p. 13; Revised Exhibit No. 5, p. 11.

[29] Columbia St. No. 1, p. 13; Revised Columbia Ex. No. 5, p. 11.

Dth/day is required to serve the design peak day firm customer demand in Columbia markets directly connected to Tennessee, while approximately 4,304 Dth/day is delivered to Columbia's National Fuel capacity. On days when the 19,300 Dth/day delivered directly to Columbia cannot be absorbed by those markets, Columbia can divert that supply to Tennessee interconnects with TCO for injection into storage or delivery to other Columbia markets that are served by TCO.[30]

(g) Columbia contracts for firm transportation service under two rate schedules with Texas Eastern, FT-1 and Comprehensive Delivery Service ("CDS"), totaling 25,635 Dth/day. A total of 22,453 Dth/day is required to serve the design peak day firm customer demand in Columbia markets directly connected to Texas Eastern while 3,082 Dth/day must be delivered to TCO, as an upstream supply, to meet design day demand in Columbia markets served by TCO.[31]

(h) Columbia contracts for 4,304 Dth/day of city gate capacity under the FTS rate schedule of National Fuel. This capacity provides service to Columbia's Warren market area.[32]

(i) In addition, Columbia also has a contract with National Fuel consisting of enhanced firm transportation ("EFT") of 4,000 Dth per day, of which 1,571 Dth per day is received at the Mercer Interconnection and delivered to the Columbia Findlay Township delivery point interconnection in Allegheny County, while 2,429 Dth per day is received from National Fuel's storage receipt point and delivered to the Findlay Township delivery point. Additionally,

[30] Columbia St No. 1, pp. 13-14.

[31] Columbia St. No. 1, p. 14.

[32] Columbia St. No. 1, p. 14.

National Fuel provides an enhanced storage service ("ESS") with a Maximum Storage Quantity ("MSQ") of 267,143 Dth, a Maximum Daily Injection Quantity ("MDIQ") of 1,571 Dth per day, and a Maximum Daily Withdrawal Quantity ("MDWIQ") of 2,429 Dth per day to be used in combination with the EFT service.[33]

21. In the last year, the Company acquired one new contract for 10,500 Dth of firm transportation on Tennessee with a one winter only term of November 1, 2025, through March 31, 2026. Columbia entered into this firm transportation contract to meet design day requirements in the Warrendale service area.[34]

22. In April 2023, Columbia entered into a precedent agreement for capacity as a result of an open season on Texas Eastern's Appalachia to Market III offering. The negotiated agreement has a term of 15 years and is for 3,000 Dth/day from November 1, 2027, through October 31, 2028, and 5,000 Dth/day beginning November 1, 2028, for the remainder of the agreement. This precedent agreement will serve the York market.[35]

23. Columbia continues to evaluate alternatives to its existing supply and capacity portfolio on an ongoing basis.[36]

24. In order for Columbia to meet its objective of securing and delivering competitively-priced, reliable gas supplies, Columbia has developed a portfolio of gas purchase contracts, which can include long-term, short-term and spot contracts, that have flexibility both to meet reliability standards and to be able to take advantage of low priced opportunities where available and operationally feasible.[37]

25. Columbia maintains a program for purchasing local production. In addition to local gas purchases delivered directly into Columbia's system, Columbia purchased

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[33] Columbia St. No. 1, pp. 14-15.

[34] Columbia St. No. 1, p. 15, Revised Exhibit 5, Sheet 2.

[35] Revised Columbia Ex. No. 5, p. 12.

[36] Columbia St. No. 1, pp. 15-17; Revised Ex. No. 5, p. 13.

[37] Columbia St. No. 1.

Appalachian pool gas delivered by producers into TCO's system and redelivered to Columbia under transportation agreements. Although it is certain that Pennsylvania production enters the Appalachian production pools, once the gas is part of pool supplies it is commingled with other sources of supply. Thus, the portion of these supplies coming from Pennsylvania production is not known.[38]

26. For capacity that is not required for balancing or SOLR services, Columbia submits Requests for Proposals ("RFP") to all suppliers licensed to conduct business on Columbia's system. The RFPs define the delivery points required by Columbia to receive gas supplies, as well as a general outline of the daily delivery volumes by point of delivery.[39] Columbia did not receive any offers from suppliers in response to the RFP.[40]

27. Columbia's gas purchases were a least cost supply mix during the historic reconciliation period, consistent with reliable service.[41]

28. In the twelve months ended January 31, 2026, Columbia did not shut in or withhold from the market any gas supply or transportation or storage capacity other than for the purposes of retaining sufficient supply to assure reliable supply and balancing services under colder than normal conditions.[42]

29. Columbia's gas purchasing strategy is to contract for a portfolio of gas supplies and capacity that has the flexibility both to meet reliability standards and be able to take advantage of low-price opportunities when available and operationally feasible.[43]

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[38] Columbia St. No. 1, p. 10; Columbia St. No. 4, p. 7; Revised Columbia Ex. No. 5, p. 10.

[39] Columbia St. No. 1, p. 16.

[40] Columbia St. No. 1, p. 17.

[41] Columbia Ex. No. 8-C; Columbia St. No. 4, pp. 3-4; Columbia Ex. No. 5.

[42] Columbia Ex. No. 8-E.

[43] Columbia St. No. 4, p. 4.

30. Neither Columbia nor its affiliates withheld any gas from the market or caused any gas supplies to be withheld from the market that should have been utilized as part of a least-cost fuel procurement policy.[44]

31. Columbia retains firm contractual rights to all storage, other upstream pipeline and capacity, if any, and all capacity assignments made to Natural Gas Suppliers ("NGSs") participating in Columbia's Customer Choice program are made on a recallable basis. This allows Columbia to maintain service in the event an NGS fails to deliver supplies under Columbia's Customer Choice Program, which is consistent with Columbia's obligations as the SOLR.[45]

32. Pursuant to TCO's tariff, Columbia must plan the use of storage so that no more than 65% of its FSS seasonal storage quantity remains in inventory after February 1 and no more than 25% remains after April 1. TCO may also issue operational flow orders mandating storage withdrawals with penalties for noncompliance. Noncompliance with TCO's tariff limitations could result in confiscation by the pipeline of volumes exceeding tariff limits.[46]

33. For supply planning purposes, Columbia determines customer demand under various weather scenarios. Columbia determines customer demand under a colder-than-normal weather scenario to plan its gas supply and capacity portfolio to ensure that it is adequate to meet increased customer demand. Columbia also determines customer demand under a warmer-than-normal weather scenario to plan the flexibility needed in its supply and capacity portfolio to meet reduced customer demand at least cost.[47]

34. On all days, including days of peak demand, Columbia must be ready to serve the demand of Sales Service customers and to provide balancing for CHOICE Service customers. To ensure reliability, Columbia has established design parameters for

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[44] Columbia Ex. No. 8-E.

[45] Columbia St. No. 1, p. 32-33.

[46] Revised Columbia Ex. No. 5, p. 16.

[47] Revised Columbia Ex. No. 5; Columbia St. No. 1, pp. 5-10.

estimating Sales Service and CHOICE Service customer demand under extreme weather conditions. Columbia's Design Day Forecast is based on design day conditions consisting of current day design temperature, prior day design temperature, current day design wind speed, and occurrence on a weekday. Columbia updates the design conditions approximately every five to ten years, with the most recent update made in 2025.[48]

35. In order for Columbia to inject sufficient gas supplies into its storage accounts, particularly its FSS account with TCO, to meet winter season customer demand, it purchases gas supplies in volumes exceeding its FTS capacity during the summer. These additional gas purchases are made under spot market contracts and delivered to its storage accounts using TCO's SST capacity at secondary receipt and delivery points.[49]

36. Columbia manages its off-system sales and capacity release programs under its Unified Sharing Mechanism ("USM"). Pursuant to the USM, customers receive 75% of the net USM proceeds and Columbia retains the remaining 25% of net proceeds. The customers' share of USM proceeds is passed back 100% through the Purchased Gas Demand Cost ("PGDC").[50]

37. Consistent with the 2023 1307(f) Settlement, Columbia executed financial hedges according to the agreed upon program.[51]

38. The Company's financial hedges are carried out under a product known as a "fixed to float," whereby the price is fixed upon execution and settles out monthly at the NYMEX Henry Hub futures expiration price. Upon the expiration of the contract, the

[48] Revised Columbia Ex. No. 5, pp. 4-5.

[49] Columbia St. No. 4, p. 6.

[50] Columbia St. No. 4, pp. 8-9.

[51] Columbia St. No. 4, p. 11; *see also Pa. PUC, et al. v. Columbia Gas of Pennsylvania, Inc.*, Docket Nos. R-2023-303860, et al. (Order approving settlement entered Aug. 24, 2023).

difference between the expiration price and fixed price is exchanged between Columbia and the supplier. The funds received flow through to the PGC customers.[52]

IV. SETTLEMENT

39. The Petitioners agree to resolve the following issues as set forth below:

40. Columbia's 2026 PGC filing meets the standards set forth in Sections 1317 and 1318 of the Public Utility Code, 66 Pa.C.S., §§ 1317 and 1318, and the Commission should approve Columbia's 2026 PGC filing as filed, and make the findings described in Section V of this Settlement.

V. STANDARDS AND FINDINGS

41. This proceeding is a consolidation of two reviews that the Commission is required to undertake pursuant to Sections 1307 and 1318 of the Public Utility Code. Pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. § 1307(f), the Commission must determine whether Columbia has met the standards of Section 1318, 66 Pa.C.S. § 1318, with regard to the gas costs Columbia has incurred during a historic 12-month period. The historic period reviewed in this proceeding is the 12-month reconciliation period ended January 31, 2026. In addition, because Columbia has filed a tariff proposing a new rate reflecting a change in its natural gas costs, the Commission must determine whether the specific findings of Section 1318 can be made with regard to the period that rates will be in effect in the Application Period. This finding is a condition precedent to the Commission's approval of the Company's proposed rates. 66 Pa.C.S. § 1318. It is to be noted that the provisions of Section 1318(a) are applicable to all gas utilities that recover their gas costs pursuant to Section 1307(f). The new tariff rate is intended to become effective October 1, 2026.

42. Columbia did not make any purchases from affiliates during the historic period.[53] To the extent that affiliated interests offer Columbia gas supplies under competitive terms and conditions, Columbia will consider those supplies like all others in

[52] Columbia St. No. 4, pp. 12-13.

[53] Columbia Ex. 8-A.

accordance with its policy of purchasing gas supplies from reliable sources at the lowest cost. Therefore, it is requested that the Commission make the findings under Section 1318(b) concerning gas supplies from affiliates.

A. HISTORIC RECONCILIATION PERIOD STANDARDS

43. With respect to Columbia's gas purchases and gas purchasing practices during the twelve-month historic reconciliation period ended January 31, 2026, it is requested that the Commission find that Columbia has met the standards set out in Section 1318 of the Public Utility Code, 66 Pa.C.S. § 1318, and required by Section 1307(f)(5) of the Public Utility Code, 66 Pa.C.S. § 1307(f)(5), as to all actual purchased gas costs in the historic period. It is requested that the Commission find, pursuant to Section 1307(f)(5) of the Public Utility Code, and based upon the evidence presented by the Petitioners in this case, that, during the twelve months ended January 31, 2026: (1) Columbia met the requirements of Section 1318(a) of the Public Utility Code by pursuing a least-cost fuel procurement policy, consistent with its obligation to provide safe, adequate and reliable service to its customers; and (2) Columbia met the requirements of Section 1318(b) of the Public Utility Code relating to its consideration of offers from affiliates for gas, transportation and storage services.

B. PROJECTED AND INTERIM PERIOD FINDINGS

44. With respect to the twelve-month period beginning October 1, 2026, which is the period of time during which the proposed rates contained in this Settlement would be in effect, it is requested that the Commission make the findings under Section 1318 of the Public Utility Code, including Sections 1318(a)(1) through (a)(4), and 1318(b)(1) through (b)(3), based upon information presently available and based upon evidence of record in this proceeding concerning Columbia's purchasing policies.

45. The Petitioners agree that, based upon evidence of record in this proceeding concerning Columbia's projected gas purchases and gas purchasing policies, it appears that Columbia's projected gas purchases and projected gas purchasing policies will comply with the standards of Section 1318 of the Public Utility Code. Nevertheless, it is expressly understood and agreed that the findings relating to the rate to become effective October 1,

2026, are made solely for the purpose of setting prospective rates that shall be subject to the standards of Section 1318, and further reviewed in an appropriate future proceeding. This Section of the Settlement is not intended to limit or prevent in any way present or future complainants from reviewing, after such projected gas purchases have been made and gas purchasing practices have been implemented, whether Columbia's gas purchases and gas purchasing practices have, in fact, complied with the standards of Section 1318. If, in an appropriate future proceeding, gas purchases and gas purchasing practices relating to the period October 1, 2026, through September 30, 2027, are challenged, the Commission's findings in this Section of the Settlement shall pose no bar to the examination of such purchases and practices including, but not limited to, disallowance of, or reductions to, such costs during the one-year period commencing October 1, 2026.

46. The Petitioners agree that future examination of the gas costs relating to the period February 1, 2026, through September 30, 2027, to determine whether Columbia's experienced and projected gas purchases and gas purchasing practices complied with the standards set forth in Section 1318 of the Public Utility Code shall be permitted and that the Commission's adoption of the findings under this Section of the Settlement shall not be construed to limit or prevent any disallowance or reduction of such costs.

VI. PROPOSED CONCLUSIONS OF LAW

47. The Commission has jurisdiction over the parties and subject matter of this proceeding.[54]

48. Columbia has met the requirements of Section 1318 of the Public Utility Code by pursuing a least cost fuel procurement policy, consistent with its obligation to provide safe, adequate and reliable service to its customers.[55]

49. Columbia's rates for purchased gas costs, as the parties have agreed upon in this proceeding, during the relevant time period are just and reasonable and in compliance with 66 Pa.C.S. § 1318.

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[54] 66 Pa.C.S. §§ 1307(f), 1317-18.

[55] 66 Pa.C.S. § 1318.

50. Columbia has fully and vigorously represented the interests of its ratepayers in proceedings before the FERC and other relevant non-PUC proceedings during the relevant time period in compliance with 66 Pa.C.S. § 1318(a)(1).

51. Columbia has taken all prudent steps necessary to negotiate favorable gas supply contracts and to relieve the utility from terms in existing contracts with its gas supplier which are or may be adverse to the interests of the utility's ratepayers in compliance with 66 Pa.C.S. § 1318(a)(2).

52. Columbia has taken all prudent steps necessary to obtain lower cost gas supplies on both short-term and long-term bases both within and outside the Commonwealth, including the use of gas transportation arrangements with pipelines and other distribution companies in compliance with 66 Pa.C.S. § 1318(a)(3).

53. Columbia has not withheld from the market or caused to be withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy in compliance with 66 Pa.C.S. § 1318(a)(4).

54. Columbia has fully and vigorously attempted to obtain less costly gas supplies on both short-term and long-term bases from nonaffiliated interests in compliance with 66 Pa.C.S. § 1318(b)(1).

55. Neither Columbia nor its affiliated interests have withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy in compliance with 66 Pa.C.S. § 1318(b)(3).

56. The Settlement is in the public interest.

VII. PROPOSED ORDERING PARAGRAPHS

57. That the Settlement among Columbia, OCA, I&E, and OSBA in the above-captioned case is hereby approved and adopted without modification.

58. That Columbia shall file a tariff supplement, to become effective on one day's notice of the final Commission order approving the Settlement, containing changes in rates to provide for the recovery of its costs of purchased gas, consistent with the terms and conditions of the Settlement. Said tariff supplement shall be accompanied by a red-

lined version that shall fully set forth all changes that will be made to Columbia's current tariffs.

59. That Columbia, OCA, and I&E shall comply with the terms and conditions of the Settlement submitted in this proceeding as though each term and condition stated therein had been the subject of an individual ordering paragraph.

60. That upon Columbia's filing of a tariff supplement acceptable to the Commission as conforming with this order and the Settlement and the Commission's approval thereof, the purchased gas rates established therein shall become effective for service rendered on and after October 1, 2026.

61. That the complaints filed by the OCA and OSBA in these proceedings at Docket Nos. C-2026-3060987 and C-2026-3061456, respectively, be marked closed.

62. That the investigation at Docket No. R-2026-3060762 be marked closed.

VIII. CONDITIONS OF SETTLEMENT

63. The Settlement is conditioned upon the Commission's approval of the terms and conditions contained in this Settlement without modification. If the Commission modifies the Settlement, any Petitioner may elect to withdraw from the Settlement and may proceed with litigation and, in such event, the Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon all Petitioners within five (5) business days after the entry of an Order modifying the Settlement.

64. This Settlement is proposed by the Petitioners to settle all issues in the instant proceeding. If the Commission does not approve the Settlement and the proceedings continue, the Petitioners reserve their respective procedural rights to hearing and briefing, and to argue their respective positions. The Settlement is made without any admission against, or prejudice to, any position that any party may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding.

65. This Settlement may not be cited as precedent in any future proceeding, except to the extent required to implement this Settlement.

66. Attached as Appendices “A” through “C” are Statements of Support submitted by the Petitioners, setting forth the bases upon which they believe the Settlement is in the public interest.

IX. CONCLUSION

WHEREFORE, the Petitioners, by their respective counsel, respectfully request that The Honorable Administrative Law Judge Emily I. DeVoe and the Commission approve this Settlement, including all terms and conditions thereof, without modification and that the Commission enter an Order consistent with this Settlement and mark the complaints at Docket Nos. C-2026-3060987and C-2026-3061456 closed.

Respectfully submitted,

______________________________ Date: June 12, 2026

Anthony D. Kanagy, Esquire
Megan E. Rulli, Esquire
Post & Schell, P.C.
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and

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For: Columbia Gas of Pennsylvania, Inc.

/s/ Johnathan Longhurst Date: June 12, 2026

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/s/ Adam J. Williams Date: June 12, 2026

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APPENDIX A

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket No. R-2026-3060762
Office of Consumer Advocate	:	Docket No. C-2026-3060987
Office of Small Business Advocate	:	Docket No. C-2026-3061456
v.	:	
	:	
Columbia Gas of Pennsylvania, Inc.	:	

COLUMBIA GAS OF PENNSYLVANIA, INC.
STATEMENT IN SUPPORT OF JOINT PETITION FOR SETTLEMENT

Columbia Gas of Pennsylvania, Inc. ("Columbia" or the "Company") submits this Statement in Support of the Joint Petition for Settlement in the above-captioned proceedings ("Settlement"). Signatories to the Settlement are the Office of Consumer Advocate ("OCA"), and the Public Utility Commission's ("Commission") Bureau of Investigation and Enforcement,[1] and Columbia, parties to the above-captioned proceeding (hereinafter collectively referred to as the "Joint Petitioners"). The Settlement resolves all issues in this proceeding.

I. INTRODUCTION

Commission policy promotes settlements.[2] Settlements lessen the time and expense that the parties must expend litigating a case and, at the same time, conserve precious administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully-litigated proceeding.[3] In order to

[1] The Office of Small Business Advocate ("OSBA") is not a party to the Settlement but has indicated that it does not object to the Settlement. OSBA is separately filing its letter of non-opposition to the Settlement.

[2] *See* 52 Pa. Code § 5.231.

[3] *See* 52 Pa. Code § 69.401.

accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest.[4]

As an initial matter, the fact that the Settlement is unopposed is, in and of itself, strong evidence that the Settlement is reasonable and in the public interest. The Settlement was achieved after a comprehensive investigation of Columbia's gas purchasing practices, including discovery and discussion among the parties. No parties submitted testimony in opposition to Columbia's filing, providing further support to the appropriateness of resolving this proceeding through settlement. Columbia submits that the Settlement fairly balances the interests of the Company and its customers and, therefore, is in the public interest. Columbia respectfully requests that Administrative Law Judge Emily I. DeVoe (the "ALJ") and the Commission approve the Settlement in its entirety and without modification.

For the reasons set forth below, the Settlement is just and reasonable and should be approved.

II. <u>TERMS AND CONDITIONS OF SETTLEMENT</u>

A. APPROVAL OF COLUMBIA'S 2026 PGC FILING

The Settlement provides for the approval of Columbia's 2026 PGC filing as filed.[5] In accordance with the proposed findings of facts and statutory findings contained in the Settlement, the Company's 2026 PGC filing is in the public interest and should be approved.

B. THE SETTLEMENT IS IN THE PUBLIC INTEREST

Approval of Columbia's 2026 PGC filing is in the public interest because the record evidence demonstrates that Columbia has met the standards set forth in Sections 1307 and

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[4] *See Pa. Pub. Util. Comm'n v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. Pub. Util. Comm'n v. C.S. Water and Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

[5] Settlement ¶ 40.

1318 of the Public Utility Code, 66 Pa. C.S., §§ 1307 and 1318. Pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. § 1307(f), the Commission must determine whether Columbia has met the standards of Section 1318, 66 Pa.C.S. § 1318, with regard to the gas costs Columbia has incurred during a historic 12-month period. The historic period reviewed in this proceeding is the 12-month reconciliation period ended January 31, 2026. In addition, because Columbia has filed a tariff proposing a new rate reflecting a change in its natural gas costs, the Commission must determine whether the specific findings of Section 1318 can be made with regard to the period that rates will be in effect in the projected period. This finding is a condition precedent to the Commission's approval of the Company's proposed rates.[6] Section 1318 provides:

> **(a) General rule.--**In establishing just and reasonable rates for those natural gas distribution companies, as defined in section 2202 (relating to definitions), with gross intrastate operating revenues in excess of $40,000,000 under section 1307(f) (relating to sliding scale of rates; adjustments) or 1308(d) (relating to voluntary changes in rates) or any other rate proceeding, the commission shall consider the materials provided by the utilities pursuant to section 1317 (relating to regulation of natural gas costs). No rates for a natural gas distribution utility shall be deemed just and reasonable unless the commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. In making such a determination, the commission shall be required to make specific findings which shall include, but need not be limited to, findings that:
>
> (1) The utility has fully and vigorously represented the interests of its ratepayers in proceedings before the Federal Energy Regulatory Commission.
>
> (2) The utility has taken all prudent steps necessary to negotiate favorable gas supply contracts and to relieve the utility from terms in existing contracts with its gas suppliers which are or may be adverse to the interests of the utility's ratepayers.

[6] 66 Pa.C.S. § 1318.

(3) The utility has taken all prudent steps necessary to obtain lower cost gas supplies on both short-term and long-term bases both within and outside the Commonwealth, including the use of gas transportation arrangements with pipelines and other distribution companies.

(4) The utility has not withheld from the market or caused to be withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy.

(b) Limitation on gas purchased from affiliates.--In any instance in which a natural gas distribution company purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), the commission, in addition to the determinations and findings set forth in subsection (a), shall be required to make specific findings with regard to the justness and reasonableness of all such purchases. Such findings shall include, but not be limited to findings:

(1) That the utility has fully and vigorously attempted to obtain less costly gas supplies on both short-term and long-term bases from nonaffiliated interests.

(2) That each contract for the purchase of gas from its affiliated interest is consistent with a least cost fuel procurement policy.

(3) That neither the utility nor its affiliated interest has withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy.

(c) Shut-in gas; special rule.--In determining whether a gas utility has purchased the least costly natural gas available, the commission shall consider as available to the utility any gas supplies that reasonably could have been brought to market during the relevant period but which were voluntarily withheld from the market by the utility or an affiliated interest of the utility.[7]

Upon review of Columbia's filing and after engaging in discovery, the Joint Petitioners agree that Columbia's 2026 PGC case, as filed, complies with the requirements of Section 1318 of the Public Utility Code, 66 Pa C.S. § 1318(a), and that the record

[7] 66 Pa.C.S. § 1318.

evidence supports a finding that Columbia is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers.[8] Therefore, the Joint Petitioners request that the Commission make the findings as set forth in Section 1318 that are required to approve Columbia's PGC filing.

Specifically, with respect to Section 1318(a)(1), the record demonstrates that Columbia has intervened and actively participated in the Federal Energy Regulatory Commission ("FERC") proceedings of the interstate pipelines serving Columbia, including Columbia Gas Transmission, L.L.C. ("TCO"), Equitrans, L.P. ("Equitrans"), National Fuel Gas Supply Corporation ("National Fuel"), Tennessee Gas Pipeline Company, L.L.C. ("Tennessee"), Texas Eastern Transmission, L.P. ("Texas Eastern") and Eastern Gas Transmission and Storage ("EGTS").[9] Columbia has been active before the FERC in proceedings that have the potential to significantly impact Columbia's efforts to provide reliable gas service at the least cost. Columbia will continue its policy of active participation in individual pipeline supplier rate and certificate proceedings before the FERC, along with FERC generic-type rulemaking and policy proceedings which could have a material impact on Columbia's costs or operations, as fully described in Columbia Statement No. 1, pp. 33-36.

Concerning Sections 1318(a)(2) and (3), the record demonstrates that Columbia has taken all prudent steps necessary to negotiate favorable gas supply contracts and to relieve the utility from terms in existing contracts with its gas suppliers which are or may be adverse to the interests of the utility's ratepayers. The record further demonstrates that Columbia has taken all prudent steps necessary to obtain lower cost gas supplies on both short-term and long-term bases both within and outside the Commonwealth, including the use of gas transportation arrangements with pipelines and other distribution companies. In order for Columbia to meet its objective of securing and delivering competitively-priced, reliable gas supplies, Columbia has developed a portfolio of gas purchase contracts, which

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[8] *See* Columbia Ex. No. 8-E.

[9] Columbia St. No. 1, pp. 33-36; Columbia Ex. No. 3.

can include long-term, short-term and spot contracts, that have flexibility both to meet reliability standards and to be able to take advantage of low priced opportunities where available and operationally feasible.[10] Columbia continues to evaluate alternatives to its existing supply and capacity portfolio on an ongoing basis and makes changes to those contracts when it is prudent to do so.[11] For capacity that is not required for balancing or SOLR services, Columbia submits Requests for Proposals ("RFP") to all suppliers licensed to conduct business on Columbia's system. The RFPs define the delivery points required by Columbia to receive gas supplies, as well as a general outline of the daily delivery volumes by point of delivery.[12] Columbia did not, however, receive any offers from suppliers in response to the RFP.[13] Columbia also maintains a program for purchasing local production. In addition to local gas purchases delivered directly into Columbia's system, Columbia purchased Appalachian pool gas delivered by producers into TCO's system and redelivered to Columbia under transportation agreements.[14]

In accordance with Section 1318(a)(4), neither Columbia nor its affiliates withheld any gas from the market or caused any gas supplies to be withheld from the market that should have been utilized as part of a least-cost fuel procurement policy.[15]

Although Columbia did not make any purchases from affiliates during the historic period, the Settlement requests that the Commission make the findings under Section 1318(b) concerning gas supplies from affiliates. To the extent that affiliated interests offer Columbia gas supplies under competitive terms and conditions, Columbia will consider

[10] *See* Columbia St. No. 1, pp. 4-26.

[11] Columbia St. No. 1, pp. 15-16; Revised Ex. No. 5, p. 13.

[12] Columbia St. No. 1, p. 16.

[13] Columbia St. No. 1, p. 17.

[14] Columbia St. No. 1, p. 10; Columbia St. No. 4, p. 7; Revised Columbia Ex. No. 5, p. 10.

[15] Columbia Ex. No. 8-E.

those supplies like all others in accordance with its policy of purchasing gas supplies from reliable sources at the lowest cost.[16]

Finally, consistent with Section 1318(c), in the twelve months ended January 31, 2026, Columbia did not shut in or withhold from the market any gas supply or transportation or storage capacity other than for the purposes of retaining sufficient supply to assure reliable supply and balancing services under colder than normal conditions.[17]

Approval of Columbia's PGC filing is in the public interest because Columbia has complied with all relevant provisions of the Public Utility Code with respect to its PGC, as demonstrated by the undisputed facts set forth above, in the Settlement, and as more fully explained in Columbia's PGC filing.

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[16] Columbia Ex. No. 8-C.

[17] Columbia Ex. No. 8-E.

III. CONCLUSION

The Settlement resolves all issues raised during this proceeding. For the reasons explained above, and those set forth in the proposed findings in the Settlement, the resolution of the issues contained within the Settlement is in the public interest. The Settlement should be approved without modification.

Respectfully submitted,

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Date: June 12, 2026

APPENDIX B

APPENDIX B

BEFORE THE
PENNSYLVANIA PUBLIC UTILTY COMMISSION

Pennsylvania Public Utility Commission,	:
	:
v.	: Docket Nos. R-2026-3060762, *et al.*
	:
Columbia Gas of Pennsylvania, Inc. 1307(f)	:

STATEMENT OF THE
OFFICE OF CONSUMER ADVOCATE
IN SUPPORT OF SETTLEMENT

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Settlement of Columbia Gas of Pennsylvania, Inc. (Columbia or Company) Gas Cost Rate (GCR) proceeding (Settlement), finds the terms and conditions of the Settlement to be in the public interest for the following reasons:

I. INTRODUCTION

On February 27, 2026, Columbia filed its pre-filing information required for its annual Gas Cost Rate filing pursuant to Sections 1307(f), 1317, and 1318 of the Public Utility Code, and Sections 53.64 and 53.65 of the Commission's Rules and Regulations.[1] On April 1, 2026, Columbia filed its definitive 1307(f) filing. The Company's filing was assigned to the Office of Administrative Law Judge (OALJ) for investigation and the scheduling of hearings to determine whether Columbia's purchased gas costs comply with the standards set forth in the Public Utility Code.

On March 10, 2026, the OCA filed a Notice of Appearance, Protest and Public Statement. On March 13, 2026, the Commission's Bureau of Investigation and

[1] 66 Pa. C.S. §§ 1307(f), 1317, 1318; 52 Pa. Code §§ 53.64, 53.65.

Enforcement filed its Notice of Appearance. On March 25, 2026, the Office of Small Business Advocate (OSBA) entered its appearance. On March 30, 2026, the Commission served a notice establishing an initial telephonic prehearing conference for this matter for Wednesday, April 2, 2026, and assigned to Administrative Law Judge (ALJ) Emily I. DeVoe as the presiding officer.

The OCA retained Jerome D. Mierzwa[2] to provide technical assistance and to review the Company's gas purchasing practices and operations. Mr. Mierzwa reviewed the Company's preliminary and definitive filing in this matter. In addition, the OCA served three sets of discovery on the Company and reviewed all Company responses. Upon completion of its review, the OCA did not identify any issues relevant to this proceeding that warranted the filing of testimony.

Subsequently, in accordance with the Commission's Rules and Regulations at 52 Pa. Code Section 5.321, the parties undertook discussions in an attempt to reach a settlement. On May 22, 2026, the Stipulating Parties informed the ALJ that they had reached a settlement in principle of all issues in the proceeding. The terms and conditions of the settlement agreement reached by the Settling Parties are now embodied in the "Settlement Petition" that accompanies this instant Appendix/Statement in Support. The OCA submits that the Company has met the requirements of 66 Pa. C.S. Sections 1307(f) and 1318, and that the Settlement is in the public interest for the reasons set forth below.

II. TERMS AND CONDITIONS OF SETTLEMENT

The Commission encourages parties in contested, on-the-record proceedings to settle cases.[3] A Settlement, by definition, reflects a compromise of the parties' positions. When active parties in a proceeding reach a settlement, the principal issue for Commission

[2] Jerome D. Mierzwa is a Principal with and Vice President of Exeter Associates, Inc. ("Exeter"). Since joining Exeter in 1990, he has specialized in evaluating the gas purchasing practices and policies of natural gas distribution companies ("NGDCs"), utility class cost of service and rate design analysis, sales and rate forecasting, performance-based incentive regulation, revenue requirement analysis, the unbundling of utility services and the evaluation of customer choice natural gas transportation programs.
[3] *See* 52 Pa. Code § 5.231.

consideration is whether the settlement suits the public interest.[4] When the settling parties submitted their joint settlement petition for approval, the principal issue for the Commission is whether the agreement serves the public interest.[5]

The settling parties (Columbia, OCA, OSBA, and I&E) agree to accept the underlying data and calculations submitted by Columbia in its February 27, 2026, Pre-filing and its April 1, 2026, Annual Filing subject to the terms and conditions contained in the Settlement.[6] The OCA submits that the GCR rates in Appendix A accurately represent the implementation of the terms of the Settlement. Supplement No. 415 to Tariff Gas Pa. P.U.C. No. 9 as filed on April 1, 2026, shall be permitted to go into effect on October 1, 2026.

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[4] *Pa. Public Utility Commission v. CS Water and Sewer Associates*, 74 Pa. PUC 767, 711 (1991).
[5] *Pa. Public Utility Commission v. Philadelphia Electric Company*, 60 Pa. PUC 1, 21 (1985).
[6] Settlement at ¶ 40.

III. CONCLUSION

The Office of Consumer Advocate submits that the terms of the Settlement are in the public interest and in the interest of Columbia's ratepayers. Based on the above reasons, the Office of Consumer Advocate submits that the proposed Settlement should be approved.

Respectfully Submitted,

/s/ Johnathan Longhurst
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Dated: June 12, 2026

APPENDIX C

APPENDIX C

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2026-3060762
	:	
Columbia Gas of Pennsylvania, Inc. 1307(f)	:	
	:	

**BUREAU OF INVESTIGATION AND ENFORCEMENT
STATEMENT IN SUPPORT OF
JOINT PETITION FOR SETTLEMENT OF
1307(f) RATES INVESTIGATION**

TO: ADMINISTRATIVE LAW JUDGE EMILY DEVOE:

The Bureau of Investigation and Enforcement (I&E) of the Pennsylvania Public Utility Commission (PUC or Commission), by and through its Prosecutor Adam J. Williams, hereby respectfully submits that the terms and conditions of the foregoing Joint Petition for Settlement of Section 1307(f) Rate Investigation (Joint Petition or Settlement) are in the public interest and represent a fair, just, and reasonable balance of the interests of Columbia Gas of Pennsylvania, Inc. (Columbia or Company), I&E, the Office of Consumer Advocate (OCA), and Columbia ratepayers. The Office of Small Business Advocate (OSBA), who is also a party to this proceeding, has indicated they do not oppose the settlement.

I. INTRODUCTION/BACKGROUND

I&E is charged with representing the public interest in Commission proceedings related to rates, rate-related services, and applications affecting the public interest. In negotiated settlements, it is incumbent upon I&E to identify how amicable resolution of any such proceeding benefits the public interest and to ensure that the public interest is served. Based upon I&E's analysis of Columbia's Section 1307(f) purchased gas costs

(PGC) filing, acceptance of this proposed Settlement is in the public interest and I&E recommends that Administrative Law Judge Emily DeVoe (ALJ DeVoe) and the Commission approve the Settlement in its entirety.

1. On February 27, 2026, pursuant to 52 Pa. Code Sections 53.64 and 53.65 of the Commission's Rules and Regulations, Columbia submitted its pre-filing information in support of its annual reconciliation of its PGC tariffs.

2. On March 10, 2026, the OCA filed its Notice of Appearance, Formal Complaint and Public Statement.

3. On March 13, 2026, Adam J. Williams entered his appearance on behalf of I&E.

4. On March 25, 2026, the OSBA filed a Notice of Appearance.

5. On April 1, 2026, pursuant to 66 Pa. C.S. Section 1307(f) and 52 Pa. Code Section 53.64(a), Columbia submitted its definitive PGC filing to the Commission, which included Columbia's proposed *Pro Forma* Tariff Addendums and its supporting written direct testimony and supporting exhibits.

7. On April 2, 2026, ALJ DeVoe presided over a telephonic prehearing conference, during which the Parties agreed to a schedule for the conduct of the case including the service of testimony among the parties and the dates for evidentiary hearings. As no evidence of the need for public input hearings was presented nor a request for one made, none were scheduled or held.

8. No other parties submitted testimony in this proceeding.

9. In accordance with Commission policy favoring settlements at 52 Pa. Code § 5.231, I&E participated in settlement discussions with the Company and the other Parties to the proceeding. Following settlement negotiations and recognizing that a settlement is the result of compromises made by all Parties, the Parties in this proceeding reached a full and complete Settlement of all issues. As a result on May 14, 2026, Counsel for Columbia advised ALJ DeVoe that a Settlement in Principle had been agreed to or not opposed by all Parties to this proceeding.

II. TERMS AND CONDITIONS OF SETTLEMENT

10. "The prime determinant in the consideration of a proposed Settlement is whether the settlement is in the public interest."[1] The Commission has recognized that a settlement "reflects a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest."[2]

11. I&E submits that the Settlement in the instant proceeding balances the interests of the Company, its customers, and the Parties in a fair and equitable manner and presents a resolution for the Commission's adoption that best serves the public interest. Accordingly, for the specific reasons articulated below to achieve the full scope of benefits addressed in the Settlement, I&E requests that the Settlement be recommended by ALJ DeVoe and approved by the Commission, without modification.

12. After review of the filing and discovery, I&E agrees that the information provided by the Company indicates that its gas purchasing practices have satisfied its least cost procurement obligation under the Public Utility Code[3]. Adhering to a least cost procurement policy benefits ratepayers is in the public interest because least cost gas directly impacts customer gas bills, while still ensuring that customers receive safe, adequate and reliable service.

13. For the historic reconciliation period ended January 31, 2026, I&E agrees the Company has met the requirements of both section 1318(a) regarding least-cost fuel procurement and 1318(b) regarding consideration of affiliate offers.

14. For the projected 12-month period beginning October 1, 2026, which is the period of time during which the rates proposed in this settlement would be in effect, I&E believes the Company's projected gas costs are consistent with a least cost fuel procurement policy. While those costs are subject to review in a future PGC proceeding, I&E maintains that ratepayers are protected in that Columbia gains no unwarranted financial advantages through its projected gas purchases and projected gas purchasing

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[1] *Pennsylvania Public Utility Commission v. Philadelphia Electric Company*, 60 PA PUC 1, 22 (1985).

[2] *Pennsylvania Public Utility Commission v. C S Water and Sewer Associates*, 74 PA PUC 767, 771 (1991).

[3] 66 Pa. C.S. § 1318

policies. Accordingly, I&E represents that the Settlement maintains the proper balance of the interests of all parties.

15. With respect to the historic reconciliation period and with respect to the projected 12-month period noted above, I&E agrees and request the Commission find that Columbia has satisfied each of the standards for a least cost procurement policy set forth in Section 1318 of the Public Utility Code, including the standards set forth in Sections 1318(a)(1), 1318(a)(2), 1318(a)(3), 1318(a)(4), 1318(b)(1), 1318(b)(2), and 1318(b)(3), based upon the evidence of record in this proceeding. Nevertheless, it is expressly understood and agreed that such findings, relating to the rates, are made solely for the purpose of setting prospective rates and shall be subject to further review in an appropriate future proceeding. Further, no current party or future complainant is limited or prevented from challenging projected gas purchases that actually have been made, including those made during the historic reconciliation period noted above, and future gas purchasing practices that have been implemented, or from reviewing whether these gas purchases and gas purchasing practices have, in fact, complied with the standards of Section 1318. I&E supports this settlement as it provides regulatory certainty and a resolution of the issues; all of which facilitates the Commission's stated preference favoring negotiated settlements as in the public interest. I&E believes these agreed upon Settlement terms reflect an amicable agreement among the parties.

III. CONCLUSION

16. Based upon I&E's analysis of the filing, acceptance of the proposed Settlement is in the public interest because it appropriately resolves the issue in this proceeding in a way that is mutually agreeable to the Company, OCA, and I&E. Further, resolution of this case by settlement rather than litigation will avoid the substantial time and effort involved in continuing to formally pursue all issues in this proceeding at the risk of accumulating excessive expense.

17. I&E further submits that the acceptance of this Settlement negates the need for extensive evidentiary hearings, which would compel the devotion of time and expense for the preparation, presentation, and cross-examination of multiple witnesses, the

preparation of Main and Reply Briefs, the preparation of Exceptions and Replies, and the potential of filed appeals, all yielding substantial savings for all parties and ultimately all customers. Moreover, the Settlement provides regulatory certainty with respect to the disposition of issues and final resolution of this case which all the Parties agree benefits their discrete interests and is in the public interest.

18. The Settlement is conditioned upon the Commission's approval of all terms without modification. Should the Commission fail to grant such approval or otherwise modify the terms and conditions of the Settlement, it may be withdrawn by the Company, I&E, or any other Party.

19. This Settlement is being presented only in the context of this Section 1307(f) proceeding to resolve certain outstanding issues in a manner that is fair and reasonable. I&E's agreement to settle this case is made without any admission or prejudice to any position that I&E might adopt during subsequent litigation in the event the Settlement is rejected by the Commission or otherwise properly withdrawn by any other Parties to the Settlement.

20. If ALJ DeVoe recommends that the Commission adopt the Settlement as proposed, I&E agrees to waive the filing of Exceptions. However, I&E does not waive its right to file Exceptions with respect to any modifications to the terms and conditions of the Settlement or any additional matters that may be proposed by ALJ DeVoe in her Recommended Decision. Further, I&E does not waive the right to file Replies in the event any party files Exceptions.

WHEREFORE, the Commission's Bureau of Investigation and Enforcement represents that it supports the Joint Petition for Settlement of Section 1307(f) Rate Investigation as being in the public interest and respectfully requests that Administrative Law Judge Emily DeVoe recommend, and the Commission approve, the terms and conditions contained in the Settlement without modification.

Respectfully submitted,

Adam J. Williams
Prosecutor
PA Attorney ID No. 310019

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Pennsylvania Public Utility Commission
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Dated: June 12, 2026