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PENNSYLVANIA
UTILITY LAW PROJECT

July 1, 2026

Via Email Only

The Honorable Katrina L. Dunderdale
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
kdunderdal@pa.gov

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

Your Honor:

Please find the attached copy of the **Reply Brief of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)** in the above noted proceeding.

As indicated on the attached Certificate of Service, service on the parties was accomplished by email only.

Respectfully Submitted,

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

Certificate of Service

I hereby certify that I have this day served copies of the **Reply Brief of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)** upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54.

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Dated: July 1, 2026

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REPLY BRIEF OF
THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA

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I. INTRODUCTION

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), through its counsel at the Pennsylvania Utility Law Project, files this Reply Brief in response to the Main Brief of National Fuel Gas Distribution Corporation (NFG or the Company) and in support of its positions and recommendations more fully addressed in its Main Brief.[1]

A. PROCEDURAL HISTORY

CAUSE-PA does not have any reply to the other parties and stands by its recitation of the background and procedural history as stated in its Main Brief.[2]

B. LEGAL STANDARD

CAUSE-PA does not have any reply to the other parties and stands by its recitation of the legal standards in its Main Brief.[3]

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[1] This Reply Brief does not address every issue or recommendation raised in CAUSE PA's Main Brief or otherwise discussed by other parties in their Main Briefs.

Consistent with instructions of Administrative Law Judge (ALJ) Katrina L. Dunderdale, CAUSE-PA's Reply Brief follows the common briefing outline. The absence of a specific response to the recommendations or positions of other parties does not indicate our agreement thereto. Unless required for context, CAUSE-PA will not reiterate the arguments presented in CAUSE-PA's Main Brief. To the extent arguments advanced by other parties were sufficiently addressed through CAUSE-PA's Main Brief, we do not intend to respond and stand by the analyses and recommendations contained in its Main Brief.

ALJ Dunderdale further instructed parties to provide a chart in their Main or Reply Briefs reflecting projected rate impacts for each rate class. CAUSE-PA's position in this proceeding is that, to the extent the Commission determines that any revenue increase is warranted in this proceeding, the Commission should adopt the rate proposals advanced by the Office of Consumer Advocate (OCA) in this proceeding. As such, we support and incorporate by reference the impact chart provided by OCA in its Main Brief and Reply Brief.

[2] CAUSE-PA MB at Section I.A.
[3] CAUSE-PA MB at Section I.B.

II. SUMMARY OF ARGUMENT

NFG has failed to meet its burden in this proceeding to prove that its proposed rate increase, rate design, Weather Normalization Adjustment (WNA) charge, tariff, and program proposals are just, reasonable, in the public interest, and in compliance with applicable laws, Commission regulation, and precedent.

In its Main Brief, NFG makes several adjustments to its revenue and ROR/ capital structure proposals. Specifically, the Company adjusts its requested rate increase to reflect a 10.5% proposed Return on Equity (ROE) and a total requested revenue increase of $16.2 million (reduced from $19.7 million).[4] NFG also claims that its requested increase will be further offset by its short-lived OPEB surcredit proposal.[5]

NFG argues that its revenue requests and proposals in this proceeding are warranted because of a series of purported strengths of the Company, including that NFG allegedly has the lowest average total bills and the lowest average delivery charges of all the major natural gas distribution companies (NGDCs) in the Commonwealth – and will continue to do so if its revenue request is granted.[6] NFG also cites to such factors as its alleged low history of rate filings in the past 20 years,[7] and claims that its Rate of Return (ROR) and capital structure requests are reasonable and designed to support continued operations and investments in its rate base.[8] NFG asserts that warmer, more volatile weather impacting its

[4] NFG MB at 6.
[5] NFG MB at 6.
[6] NFG MB at 7.
[7] NFG MB at 8.
[8] NFG MB at 8.

revenue.[9] Finally, NFG alleges that its proposed rebate-based residential Energy Efficiency (EE) Pilot will promote energy savings through efficiency.[10]

Evidence in this case is clear that NFG's financially vulnerable customers are already struggling to afford basic services at existing rates, and a further increase in rates will exacerbate energy insecurity across its service territory.[11] NFG's economically vulnerable customers face disproportionate service termination and carry disproportionately high arrearages. In 2025, NFG terminated service to 3,344 confirmed low income households, amounting to 13.4% of the Company's confirmed low income customers – more than triple the overall 3.9% residential termination rate.[12] Families across NFG's service territory are already making impossible tradeoffs between life essentials - food, medical care, and other basic needs - to keep up with rising energy cost, and those ultimately faced with involuntary termination experience a cascade of other consequences to their health, safety, and wellbeing.[13]

With the pronounced level of unaffordability felt by NFG's low income customers, even at present rates, CAUSE-PA opposes any increase to NFG's base rates in this proceeding. However, if the Commission does not deny NFG's proposed increase in its entirety, CAUSE-PA stands by the revenue position of OCA.[14] As OCA explains in its Main Brief, it has demonstrated that NFG's annual revenues should be increased by no

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[9] NFG MB at 10.
[10] NFG MB at 10.
[11] CAUSE-PA MB at 14. CAUSE-PA St. 1 at 13-19.
[12] CAUSE-PA MB at 14. CAUSE-PA St. 1 at 18-19.
[13] CAUSE-PA MB at 18. CAUSE-PA St. 1 at 5.
[14] CAUSE-PA MB at 1-2.

more than $4.305 million annually – or, using the OCA's alternative ROR, the Company's annual revenues should be increased by $4.205 million annually.[15]

CAUSE-PA also opposes NFG's unreasonable rate design and WNA proposals, including its proposal to make its WNA permanent. As more fully set forth in our Main Brief, the overwhelming weight of the evidence in this case shows that these proposals are one-sided in favor of NFG to the detriment of consumers.[16] NFG's WNA proposal would work together with NFG's high fixed charge proposal to insulate the Company from standard business risk – forcing consumers to pay charges based on gas they do not use, and undermining critical prudency safeguards embedded in ratemaking.[17]

At the same time, NFG's universal service programs – including its Customer Assistance Program (CAP); Low Income Usage Reduction Program (LIURP); and Neighbor for Neighbor Hardship Fund (NFN), are grossly undersubscribed. NFG has enrolled only 10.8% of the Company's estimated low income customers in CAP, representing a backslide from NFG's CAP enrollment figures at the time of its last rate case (in November 2022).[18]

CAUSE-PA has outlined important reforms to NFG's universal service programs, including necessary improvements to CAP enrollment and recertification processes and to bolster NFN and LIURP funding. These reforms are necessary to achieve the universal service and energy conservation mandates enshrined in the Choice Act which require

[15] OCA MB at 3.
[16] CAUSE-PA MB at 16.
[17] CAUSE-PA MB at 16.
[18] CAUSE-PA MB at 15. CAUSE-PA St. 1 at 26-67.

implementation of "policies, practices and services that help residential low income retail gas customers …to maintain natural gas supply and distribution services."[19]

Finally, as discussed in further detail below, NFG's proposed EE pilot would be inaccessible to NFG's low income customers – yet low income customers would nevertheless be required to pay for the program through the rider on their bills. CAUSE-PA is opposed to this proposal as NFG has failed to demonstrate that low income customers would have equitable access to energy efficiency incentives and that the EE Pilot, as proposed, is just and reasonable.[20]

III. OVERALL POSITION ON RATE CASE

CAUSE-PA opposes any increase to NFG's base rates in the context of this proceeding. In its Main Brief, NFG moves the goal posts in an attempt to make its proposed profit increase appear more reasonable in light of its customers' acute affordability crisis by advancing an updated request for rate relief totaling $16.2 million, compared to NFG's initial requested revenue increase of $19.7 million per year contained in its initial filings.[21] As set forth more fully in CAUSE-PA's Main Brief, to the extent any increase is granted in this proceeding, CAUSE-PA stands by the revenue position of OCA.[22]

NFG argues in its Main Brief that the drivers of its adjusted increase are purportedly the increased investment in rate base, increased operating costs, and the impact of warmer,

[19] 66 Pa. C.S. §§ 2202, 2203 (8). CAUSE-PA MB at 25-29.
[20] CAUSE-PA MB at 17. CAUSE-PA St. 1 at 61-63.
[21] NFG MB at 11.
[22] CAUSE-PA MB at 1-2.

more volatile weather.[23] NFG further argues that its requested ROR and capital structure in this proceeding are not atypical and are needed to support its infrastructure programs.[24] In an apparent attempt to respond to overwhelming record evidence demonstrating the unaffordability of NFG's rates, and the inadequacy of its universal service programs, the Company makes minor adjustments in its Main Brief in support of its energy assistance programs. These adjustments fall far short of implementing the broader range of needed reforms to address widespread energy insecurity at existing rates.[25] Finally, the Company claims that its Weather Normalization Adjustment (WNA) should be made permanent – arguing the charge resulted in surcredits to residential customers in 2025-2026.[26]

NFG has failed to meet its burden in the present proceeding to show that its proposed rate increase is in the public interest and will result in just and reasonable rates consistent with the Public Utility Code. NFG's arguments continue to maintain a narrow focus on the ability of the Company to recover its approved revenue requirement at the expense of and without regard to its customers' ability to afford and stay connected to essential gas services. The record in this proceeding demonstrates that NFG's current rates are already unaffordable for low income families, even before any rate increase is approved.[27]

Any approved rate increase will have a severe and detrimental impact on low income families ability to afford and stay connected to services.[28] After the short term

[23] NFG MB at 11-12.
[24] NFG MB at 11.
[25] NFG MB at 12.
[26] NFG MB at 12.
[27] CAUSE-PA St. 1 at 13-21. CAUSE-PA MB at 18.
[28] CAUSE-PA MB at 20-23. CAUSE-PA St. 1 at 8-9.

OPEB refund ends one year after rates would take effect, NFG's proposed rate increase – as filed – would add as much as 8% for average usage customers, representing a substantial increase in a basic living expense that would have a destabilizing impact on low income families.[29] While NFG made minor adjustments to its as-filed proposal, the Company has not met the burden of showing that the increase is affordable for NFG's economically vulnerable customers. As such, CAUSE-PA opposes any rate increase in this proceeding.[30]

While the Company claims that it is committed to long-term affordability of its rates, NFG's universal service programs are undersubscribed and underutilized. As of December 2025, NFG had enrolled only 6,217 customers in the Company's CAP, representing just 10.8% of NFG's customers who are estimated to have low income and 25% of NFG's confirmed low income customers.[31] As outlined in CAUSE-PA's Main Brief and this Reply Brief, NFG must make substantial reforms to its universal service programs so that low income customers are able to successfully access assistance necessary to affording and staying connected to services. These reforms include important improvements to augment CAP enrollment and to address the persistent underfunding of NFG's LIURP and NFN hardship fund. Increasing rates without addressing the impact on universal service programs will serve to erode existing programs, in contravention of the universal service obligations enshrined in the Choice Act.[32] As we will discuss in further detail below, NFG's agreed changes to its universal service programs, including NFG's

[29] CAUSE-PA MB at 20-21. CAUSE-PA St. 1 at 16, 68.
[30] CAUSE-PA St. 1 at 5. CAUSE-PA MB at 18.
[31] CAUSE-PA St. 1 at 27. CAUSE-PA MB at 20.
[32] 66 Pa. C.S. § 2203(7), (8).

agreement to voluntarily donate shareholder dollars to its NFN hardship fund, fall short of the meaningful reforms recommended by CAUSE-PA to remediate unaffordability for low income customers. NFG's minor concessions fall woefully short of meeting demonstrated needs, especially if any further rate increase is approved.

CAUSE-PA is also opposed to NFG's rate design proposals in this proceeding, including its WNA and high fixed charge proposals. These proposals are patently inequitable and undermine critical policy goals by eroding the effectiveness of energy efficiency and conservation to achieve bill savings - shifting substantial and inequitable risk from the Company to its customers. Since the WNA took effect in October 2023 through April 2026, it has extracted nearly $6.5 million in additional charges from residential customers, paradoxically because those customers used *less* gas than they would have under historical weather conditions.[33] CAUSE-PA is strongly opposed to NFG's WNA, and urges the Commission to reject the charge in its entirety. At minimum, if retained, the WNA must be continually monitored and assessed as a pilot program with additional limitations imposed, and under no circumstances should this inequitable rate mechanism be made a permanent part of NFG's rate design.[34] CAUSE-PA is also strongly opposed to NFG's rate design proposal to implement a massive 35.7% increase to its residential fixed customer charge – from $14 per month to $19 per month.[35]

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[33] CAUSE-PA St. 1-SR at 23. CAUSE-PA MB at 58.
[34] NFG MB at 12.
[35] CAUSE-PA St. 1 at 51. CAUSE-PA MB at 24.

CAUSE-PA is additionally opposed to NFG's proposed EE Pilot without dedicated and proportionate low income programming.[36] The proposed pilot is neither just nor reasonable, as vulnerable low income households would be required to pay for the program without any realistic opportunity to participate.[37]

To the extent that any further increase in NFG's base rates are approved in this proceeding, CAUSE-PA urges the Honorable Administrative Law Judge Katrina L. Dunderdale and the Pennsylvania Public Utility Commission to adopt the rate of return, revenue requirement, and capital structure recommendations put forth by OCA and approve CAUSE-PA's proposed policy and program reforms to help mitigate the harsh impact of NFG's high rates on economically vulnerable households.

IV. RATE BASE

CAUSE-PA does not have any reply to the other parties on this issue.

V. OPERATING SALES AND REVENUE

A. CUSTOMER SALES AND REVENUES

CAUSE-PA does not have any reply to the other parties on this issue.

B. GAS SUPPLY REVENUE

CAUSE-PA does not have any reply to the other parties on this issue.

C. OTHER REVENUES

CAUSE-PA does not have any reply to the other parties on this issue.

[36] CAUSE-PA MB at 28.
[37] CAUSE-PA MB at 28. CAUSE-PA St. 1 at 62-64.

D. REVENUE INCREASE

NFG argues that the Commission should adopt its requested revenue increase of $16.2 million.[38] For the reasons set forth in CAUSE-PA's Main Brief and this Reply Brief, NFG's revenue increase should be denied in its totality.[39] To the extent that the Commission authorizes NFG to increase its revenue requirement and associated rates in this proceeding, CAUSE-PA urges the Commission to implement the revenue recommendations set forth by the OCA in this proceedings and, as outlined more fully below, to implement robust reforms to NFG's programs, policies, and procedures so that NFG's low income and other vulnerable customers are able to access basic services necessary to their health, safety, and well-being. Importantly, universal service issues are fundamental customer service issues, the standards for which are enshrined in the Choice Act and developed through decades of Commission precedent.[40] The Commission must ensure that NFG's universal service standards, regulations, and practices are just and reasonable to ensure the Company's low income customers can access and maintain adequate and reasonable service[41] – in line with the recommendations set forth by CAUSE-PA in this proceeding.

VI. <u>OPERATING EXPENSES</u>

CAUSE-PA does not have any reply to the other parties on this issue.

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[38] NFG MB at 21.
[39] CAUSE-PA MB at 13-29.
[40] CAUSE-PA MB at 84-85. 66 Pa. C.S. §§ 2202, 2203 (7)-(8); 52 Pa. Code §§ 62.3, 62.4.
[41] 66 Pa. C.S. § 1501.

VII. TAXES

CAUSE-PA does not have any reply to the other parties on this issue.

VIII. RATE OF RETURN

A. INTRODUCTION

CAUSE-PA is strongly opposed to NFG's proposed Rate of Return (ROR), capital structure, and Return on Equity (ROE) in this proceeding. The rate of return sought by NFG of 8.35%, including its requested ROE of 10.5% at its highly skewed capital structure of 56.4% equity and 43.6% long term debt,[42] would create a wealth transfer from the Company's customers to its shareholders, and would exacerbate the affordability challenges that NFG's customers already face.[43] NFG attempts to shift financial risk from its shareholders to its customers, arguing that its ROR, ROE, and capital structure proposals are reasonable and financially sound based on the Company's own biased modeling.[44] CAUSE-PA continues to oppose NFG's attempts at extractive economics as its proposals are excessive and profoundly undercut the ability of NFG's customers to access affordable rates.[45] CAUSE-PA urges the Commission to exercise its discretion to restrain NFG's attempts to impose an inequitable ROR, ROE, and capital structure, and adopt the recommendations set forth by the OCA in this proceeding.

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[42] NFG MB at 54.
[43] CAUSE-PA MB at 36-37.
[44] *See* NFG MB at 51-53.
[45] OCA St. 3-SR at 32-33. CAUSE-PA MB at 37.

B. CAPITAL STRUCTURE

CAUSE-PA stands by its positions that NFG's requested capital structure is unreasonable, inequitable, and would result in an excessive revenue requirements which would exacerbate existing unaffordability for its customers.[46] CAUSE-PA continues to recommend that the Commission approve the OCA's recommended capital structure of 50% common equity and 50% debt, resulting in an overall ROR of 7.66%.[47]

In its Main Brief, NFG places precedent over fact – arguing that the Commission should ignore the extensive evidence and analysis presented by OCA Witness Ms. Reno that NFG's proposed capital structure exceeds both the average equity ratio approved by regulatory commissions in recent years and exceeds the proxy group average and median expected for 2026.[48] In response to this factual evidence, NFG argues that its preferred capital structure is "within the range" of actual common equity ratios of the proxy group that it selected for this case, and asserts the Commission should not stray from precedent to consider evidence of typical capital structures outside this chosen proxy group.[49]

Simply put, there is no room for blind adherence to precedent in these truly unprecedented times. CAUSE-PA explained at length in its Main Brief that the Commission has an abundance of discretion in determining whether NFG's proposed capital structure should be approved and should exercise that discretion to protect NFG's ratepayers from bearing excessive monthly bills which will result if the Company's

[46] CAUSE-PA MB at 37-38.
[47] OCA MB at 3.
[48] CAUSE-PA MB at 37-38. OCA MB at 50. OCA St. 3 at 24.
[49] NFG MB at 60.

inequitable capital structure is approved.[50] We urge the Commission to exercise its discretion to restrain NFG's excessive ROR, capital structure, and ROE requests, which will result in increased unaffordability for NFG's customers who are already struggling to afford and stay connected to services.

CAUSE-PA is opposed to NFG's capital structure as it is equity skewed and will artificially increase the rate of return required in this proceeding at the expense of its customers' ability to afford service.[51] CAUSE-PA also disagrees with NFG's arguments that authorizing OCA's capital structure would result in under recovery, or would otherwise impact NFG's finances and infrastructure replacement efforts.[52] NFG's arguments are without evidentiary support and run contrary to the clear weight of evidence in this proceeding, including extensive analysis by OCA witness Ms. Reno based on a range of factors including proposed future capitalization, and resulting customer impacts.[53] These analyses clearly show that NFG's capital structure is unreasonable, inconsistent with larger industry standards, and would unnecessarily increase consumer costs.[54]

While NFG urges the Commission to rely on select past precedent imputing a capital structure outside of what OCA is proposing in this proceeding, we note that Vice Chair Kimberly Barrow explained, in the context of this proceeding, that a critical review of ROR, ROE, and capital structure is warranted, as deviations related to the same result in

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[50] CAUSE-PA MB at 38.
[51] CAUSE-PA MB at 39. OCA St. 3 at 23.
[52] NFG MB at 60-61.
[53] OCA MB at 52.
[54] OCA MB at 50-51.

millions of dollars charged to customers.[55] We urge the ALJ and the Commission to reject NFG's skewed capital structure and instead impute the more equitable capital structure recommended by OCA in this proceeding.[56]

C. DEBT COST RATE

CAUSE-PA does not have any reply to the other parties on this issue.

D. RETURN ON COMMON EQUITY

The Commission should reject NFG's requested 10.5% ROE and adopt OCA witness Reno's recommended 9.74% ROE. If the Commission ultimately approves NFG's proposed capital structure, it should require adoption of a 9.06% ROE.[57]

NFG originally requested an 11.25% ROE, including a 25-basis point management efficiency adjustment that was later rescinded.[58] In its Main Brief, the Company adjusted its rate proposal to reflect a 10.5% ROE as an alleged attempt to be responsive to affordability concerns.[59] Even this adjusted ROE still far exceeds OCA's reasonable and well-supported recommendation – adding millions in profit for shareholders at a time when NFG's customers are facing acute energy insecurity.

NFG further argues that its projected cost of equity models set forth by its Witness Nowak which ranged between 10.3% and 11.30% for a cost of equity is sounds and based

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[55] CAUSE-PA MB at 39, *citing* Statement of Vice Chair Kimberly Barrow Re: Pa. PUC v. National Fuel Gas Distribution Corporation, Docket No. R-2025-3059428, Public Meeting (Feb. 19, 2026).
[56] OCA MB at 52.
[57] OCA MB at 53.
[58] OCA MB at 48.
[59] NFG MB at 6.

on the Discounted Cash Flow (DCF) model, Capital Asset Pricing model (CAPM) and the Bond Yield Plus Risk Premium model (Risk Premium).[60]

NFG's models are flawed and fail to consider the negative impact on NFG's ratepayers. As OCA argued extensively in its Main Brief, NFG's proposed ROE fails to consider standards set forth in *Bluefield* and *Hope* because "it substantially exceeds the returns currently required by investors for comparable natural gas utilities by applying a growth rate that almost exclusively relies on earnings-growth projections and disregards other indicators investors often use to evaluate future returns."[61] OCA witness Reno's methodology, in comparison, is more consistent with actual utility growth experience, supported by multiple objective indicators, and should be given greater weight than NFG's self-serving models.[62]

CAUSE-PA also strongly disagrees with NFG's arguments that its inflated ROR and ROE are necessary to assure investor confidence necessary to maintain and support the utility's credit and raise money.[63] While NFG would certainly prefer higher profit margins for its shareholders, there is simply no credible evidence on the record to suggest that NFG will be unable to attract investors if the Commission adopts OCA's well-supported ROE. The Commission, when determining NFG's fair rate of return, should ensure that this rate is as low as possible, so that ratepayers are not inequitably and unjustly impacted.[64] NFG's

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[60] NFG MB at 62.
[61] OCA MB at 53-54.
[62] OCA MB at 57-58.
[63] NFG MB at 52.
[64] *See* OCA St. 3-SR at 33. CAUSE-PA MB at 40- 41.

ROE proposals would authorize NFG to collect an excessive ROE that would unjustly and unreasonably inflate costs for NFG's customers, many of whom are already struggling to afford service. By contrast, OCA's proposed ROE and capital structure more appropriately consider a range of factors, including multiple indicators of long-term utility growth, and would result in a meaningful revenue requirement reduction of $3.094 million.[65]

CAUSE-PA urges the Commission to reject NFG's excessive ROE request, as it would unjustly transfer wealth from financially-vulnerable customers to the Company and its shareholders.[66] To the extent the Commission is inclined to approve any rate increase in this proceeding, CAUSE-PA urges the Commission to order an ROE and capital structure in line with OCA's recommendations in this proceeding.

E. MANAGEMENT PERFORMANCE

NFG initially proposed a performance adder of 0.25% to the ROE, though it abandoned this request through briefing.[67] As detailed in CAUSE-PA's Main Brief, this adder should not be authorized by the Commission, as NFG's management performance is far from exemplary. NFG's CAP is severely undersubscribed – with enrollment numbers backsliding even compared to NFG's last rate case, and its other universal service programs are underfunded and underperforming.[68] These and other documented customers service issues demonstrate that a performance rider is inappropriate.[69]

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[65] OCA MB at 49.
[66] CAUSE-PA MB at 41.
[67] CAUSE-PA MB at 41.
[68] CAUSE-PA MB at 15, 97-112. CAUSE-PA St. 1 at 26-27.
[69] CAUSE-PA MB at 41-42.

F. CONCLUSION AS TO RATE OF RETURN

Despite NFG's claims that it has operated in a manner sensitive to affordability concerns, NFG's excessive ROR, ROE, and capital structure proposals evidence the opposite. NFG's proposals would exacerbate acute affordability challenges that its customers already face.[70] The Commission must exercise its authority to restrain the monopolistic tendencies of regulated utilities, including NFG, and protect NFG's ratepayers, including its low income ratepayers who do not have the margins to have such excesses extracted from their monthly bills. To the extent the Commission approves any rate increase, it should adopt the reasonable and well-supported ROR, ROE, and capital structure proposed by OCA.[71]

IX. RATE DESIGN, REVENUE ALLOCATION, AND CLASS COST OF SERVICE

A. ALLOCATED CLASS COST OF SERVICE STUDY

CAUSE-PA does not have any reply to the other parties on this issue.

B. REVENUE ALLOCATION

As explained in CAUSE-PA's Main Brief, CAUSE-PA opposes any revenue increase in this proceeding. Nevertheless, if the Commission grants any revenue increase, CAUSE-PA supports the revenue allocation proposed in OCA's Main Brief.[72]

[70] CAUSE-PA MB at 37.
[71] CAUSE-PA MB at 42-43. OCA MB at 61.
[72] CAUSE-PA MB at 43-44; OCA MB at 69-70.

C. RATE DESIGN

1. Summary of Proposed Rate Design

NFG is proposing to increase its fixed monthly residential customer charge by 35.7%, from $14 to $19.[73]

2. Residential Rate Design

NFG's excessive residential fixed charge proposal will have a perverse impact on the Commission's goal of encouraging energy efficiency and conservation.[74] As proposed, the fixed customer charge would comprise an unreasonably large proportion of a customer's monthly bill and severely diminish customers' ability to offset any approved rate increase through efficiency and conservation. The erosion of bill savings through efficiency and conservation will disproportionately affect low income households that rely on conservation to help control costs, exacerbating the already-pronounced affordability gap and undermining the explicit goals of NFG's LIURP.[75]

NFG argues that even with a $19.00 customer charge, 59% of distribution revenues would be recovered through volumetric rates, which customers could still reduce through conservation.[76] However, NFG's proposal would still unduly restrain customers' ability to use energy efficiency and conservation to alleviate increased rates, and erodes the financial incentive to invest in efficiency.[77] As explained in CAUSE-PA's Main Brief, every dollar

[73] NFG MB at 70.
[74] CAUSE-PA MB at 40-47; *see* Pa. PUC v. Columbia Gas of Pa., Inc., *Opinion and Order*, Docket No. R-2020-3018835, at 262-265 (order entered Feb. 19, 2021).
[75] CAUSE-PA St. 1 at 51-54; CAUSE-PA St. 1-SR at 19-20; OCA St. 1 at 78; 52 Pa. Code § 58.1.
[76] NFG MB at 71.
[77] CAUSE-PA St. 1-SR at 20.

that is locked into the customer charge undermines the ability of consumers to mitigate the rate increase through conservation and efficiency.[78]

In Columbia Gas's most recent rate case, the Commission acknowledged that the ability for consumers to reduce their bills through efficiency and conservation depends on a bill structure that bases cost recovery on volumetric usage.[79] The Commission rejected Columbia's request to increase the customer charge to an amount that would represent 20.7% of a customer's monthly bill, instead authorizing a customer charge representing 14.9% of a customer's monthly bill.[80] Here, NFG proposes to increase its customer charge to 21% of a customer's monthly bill, which is an even greater portion than Columbia's proposal. Even assuming that NFG's proposed rate increase were approved in full, to match the 14.9% proportion the Commission ordered for Columbia Gas, NFG's fixed charge would in fact be *reduced* to $13.45 per month.[81]

NFG argues that high use low income customers are harmed by higher volumetric charges.[82] CAUSE-PA submits that rate design which undermines efficiency and penalizes low use customers is an ineffective policy tool to address energy insecurity. High usage low income customers are better served by increased investments in the Low Income Usage Reduction Program (LIURP) and proactive outreach and enrollment in CAP.[83] CAP and LIURP are designed to work in tandem to address and remediate uncontrollably high usage,

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[78] CAUSE-PA MB at 48; CAUSE-PA St. 1 at 51-53.
[79] Pa. PUC v. Columbia Gas of Pa., Inc., *Opinion and Order*, Docket No. R-2025-3053499 at 279 (order entered Dec. 4, 2025).
[80] *Id.* at 282.
[81] CAUSE-PA St. 1-SR at 19-20.
[82] NFG MB at 70-71.
[83] CAUSE-PA MB at 103-105; WPTF St. 1 at 6-7.

provide low income customers with an affordable bill based on a percentage of their income, and offer an alternative path to collections on any previously accrued arrearages. The suite of statutorily required universal service and energy conservation programs are, in fact, specifically intended to address the many facets of energy insecurity. Rather than address energy insecurity head on, NFG has refused at every turn to implement basic programmatic reforms to improve access to these vital programs.[84] To the contrary, NFG's fixed charge proposal actively undercuts the goals of LIURP to help low income, high usage customers reduce their energy bills.[85]

Low income customers are not well served by having a greater percentage of their bill fixed without the ability to mitigate higher bills through conservation and efficiency.[86] Wresting control from consumers to reduce their distribution bills through conservation and efficiency will only compound the already impossible choices facing low income families to forego other necessities to maintain essential energy services to their home.[87]

NFG has failed to meet its burden to demonstrate that its proposed residential customer charge increase is just and reasonable.[88] NFG's proposal to increase the residential customer charge to 21% of a customer's monthly bill would be a radical departure from Commission policy that rate design should encourage conservation and efficiency. It would deprive residential customers of the ability to reduce their gas

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[84] *See* NFG MB at 86-98
[85] 52 Pa. Code § 58.1.
[86] CAUSE-PA St. 1 at 51-53.
[87] CAUSE-PA St. 1 at 51-53.
[88] CAUSE-PA St. 1 at 51-54; OCA St. 1 at 78; WPTF St. 1 at 4-5.

distribution bill through usage reduction, which would disproportionately impact low income customers. This charge should not be increased.

3. Non-Residential Rate Design

CAUSE-PA did not take a position on non-residential rate design in this case.

D. SCALE BACK

CAUSE-PA does not have any reply to the other parties on this issue and continues to support the positions of OCA and the Commission's Bureau of Investigation and Enforcement (I&E) regarding proportionate scale back of rates.[89]

E. OPEB CREDIT

As explained in CAUSE-PA's Main Brief, CAUSE-PA is generally supportive of NFG's proposal to distribute a one-time credit of $30 to customers with income at or below 250% FPL as part of its plan to refund revenue previously collected to fund other post-employment benefits.[90] CAUSE-PA also notes that NFG has agreed to distribute the credit in the December 2026 billing cycle, in line with its recommendation.[91] However, NFG fails to address CAUSE-PA's further recommendation that the Commission require NFG to conduct affirmative outreach about the credit, using the opportunity to promote additional forms of rate assistance by connecting consumers to NFG's universal service programs.[92] NFG's universal service programs are severely underenrolled and have declined in recent years despite well documented increased need.[93] Requiring NFG to leverage the OPEB

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[89] CAUSE-PA MB at 51; OCA St. 1 at 7; I&E St. 3 at 16.
[90] CAUSE-PA MB at 51.
[91] NFG MB at 72
[92] CAUSE-PA MB at 52; CAUSE-PA St. 1 at 69.
[93] 66 Pa. C.S. §§ 2202, 2203(8); CAUSE-PA MB at 51.

refund credit as a point of contact with its low income customers would help facilitate improvement in universal service program participation.[94]

F. SUMMARY AND ALTERNATIVES

CAUSE-PA stands by its positions that (1) NFG's residential customer charge should not be increased, (2) the residential customer charge should be included in any scale back in rates, (3) the OPEB credit should be distributed in December 2026, and (4) NFG should be required to conduct outreach to customers receiving the credit to provide information about other rate assistance, including NFG's universal service programs.[95]

X. WEATHER NORMALIZATION ADJUSTMENT

A. NFG's WNA should be discontinued because it unjustly shifts the business risk of climate change onto consumers and disproportionately impacts low-income customers - contradicting the Commission's formal alternative ratemaking policy.

The Commission should order NFG to cease operation of its unjust and unreasonable WNA charge.[96] The WNA shifts weather-related risk from the utility to customers, and has led to $6.5 million net additional charges to consumers for gas they did not use.[97] The WNA formula requires an overly complicated and nuanced calculation that is difficult for customers to understand. These additional charges are disproportionately harmful to low income households who already face difficult choices between heating,

[94] CAUSE-PA MB at 52.
[95] CAUSE-PA MB at 43-53
[96] CAUSE-PA MB at 53-75.
[97] CAUSE-PA MB at 53-54.

food, and other essentials, undermining their ability to plan for and manage utility expenses by assessing additional charges when weather is warm and usage is low.[98]

Regarding concerns about the disproportionately harmful effects of WNA charges on low income customers and on the cost of CAP, NFG asserts that these concerns are "based on projections that temperatures will always be warmer than normal."[99] NFG contends that its WNA is "symmetrical" because it "can produce either surcharges or credits," depending on whether actual weather is warmer or colder than normalized projections.[100] NFG argues that the fact that weather conditions during the pilot have been more often warmer than normal does not make the mechanism asymmetric.[101] NFG's WNA formula may be bi-directional in theory, but in practice, the WNA has substantially worked to the detriment of customers, resulting in over $6.5 million net additional charges to customers for service they did not use.[102] These additional charges are not in the public interest, they are solely in the interest of NFG and its shareholders.

The problem with NFG's WNA is not simply that that weather conditions during the pilot phase have been more often warmer-than-normal conditions, but that Pennsylvania's weather is undergoing a long-term warming trend that experts project to continue.[103] While weather may vary month over month or year over year, consistently warming average temperatures are projected to hold steady over time.[104] No party to this proceeding,

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[98] CAUSE-PA St. 1 at 59.
[99] NFG MB at 76.
[100] NFG MB at 73.
[101] NFG MB at 73.
[102] CAUSE-PA MB at 58.
[103] CAUSE-PA MB at 57-58; CAUSE-PA St. 1 at 57.
[104] CAUSE-PA St. 1 at 57.

including NFG, disputes that weather is progressively warming and is projected to continue to warm. In fact, NFG's own data depicts this warming trend, showing that the number of Heating Degree Days (HDDs) has consistently trended downward from 1975 to present and shows that this warming trend is projected to continue.[105] The Department of Environmental Protection estimates that temperatures in Pennsylvania will climb another 6.7 degrees by mid-century.[106] Over time, Pennsylvania will experience even fewer HDDs resulting in greater WNA charges for gas service that customers do not use.[107] Thus, while the WNA may be mathematically bi-directional, it will continue to result in a one-way surcharge when applied to the actual and projected weather in Pennsylvania – insulating the Company from the risk of warming weather at the expense of consumers.[108]

Assessing the effects of the WNA in actual practice, through a long-term lens of affordability, contradicts NFG's assertions that the mechanism is bi-directional or serves to protect consumers.[109] In its Main Brief, NFG references the 2025-2026 heating season, wherein residential customers received net credits through the WNA.[110] However, zooming out to examine the full 2025-2026 WNA season shows that the WNA takes back any short-term benefit it provides.[111] In March and April 2026, the WNA imposed total charges of $2,053,616.08 on Residential Sales customers, erasing 71% of the net credit in just two

[105] CAUSE-PA St. 1 at 57; NFG St. 19 at 26: Figure 1.
[106] CAUSE-PA St. 1 at 57.
[107] CAUSE-PA St. 1 at 57.
[108] CAUSE-PA St. 1-SR at 23.
[109] CAUSE-PA St. 1-SR at 24.
[110] NFG MB at 74.
[111] CAUSE-PA St. 1-SR at 24.

months.[112] Zooming out further to assess the full pilot period lays bare that the WNA has been an abject failure at protecting consumers and does not have bi-directional benefits in practice,[113] as the credits provided through the WNA in 2025-2026 pale in comparison to the nearly $6.5 million in net charges assessed through the WNA since its inception.[114]

CAUSE-PA stands by its recommendation that NFG's WNA be discontinued because it undermines energy efficiency and disproportionately burdens low income customers, raising deep concerns about fairness and equity.[115] NFG's WNA should be discontinued because it undermines cost-of-service principles, reduces consumer incentives to reduce energy usage, obscures price signals and makes customer bills more unpredictable, has a disproportionate impact on low-income customers, needlessly drives up the costs of CAP and other universal service programs, is difficult to understand for consumers, and lacks any consumer protections.[116]

B. If the Commission allows the WNA to continue, it should include the consumer protection reforms recommended by CAUSE-PA.

As explained in CAUSE-PA's Main Brief, NFG has failed to meet its burden of demonstrating that its WNA produces just and reasonable rates. As such, it should be discontinued. If the Commission is nevertheless included to allow the WNA to continue, several important reforms must be imposed to mitigate consumer harm.[117]

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[112] CAUSE-PA St. 1-SR at 24.
[113] CAUSE-PA St. 1-SR at 24.
[114] CAUSE-PA MB at 58.
[115] CAUSE-PA St. 1 at 59.
[116] 66 Pa. C.S. § 1330 (a)(2); 52 Pa. Code §§ 69.3301, 69.3302.
[117] CAUSE-PA MB at 76-77.

(1) The WNA should remain a pilot for no more than three years.[118]

In its Main Brief, NFG argues that the WNA should be extended on a permanent basis or, alternatively, extended to NFG's next rate case.[119] Under no circumstances should the Commission approve NFG's premature proposal to make its WNA Pilot permanent, which comes merely 3 years into its 5-year pilot. The data far does not support extending the pilot and, to the contrary, demonstrates that the WNA has been an abject failure from a consumer perspective and should be immediately discontinued.[120]

(2) All CAP customers should be exempt from WNA charges.[121]

Regarding concerns about the effect of WNA charges on NFG's CAP program, NFG argues that these additional costs being passed on to customers should be acceptable, because in warmer weather, "customers pay a charge, but they are purchasing less natural gas."[122] This argument fails to acknowledge that, because CAP customers are provided a discount through the program, imposing the WNA on CAP customers' bills needlessly increases the costs of the CAP program paid for by other residential customers.[123] The residential customers who pay for CAP are also billed WNA charges individually. As weather progressively warms and WNA charges increase, residential customers pay even more to cover their own WNA charges as well as the WNA charges levied on CAP customers. Notably, UGI's WNA exempts CAP customers, preventing this duplicative

118 CAUSE-PA St. 1 at 59: 17-21.
119 NFG MB at 78.
120 CAUSE-PA MB at 55-60, 75.
121 CAUSE-PA St. 1 at 60: 1-6.
122 NFG MB at 76.
123 CAUSE-PA St. 1 at 60.

harm.[124] The Commission should order NFG to follow the example of UGI and exempt CAP customers from the WNA. This will protect CAP customers from incurring additional charges and will in turn prevent unreasonable additional program costs of CAP paid by non-CAP residential customers.[125]

(3) The months of operation for the WNA should be limited to the period of December through March.[126]

NFG's Main Brief does not directly address CAUSE-PA witness Geller's recommendation that the WNA be limited to operation in the traditionally recognized winter months, when low income customers are protected from service termination.[127] However, NFG responded to I&E's recommendation that the month of May be removed and OCA's recommendation that October and May be removed.[128] NFG argues that temperatures in the Company's service territory are colder than other parts of the state and that there are a significant number of heating degree days in October and May.[129] NFG fails to acknowledge that December through March are the only winter months recognized by the Commission, the General Assembly, and other state agencies for dissemination of LIHEAP assistance and winter termination protections.[130] Since the winter months are the only time the Commission provides termination protection to economically vulnerable households due to the possibility of cold weather, it is unjust and unreasonable for the

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[124] *See* Pa. PUC v. UGI Utilities, Inc. – Gas Division, *Order*, Docket No. R-2024-3052716 (order entered Sep. 11, 2025), *approving Joint Pet. for Settlement*, ¶ 58(c) submitted July 9, 2025.
[125] *See* CAUSE-PA MB at 76; CAUSE-PA St. 1 at 60.
[126] CAUSE-PA St. 1 at 60: 7-14.
[127] CAUSE-PA St. 1 at 60.
[128] NFG MB at 75.
[129] NFG MB at 75.
[130] CAUSE-PA MB at 76; CAUSE-PA St. 1 at 60.

Commission to protect NFG's profits due to the possibility of cold weather beyond that timeframe.[131] The months of October, November, April, and May should be eliminated.

(4) The WNA deadband should be increased from 3% to 5%.[132]

In its Main Brief, NFG argues against increasing its WNA deadband from 3% to 5% because it will "increase risk and create additional opportunity for the volatility of weather to negatively impact both ratepayers and the Company in an equal fashion."[133] This statement is erroneous. As explained above and in CAUSE-PA's Main Brief, NFG's WNA does not and will not protect customers in an "equal fashion."[134] The WNA has resulted in a net $6.5 million of additional charges to residential consumers since its inception and, based on projections that average temperatures will continue to rise, the WNA will result in progressively higher WNA charges for consumers over time. Thus, NFG's argument that "a lower deadband enhances affordability" strains credulity. The 3% deadband featured in NFG's WNA is inadequate to prevent adjustments for minor weather variations and is flatly out of step with the 5% deadband the Commission recently ordered in Columbia Gas's 2025 rate case.[135]

(5) NFG should be required to use a rolling 10-year historical average to calculate any WNA charges, rather than a fixed period.[136]

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[131] CAUSE-PA MB at 76;
[132] CAUSE-PA St. 1 at 60: 15-19.
[133] NFG MB at 76.
[134] CAUSE-PA MB at 55-60; CAUSE-PA St. 1 at 56-58.
[135] Pa. PUC v. Columbia Gas of Pa., Inc., *Opinion and Order*, Docket No. R-2025-3053499, at 301 (order entered Dec. 9, 2025) ("a 5% deadband adequately captures what could be considered normal weather fluctuations in Pennsylvania" and "places more of the burden for calculating and forecasting weather variations back onto the Company as a normal part of doing business.").
[136] CAUSE-PA St. 1 at 60: 20-22.

In its Main Brief, NFG opposes CAUSE-PA's recommendation that it apply a rolling 10-year historical average, updated annually, to calculate any WNA charges.[137] NFG argues that the purpose of the WNA is to adjust for the differences between degree days used for setting rates and actual degree days, which cannot be accomplished using a 10-year rolling average because the projected, normalized degree days would change each year.[138] NFG's objection to the use of a 10-year rolling average belies its true motivation for continuation of the WNA.

Elsewhere in its Main Brief, in support of its WNA, NFG argues: "What the Company can do, and has done, is improve the assumptions used in the mechanism so that the normal weather benchmark better reflects recent conditions." [139] NFG further argues: "The expected result of using a more current normalization period is that the benchmark should better reflect recent weather conditions and, over time, support a more balanced pattern of customer surcharges and credits, depending on actual weather outcomes."[140] Quite simply, we agree. Application of a 10-year rolling average instead of a static historical timeframe would help ensure that NFG is using a benchmark that more accurately reflects recent conditions, especially in the face of projected warming trends. This would produce more equitable outcomes and should be adopted.

[137] NFG MB at 77.
[138] NFG MB at 77.
[139] NFG MB at 74-75.
[140] NFG MB at 74-75.

XI. ENERGY EFFICIENCY PILOT

A. NFG has failed to carry its burden of demonstrating that its proposed Energy Efficiency and Conservation (EE&C) Pilot is necessary, reasonable, and consistent with the public interest.

As explained in detail in CAUSE-PA's Main Brief, NFG's proposed EE&C Pilot is not just and reasonable because it requires low income customers to pay the cost for a program in which they cannot afford to participate and from which they not receive a quantifiable benefit.[141] NFG's EE Pilot includes only partial rebates, which renders it effectively inaccessible to low income consumers. Nevertheless, NFG proposes to require all low income consumers, including CAP customers, to contribute to the pilot's costs.[142]

In its Main Brief, NFG argues that its proposal to recover the cost of the program through a rider applicable to all residential customers would be consistent with Pennsylvania regulatory practice, citing the mechanisms used by electric distribution companies subject to Act 129.[143] Importantly, NFG fails to recognize that the nonbypassable rider for Act 129 is subject to the express mandate that a proportionate level of savings must be achieved through direct low income programming.[144] NFG also fails to acknowledge that this rider would apply to NFG's low income customers, who cannot afford the upfront cost necessary to participate in the rebate based program.[145] It is unjust, unreasonable, and contrary to public interest to require low income customers, who already

[141] CAUSE-PA MB at 79-82.
[142] CAUSE-PA St. 1 at 62-64.
[143] NFG MB at 84.
[144] 66 Pa. C.S. § 2806.1(b)(1)(i)(G).
[145] CAUSE-PA MB at 79-80; CAUSE-PA St. 1 at 63.

face acute and categorical rate unaffordability, to pay the costs for an EE&C program in which they are unable to meaningfully participate due to the upfront costs of rebates.

NFG summarily dismisses concerns that low income customers cannot afford the upfront costs to participate in the rebate based EE Pilot, arguing these concerns are unsupported.[146] However, NFG's low income customers have income substantially less than needed to meet their basic expenses,[147] let alone the additional upfront cost of energy efficiency measures. This fact has long been recognized by the Commission in setting policies with regard to low income Act 129 programming.[148] It is unreasonable to expect low income customers to bear the full cost of high-efficiency equipment while waiting for a rebate when they are already forced to make impossible choices between paying for energy costs, food, medicine, and other essential expenses.[149] It is critical to remember that NFG bears the burden of proof to support its proposed EE Pilot – yet it has failed to provide any evidence whatsoever that low income customers would be able to afford the upfront costs necessary participate in the rebate based EE Pilot.

Low income customers' inability to afford the upfront costs of rebate programs has led the Commission to require that EDC's EE&C programs include specific measures for low income households, and that the EDCs obtain minimum percentages of consumption

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[146] NFG MB at 82.
[147] *See* CAUSE-PA MB at 19-21; CAUSE-PA St. 1 at 7-10, 18-19.
[148] EE&C Program, *Phase V Implementation Order*, Docket No. M-2025-3052826, at 68 (order entered Jun. 18, 2025); EE&C Program, *Phase IV Implementation Order*, Docket No. M-2020-3015228, at 33-37 (order entered Jun. 18, 2020); EE&C Program, *Phase III Implementation Order*, Docket No. M-2014-2424864, at 68-70 (order entered Jun. 11, 2015); EE&C Program, *Phase II Implementation Order*, Docket No. M-2012 2289411, 53-58 (order entered Aug. 2, 2012).
[149] CAUSE-PA St. 1 at 62-63.

reductions from the low-income sector.[150] These concerns have led the General Assembly to explicitly require that EE&C programs include specific energy efficiency measures for low income households *in addition* to LIURP.[151] The Commission has recognized that targeted low income program requirements help "to ensure that low-income customers are able to access and participate in the EDCs' efficiency programs" and help "to ensure that low-income customers realize significant benefits from these programs."[152]

Contrary to NFG's protestations, the fact that it is an NGDC does not alleviate the need for its EE&C program to provide an equitable benefit to its low income customers, especially since NFG's proposed Rider D would require them to pay for the program. If NFG's struggling low income customers are unable to participate, it is unjust and unreasonable to add to their struggles to pay for the cost of rebates that are provided to higher income households. Despite being effectively foreclosed from realistically participating in the EE Pilot, low income customers would be charged NFG's Rider D to support the program through their monthly bills, including CAP customers.[153] As such, NFG's proposal to recover the EE&C rider from CAP customers will artificially inflate the cost of the CAP program without offsetting that cost through correlated reductions in customer usage through participation in the EE&C program.

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[150] CAUSE-PA MB at 138.
[151] 66 Pa. C.S. § 2806.1 (b)(1)(i)(G).
[152] EE&C Program, *Phase V Implementation Order*, Docket No. M-2025-3052826, at 68 (order entered Jun. 18, 2025).
[153] CAUSE-PA St. 1 at 62.

In support of its proposed rider, NFG cites Columbia Gas and UGI Gas for the proposition that the Commission has approved similar mechanisms for other gas EE&C programs.[154] However, NFG fails to acknowledge that Columbia's Energy Efficiency Rider specifically excludes CAP customers.[155] Additionally, both UGI and Columbia have either made specific provisions for low income programs within the EE&C program or are already providing similar services through other complementary programs that go beyond their statutory universal service and energy conservation program requirements. Regarding Columbia, in approving continuation of its EE&C program, the Commission highlighted that, in addition to its EE&C and LIURP, Columbia also operates a low income Audits & Rebates (A&R) program, which provides comprehensive efficiency and conservation programming for low income customers that do not otherwise qualify for LIURP services.[156] The Commission cited the A&R program as providing Columbia's low income customers with "equitable opportunities for efficiency and conservation incentives."[157] Likewise, UGI's EE&C program provides dedicated low income programs through a Low-income EE&C Pilot, which provides comprehensive EE&C measures to low income customers who do not otherwise qualify for LIURP.[158] Similarly, Philadelphia Gas Works'

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[154] NFG MB at 85.

[155] *See* Pa. PUC v. Columbia Gas of Pennsylvania, Inc., *Opinion and Order*, Docket No. R-2022-3031211 (order entered Dec. 8, 2022), approving Joint Pet. for Settlement (filed Sep. 2, 2022), (Appendix A p. 164, "Rider EE").

[156] *See* CAUSE-PA MB at 81; Pa. PUC v. Columbia Gas of Pa., Inc., *Opinion and Order*, Docket No. R-2025-3053499, at 378 (order entered Dec. 4, 2025).

[157] *Pa. PUC v. Columbia Gas of Pa., Inc.*, Opinion and Order, Docket No. R-2025-3053499 at 378 (order entered Dec. 4, 2025).

[158] Petition of UGI Utilities, Inc. – Gas Division for Approval of its Phase II Energy Efficiency and Conservation Plan, Docket No. M-2024-3048418, *Recommended Decision* at 9-11, 23-26 (June 20, 2025) (adopted by Final Order July 24, 2025).

provides specific low income measures as part of its Demand Side Management Plan (DSM).[159] NFG has no such programming to providing opportunities for low income customers to receive energy efficiency and conservation measures beyond its LIURP.

NFG claims that "No party has disputed the EE Pilot's projected benefits."[160] However, CAUSE-PA wholeheartedly disputes that the EE Pilot will provide *any* benefit to low income customers sufficient to justify requiring them to pay for the cost of the program. Levying the additional cost of this program on low income households without providing meaningful access to EE&C measures offered in the plan will exacerbate their struggle to afford service. The effect will be to further add to the disproportionately higher termination rates and arrearage levels, in turn increasing the costs of uncollectible expenses and universal service programs. Such results run contrary to public interest. As such, the Commission should reject NFG's EE pilot, as it has failed to meet its burden of proof to show the proposed program is just, reasonable, and in furtherance of the public interest.

B. NFG's arguments against necessary revisions to its EE&C program are unfounded and fail to support approval of an EE&C program that does not provide equitable access to low income customers.

As stated in CAUSE-PA's Main Brief, if the Commission allows NFG to implement it EE&C program, it should require NFG to revise its EE Pilot program design to include a dedicated low income programming providing no-cost efficiency measures to low income customers who are ineligible for LIURP.[161] NFG claims that CAUSE-PA's proposals

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[159] *See* Petition of Philadelphia Gas Works for Approval of Demand-Side Management Plan for FY 2024-2026, *Order,* Docket No. P-2014-2459362 (order entered Apr. 25, 2026) (*approving* Joint Petition for Settlement at ¶¶ 23-25, (filed Feb. 29, 2024)).
[160] NFG MB at 80.
[161] CAUSE-PA St. 1 at 66.

would fundamentally change the design and purpose of the proposed EE Pilot and that the Pilot does not have a budget to support dedicated low income programming.[162] However, CAUSE-PA is not recommending additional costs or additional budget to operate low income programming. As explained in CAUSE-PA's Main Brief, the budget for the low income subprogram should fit within the existing EE pilot's overall budget and should be a proportion of the overall pilot budget equivalent to the proportion of low income customers' usage.[163] This approach would not require additional funding and would ensure that the funding collected from low income customers for the EE pilot would be available to those customers to access direct benefits from the pilot.[164]

Not only does NFG fail to include any direct benefit for low income consumers, it also opposes all tracking and reporting recommendations that might allow the Commission to assess whether the program provides any tangential benefits to low income consumers. While NFG accepts I&E's recommended annual reporting requirements for the EE&C pilot,[165] NFG opposes CAUSE-PA's recommendation that the report should also include the number of customers referred to other universal services programs.[166] NFG also opposes CAUSE-PA's recommended tracking metrics and argues that CAUSE-PA's recommended tracking metrics would turn NFG's pilot into a "comprehensive universal

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[162] NFG MB at 80.
[163] CAUSE-PA MB at 82-83; CAUSE-PA St. 1-SR at 17.
[164] CAUSE-PA MB at 82-83.
[165] NFG MB at 84; I&E St. 1 at 17.
[166] NFG MB at 82; CAUSE-PA St. 1 at 66.

service redesign."[167] This is an erroneous description and an overstatement of the effects of CAUSE-PA's alternative recommendations.

Quite simply, it is inherently unjust and unreasonable to levy an additional charge on the poorest households to subsidize adoption of energy efficiency measures by higher income households, and it is inherently reasonable to demand a proportionate level of benefits for low income consumers that contribute to the program through rates. The Company has taken no steps to design the pilot to be accessible to low income consumers, and has rejected all recommendations to do so - yet it still intends to require that low income customers (inclusive of those enrolled in CAP) contribute to cost recovery for the pilot.[168] As proposed, the Company's EE Pilot would produce unjust and unreasonable results.[169] CAUSE-PA's alternative screening and referral recommendations would ensure that the program is adequately coordinated with NFG's other programs and similar programs offered by other utilities to take advantage of programmatic efficiencies and prevent redundancies.

In sum, while CAUSE-PA continues to recommend rejection of the proposed EE&C pilot, these alternative recommendations would ensure the pilot provides equitable and proportionate treatment of low income customers and would help ensure that these customers are adequately informed about the availability of other assistance.[170]

[167] NFG MB at 82.
[168] CAUSE-PA St. 1-SR at 17-18.
[169] CAUSE-PA St. 1-SR at 17-18.
[170] CAUSE-PA MB at 82-84.

XII. UNIVERSAL SERVICE ISSUES

A. CUSTOMER ASSISTANCE PROGRAM

1. Income Screening[171]

To address the severe undersubscription of NFG's universal service programs, including its CAP, CAUSE-PA recommends in this proceeding that NFG be required to implement new income screening processes for all non-emergency calls and for new and moving customers.[172] This recommendation is consistent with the Commission's recent orders in Columbia and Peoples Gas rate cases, where the record revealed similar trends of chronic under-enrollment.

In its rebuttal testimony, NFG indicated that it would evaluate this recommendation.[173] However, though in briefing, NFG appears to abandon even this basic level of commitment to further assess a screening program, arguing instead that routine screening is unnecessary because it has already has established processes to identify and low income customers to assistance programs.[174] Specifically, NFG claims that it identifies and refers households to CAP in situations where customers are unable to pay their bill – either when the customer is asking about service termination issues or payment arrangements, or requesting extensions to bill payments.[175] NFG also argues that it

[171] To aid in review of CAUSE-PA's replies to NFG's arguments related to its CAP, CAUSE-PA follows NFG's subheadings related to the Customer Assistance Program Section.
[172] CAUSE-PA MB at 92-93.
[173] NFG MB at 86-87.
[174] NFG MB at 86-87.
[175] NFG MB at 87.

identifies low income customers based on information received from the Department of Human Services (DHS), and provides bill insert information related to its programs.[176]

Mr. Geller explained through testimony that the recommended additional screening would only take a few seconds of call center time to assess a consumer's interest in determining their eligibility for a lower rate.[177] If a customer does not wish to be screened for eligibility or is not interested in a lower rate, the inquiry would end there. Nevertheless, NFG baldly asserts that CAUSE-PA's recommended screening process may negatively impact customer service levels and would require three new employees to cover CAP and call center needs.[178] NFG argues that CAUSE-PA has failed to provide any analysis of additional call center time, resources, and administrative efforts related to this recommendation, and that the Commission recently rejected a more limited income screening proposal in the context of UGI's Universal Service and Energy Conservation Plan (USECP) proceeding.[179]

As NFG acknowledges, Mr. Geller noted that simply asking customers whether they would like to share their income information to potentially qualify for lower rates, and referring interested consumers to CARES for further screening should only take a few seconds.[180] These additional screening processes are not designed to be administratively burdensome, but instead better connect eligible customers with assistance – and help ensure

[176] NFG MB at 87.
[177] CAUSE-PA St. 1-SR at 7-8.
[178] NFG MB at 87-88.
[179] NFG MB at 88.
[180] CAUSE-PA St. 1-SR at 7-8.

that consumers are connected to the most advantageous rate consistent with the explicit provisions of the Public Utility Code.[181]

NFG's current process for referring eligible customers to CAP and other universal service programs is clearly inadequate. Despite well-documented need for assistance, NFG has enrolled only 10.8% of the Company's estimated low income customers in CAP.[182] In addition, NFG has failed to fully expend its LIURP budget in every year since at least 2018, and completed only 64% of the jobs projected to be completed between 2023 and 2025 despite well-documented need for LIURP services to reduce energy use.[183] These figures underscore the critical need to better connect NFG's low income customers with available assistance programs.

The Commission has ordered other utilities to adopt a routinized screening process to address documented under-enrollment in other rate proceedings, consistent with CAUSE-PA's recommendations in this case.[184] In so doing, the Commission has refused

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[181] 66 Pa. C.S. § 1303 ("Any public utility, having more than one rate applicable to service rendered to a patron, shall, after notice of service conditions, compute bills under the rate most advantageous to the patron.").

[182] CAUSE-PA St. 1 at 27; CAUSE-PA MB at 15.

[183] CAUSE-PA St. 1 at 99.

[184] Pa. PUC v. Columbia, *Order*, Docket No. R-2025-3053499 *et al.*, at 351 (order entered Dec. 9, 2025) (Columbia 2025 Order) (requiring the Company to develop and implement a screening and referral process for new and moving customers and for existing customers on non-emergency calls); Pa. PUC v. PWSA, *Order*, Docket No. R-2023-3039919, *et al.* (order entered Jan. 18, 2024) (approving settlement terms requiring the Authority to develop and implement a screening and referral process for new and moving customers); Pa. PUC v. Peoples, *Order*, Docket Nos. R-2023-3044549 *et al.* (order entered Sept. 12, 2024) (approving settlement terms directing Peoples to work with its USAG to develop non-emergency call scenarios to use for agent training to screen for income level and assistance); Pa. PUC v. PAWC, *Recommended Decision*, Docket Nos. R-2025-3057983 *et al.*, at 452-453 (RD entered May 15, 2026).

to give credence to baseless assertions of protestant utilities that screening would result in the parade of horrible outcomes claimed by NFG.[185]

NFG's current process for identifying low income customers is reactive, and limited to customers who have reached out for assistance or have already received certain forms of assistance. Additional systematic screening processes are essential to prevent the accumulation of unmanageable arrears which lead to service termination – and far outweigh the cost of the brief amount of time it would take to ask customers whether they would like to provide their income information. As such, CAUSE-PA stands by its recommended screening and referral processes for low income customers.[186]

2. Benchmarking

CAUSE-PA recommends in this proceeding that NFG implement benchmarking related to its CAP enrollment, with the goal that the Company increase its total CAP population by 5% of its estimated low-income population each year.[187]

NFG opposes this recommendation, and argues that it would have to enroll a minimum of 2,877 new customers in CAP each year, and increase total CAP enrollment by more than 45% in one year.[188] NFG further argues that tying this benchmark to estimated low income customers is improper, as these customers are not confirmed to be CAP eligible and because Commission CAP participation rates are tied to confirmed low income

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[185] *See* Columbia 2025 Order at 350-351.
[186] CAUSE-PA MB at 93.
[187] CAUSE-PA MB at 90-91. CAUSE-PA St. 1 at 36.
[188] NFG MB at 89.

counts.[189] NFG argues that the success of its recent efforts improve CAP enrollment should not be judged by actual results, but instead by NFG's efforts.[190]

As a threshold matter, we strongly disagree that NFG's outreach efforts should be judged by effort exerted – not outcomes achieved. It takes a lot of effort to row up-stream, but effort alone is not a measure of efficiency or effectiveness – especially if you could walk upstream in half the time. Outreach and referral processes must be judged based on objective, measurable outcomes that improve the quality of service delivered to low income consumers. NFG's CAP is highly undersubscribed. As of January 2026, only 6,341 NFG customers were enrolled in CAP, representing just over 1 in 10 (11%) of customers estimated to be income eligible and just one quarter (25%) of customers NFG has already confirmed to be income eligible.[191] The vast majority of eligible customers for NFG's CAP are not enrolled in the Program, and are currently subject to full tariff rates and categorically unaffordable energy burdens at both proposed and present rates.[192] Additional concerted efforts must be made to meaningfully address this under-enrollment.

CAUSE-PA also stands by its recommendation to tie benchmarking to estimated low income customer count rather than NFG's confirmed low income customer count. Reliance on confirmed low income counts is circuitous and flawed, as it only includes the small segment of customers who have already been identified as low income through

[189] NFG MB at 89-90.
[190] NFG MB at 90.
[191] CAUSE-PA MB at 89-90. CAUSE-PA St. 1 at 27.
[192] CAUSE-PA MB at 89-90. CAUSE-PA St. 1 at 27.

NFG's reactive identification procedures.[193] When assessing need, census-based estimates provide a more accurate assessment of need within NFG's service territory and, as such, provide an appropriate benchmark to measure NFG's success in reaching low income customers across its service territory. NFG's persistent failure to identify consumers that are eligible for reduced CAP rates constitutes a serious consumer service issue, resulting in unnecessarily high rates to thousands of low income customers.

Finally, CAUSE-PA acknowledges that its benchmarking recommendations would set goals for NFG to meaningfully improve its CAP enrollment. To be clear, CAUSE-PA is recommending that NFG establish benchmarking *goals*. These goals are intended to provide an objective, measurable means of assessing NFG's efforts to improve CAP enrollment, and are not meant to be punitive on NFG.[194] If NFG fails to meet its goals, it will provide NFG with the ability and motivation to more frequently assess whether its efforts are working to achieve intended results and to make changes to its efforts accordingly. In tandem with this benchmarking recommendation, CAUSE-PA has also recommended several efforts, including enhanced screening and that NFG provide its Universal Services Advisory Committee (USAC) with additional details related to the CAP applications, recertifications, denials and removals – detailed further in CAUSE-PA's Main Brief – to better allow NFG to coordinate with its USAC on these increased

[193] CAUSE-PA St. 1-SR at 9.
[194] CAUSE-PA St. 1-SR at 9.

enrollment efforts.[195] We therefore stand by the recommendations that NFG should implement benchmarking goals for its CAP enrollment.

3. CAP Recertifications

As set forth in detail in CAUSE-PA's Main Brief, CAUSE-PA recommends that NFG be directed to expand its methods used to contact CAP customers due for recertification through email, mail, and text messages – as well as expand its communication to customers about how to recertify online.[196]

NFG argues that certain of these recommendations have already been implemented because NFG (1) allows for online recertification in desktop and mobile formats; (2) reaches out to customers for recertification by email or mail depending on the customer's stated preferences; and (3) provides self-addressed, stamped envelopes for customers sent paper recertification applications and information about how to recertify online.[197] However, NFG indicates that it does not currently have the ability to send text messages to customers.[198] NFG also disagrees with CAUSE-PA's recommendation that it continue recertification efforts after CAP removal, and argues that they are already providing appropriate information ahead of removal.[199] That said, NFG agreed, through rebuttal testimony, to increase recertification outreach to include both email and mail for customers who have consented to receive electronic communications.[200]

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[195] CAUSE-PA MB at 90-91.
[196] CAUSE-PA MB at 97.
[197] NFG MB at 91.
[198] NFG MB at 91.
[199] NFG MB at 92.
[200] NFG MB at 92.

CAUSE-PA recognizes that NFG has implemented some of CAUSE-PA's recommendations related to CAP recertification and has agreed to limited improvements to its recertification outreach efforts. However, evidence provided in this proceeding makes clear that NFG's current efforts are woefully inadequate to address the high proportion of CAP customers who are removed as a result of failure to recertify. For example, more than half of the 2,589 customers removed from CAP in 2025 were removed for non-response to recertification attempts.[201] Increased efforts to stem CAP removals for failure to recertify is imperative to address these enrollment concerns. CAUSE-PA continues to stand by its recommendations that NFG implement the full scope of recommendations related to recertifying CAP customers. While we understand that NFG currently has not implemented text messaging for purposes of CAP recertification, CAUSE-PA stands by this recommendation which would provide an important touchpoint for CAP customers who are due for recertification but may not be able to be contacted through email or mail.

CAUSE-PA also stands by its recommendations to improve outreach after CAP removal. Customers who are removed from CAP become subject to full tariff rates, which are already demonstrably unaffordable for income eligible households.[202] Proactive outreach to customers before they begin experiencing acute financial need is critical to addressing affordability concerns before they cascade into growing arrearages and service termination issues.[203] Failure to do so constitutes serious consumer service issues, and

[201] CAUSE-PA MB at 96. CAUSE-PA St. 1 at 28.
[202] CAUSE-PA MB at 91-92; *see also* CAUSE-PA St. 1 at 13-21.
[203] *See* CAUSE-PA MB at 91-92.

exacerbates collections expenses otherwise borne by other ratepayers. As such, CAUSE-PA stands by its recommendations related to CAP recertification.

4. Leveraging DHS LIHEAP Data

To help address NFG's CAP enrollment levels, CAUSE-PA recommends expanding outreach to customers who participate in the Pennsylvania Department of Human Services (DHS) data sharing program and may eligible CAP or CAP recertification to include contacts by email, phone, and text message.[204] Since August 2025, NFG has used data sharing files received from DHS to recertify CAP eligibility for customers due for recertification at their recertification date and to mail simplified CAP applications to participating customers not enrolled in CAP, and the Company's outreach to customers not enrolled in CAP is limited to a single mailing.[205] But these efforts have had limited success, despite the fact that the LIHEAP data sharing program now provides NFG with every element of data necessary to enroll LIHEAP recipients into CAP – including the affirmative acknowledgement of the customer, through their LIHEAP application, attesting to their interest and desire to enroll in utility-run energy assistance programs.[206]

NFG argues that requiring the Company to add email and text messaging for this process is unnecessary and should be rejected.[207] NFG also argues that recertifying CAP customers based on the receipt of DHS data rather than on their programmatic

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[204] CAUSE-PA MB at 93-95.
[205] CAUSE-PA MB at 94. CAUSE-PA St. 1 at 33.
[206] CAUSE-PA St. 1 at 32.
[207] NFG MB at 92-93.

recertification date is inappropriate as it does not align with NFG's current USECP.[208] Notwithstanding these arguments, NFG agrees to accept these proposals in part by expanding outreach to customers who may be CAP eligible to include a phone call, and to recertify all CAP customers based on DHS data, regardless of renewal date.[209]

CAUSE-PA continues to stand by the more robust recommendations detailed above and in its Main Brief. That said, we acknowledge the movement that NFG has made, which will help to better ensure that customers are able to enroll, and remain enrolled in CAP, compared to NFG's current LIHEAP data sharing processes.

5. Tracking and Reporting

CAUSE-PA raised concerns in this proceeding that NFG does not track and report data regarding the total or average dollars in debt of CAP customers, and that there appeared to be potential inaccuracies in NFG's reported data for the Commission's Universal Service Programs and Collections Performance report.[210] To ensure complete and accurate data is available to assess NFG's CAP, CAUSE-PA recommended that the Commission require that NFG track and report the total dollars in debt and the average arrearage level for CAP customers, and that the Commission should commence an audit of the Company's collections and universal service program reporting to assess whether additional corrective action is necessary.[211]

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[208] NFG MB at 93.
[209] NFG MB at 93. CAUSE-PA St. 1 at 37-38.
[210] CAUSE-PA MB at 98.
[211] CAUSE-PA MB at 98.

The Company has agreed to CAUSE-PA's recommendations to track and report additional CAP data to its USAC , "including the number of applications and recertifications, the total number of CAP accounts with arrears, the total dollar amount in debt for CAP customers, and the average amount of debt for CAP customers" – but inexplicably requests until mid-2027 to implement these changes.[212] NFG disagrees with CAUSE-PA's recommendation related to an audit of its universal service reporting, arguing that these recommendations stem from discovery issues which NFG worked to resolve – and that the Company is in compliance with Commission review and oversight and subject to third-party evaluations.[213]

CAUSE-PA stands by its recommendation that an audit be conducted related to NFG's universal service programs. We do not agree that the inconsistencies are solely related to discovery issues, as it appears that NFG's reporting connected to the Commission's universal service reports contain a number of discrepancies that call into question the methodologies NFG uses to calculate its reported data.[214] As we noted in our Main Brief, accurate and complete data regarding NFG's CAP and other universal service programs is critical for the Commission and stakeholders to fully assess how well NFG's CAP is functioning to deliver affordable bills to customers enrolled.[215] We therefore stand

[212] NFG MB at 93-94.
[213] NFG MB at 94-95.
[214] CAUSE-PA MB at 98.
[215] CAUSE-PA MB at 98.

by our recommendation that an audit be conducted of NFG's universal service tracking and reporting to access whether additional corrective action related to the same is necessary.[216]

B. LOW INCOME USAGE REDUCTION PROGRAM

CAUSE-PA's Main Brief explains that NFG's LIURP is a statutorily mandated universal service program designed to provide bill savings for high usage low income households through energy efficiency and usage reduction services.[217] The program provides meaningful usage reduction; however, NFG's LIURP has chronically failed accomplish the number of jobs projected in its USECP, leaving large portions of its budget unspent. NFG's chronic failure to adequately serve the need for LIURP services in its territory undermines the program's effectiveness at mitigating rate unaffordability.[218]

CAUSE-PA stands by its recommendation in its Main Brief that the Commission require NFG to develop a written plan to fully expend its LIURP budget each year to address the Company's chronic LIURP underspending utilizing data from its LIURP evaluation and input from its USAC.[219] CAUSE-PA also continues to recommend the Commission order NFG to end its discriminatory practice of excluding mobile homes from participating in LIURP, and that NFG increase its LIURP budget to account for the additional need created by any rate increase.[220]

- *The Commission must require NFG to address its LIURP underproduction.*

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[216] CAUSE-PA MB at 98.
[217] CAUSE-PA MB at 99; 66 Pa. C.S. § 2202, 2203 (8); 52 Pa. Code § 58.1.
[218] CAUSE-PA MB at 99; CAUSE-PA St. 1 at 39.
[219] CAUSE-PA MB at 98-100.
[220] CAUSE-PA MB at 101-105.

In its Main Brief, NFG does not deny that its LIURP is chronically underperforming, but nonetheless opposes CAUSE-PA's recommendations, arguing that the Company's USECP process is the appropriate forum to address its chronic LIURP underproduction.[221] NFG argues that addressing LIURP in this proceeding would "deprive stakeholders, who may not be a part of this proceeding, of an opportunity to provide meaningful input."[222]

The Commission has expressly concluded that universal service and energy conservation issues are a relevant and important area of inquiry in the context of determining whether a utility's rates are just and reasonable, and should not be exclusively relegated to a utility's periodic USECP proceeding.[223] Specifically, the Commission concluded in its recent Final-Form Rulemaking Order, "We acknowledge that rate case proceedings, for example, allow parties to, *inter alia*, consider the justness and reasonableness of the cost of a public utility's universal service programs including its LIURP."[224] The Commission also held in a 2023 Philadelphia Gas Works (PGW) rate proceeding that, "[T]abling consideration of [universal service] issues until PGW's next USECP proceeding would result in denying low-income customer relief for an extended

[221] NFG MB at 97.
[222] NFG MB at 97.
[223] Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1—58.18*, Final Form Rulemaking Order*, Docket No. L-2016-2557886, at 50, 123 (order entered March 13, 2025); *see also* Pa. PUC v. PGW, *Opinion and Order*, Docket No. R-2023-3037933, at 216 (order entered Nov. 9, 2023).
[224] Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1—58.18*, Final Form Rulemaking Order*, Docket No. L-2016-2557886, at 123 (order entered March 13, 2025).

period." [225] The Commission further stated, "such a result is unreasonable and thwarts the purpose of universal service."[226]

NFG fails to acknowledge that the Commission approved NFG's request to extend its current USECP through September 1, 2028 – long after any approved increase in rates in this proceeding, and the resulting impacts on universal service programming, would take effect.[227] Ignoring the chronic underperformance of NFG's LIURP until its next USCEP would allow the program to continue to underperform for an extended period of time, leaving NFG's high usage, low income customers without meaningful relief. Further, NFG's argument that there may be interested stakeholders that are not part of this proceeding is without merit, because all parties who participated in NFG's USECP proceeding are also parties to the current proceeding.[228]

Further, it is appropriate to address the underperformance of NFG's LIURP in this proceeding because its USECP is limited to a comment proceeding, which does not provide a full evidentiary basis of review. The USECP proceeding does not allow for the Commission to account for changing and evolving circumstances, such as NFG's proposal to substantially increase its rates, which necessarily impact the reach and effectiveness of universal service and energy conservation programs.

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[225] Pa. PUC v. PGW, *Opinion and Order*, Docket No. R-2023-3037933, at 216 (order entered Nov. 9, 2023) (emphasis added).
[226] *Id.*
[227] Secretarial Letter, Re: NFG 2022-2026 USECP Request for Extension of Time to File NFG's Next Third-Party Evaluation and USECP, Docket No. M-2021-3024935 (Dec. 11, 2024).
[228] *See* NFG Universal Service and Energy Conservation Plan for 2022-2026 Submitted in Compliance with 52 Pa. Code § 62.4, *Order*, Docket No. M-2021-3024935, at 3 (order entered Dec. 21, 2023).

Thus, full review of NFG's chronic LIURP underproduction in this rate proceeding – where the justness and reasonableness of a utility's rates, programs, and terms and conditions are subject to searching review – is critically important to determine whether ensure that the program can adequately meet the needs of NFG's high usage, low income customers. This is especially true considering NFG's proposal to substantially increase rates and to recover a greater portion of rates through fixed fees that simultaneously undermine the goals and objectives of LIURP.

- *The Commission must order NFG to cease its discriminatory practice of excluding residents in mobile homes from LIURP eligibility*

In response to CAUSE-PA's recommendation that the Commission order NFG to end its discriminatory practice of excluding mobile homes from participating in LIURP, NFG argues that mobile homes have obstacles to weatherization and limited opportunities for meaningful energy savings.[229] NFG has provided no evidence to substantiate its claim that mobile homes who meet NFG's LIURP minimum usage thresholds have any less potential for energy savings than other housing types – either as a whole, or individually. Notably, mobile homes are explicitly *included* in the definition of "dwelling" in the Commission's LIURP regulations, but NFG categorically excludes this dwelling type from its LIURP.[230] In some of the counties that NFG serves, as much as 17% of customers with income at or below 150% FPL and 12% of customers between 151-200% FPL reside in mobile homes and are currently unable to access the usage reduction and bill savings

[229] NFG MB at 96.
[230] 52 Pa. Code § 58.2 ("*Dwelling*—A structure being supplied with residential utility service such as a house, apartment, mobile home or single-metered multiunit under § 56.2….")

available through LIURP because of their dwelling type.[231] The fact is, energy efficiency measures can effectively reduce usage and energy bills for residents of mobile homes.[232]

None of the "practical obstacles" of weatherizing mobile homes cited by NFG are unique to mobile homes. NFG cites "issues with construction, the need for structural repairs, and questionable cost-effectiveness of insulation."[233] NFG has provided no evidence that these challenges are unique to mobile homes rather than simply common challenges among all types of low income housing. These generalized obstacles should not serve to exclude an entire classification of low income customers from receiving targeted usage reduction services.[234] In fact, NFG's LIURP contains funding for health, safety, and incidental repairs designed to overcome physical obstacles to weatherization.[235]

In its 2024 report evaluating NFG's LIURP, APPRISE indicated that when it interviewed NFG LIURP services providers for suggestions to improve the program, one provider urged expansion of LIURP to mobile homes, highlighting the potential in this dwelling type, and indicated that the provider agency had practical experience delivering weatherization measures to mobile homes.[236]

CAUSE-PA stands by its position that it is discriminatory and unreasonable to allow NFG to excluding mobile home residents from LIURP, and the Commission should require that NFG begin allowing customers residing in mobile homes to participate in LIURP.[237]

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[231] CAUSE-PA St. 1-SR at 12.
[232] CAUSE-PA St. 1 at 42.
[233] NFG MB at 96.
[234] CAUSE-PA St. 1-SR at 12.
[235] CAUSE-PA St. 1-SR at 12.
[236] CAUSE-PA St. 1 at 42-43.
[237] CAUSE-PA St. 1 at 44.

- *The Commission should order NFG to increase LIURP funding to account for the additional need created by any increased rates in this proceeding.*

In response to calls for increased LIURP funding to mitigate the impact of its proposed rate increase, NFG argues that its budget surplus means LIURP is adequately funded.[238] NFG's failure to expend its LIURP budget does not disprove the demonstrated need for expanded usage reduction services. NFG's LIURP underperformance merely highlights the need to improve service delivery.[239] The Commission should not excuse NFG from compliance with its statutory obligation under the Choice Act to appropriately fund its LIURP because the Company has historically struggled to make the program appropriately available to customers.[240] CAUSE-PA stands by its position that the Commission should require NFG to implement the program reforms discussed and, in turn, to increase its LIURP budget to ensure the program is appropriately funded to address the unmet need for LIURP services in NFG's service territory, and help to offset the impact of any approved rate increase on NFG's low income households.

C. NEIGHBOR FOR NEIGHBOR HARDSHIP FUND

NFG's Neighbor for Neighbor (NFN) hardship fund is facing a substantial funding crisis based on the increased need for assistance in recent years – coupled with a long-term trend of declining donations and a near lack of any discernable fundraising efforts.[241]

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[238] NFG MB at 95-96. I&E makes a similar argument in its Main Brief. I&E MB at 44.
[239] CAUSE-PA MB at 104.
[240] 66 Pa. C.S. § 2203 (8).
[241] CAUSE-PA MB at 105-106. CAUSE-PA St. 1 at 47-48.

CAUSE-PA set forth recommendations in its Main Brief to improve the funding and accessibility NFG's NFN fund, including developing a fundraising plan for NFN.[242]

CAUSE-PA also opposed NFG's proposals to limit the NFN by (1) requiring that applicants prove both income eligibility and an additional hardship criterion, (2) limiting NFN eligibility to NFG customers, and (3) allowing for the adjustment the grant amount based on demand, which NFG clarified would allow the maximum grant amount to be reduced when demand is high or funds are low.[243] CAUSE-PA noted that these changes were not included in the Company's initial filing, and would limit the availability of critical grant funding in contravention of the Choice Act's requirement that NFG's universal service programs, including its NFN, be appropriately funded and available.[244]

NFG argues that its NFN hardship fund is facing a budget shortfall because of increased number of grants awarded, and asserts that it is appropriate to implement changes to its NFN which would severely restrict the availability of grant funding to those in need.[245] NFG further disagrees with CAUSE-PA's assessment that NFG's proposed changes to the NFN were not improperly developed through discovery because CAUSE-PA responded in its direct and surrebuttal testimony to these proposals.[246]

CAUSE-PA remains concerned that NFG never formally introduced its intention to place severe limitations on its NFN fund, and questions whether NFG would have disclosed

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[242] CAUSE-PA MB at 111-112.
[243] CAUSE-PA MB at 106-107. CAUSE-PA St. 1 at 48-49.
[244] NFG MB at 98.
[245] NFG MB at 98.
[246] NFG MB at 99.

its plans if CAUSE-PA had not investigated the issue through discovery. Nevertheless, setting aside the procedural stage through which these changes were proposed, NFG's proposed limitations to the NFN would restrict access to grant assistance without doing anything to address the underlying funding crisis. NFG's hardship funding has drastically declined over recent years between 2023 and 2025, with the hardship fund being depleted most recently on February 25, 2026 – in the middle of peak winter heating season.[247] While NFG released annual shareholder contributions early to avoid suspension of the program, funding for NFN remains woefully inadequate to address current need. As of January 2026, NFG's confirmed low income customers (exclusive of CAP customers) were carrying over $4.1 million in debt.[248] NFG's critically low funding for NFN erode the availability of emergency grant assistance for customers in need of assistance, in contravention of the universal service provisions of the Choice Act.[249] As such, CAUSE-PA stands by its recommendations that the Commission reject NFG's proposed changes to NFN.[250]

In opposition to CAUSE-PA's recommendation to increase efforts to solicit voluntary donations, NFG argues that fundraising alone is insufficient to appropriately fund the NFN to address growing need.[251] In the same breath, NFG argues against Mr. Geller's recommendations to increase shareholder contributions to $184,000 annually – arguing this amount is out of line with projections of the average hardship contribution for

[247] CAUSE-PA St. 1 at 47.
[248] CAUSE-PA St. 1 at 47.
[249] CAUSE-PA MB at 109-111. CAUSE-PA St. 1 at 47.
[250] CAUSE-PA MB at 110.
[251] NFG MB at 99.

other Pennsylvania NGDCs.[252] Despite these arguments, NFG agreed in its Main Brief to increase annual shareholder contributions by $30,000, bringing the fund to $122,000.[253]

CAUSE-PA certainly supports NFG's decision to increase shareholder funding for the NFN. That said, NFG's commitment is certainly not proportional to the substantial rate increase it is proposing in this case, or the resulting increase in relative need, nor will this funding address the recent increased need that NFG has already identified at existing rates. CAUSE-PA continues to support the more robust increase in hardship funding to $184,000 annually based on Mr. Geller's recommendations set forth in his direct testimony.[254]

XIII. CUSTOMER/QUALITY OF SERVICE ISSUES

CAUSE-PA continues to support the OCA's recommendation that the Commission require NFG to conduct an analysis of whether NFG's payment arrangements prevent terminations after a termination notice has been issued to a customer.[255] Payment arrangements are an important tool to reduce uncollectible expenses and keep people connected to service, yet they can also serve to quickly compound debts if they are unreasonable or unaffordable, increasing risk of termination.

XIV. MISCELLANEOUS/OTHER ISSUES

A. LTIIP AND LPP REPLACEMENTS

CAUSE-PA does not have any reply to the other parties on this issue.

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[252] NFG MB at 99.
[253] NFG MB at 99-100. NFG commits to making this contribution retroactively, meaning the Company will contribute an additional $30,000 in 2026.
[254] Through briefing, the Office of Small Business Advocate (OSBA) recommends that small businesses be eligible for NFN. Absent substantial additional funding and cross class recovery of associated costs, expansion in this manner is inappropriate. OSBA MB at 17-18.
[255] CAUSE-PA MB at 112-113; OCA MB at 106.

B. RESTORATION COSTS

CAUSE-PA does not have any reply to the other parties on this issue.

C. TARIFF RULE 8

As explained in CAUSE-PA's Main Brief, NFG's proposed revisions to Tariff Rule 8 should be rejected because they would infuse highly subjective language that could result in customers having service refused or terminated based on subjective determinations related to perceived hazards.[256] While NFG argues that its revisions to Tariff Rule 8 do not introduce subjectivity but rather impose an objective standard for identifying hazardous conditions, simply stating that the proposals add objectivity does not make it so.[257] The language used by NFG characterizing the presence of pests, debris, "rubbish" or "other health and safety issues" could result in customers having service refused or terminated based on subjective determinations about perceived conditions which may not actually pose any threat to NFG's employees and instead may be rooted in bias.[258]

NFG's proposed tariff language would allow NFG and its representatives to make subjective determinations based on a range of cultural and moral differences that could result in termination or refusal of service.[259] These conditions may be beyond the customer's control and they may be unable to remediate without assistance.[260] This level

[256] CAUSE-PA MB at 114; CAUSE-PA St. 1. at 70: 15-20.
[257] CAUSE-PA St. 1-SR at 25.
[258] CAUSE-PA St. 1 at 70.
[259] CAUSE-PA St. 1 at 70.
[260] CAUSE-PA St. 1 at 71.

of subjectivity would impede the ability of the Commission and interested parties to determine if NFG is complying with statutory and regulatory requirements.[261]

NFG has health and safety funding within its LIURP that could help remediate some of the very same conditions that, under Tariff Rule 8, would otherwise permit NFG to terminate service to the home. NFG argues that its rule is consistent with the Commission's regulations which authorize utilities to terminate service if customers refuse access to facilities or violate tariff provisions in a way that endangers a person's safety or the integrity of the distribution system. However, NFG already has a range of protocols for addressing health and safety conditions on customers' premises, and the basis for termination proposed in NFG's tariff go far beyond the objective standards set forth in the Commission's regulations.[262] NFG has provided no evidence that its proposed revisions to Tariff Rule 8 are necessary or would provide any additional protection for its employees.

CAUSE-PA stands by its position that the Commission should reject revisions to Tariff Rule 8 and require NFG to track and report terminations, delays, and denials of service based on health and safety conditions, as well as the steps taken by NFG to help connect customers with remediation resources.

D. METHANE DETECTOR PROGRAM

CAUSE-PA does not have any reply to the other parties on this issue.

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[261] CAUSE-PA St. 1 at 71.
[262] CAUSE-Pa MB at 115; CAUSE-PA St. 1 at 70-71.

XV. CONCLUSION

For the reasons set forth above, as well as in its Main Brief, CAUSE-PA urges ALJ Dunderdale and the Commission to deny NFG's proposed rate increase and adopt the revenue decrease recommended by the OCA. We further urge denial of NFG's excessive proposed fixed charge and unjust Weather Normalization Adjustment charge and adoption of the policy and programmatic recommendations throughout CAUSE-PA's Main Brief to mitigate the effects of NFG's categorically unaffordable rates on low income households.

PENNSYLVANIA UTILITY LAW PROJECT

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