



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

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

August 17, 2026

Via Electronic Filing

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

Re: Pennsylvania Public Utility Commission v.
National Fuel Gas Distribution Corporation
Docket No. R-2025-3059428
I&E Exceptions

Dear Secretary Homsher:

Enclosed for electronic filing please find the Exceptions of the Bureau of Investigation and Enforcement in the above-captioned proceeding.

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

Sincerely,

A handwritten signature in black ink that reads 'Scott B. Granger'.

Scott B. Granger
Senior Prosecutor
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SBG/ac
Enclosures

cc: Office of Special Assistants (via email – ra-OSA@pa.gov)
Administrative Law Judge Katrina L. Dunderdale (via email – kdunderdal@pa.gov)
Cadi Eberly, Legal Assistant (via email – caeberly@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**EXCEPTIONS OF
THE BUREAU OF INVESTIGATION AND ENFORCEMENT**

Scott B. Granger
Senior Prosecutor
PA Attorney ID No. 63641

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

Dated: August 17, 2026

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I. INTRODUCTION

Pursuant to 66 Pa. C.S. § 332(h) of the Public Utility Code and 52 Pa. Code § 5.533 of the Public Utility Commission regulations, the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits these Exceptions to the Recommended Decision of Administrative Law Judge Katrina L. Dunderdale (“ALJ” or “ALJ Dunderdale”) issued on July 31, 2026 (“Recommended Decision” or “R.D.”).

On January 28, 2026, National Fuel Gas Distribution Corporation (“National Fuel” or “NFG” or the “Company”) filed Supplement No. 294 to National Fuel Gas Distribution Corporation Gas Tariff – PA P.U.C. No. 9 (“Supplement No. 294”). National Fuel sought a base rate increase pursuant to 66 Pa.C.S. § 1308 of the Public Utility Code of approximately \$19.7 million. If the Company's entire request would have been approved, the total bill for a residential customer using 80 ccf per month would have increased from \$83.49 to \$88.44 per month, or by 5.9%. Supplement No. 294 contained an issue date of January 28, 2026, and an effective date of March 29, 2026.

The Company’s filing also included a proposal to reinstate a tariff rider that was designed to provide a refund of Other-Post Employment Benefits (“OPEB”) funds of approximately \$6.2 million to all customers and also to provide a one-time bill credit of \$30, totaling approximately \$1.025 million, to Customer Assistance Program (“CAP”), Level 1, and Level 2 customers.

NFG also included a request for approval of two alternative rate mechanisms in accordance with Act 58 of 2018, 66 Pa.C.S. § 1330: (1) a Weather Normalization Adjustment; and (2) an Energy Efficiency pilot program.

The parties to this base rate proceeding are NFG, I&E; the Office of Consumer Advocate (“OCA”); the Office of Small Business Advocate (“OSBA”); the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”); and the Pennsylvania Weatherization Providers Task Force (“PA Task Force”).

By Order entered February 19, 2026, the Commission suspended the rate filings until October 29, 2026 and directed an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules and regulations contained in this rate filing. The matter was assigned to the Office of Administrative Law Judge, Katrina L. Dunderdale presiding, which culminated in the issuance of the July 31, 2026, Recommended Decision.

Pursuant to the established litigation schedule, I&E filed the following pieces of direct, rebuttal and surrebuttal testimony on April 16, 2026, May 12, 2026 and May 27, 2026 respectively:

Christopher Keller

I&E Statement No. 1 (PROPRIETARY/Non-Proprietary)

I&E Exhibit No. 1 (PROPRIETARY/Non-Proprietary)

I&E Statement No. 1-R

I&E Exhibit No. 1-R

I&E Statement No. 1-SR

I&E Exhibit No. 1-SR

Drew Breuning

I&E Statement No. 2

I&E Exhibit No. 2

I&E Statement No. 2-SR

Ethan Cline
I&E Statement No. 3
I&E Exhibit No. 3
I&E Statement No. 3-SR

Jesse Burkett
I&E Statement No. 4 (PROPRIETARY/Non-Proprietary)
I&E Exhibit No. 4
I&E Statement No. 4-SR

On Tuesday, June 2, 2026, at the time and place set for the evidentiary hearing, the parties appeared in-person before ALJ Dunderdale. After the conclusion of the hearing and the closing of the record, the active parties submitted briefs according to the briefing schedule. I&E submitted its Main Brief on June 22, 2026 (“I&E MB”) as did the other active parties. Then, I&E submitted its Reply Brief on July 1, 2026 (“I&E RB”) as did the other active parties.

Finally, and as stated previously, on July 31, 2026, ALJ Dunderdale issued her Recommended Decision. Although I&E supports the majority of ALJ Dunderdale’s well-reasoned recommendations, I&E requests that the Commission revise the RD in response to the exceptions and arguments raised by I&E as set forth below.

II. EXCEPTIONS

A. I&E Exception No. 1: The ALJ erred in concluding that the Methane Detector Program recommended by I&E is too costly and duplicative of the pilot program underway in New York. R.D. at 401-402.

In her Recommended Decision, ALJ Dunderdale, erroneously “recommends the Commission reject BIE’s Methane Detector Program, at this time, because the program is too costly and duplicative of the pilot program underway in New York.”¹ Further, the

¹ R.D. p. 401.

ALJ recommends “at the next filing of a rate case by NFG, NFG should provide information about the result of the New York pilot, so the parties and the Commission can consider the costs, rules, applications and feasibility of initiating a pilot, with the benefit of the information gained in New York.”²

I&E disagrees and, through these exceptions, continues to recommend that NFG implement a pilot program utilizing Smart Remote Methane Detectors (“SRMDs”) in a geographic region of NFG’s choosing for the installation of 500 to 1000 SRMDs to allow NFG to study the effectiveness of the SRMDs and monitor the related expenses.³ Further, I&E recommended NFG consider using AMI technology and LoRaWAN or other communication network technology for the notification methodology utilized by these devices as part of its pilot program.⁴

I&E recommended that NFG use a risk-based approach to maximize the benefits in determining the location and rollout of a methane detector program.⁵ This program should be implemented geographically in sections of NFG’s service territory through a risk-based evaluation considering operational history and should include buildings or homes with inside meter sets and regulators, residences, businesses, and places of congregation.⁶

² *Id.*, pp. 401-402.

³ I&E St. No. 4, p. 23. See also, I&E St. No. 4-SR, p. 5.

⁴ *Id.*

⁵ *Id.*, p. 24.

⁶ *Id.*

Regarding NFG's current New York pilot program, in NFG's annual report to the New York State Public Service Commission⁷ NFG simply reported on the total number of residential methane detectors ("RMDs") distributed to their customers. NFG stated"

During calendar year 2025, the Company distributed 17,560 units at a total cost of \$1,097,557. Since 2025 was the first year of the program, these figures also represent the program totals to date.⁸

Based on the report, it appears that NFG only gained knowledge of the actual price of the detectors and installation costs through their New York program. NFG stated:

The Company distributes RMDs through its workforce as well as through a third-party vendor. The unit costs of both distribution methods have been higher than expected, due primarily to the cost of the RMDs themselves.⁹

NFG will not gain any knowledge regarding any SRMD technology, nor any actual costs related to the various SRMD technologies through its New York program. Therefore, the New York program is not duplicative of the I&E recommended SRMD program.

As I&E witness Burkett pointed out, SRMD devices would use communication technology to simultaneously notify the customer and the emergency gas response officials, not only allowing additional time for safe egress by those hearing the alarm but also provide advanced notice to reduce the response time of the emergency responders who can potentially assist with further evacuations or mitigate the issues triggering the alarm.¹⁰ Mr. Burkett noted further that NFG has a substantial amount of bare steel and wrought iron pipe remaining in its system that are the subject of future replacement

⁷ See I&E Exh. No. 4, Sch. 12.

⁸ *Id.*, p. 1.

⁹ *Id.*

¹⁰ I&E St. No. 4, p.17. See also, I&E St. No. 4-SR, pp. 4-5.

projects, including through an accelerated LTIP plan.¹¹ Also noting the bare steel and wrought iron replacement schedule within the LTIP targets a 2039 complete replacement and extrapolated data indicates a 17 year timeline.¹² During this period of replacement, the pipe still in the ground will logically be prone to a greater number of leaks, and structures in the areas served by these pipes could benefit from smart remote methane detectors. Mr. Burket concluded, “in my opinion, installation of SRMDs, or real-time methane detection devices have the potential to save lives across NFG’s Pennsylvania service territory.”¹³ More importantly, Mr. Burkett noted as technology continues to evolve, the ability to remotely notify the operator of the presence of indoor gas readings is the next logical step for operators across Pennsylvania to drive down the probability of an explosion and the consequences, should an explosion occur.¹⁴ Finally, I&E did note that audible remote methane detectors (ARMDs) would be a lower cost option versus the more sophisticated smart remote detectors systems.¹⁵

In consideration of this I&E exception, the Commission should overturn the ALJ’s recommendation and instead support I&E witness Burkett’s recommendations regarding the SRMDs. I&E does not dispute that there may be additional costs necessary to implement the I&E recommended smart remote methane detector program and will leave that up to the Commission’s discretion.

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*, p. 21. See also, I&E St. No. 4-SR, pp. 4-5.

¹⁴ *Id.*; *Id.*

¹⁵ I&E St. No. 4-SR, p. 5.

III. CONCLUSION

Wherefore, I&E respectfully requests that for all the foregoing reasons, the Recommended Decision of Administrative Law Judge Katrina L. Dunderdale, issued on July 31, 2026, be modified as recommended above.

Respectfully submitted,

A handwritten signature in cursive script, reading "Scott B. Granger".

Scott B. Granger
Senior Prosecutor
PA Attorney ID No. 63641

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

Dated: August 17, 2026

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National Fuel Gas Distribution Corporation	:	

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Exceptions** dated August 17, 2026, in the manner and upon the persons listed below.

Served via Electronic Mail Only

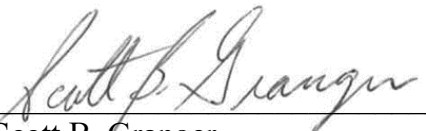
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