PULP
PENNSYLVANIA
UTILITY LAW PROJECT

August 17, 2026

Via Email Only

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 Nos. R-2025-3059428, et al.

Dear Secretary Homsher:

Please find the attached copy of the **Exceptions 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,

Levi A. Phillips, Esq.
Counsel for CAUSE-PA

CC: Administrative Law Judge Katrina L. Dunderdale (via email at kdunderdal@pa.gov)
Office of Special Assistants (via email at ra-OSA@pa.gov)
Certificate of Service

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 **Exceptions 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.

VIA EMAIL ONLY

Anthony D. Kanagy, Esq.
Megan E. Rulli, Esq.
Lindsay A. Berkstresser, Esq.
Michael W. Gang, Esq.
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
akanagy@postschell.com
mrulli@postschell.com
lberkstresser@postschell.com
mgang@postschell.com

Scott B. Granger, Esq.
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265
sgranger@pa.gov

Rebecca Lyttle, Esq.
Office of Small Business Advocate
555 Walnut Street
Forum Place, 1st Floor
Harrisburg, PA 17101
relyttle@pa.gov

Joseph L. Vullo, Esq.
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
jlvullo@bvrrlaw.com

Harrison W. Breitman, Esq.
Joel H. Cheskis, Esq.
Ryan Morden, Esq.
Olivia M. Spergel, Esq.
Janna E. Williams, Esq.
Crystal M. Zook, Esq.
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
OCANFGBRC26@paoca.org

Respectfully Submitted,

PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA

Levi A. Phillips, Esq., PA ID: 338477
118 Locust Street
Harrisburg, PA 17101
pulp@pautilitylawproject.org

Dated: August 17, 2026

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

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

Counsel for CAUSE-PA

Levi A. Phillips, Esq., PA ID: 338477
Ria M. Pereira, Esq., PA ID: 316771
Elizabeth R. Marx, Esq., PA ID: 309014
John W. Sweet, Esq., PA ID: 320182
Lauren N. Berman, Esq., PA ID: 310116

PENNSYLVANIA UTILITY LAW PROJECT
118 Locust Street
Harrisburg, PA 17101
Tel.: (717) 710-3825
pulp@pautilitylawproject.org

Date: August 17, 2026

TABLE OF CONTENTS

I. INTRODUCTION

By Secretarial Letter dated July 31, 2026, the Office of Administrative Law Judge issued a Recommended Decision (R.D.) of Administrative Law Judge (ALJ) Katrina L. Dunderdale in the requested base rate increase of National Fuel Gas Distribution Corporation (NFG or the Company). The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), through its counsel at the Pennsylvania Utility Law Project, files these Exceptions to the Recommended Decision.

ALJ Dunderdale erred as a matter of law by recommending Conclusions of Law (COL) that are inconsistent with Commission precedent and regulation regarding the appropriateness of considering proposals about a utility's universal service and energy conservation programs in the context of a base rate proceeding.[1] As set forth in CAUSE-PA's Main Brief and Reply Brief, the Commission has expressly concluded that universal service and energy conservation issues are a relevant and important area of inquiry in the context of a base rate proceeding and cannot be relegated to a utility's Universal Service and Energy Conservation Plan (USECP) proceedings.[2] However, the Recommended Decision contains Conclusions of Law asserting the opposite.[3] CAUSE-PA urges the Commission to grant these Exceptions to reaffirm that universal service issues are appropriate to consider in the context of a base rate proceeding.[4] CAUSE-PA is not excepting to any of the specific elements of the ALJ's factual determinations in this proceeding, merely her conclusions of law which are inconsistent with recent Commission decisions on these issues.

---

[1] COL 54 & 55, R.D. at 412-13.
[2] MB at 11, 103-104; RB at 49-51.
[3] COL 54 & 55; R.D. at 412-13.
[4] MB at 11; RB at 49.

The Natural Gas Choice and Competition Act (Choice Act) requires NFG to maintain a portfolio of universal service programs to help low income customers maintain gas service to their homes and requires the Commission to ensure that NFG's universal service programs are appropriately funded and available.[5] NFG's universal service programs include a Customer Assistance Program (CAP), a Low Income Usage Reduction Program (LIURP), a Neighbor for Neighbor Hardship Fund (NFN), and a Customer Assistance and Referral Evaluation Service (CARES).[6] As CAUSE-PA witness Harry S. Geller explained in his direct testimony, NFG's universal service programs are severely undersubscribed, underfunded, and insufficiently available to meet the demonstrated need of the Company's low income customers for assistance to afford and maintain service to their homes.[7] NFG has dramatically underenrolled its low income customers in CAP.[8] NFG consistently fails to fully utilize its LIURP budget and treat the number of homes it projected to treat in its USECP.[9] The Company's NFN hardship fund faces a serious funding crisis.[10] Through this proceeding, NFG proposes to increase rates for basic gas service, which will only intensify its low income customers' need for assistance from NFG's universal service programs which are demonstrably inadequate to meet its customers' needs even under existing rates.[11]

Rates for basic service cannot be just and reasonable if low income customers are unable to access service either on their own or with assistance from universal service or energy conservation programs.[12] A searching assessment of NFG's universal service programs is therefore

[5] 66 Pa. C.S. §§ 2202, 2203(8); MB at 9-11.
[6] CAUSE-PA St. 1 at 23.
[7] Id. at 23-50.
[8] Id. at 27.
[9] Id. at 40-41.
[10] Id. at 46-47.
[11] Id. at 24.
[12] Id. at 25.

central to determining the justness and reasonableness of NFG's rates.[13] That is what occurred in this case and what should occur in each base rate proceeding.

While NFG's USECP is periodically reviewed through a comment proceeding, this process does not allow for a full evidentiary basis of review.[14] A USECP proceeding also does not allow the Commission to account for changing and evolving circumstances – such as an increase in rates – that necessarily impact the reach and effectiveness of universal service and energy conservation programs.[15] Critically, 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.[16] As such, to avoid an extensive period of hardship for NFG's low income customers, it is imperative that the Commission examine the Company's universal service and energy conservation programs in the context of the current proceeding.[17]

II. EXCEPTIONS

1. **CAUSE-PA Exception #1: The ALJ erred in concluding as a matter of law that it is not appropriate to consider proposals relating to universal service and energy conservation issues in the context of a utility's base rate proceeding. (COL 54, R.D. at 412-13).**

In her R.D., ALJ Dunderdale recommends COL 54, which states:

> It is not appropriate to consider proposals relating to a public utility's energy burdens, Customer Assistance Plan, and other universal service program issues within the context of a base rate proceeding, finding that such proposals are more properly considered in a public utility's Universal Service and Energy Conservation Plan (USECP) proceeding." *Pa. Pub. Util. Comm'n v. Aqua Pennsylvania, Inc.*, (2022 Aqua Order), Docket No. R-2021-3027386 (Order Entered May 16, 2022).

[13] MB at 85.
[14] Id. at 86.
[15] Id.
[16] Id. at 85-86.
[17] CAUSE-PA St. 1 at 24.

This Conclusion is erroneous as a matter of law. 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.[18] The Commission concluded in its recent Final-Form Rulemaking Order revising LIURP regulations 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."[19] The Commission also set forth this conclusion in its Final Order in the Philadelphia Gas Works 2023 base rate proceeding (*PGW 2023*), stating:

> …[W]e share the concerns raised by the Parties and acknowledged by the ALJs that tabling consideration of [universal service] issues until PGW's next USECP proceeding would result in denying low-income customer relief for an extended period. In our view, such a result is unreasonable and thwarts the purpose of universal service, which is to help low-income customers *maintain* their natural gas service. See, 66 Pa. C.S. § 2202. Further, we find CAUSE-PA/TURN's argument, that a base rate case proceeding provides a more formal review process than the USECP review process, to be persuasive. Accordingly, we find that the instant proceeding is the more appropriate forum to address these low-income customer service issues and we shall deny PGW's Exception No. 16.[20]

In *PGW 2023*, the Commission pointed to its policy statement regarding ratemaking procedures specific to PGW, which requires the Commission to consider "the effect on universal service" when reviewing the justness and reasonableness of PGW's rates.[21] The Commission's conclusion that universal service issues are appropriately addressed in a base rate proceeding, however, is not cabined to PGW. In the 2025 base rate proceeding of Columbia Gas of

---

[18] MB at 11; RB at 49.
[19] MB at 103-04; RB at 49.
[20] Pa. PUC v. PGW, Opinion and Order, Docket No. R-2023-3037933, at 216 (order entered Nov. 9, 2023) (emphasis in original); MB at 11; RB at 49-50.
[21] Pa. PUC v. PGW, Opinion and Order, Docket No. R-2023-3037933, at 215 (order entered Nov. 9, 2023).

Pennsylvania, Inc. (*Columbia 2025*), the Commission adopted by reference the Conclusions of Law set forth in the ALJ's Recommended Decision, including COL 73:

> 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 cannot be relegated to a utility's periodic Universal Service and Energy Conservation Plan proceeding.[22]

In the instant R.D., COL 54 includes a citation to the Commission's Final Order in the 2022 base rate case of Aqua Pennsylvania, Inc. (*Aqua 2022*) to support the conclusion that it is not appropriate consider proposals regarding a utility's universal service programs in a base rate proceeding and that such proposals instead are more properly considered in a USECP proceeding.[23] The cited case, however, does not support that conclusion. In *Aqua 2022*, the Commission clarified in response to a Petition for Reconsideration that it was merely rejecting one specific universal service proposal in its Final Order, not foreclosing the review of any universal service programs in the context of a base rate proceeding.[24] The Commission clarified that it had, in fact, "engaged in a full analysis of the Parties' competing position on the issue" and "simply rejected CAUSE-PA's position" based on the circumstances of that particular case.[25] The Commission therefore did not foreclose the review of universal service program proposals within base rate proceedings in *Aqua 2022*, as the Commission has affirmed in subsequent proceedings including *PGW 2023* and *Columbia 2025*. The Commission should grant CAUSE-PA's Exception #1 and strike COL 54 because it is erroneous as a matter of law.

---

[22] Id. at 16; Pa. PUC v. Columbia Gas of Pa., Recommended Decision, Docket No. R-2025-3053499 at 678.
[23] R.D. at 412-13.
[24] Pa. PUC v. Aqua Pennsylvania, Inc., Opinion and Order, Docket No. R-2021-3027385, at 23 (Order entered Oct. 27, 2022).
[25] Id.

2. <u>CAUSE-PA Exception #2:</u> **The ALJ erred as a matter of law in concluding that a utility's LIURP budget can only be reviewed in a USECP proceeding. (COL 55, RD at 413).**

In her R.D., ALJ Dunderdale recommends COL 55, which states:

> A "LIURP budget can only be revised through a USECP proceeding initiated pursuant to the periodic USECP review process or in response to a petition to amend a USECP earlier than the periodic USECP review process." Notice of Proposed Rulemaking for the *Initiative to Review and Revise the Exhibit Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1-58.18*, (2023 LIURP Rulemaking Order), Docket No. L-2016-2557886, p. 36 (Order Entered May 18, 2023).

This Conclusion is erroneous as a matter of law. The Commission's LIURP regulations explicitly allow for the review and revision of a utility's LIURP budget in a "Commission proceeding" – not exclusively in a USECP proceeding.[26] To support the conclusion that a LIURP budget can only be revised through a USECP proceeding, COL 55 includes a citation to the Commission's Notice of Proposed Rulemaking regarding its initiative to review and revise the LIURP regulations.[27] However, the Commission reversed this position in its Final-Form Rulemaking Order in that proceeding, determining that revisions to a utility's LIURP budget "may be proposed through USECP proceedings and through non-USECP proceedings, such as a base rate proceeding."[28] In its Final-Form Rulemaking Order, the Commission stated:

> We recognize that while it is appropriate to determine the effectiveness and prudence of universal service costs in a USECP proceeding, **we also recognize that it is necessary to evaluate the appropriateness of a LIURP funding requirement in non-USECP proceedings such as rate cases.** The recoverable costs of a public utility's universal service programs are borne by its residential ratepayers. 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. Accordingly, we have revised §

[26] 52 Pa. Code § 58.4(a.1)(2); MB at 103; RB at 49.
[27] R.D. at 413.
[28] <u>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</u>, Docket No. L-2016-2557886, at 50, 123 (order entered March 13, 2025); MB at 103-04; RB at 49.

58.4(a.1) and (c) to clarify that **a LIURP budget may be modified subject to approval in a Commission proceeding**. We have also made similar clarifications throughout the final-form Chapter 58.[29]

The Commission should grant CAUSE-PA's Exception #2 and strike COL 55 because it is erroneous as a matter of law.

III. CONCLUSION

For the reasons set forth above, and as more fully explained in CAUSE-PA's Main Brief and Reply Brief, CAUSE-PA urges the Commission to grant these Exceptions and adopt CAUSE-PA's positions.

Respectfully submitted,

PENNSYLVANIA UTILITY LAW PROJECT

Counsel for CAUSE-PA

Levi A. Phillips, Esq., PA ID: 338477
Ria M. Pereira, Esq., PA ID: 316771
Elizabeth R. Marx, Esq., PA ID: 309014
John W. Sweet, Esq., PA ID: 320182
Lauren N. Berman, Esq., PA ID: 310116
118 Locust Street
Harrisburg, PA 17101
Tel.: (717) 710-3825
pulp@pautilitylawproject.org

Date: August 17, 2026

[29] 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) (emphasis added); MB at 103-04.