

Quarterly Regulatory Update – Regulatory Summary Supplement

Natural Gas Utility Rate Cases Completed in 2025Q1

All information in this document is based on publicly available dockets from state utility regulatory bodies nationwide. The information has been summarized for the reader's convenience and is intended for informational purposes only. These summaries do not represent the views or policy positions of AGA or any member company.

Company	Date Authorized	Docket
Cascade Natural Gas Corp.	Feb. 24, 2025	UG-240008
Northern States Power Co.	Feb. 13, 2025	GR-23-413
Orange & Rockland Utilities Inc.	Mar. 20, 2025	24-G-0061
Piedmont Natural Gas Co.	Jan. 7, 2025	G-9 Sub 837
Puget Sound Energy Inc.	Jan. 15, 2025	UG-240005 (merged with UE-240004)
Southwest Gas Corp,	Mar. 27, 2025	G-01551A-23-0341

Summaries of individual rate case items from the aforementioned rate cases are included in the following pages:

Orange and Rockland Utilities Inc.

As part of its compliance with the Climate Leadership and Community Protection Act (CLCPA), Orange and Rockland Utilities is required under the Joint Proposal ordered in the rate case to submit an annual Disadvantaged Communities (DACs) Report focused in part on ensuring equitable access to gas decarbonization and energy efficiency initiatives. This report supports the mandates in the CLCPA, which require that state agencies avoid disproportionately burdening DACs and prioritize emissions reductions within them.

With regard to natural gas, the report must include geographic and demographic analysis of utility investments and customer outcomes in DACs related to energy efficiency and building electrification efforts, gas main replacement projects, gas leak repair efforts, and customer operations metrics such as arrears, disconnections, and deferred payment agreements. These components are intended to assess whether DACs are receiving appropriate access to cost-saving energy efficiency measures and whether they are being fairly treated in the utility's decarbonization strategy, particularly with respect to infrastructure modernization and methane emissions reductions aligned with the CLCPA.

The utility must explain how it ensures that DACs benefit from these programs, identify any barriers to participation, and provide justifications if any new gas-related programs are not made accessible to these communities. To reinforce accountability and transparency, Orange and Rockland must also host a stakeholder engagement session within 60 days of filing the report each year, offering community representatives and regulators the opportunity to review findings and provide feedback. The report will include narrative descriptions of data collection methods, mapping assumptions using the Department of Environmental Conservation's DACs criteria, and outreach strategies aimed at achieving equitable access to the benefits of natural gas decarbonization and energy efficiency programs.

Piedmont Natural Gas Co.

Piedmont Natural Gas requested North Carolina Utility Commission approval to recover costs associated with its participation in GTI Energy's Utilization Technology Development (UTD) program. This program supports collaborative gas technology research and development among utilities. Piedmont testified that Piedmont lacks the financial capacity to fund these projects on its own, and participation in a utility consortium like UTD is a more cost-effective method of supporting innovation. Through the consortium, Piedmont and other utilities help guide the direction of R&D, while GTI Energy manages and performs the work. A key benefit cited is Piedmont's ability to tailor projects to North Carolina-specific customer needs and potentially field test those technologies in its service territory to evaluate performance and environmental impacts.

Public Staff endorsed Piedmont's participation in the UTD program. They testified that the program's mission aligns with North Carolina's goals of delivering safe, resilient, and affordable energy while fostering innovation and reducing greenhouse gas emissions. The UTD program includes projects aimed at deploying emerging natural gas energy-efficient technologies, which the Public Staff believes can help lower customer energy bills and inform consumer decision-making. Based on their analysis, the Public Staff recommended that the Commission approve Piedmont's participation in the UTD initiative.

The Commission found the stipulated agreement regarding Piedmont's UTD participation reasonable and appropriate. Specifically, under Section III.AA. of the Stipulation, Piedmont is allowed to recover \$200,000 in incremental annual dues through base rates established in this proceeding. The Commission accepted the justification provided by both Piedmont and Public Staff, affirming that such participation delivers customer and environmental benefits and represents a prudent investment in gas technology development.

Puget Sound Energy

Puget Sound Energy (PSE) proposed an accelerated depreciation schedule for its natural gas assets, citing regulatory changes from Washington's Clean Energy Transformation Act (CETA) and Climate Commitment Act (CCA). PSE advocated for gradually increasing depreciation rates using the "Units of Production" method, which ties depreciation to gas throughput, with the aim of avoiding stranded assets and placing an equitable financial burden on current versus future customers. PSE argued this approach would mitigate future inequities by adjusting recovery in anticipation of declining gas usage.

Washington Utilities and Transportation Commission (WUTC) staff opposed the proposal, stating that PSE had not provided sufficient evidence to warrant accelerated depreciation. Staff expressed concern over the equity impacts, especially for "Named Communities" (vulnerable or historically disadvantaged populations), arguing that PSE's depreciation study failed to assess how such a plan would impact these groups. Public Counsel also disagreed, emphasizing that PSE's 2023 Gas Integrated Resource Plan does not predict a sharp decline in gas demand through 2050 and pointing to the potential continued use of infrastructure via fuels like Renewable Natural Gas (RNG) and hydrogen. Other intervenors, including The Energy Project (TEP) and the Alliance of Western Energy Consumers (AWEC), echoed these criticisms, saying PSE had not yet outlined a clear decarbonization roadmap and that basing depreciation on throughput would unfairly shift costs.

JEA (Joint Energy Advocates) supported more aggressive accelerated depreciation than PSE proposed, claiming it is prudent given the energy transition's pace. However, the Commission ultimately rejected both PSE's and JEA's proposals. The WUTC cited legal uncertainty created by Initiative 2066, which repealed Section 7 of ESHB 1589 (a mandate to depreciate all gas assets by 2050), and concluded that more analysis was needed—particularly around cost impacts on vulnerable communities. The Commission directed PSE to conduct a full cost-burden analysis of expedited depreciation's impacts on "Named Communities" by January 2027 and to include this analysis in its first Integrated System Plan.

Southwest Gas Corp.

Arizona Corporation Commission Staff evaluated Southwest Gas Corporation's (SWG) gas procurement activities for the period of November 2022 through October 2023, a timeframe marked by the second-largest winter natural gas price spike in three years. Staff attributed the surge in prices to several compounding factors: unusually cold weather, depleted storage levels in the Pacific region, and persistent outages on El Paso Natural Gas's Line 2000 pipeline, which remained out of service from August 2021 until February 2023. Despite these conditions, Staff concluded that SWG's procurement actions were prudent and justified under the circumstances. However, the review highlighted substantial increases in SWG's Purchased Gas Adjustor (PGA) bank balance due to these market disruptions, leading Staff to recommend the utility place a greater emphasis on natural gas hedging as a strategy to buffer against future price spikes.

In its analysis, Staff emphasized the importance of enhancing price stability in SWG's gas procurement strategies. While acknowledging the Company's support for new storage infrastructure—such as its Tucson-area LNG (liquefied natural gas) facility—Staff noted that SWG lacks influence over the development of large-scale projects, including a potential site near Eloy. A point of confusion between the Company and the Commission arose regarding hedging: SWG suggested that past decisions discouraged hedging, citing Decision No. 77850. Staff, however, clarified that the prior ruling only critiqued the effectiveness of a specific past hedging program and did not signal a general disapproval of hedging as a concept. Staff reaffirmed that price stability remains a critical procurement goal and suggested SWG reassess its perception of the Commission's position on this issue.

To address future volatility, Staff recommended that SWG file a comprehensive report within six months outlining a range of hedging strategies, analyzing their strengths, weaknesses, potential costs, and applicability to the utility's supply portfolio. Additionally, the Company was directed to provide regular updates on its efforts to develop natural gas storage, with particular attention to the Eloy site. SWG did not object to these recommendations and agreed to provide both the hedging strategy report and storage updates. The Commission adopted Staff's recommendations, emphasizing that price stability is a critical component of affordability and directing SWG to consider hedging as a means to mitigate cost impacts on customers.

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Data Notes

For purposes of this publication, a rate case refers to a distribution-only natural gas rate case unless otherwise noted. Any rate case metrics referenced for the current quarter represent rate cases completed during this quarter, meaning the regulatory body overseeing the case issued a final Order during this time. Unless otherwise noted, any references to requested rate case metrics correspond only to the quarter in which each rate case was completed. Data sources include: regulated utilities, public officials, publicly available resources, including filings at state utility commissions, and Regulatory Research Associates, a group within S&P Global Commodity Insights (S&P Global). S&P Global Commodity Insights produces content for distribution on Capital IQ Pro. This edition may include data revisions made since prior publication.

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