

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
in the City of Charleston on the 17th day of December 2025.

CASE NO. 25-0688-G-390P

MOUNTAINEER GAS COMPANY

Infrastructure Replacement and Expansion Program
Filing for 2026

COMMISSION ORDER

The Commission accepts the Joint Stipulation and Agreement for Settlement (Joint Stipulation) and approves the proposed one-year 2026 Infrastructure and Replacement Program (IREP) revenue requirement and rates for Mountaineer Gas Company (Mountaineer or Company) effective January 1, 2026.

BACKGROUND

On July 31, 2025, pursuant to W. Va. Code § 24-2-1k, Mountaineer filed an application to adjust gas service rates related to its 2026 IREP (Application). In support of its Application, Mountaineer provided direct testimony of Scott F. Klemm and Thomas D. Westfall, with supporting exhibits.

Mountaineer indicated that it plans to increase IREP rates by approximately \$5,239,000, effective for service on and after January 1, 2026.¹ The Company proposed to invest \$445 million for infrastructure replacement and system upgrades during the five-year period of 2026 through 2030, including \$77 million in 2026.²

On August 11, 2025, the Commission Consumer Advocate Division (CAD) filed a Petition to Intervene (CAD Petition).

On September 4, 2025, Commission Staff (Staff) filed its Initial Memorandum.

¹ Initial Joint Staff Memorandum (Initial Memorandum) at p. 1, September 4, 2025.

² Application at Bates 8, July 31, 2025.

In its September 23, 2025, Procedural Order, the Commission granted the CAD Petition, established a procedural schedule, and required the Company to publish notice of the Application and November 14, 2025, evidentiary hearing.

On November 13, 2025, Mountaineer filed a Joint Stipulation and advised that the Joint Stipulation was between Mountaineer and Staff (Settling Parties). The CAD elected not to join the Joint Stipulation. Mountaineer requested the Commission cancel the hearing and represented that the CAD and Staff agreed with Mountaineer's request to cancel the hearing.

The Commission held the hearing, as scheduled, on November 14, 2025, to allow the Company to call a witness to give an overview of the terms of the Joint Stipulation.

The Commission received four letters of protest in the matter.

DISCUSSION

West Virginia Code § 24-2-1k, which became effective on June 11, 2015, authorizes the Commission to approve expedited cost recovery for projects to replace, upgrade, and expand natural gas utility infrastructure that is deemed just and reasonable and in the public interest. Upon notice and hearing, the Commission shall approve the infrastructure program and allow expedited recovery of costs related to the expenditures if the Commission finds that the expenditures and the associated rate requirements are just, reasonable, not contrary to the public interest and will allow for the provision and maintenance of adequate, efficient, safe, reliable and reasonably priced natural gas service.³

The Commission reviewed Mountaineer's Application and related exhibits, the prepared testimony and exhibits of Mountaineer and Staff witnesses, and the Joint Stipulation and exhibits. The Commission admitted the Application, prepared testimony and associated exhibits, and the Joint Stipulation and associated exhibits thereto into the record during the November 14, 2025, hearing.

Company Prepared Testimony

In support of Mountaineer's 2026 IREP Application, the Company filed direct testimony of Scott F. Klemm and Thomas D. Westfall.

³ W. Va. Code § 24-2-1k(e).

Mr. Klemm's testimony explained the Company's development of the 2026 IREP Rate Component and supports Attachments A and B of his testimony. He identified the capital structure on which the 2026 IREP Rate Component is based, described the revenue requirement build-up and the calculation of the 2024 True-Up, and addressed the billing components used to develop the revised tariff sheet for the 2026 IREP Rate Component.⁴

Mr. Westfall's testimony recounted the development of the Company's distribution systems and explained how the increased level of infrastructure investment under SB390 will improve those systems. He also discussed the prioritization of infrastructure investments, the capital the Company intends to invest as reflected in the 5-year IREP plan, and the types of physical facilities the Company will install and replace.⁵

Staff Prepared Testimony

Staff filed prepared testimony of Daniel Egnatoff, a Technical Analyst for the Commission and Nathan Crouch, Utilities Analyst in the Commission's Utilities Division. Mr. Egnatoff testified that he found the Company's proposals to be reasonable and testified that Staff has no concerns from an engineering standpoint.⁶ Mr. Crouch testified that the Commission should approve the Staff recommended rates and approve Staff's calculated revenue requirement. Staff removed \$5,330,954 in 2024 capital investments related to work order 2022017 labeled as West Side Outage, Charleston (West Side Outage).⁷ At the time of filing its direct testimony, Staff disagreed with the Company's position that the \$5,330,954 in 2024 capital investments should be included in the instant case because these investments are part of a pending lawsuit.⁸ The removal of the \$5,330,954 also resulted in a variance in Mountaineer's over/under-recovery for the 2024 historical period.⁹

⁴ Scott F. Klemm Direct Testimony.

⁵ Thomas D. Westfall Direct Testimony (TDW-D).

⁶ Daniel Egnatoff Direct Testimony at Bates 52.

⁷ Nathan S. Crouch Direct Testimony (NSC-D) at Bates 11.

⁸ Id. at Bates 12.

⁹ Id. at Bates 13.

Joint Stipulation

The Settling Parties filed the Joint Stipulation on November 13, 2025, as a comprehensive settlement of the Company's pending Application. During the November 14, 2025, evidentiary hearing, Mountaineer's witness, Mr. Westfall, went over the terms of the Joint Stipulation.¹⁰

The Settling Parties recommended that the Commission approve the Joint Stipulation without modification, thereby approving the Company's 2026 IREP and authorizing a cumulative revenue requirement of \$23,796,976 as set forth on Exhibit A of the Joint Stipulation.¹¹ Staff accepted the Company's \$5,330,964 in capital investment in mains relating to the West Side Outage to be included in the Company's 2024 IREP eligible plant investments and included in the determination of the 2026 IREP rates.¹² The Settling Parties specifically agreed to terms relating to the unique circumstances of the West Side Outage and the \$5,330,964 in investments made as a result of the West Side Outage.¹³ Staff agreed that the Joint Stipulation represented a fair and reasonable agreement.¹⁴

The CAD Position

The CAD elected not to join the Joint Stipulation. During the November 14, 2025, hearing, the CAD voiced its concerns regarding the Company's lack of any breakdown of the work related to the West Side Outage. Instead, the Company had the \$5,330,964 for the West Side Outage listed as a single line item.¹⁵ The CAD's position was that the Company should have recognized the \$5.3 million for the West Side Outage on the books as a regulatory asset and carry it forward until the Company determines what insurance will cover, instead of having ratepayers pay for it now.¹⁶

¹⁰ November 14, 2025, Transcript (Tr.) at Bates 9-16.

¹¹ Joint Stipulation, Exhibit A at Bates 12, November 13, 2025.

¹² Id. at Bates 6.

¹³ Id. at Bates 6-7.

¹⁴ Tr. at Bates 17.

¹⁵ Id. at Bates 19.

¹⁶ Id. at Bates 20.

Commission Decision

In Mountaineer's first IREP case in 2015 (Case No. 15-1256-G-390P), Mountaineer proposed a one-year IREP investment of \$14 million in 2016, the first year of a five-year IREP plan totaling \$77.2 million. Mountaineer made it clear that the critical focus of its IREP was reducing leaks and improving safety by replacing aging pipes and unprotected steel pipes. Mr. Westfall testified:

Aging infrastructure is a national issue, and Mountaineer is not immune from the operational and investment challenges it creates... Through the IREP, Mountaineer will be able to direct funding to areas where improvements are needed, with the aim of ensuring the integrity of the overall distribution system. . . . The West Virginia Legislature clearly sees the need to focus on infrastructure replacement, and enacted Senate Bill 390 ("SB390") to provide a recovery mechanism that supports an accelerated approach to system replacement. . . . The largest group of assets is gas mains, and the replacement of Mountaineer's bare steel mains will be the largest expenditure in the program. This is generally accomplished by replacing steel with plastic pipe, although some specific projects will still require the use of coated and cathodically protected steel. . . .¹⁷

The initial five-year plan was subsequently modified to add investment in plant facilities to provide new gas supply and pipeline infrastructure in the eastern panhandle. The initial addition to the five-year plan for the eastern panhandle project was \$30 million. However, replacement of bare steel pipes remained the largest component of the five-year plan/year plan.

In its 2016 filing, Mountaineer continued its IREP focus on reducing leaks and making its pipelines safer by adding some older plastic pipes to its list of needed replacements. Mr. Westfall testified:

In addition to the bare steel pipelines, some plastic pipe called Aldyl-A, installed between 1965 and 1985 is prone to cracking and leakage, is also targeted for replacement.¹⁸

IREP investment was rolled into base rate revenue requirements in the 2018 base rate case. Following that base rate case, in the 2019 IREP filing, which

¹⁷ Case No. 15-1256-G-390P, Exhibit TDW-D at p. 3-4 and p.7.

¹⁸ Case No. 16-0922-G-390P, Exhibit TDW-D at p. 6.

effectively restarted the IREP at a near zero investment base because of the base rate roll-in, Mountaineer upped its targets for replacement of bare steel and certain plastic. Mr. Westfall testified that the new five-year plan exceeded \$233 million, with a continued emphasis on bare steel and other aging and leak-related line replacements of \$210 million. Mr. Westfall testified:

Mountaineer's initial 5-year IREP plan (2016-2020) was essentially a 75-year replacement plan for all remaining bare steel. Given the current footage of bare steel and its vintage ranging from the late 1800s to 1960s, Mountaineer believes a 75-year plan is not suitable to sustain a safe, reliable, and efficient system. After review of several studies conducted by other distribution companies, Mountaineer has determined that a 20 to 30-year plan is much more appropriate. Mountaineer will then be able to eliminate all Bare Steel pipelines currently in its system by 2050.¹⁹

In this proceeding, six years later, Mountaineer is proposing a five-year plan for IREP investment of \$445 million, nearly eight times higher than the 2015 plan and nearly double the 2019 plan. It appears that the replacement of bare steel and certain plastic remains the focus of the Mountaineer plan. Of \$445 million, it appears that approximately \$413 million is for pipeline-related expenditures.

Over the years prior to 2016, the Commission had used several targeted base rate increment approaches to fund replacement or cathodic protection of bare steel natural gas mains and service lines. The Commission is pleased that the rate recovery approach required by SB390 has been successful in focusing attention and Mountaineer planning on aging pipeline infrastructure that is prone to corrosion (bare steel) and cracking (Aldyl-A plastic). We are also pleased with the standardized format of the testimony and exhibits that Mountaineer files in each IREP filing. That standardization makes it easier to examine the annual Mountaineer filings and compare year-to-year IREP activity.

However, considering that the Mountaineer IREP has grown from a five-year plan of approximately \$75 million, or an average investment of \$15 million per year, to \$445 million, or an average investment of \$90 million per year, we will require some additional detail documenting yearly and aggregate IREP investments and compilation of the revenue requirements of the IREP. We will also describe the content and formatting for standardized schedules that will show certain pipeline replacement and IREP related information on a historical basis in each IREP filing. We have determined that the information requested in the format requested will be

¹⁹ Case No. 19-0709-G-390P, TWD-D at p. 5-6.

enlightening and help the Commission, Legislature, and the customers of Mountaineer to understand the extent to which the requirements of SB390, and the findings and direction of the Legislature are impacting Mountaineer's level of investment, rate base, growth in revenue requirements and rates.²⁰

The schedules that Mountaineer are required to file are:

- Total miles of bare-steel pipe as of December 31 each year from 2015 through 2025. This information should detail the pipe by diameter and service area.
- Total miles of Aldyl-A plastic pipe as of December 31 each year from 2016 through 2025. This information should detail the Aldyl-A plastic pipe by diameter and service area.
 - Annual information should be shown in columns beginning with 2016 and continuing progressively to 2025.
 - Data should be rounded to the nearest mile, without decimals.
 - Column headings should be repeated on each page (if rows cover multiple pages) and the scale, font and margins of each page should be the same so that the columns will match.
 - Ten years may be shown on one page using Arial 10 font. The future additional years may be printed on a vertically split page. In such case, row titles should be repeated on each page, and the scale, font and margins of each page should be the same so that the rows will match.

Following is an example of the formatting described above – with example data:

²⁰ A comprehensive program of replacing, upgrading and expanding infrastructure by natural gas utilities at reasonable cost to ratepayers will benefit the customers of the natural gas utilities, the public in West Virginia and the economy of the state, as a whole. W. Va. Code §24-2-1k (a)(5).

XYZ Gas Company - Bare Steel and Aldyl-A plastic Pipe at December 31										
Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Miles									
Southwest										
Bare steel										
20 inch	250	250	245	240	235	228	225	220	215	210
18 inch	1,500	1,490	1,475	1,465	1,421	1,370	1,340	1,300	1,275	1,237
12 inch	1,000	975	965	950	920	890	860	835	810	785
4 inch	100	99	97	96	93	90	87	85	82	80
2 inch	350	345	390	385	370	350	340	330	320	310
Total Bare Steel SW	3,200	3,158	3,172	3,136	3,039	2,928	2,852	2,769	2,702	2,622
Aldyl Plastic										
4 inch	20	20	20	18	17	15	13	11	11	10
2 inch	50	50	50	45	44	42	39	35	34	33
Total Aldyl-A Plastic SW	70	70	70	63	61	57	52	46	45	43
Total Southwest										
etc.										

- In addition to the line mileage data, Mountaineer must file IREP year-end gross investment and cumulative gross investment from 2016 through 2025 by service area showing totals for each service area and for Mountaineer. The information should be rounded to the nearest \$100,000.
 - For this schedule, instead of showing years in columns, years should be shown in rows and year-end investment, and cumulative investment should be shown in columns.
 - Cumulative investment should include IREP investments that were rolled into base rates.
 - On the same schedule in additional columns, provide IREP total cumulative annual revenue requirements and average per MCF (rounded to two decimal places) using then current annual volumes.
 - Cumulative and average per MCF revenue requirements should include revenue requirements that were rolled into base rates.

The Commission notes that the West Side Outage damaged pipe replacement is not an investment that was part of any previous IREP plan and was not typical IREP investment. As such, alternative mechanisms for recovery, including deferral and an amortization rate increment in a future base rate case, or deferral and a special amortization surcharge over a reasonable period of years would be the normal ratemaking request for an unusual, unexpected, and likely non-recurring expenditure. However, considering that the parties, except for the CAD, agreed to resolve the recovery issue with the IREP rate increment in this proceeding, the Commission will accept that agreement.

The Commission also notes that the Joint Stipulation related to the West Side Outage pipe replacement specifies treatment of future recoveries received by Mountaineer. Specifically, the Joint Stipulation provides that Mountaineer will:

- (i) inform the Staff and CAD of receipt of any monies;
- (ii) record a contribution in aid of construction (CIAC) for any reimbursement of the investment related to the incident; and
- (iii) set forth its proposal for IREP cost recovery in the IREP filing in the year the civil litigation is resolved.²¹

The Commission notes regarding item (iii), that if Mountaineer receives insurance or other reimbursements for investments included in the IREP rate base, they do not represent costs to be recovered and the receipts will be credited against the investment as of the date received for purposes of calculating an IREP true-up. We further note that the agreed use of CIAC for any reimbursements is not consistent with the Uniform System of Accounts for such recoveries. Even the use of such term may bring into question the exclusion of such receipts from taxability under the federal income tax code and IRS Regulations. Mountaineer should account for any reimbursement of the investment related to the West Side Outage as a credit to the plant account(s) originally charged and reflect such credit in its IREP true-up as directed above.

As clarified and explained above, and with the additional information required to be filed in future IREP proceedings as discussed above, the Commission concludes that the Joint Stipulation should be accepted as a resolution of this case. The rate requirements set forth in the Tenth Revised Tariff Sheet No. 79 and attached to the Joint Stipulation as Exhibit C, are just, reasonable, not contrary to the public interest and will allow for the provision and maintenance of adequate, efficient, safe, reliable, and reasonably priced natural

²¹ Joint Stipulation at Bates 6.

gas service.²² The IREP increment set forth in the Joint Stipulation should be in effect for service rendered by Mountaineer on and after January 1, 2026. In accepting the Joint Stipulation, the Commission is accepting the 2026 planned investment and revenue requirements incorporated in the Joint Stipulation as a reasonable resolution of the 2026 IREP rate increment, subject to true up for any over or under-recovery. The Commission is not ruling on the reasonableness of the five-year plan proposed by Mountaineer.

FINDINGS OF FACT

1. Mountaineer requested approval of its 2026 IREP program and an increased IREP rate component to be effective January 1, 2026.²³

2. Mountaineer proposed to invest \$445 million for infrastructure replacement, system upgrades, and expansion projects during the new 5-year period (2026 through 2030), including \$77 million in 2026.²⁴

3. The Settling Parties agreed to an IREP revenue requirement of \$23,796,976.²⁵

4. The Settling Parties support and recommended approval of the Joint Stipulation and the settlement embodied therein as being in the public interest and a fair and reasonable determination of the IREP rate increments.²⁶

5. The CAD did not join the Joint Stipulation and voiced its concerns about the Company's inclusion of the \$5.3 million invested in the West Side Outage in the instant IREP case during the November 14, 2025, hearing.²⁷

²² W. Va. Code § 24-2-1k(e).

²³ Application at Bates 7.

²⁴ Id. at Bates 8.

²⁵ Joint Stipulation at Bates 5, November 13, 2025.

²⁶ Id.

²⁷ Tr. at Bates 20.

6. Mountaineer filed a verified statement of an officer of the Company and affidavits of publication evidencing publication in compliance with W. Va. Code § 24-2-1k and the September 23, 2025, Order.²⁸

CONCLUSIONS OF LAW

1. Mountaineer complied with the notice requirements set forth in W. Va. Code § 24-2-1k(b) and (c) and the Commission's September 23, 2025, Order.

2. The terms of the Joint Stipulation are supported by the evidentiary record, are not contrary to the public interest, and are a reasonable resolution of this proceeding.²⁹

3. The rates set forth in the Tenth Revised Tariff Sheet No. 79, and attached to the Joint Stipulation as Exhibit C, are just, reasonable, not contrary to the public interest, and will allow for the provision and maintenance of adequate, efficient, safe, reliable, and reasonably priced natural gas service.³⁰

4. The Company's request to invest \$77 million for infrastructure replacement and system upgrades in 2026 is approved. The 2026 IREP investment is below the nine percent investment cap established in Case No. 19-0004-G-GI.³¹

5. A 9.75 percent rate of return on equity is the appropriate return on equity to be used in this case and future Mountaineer IREP cases, until modified by a future Commission decision.

6. Unlike the return on equity, which is based on the return specified in the last base rate case, or as determined by the Commission only if not specified in the last base rate case, the cost of debt and capital structure for IREP purposes are dynamic components of the IREP revenue requirement and may be reviewed and modified by the Commission in future IREP proceedings.

²⁸ See October 1, 2025, Verified Statement and November 13, 2025, Affidavit of Publication.

²⁹ W. Va. Code § 24-2-1k.

³⁰ W. Va. Code § 24-2-1k(e).

³¹ Comm'n Order, August 7, 2019, at p. 5. The Commission points out that the approval of the nine percent annual limit was on a pilot basis to balance the requirement for fair and reasonable rates and an accelerated rate recovery mechanism. The Commission will continue to review each IREP Application consistent with the intent of and requirements imposed by the Legislature.

7. Mountaineer should account for any reimbursement of the investment related to the West Side Outage as a credit to the plant account(s) originally charged and reflect such credit in its IREP true-up as directed above.

ORDER

IT IS THEREFORE ORDERED that the revenue requirement and rate results of the Joint Stipulation and Agreement for Settlement, attached hereto, are accepted in resolution of this matter.

IT IS FURTHER ORDERED that the Infrastructure and Replacement Program rate increments, as set forth in Exhibit C to the Joint Stipulation and Agreement for Settlement, are to become effective for all service rendered on and after January 1, 2026.

IT IS FURTHER ORDERED that within fifteen days of the date of this Order, Mountaineer Gas Company shall file an original and six copies of its tariff sheet setting forth the Infrastructure Replacement and Expansion rate increments adopted herein.

IT IS FURTHER ORDERED that a 9.75 percent rate of return on equity is the appropriate return on equity to be used in this case and future Mountaineer IREP cases, until modified by a future Commission decision.

IT IS FURTHER ORDERED that in its 2026 filing for a 2027 Infrastructure and Replacement Program, Mountaineer Gas Company should provide additional details regarding its bare steel pipes and Aldyl-A plastic pipe replacements, its annual and cumulative IREP investments and revenue requirements as discussed herein.

IT IS FURTHER ORDERED that Mountaineer Gas Company should account for any reimbursement of the investment related to the West Side Outage as a credit to the plant account(s) originally charged and reflect such credit in its IREP true-up as discussed herein.

IT IS FURTHER ORDERED that upon entry of this Order this case shall be removed from the Commission docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, and by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Commission Staff by hand delivery.

A True Copy, Teste,

A handwritten signature in blue ink that reads "Karen Buckley". The signature is written in a cursive style.

Karen Buckley, Executive Secretary

JMB/bj
250688ca.sca

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 25-0688-G-390P

MOUNTAINEER GAS COMPANY

Infrastructure Replacement and Expansion Program
Filing for 2026

JOINT STIPULATION AND AGREEMENT FOR SETTLEMENT

Pursuant to W.Va. Code §24-1-9(f) and the Public Service Commission's Rules of Practice and Procedure, Rule 13.4, Mountaineer Gas Company ("Mountaineer" or "Company") and the Staff of the Public Service Commission of West Virginia ("Staff") (collectively, the "Settling Parties") join in this Joint Stipulation and Agreement for Settlement ("Joint Stipulation").¹

In this Joint Stipulation, the Settling Parties propose a comprehensive settlement of the Company's pending application under W.Va. Code §24-2-1k, et seq. ("SB390"). The Settling Parties recommend that the Commission approve the Joint Stipulation without modification, thereby approving the Company's 2026 Infrastructure Replacement and Expansion Program ("IREP") and authorizing a cumulative revenue requirement of \$23,796,976 as set forth on Exhibit A.

¹ The Consumer Advocate Division of the Public Service Commission has elected not to join in the Joint Stipulation, has agreed to support the cancelation of the evidentiary hearing, and has indicated its intent to file a Statement of Position on the Joint Stipulation.

Introduction and Procedural History

1. On May 30, 2025, the Company filed its Notice of Intent (“NOI”) to File Annual Application pursuant to SB390, which included a preliminary draft filing of prior Calendar Year 2024 True-up Information. This NOI was made pursuant to the Commission’s August 7, 2019 Final Order in General Investigation, Case No. 19-0004-G-GI requiring in all future SB390 applications, the pre-filing of a preliminary draft of prior Calendar Year True-up Information in advance of all future annual SB390 applications by gas utilities.

2. On July 31, 2025, the Company filed for approval of its 2026 IREP, supported by pre-filed direct testimony and several exhibits.

3. CAD filed a Petition to Intervene on August 11, 2025.

4. In a September 23, 2025 Order, the Commission granted the Petitions to Intervene of CAD, established a procedural schedule, and required the Company to publish notice of the application and hearing.

5. The parties to the case filed the testimony of the following witnesses:

Company: July 31, 2025 – direct testimony of Thomas D. Westfall and Scott F. Klemm
November 5, 2025 – rebuttal testimony of Thomas D. Westfall and Scott F. Klemm

Staff: October 24, 2025 – direct testimony of Daniel Egnatoff and Nathan S. Crouch

CAD: None

6. The Settling Parties undertook an investigation of the Application and its attachments, and Staff investigated and discussed with the Company's witnesses to clarify aspects of the filing. Based on their analyses, along with the Company's representations and commitments in this Joint Stipulation, the Settling Parties jointly recommend approval of the terms below.

The Settlement Terms

7. The Settling Parties agree and recommend that the Commission adopt the Joint Stipulation in its entirety as a resolution of all contested issues in this case. The terms and conditions of the Joint Stipulation, each of which is an essential and integral element of a fair and reasonable resolution in the public interest, are set forth below.

8. 2026 Investment. The Settling Parties agree and recommend that the Commission approve the Company's forecasted IREP investments for the year 2026 as set forth on Mountaineer Exhibit TDW-D, Attachment A in the Company's Application.

9. Revenue Requirement. Given SB390 filings are subject to true-ups in future proceedings, the Settling Parties agree and recommend that the cumulative IREP annual revenue requirement to be included in rates effective

January 1, 2026 is the Company's as filed amount of \$23,796,976 as shown on Exhibit A, which includes the Staff's acceptance of the Company's \$5,330,964 in capital investment of mains to be included in the 2024 IREP eligible plant investments and included in the determination of the 2026 IREP rates.

10. The Settling Parties mutually agree to the following settlement terms:

- a. The Settling Parties agree that in light of the unique circumstances that occurred on or around November 10, 2023:
 - i. the Company's capital investment of mains in the amount of \$5,330,964 related to the incident on the west side of the City of Charleston, which Staff originally recommended be removed, should be included in the 2024 IREP eligible plant investments and included in the determination of the 2026 IREP rates;
 - ii. the investments were reasonable, justified, prudent and are appropriate for recovery in the IREP rate-making mechanism under SB 390 (subject to further review as noted below in 10.b. and c.); and
 - iii. ratepayers are entitled to the benefits received by Mountaineer for any reimbursement of the IREP cost recovery related to the incident.
- b. Considering the unique circumstances of pending civil litigation, the Settling Parties agree, in order to ensure ratepayers receive fair and reasonable financial restitution and benefits resulting from resolution of the civil litigation, Mountaineer
 - i. will inform the Staff and CAD within sixty (60) days of receipt of any monies;
 - ii. commits to recording a contribution in aid of construction for any reimbursement of the investment related to the incident; and
 - iii. will set forth its proposal for IREP cost recovery in the IREP filing in the year the civil litigation is resolved.

- c. The Settling Parties agree the Staff and CAD may audit and review this issue and that Staff, CAD, and the Company are free to sponsor and present the regulatory treatment that they find to be appropriate to the Commission.

11. The Settling Parties agree and recommend that the 2026 IREP Rate Component should be allocated to customer classes as shown on Exhibit B to this Joint Stipulation.

12. Revised Tariff. The Settling Parties agree and recommend that the Commission approve the Tenth Revision to Tariff Form No. 79, substantially in the form attached as Exhibit C to this Joint Stipulation, to be effective for service rendered on and after January 1, 2026.

13. The Settling Parties agree and recommend that the Commission find that the form and content of the Application, together with its exhibits and supporting testimony, are responsive to and fulfill the requirements of W. Va. Code §24-2-1k (b) and (c).

General Provisions

14. The Settling Parties support this Joint Stipulation and represent that each of its provisions acceptably resolves all issues raised in this proceeding and the Settling Parties recommend that the Commission accept this Joint Stipulation in its entirety.

15. The Settling Parties represent that the pre-filed evidence and exhibits is adequate to support the Joint Stipulation. The Settling Parties ask that the Joint Stipulation be admitted into the evidentiary record without the necessity of sponsorship at a hearing.

16. This Joint Stipulation results from a review of all evidence and filings in this case, the Settling Parties' analyses of the Application, exhibits, and testimony, the existing statutory and regulatory framework, and good faith negotiation. The Joint Stipulation is proposed to expedite and simplify the resolution of this case.

17. The Settling Parties recommend that the Commission adopt this Joint Stipulation as being in the public interest, without adopting or recommending the adoption of any of the compromise positions set forth herein as ratemaking principles applicable to future regulatory proceedings, except as may otherwise be provided herein. Each component of the Joint Stipulation (including this paragraph) is integral to and inseparable from the others, and no Party advocates the Commission's resolution of any issue proposed in this Joint Stipulation other than in the context of its support for the Joint Stipulation as a whole.

18. This Joint Stipulation is subject to the Commission's acceptance and approval. It will be ineffective until and unless approved by the Commission in all of its material terms and without modification. If the Commission does not grant

that approval, then the Settling Parties reserve their rights to fully advocate their positions, unlimited by the terms of the Joint Stipulation.

[signature page follows]

WHEREFORE, the Settling Parties respectfully recommend and request that the Commission make appropriate findings of fact and conclusions of law adopting and approving the Joint Stipulation in its entirety, including its attached exhibits.

Dated and effective on November 13, 2025.

MOUNTAINEER GAS COMPANY

By Counsel

C. Callas

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STAFF OF THE PUBLIC SERVICE
COMMISSION OF WEST VIRGINIA

By Counsel

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 25-0688-G-390P

MOUNTAINEER GAS COMPANY

Infrastructure Replacement and Expansion Program
Filings for 2026

CERTIFICATE OF SERVICE

I certify service of Joint Stipulation and Agreement for Settlement on
November 13, 2025, by electronic mail, as addressed:

Lucas Head, Esq.
Public Service Commission of WV
lhead@psc.state.wv.us
Commission Staff

Robert F. Williams, Esq.
John R. Auville, Esq.
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Consumer Advocate Division

C Callas

Christopher L. Callas

Exhibit A

Mountaineer Gas Company

Case No. 25-0688-G-390P

2026 Revenue Requirement

Page 1 of 1

Line		Amount
1	Rate Base:	
2	IREP Plant	\$ 204,337,118
3	Removal Costs	3,920,180
4	Accumulated Depreciation	(7,273,339)
5	Sub-total	\$ 200,983,959
6	Federal Plant ADIT ("ADFIT") Liability	(3,301,421)
7	Total Rate Base for IREP Rate Design	\$ 197,682,538
8	Return on Rate Base - %	7.278%
9	Return on Rate Base - \$	\$ 14,387,335
10	Add:	
11	O&M Expense	-
12	Depreciation Expense	4,407,887
13	State Property Tax (IREP Investments)	1,065,879
14	Federal Income Tax	2,528,635
15	State Income Tax	154,541
16	Revenue Requirement before Adjustments	\$ 22,544,277
17	Less: Revenue Offset from New Customers served by IREP Investment	-
18	Net Revenue Requirement after Adjustments	\$ 22,544,277
19	Gross-up factor for B&O Taxes [100.00% - (4.29% * 87.5407%)]	96.2445%
20	Revenues Crossed-up for Income and B&O Taxes	\$ 23,423,964
21	Gross-up factor for uncollectible expense (100.00% - 0.6914%)	99.3086%
22	Revenue Requirement Including State B&O Taxes and Uncollectibles Expense	\$ 23,587,045
23	Factor for Forfeited Discounts (100% - 0.1350%)	99.8650%
24	IREP Revenue Requirement (Including Forfeited Discounts, Uncollectibles, Taxes, and B&O Taxes)	\$ 23,555,202
25	Less: Cumulative Under-recovery 2024 IREP Reconciliation	241,774
26	Total 2026 IREP Revenue Requirement	\$ 23,796,976
Pro-forma Bad Debt Expense:		
27	Total Gross Revenue Amount	\$ 23,587,045
28	Pro-forma Revenues Gross-up for Income and B&O Taxes	23,423,964
29	Pro-forma Bad Debt Expense Adjustment	\$ 163,081
Pro-forma State B&O Tax Expense:		
30	Pro-forma Revenues Gross-up for Income and B&O Taxes	\$ 23,423,964
31	Pro-forma Revenues Gross-up for Income Taxes	22,544,277
32	Pro-forma State B&O Tax Expense Adjustment	\$ 879,687
Pro-forma Forfeited Discount Revenues:		
33	IREP Revenue Requirement (Including Forfeited Discounts, Uncollectibles, Taxes, and B&O Taxes)	\$ 23,555,202
34	Pro-forma Revenues Gross-up for Uncollectibles and B&O Taxes	23,587,045
35	Pro-forma Forfeited Discount Revenue Adjustment	\$ (31,843)

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Mountaineer Gas Company
 Case No. 25-0688-G-390P
 2026 IREP Rate Component
 Allocation of the 2026 IREP Revenue Requirement by Customer Class
 Page 1 of 1

Line	Description column (1)	IREP Allocation Factor Stipulated in Case No. 23-0280-G-42T (2)	Total Revenue Requirement (3)	Billing Units (Mcf or Meters) (4)	2026 IREP Rate Component (C) (5)	2025 Cumulative IREP Rate (C) (6)	2026 IREP Rate Increase (C) (7)	2026 IREP Revenues (8) Col. 4 * Col 5	2026 IREP Total Revenue Increase (9) Col. 4 * Col 7	2026 IREP Rate Percentage Increase (10) Col. 7 / Col 6
1	RS	68.60%	\$ 16,324,726	13,954,502	\$ 1.170	\$ 0.912	\$ 0.258	\$ 16,326,767	\$ 3,600,262	28.29%
2	GS	28.80%	6,853,529	10,223,457 (A)	\$ 0.670	\$ 0.523	\$ 0.147	6,849,716	1,502,848	28.11%
3	LGS	1.30%	309,361	312 (B)	\$ 991.54	\$ 772.99	\$ 218.55	309,360	68,188	28.27%
4	LGS - I	0.19%	45,214	36 (B)	\$ 1,255.94	\$ 979.11	\$ 276.83	45,214	9,966	28.27%
5	IS	0.68%	161,819	120 (B)	\$ 1,348.49	\$ 1,051.27	\$ 297.22	161,819	35,666	28.27%
6	WS	0.43%	102,327	496,007	\$ 0.206	\$ 0.161	\$ 0.045	102,177	22,320	27.95%
7		100.00%	\$ 23,796,976	24,674,434				\$ 23,795,053	\$ 5,239,250	

(A) - Includes transport volumes

(B) - Represents number of customers (i.e., meters) in customer class (transport customers)

(C) - All rates are volumetric except for LGS, LGS-I and IS customer classes which are monthly fixed charges.

Exhibit C

Mountaineer Gas Company
Charleston, West Virginia

10th Revision of Sheet No. 79
Canceling
9th Revision of Sheet No. 79
P.S.C. W. Va. No. 2

SERVICE CLASSIFICATION
Infrastructure Replacement and Expansion Program (IREP)

IREP Rate Schedule

Applicability

An Infrastructure Replacement and Expansion Program Plan (IREP) rate will be applied to customers' bills after January 1, 2026 under the applicable tariff schedule as set forth in the rate schedule shown below.

(C)

Billing

Effective for service rendered on and after January 1, 2026, the IREP rate will be billed as a component of the volumetric base rate for tariff sales customers and transport customers for each rate schedule as set forth below:

(C)

Rate Schedule	IREP Rate per Mcf
RS	\$ 1.170
GS	\$ 0.670
WS	\$ 0.206
NGV	\$ 1.170

(I)

(I)

(I)

(I)

Effective for service rendered on and after January 1, 2026, the IREP rate will be billed as a component of the customer charge for tariff sales customers and transport customers for each rate schedule as set forth below:

(C)

Rate Schedule	Monthly Charge
LGS	\$ 991.54
LGS - I	\$ 1,255.94
IS	\$ 1,348.49

(I)

(I)

(I)

Local Tax Surcharge

The above rates are subject to the local tax surcharge as set forth on Sheet Nos. 40, 41, 42, and 43

(C) Indicates change in text

(I) Indicates an increase in rates

Issued by Authority of an Order
Of the Public Service Commission of West Virginia
In Case No. 25-0688-G-390P

Dated _____

Issued: December _____

Effective: January 1, 2026

Issued by:
Scott F. Klemm

Vice President and Chief Regulatory Officer, Assistant Treasurer

Public Service Commission of West Virginia

201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323



Phone: (304) 340-0300
Fax: (304) 340-0325

December 17, 2025

Do not mail Letter - only place in case file.
Service via email

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Charleston, WV 25301

RE: Case No. 25-0688-G-390P
Mountaineer Gas Company

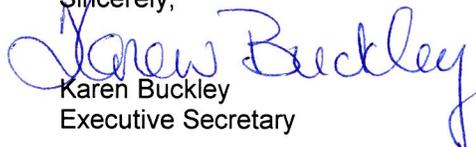
Ms. Short and Gentlemen:

All parties in this case have provided the Executive Secretary with their email address. The Commission Order issued today was served by email on the above-listed parties.

Documents submitted to the Public Service Commission of West Virginia may be 1) uploaded to its public website, 2) subject to public disclosure under the West Virginia Freedom of Information Act, and/or 3) subject to disclosure under the West Virginia Open Governmental Proceedings Act. Do not submit personal information with your filings. The Commission is not responsible for confidential or personal information included with your submission. A list of personal information is available here: http://www.psc.state.wv.us/Privacy_Policy/WhatisPII.htm

If you have provided an email address you will automatically receive notifications as documents are filed in this proceeding. The email notifications allow recipients to view a document within an hour from the time the filing is processed. If you have not provided your email address, please send an email to caseinfo@psc.state.wv.us and state the case number in the email subject field.

Sincerely,


Karen Buckley
Executive Secretary

KB/al