MARCELLUS SHALE COALITION®

June 26, 2026

The Honorable Patrick Stefano, Chair
Senate Consumer Protection &
Professional Licensure Committee
187 Main Capitol Building
Harrisburg, PA 17120

The Honorable Lisa Boscola, Democratic Chair
Senate Consumer Protection &
Professional Licensure Committee
458 Main Capitol Building
Harrisburg, PA 17120

Re: House Bill 2224 (Utility Return on Equity)

Dear Chairman Stefano and Chair Boscola:

On behalf of the Marcellus Shale Coalition (MSC), I write to share with you information that may be valuable as your committee reviews House Bill 2224 and other legislation affecting the utility and energy industries in Pennsylvania.

As you know, House Bill 2224 would fundamentally alter the amount of and manner in which regulated utilities seek state approval for a return on their equity. As drafted, the legislation is applicable to all utilities, including electric and natural gas distribution companies as well as water and wastewater utilities.

Residents and their elected officials understandably are concerned about rising energy costs. It is, however, fair to say that the majority of these concerns lie with rising electricity prices, not rising natural gas prices.

It is important to underscore that the MSC does not speak for natural gas utilities, though we are proud to have several such utilities as members. However, we do believe our member companies – which are producing, processing, transporting and delivering over 95% of Pennsylvania's natural gas – are uniquely positioned to be part of the solution to providing affordable energy for our fellow residents, as is being borne out today for natural gas utility customers.

Thanks to the abundance of natural gas produced from the Marcellus, Utica and other deep unconventional formations in Pennsylvania, residents have seen a sharp decrease in the cost of the natural gas used for home heating, cooking, hot water and other domestic uses.

Data from the PA Public Utility Commission (PA PUC) demonstrates that the cost to supply natural gas to consumers has come down substantially since Marcellus Shale production began to ramp up around 2008. Consider this comparison of Purchased Gas Costs for the major natural gas utilities in Pennsylvania and their relative decline in percentages over the past 17 years:

300 North 2nd Street • Suite 1102 • Harrisburg PA 17101 | P 412.706.5160 | F 412.706.5170 | www.marcelluscoalition.org

Natural Gas Utility	PGC Rate / MCF		% Change
	2008	2025	2008-2025
PECO	$13.16	$6.64	-50%
NFG	$10.86	$4.77	-56%
PGW	$13.02	$5.49	-58%
Columbia	$15.94	$7.01	-56%
UGI	$13.26	$6.61	-50%
Peoples/Equitable	$15.89	$4.09	-74%

It is important to note that the 2008 Purchased Gas Cost prices are not adjusted for inflation; the percentage decreases would be substantially more if so adjusted.

Examining these rates even closer allows you to appreciate the significant annual savings based upon customer class and by estimated average usage as reported to the PA PUC:

Columbia
- Residential: **$616**
- Commercial: **$2,661**
- Industrial: **$33,541**

NFG
- Residential: **$529**
- Commercial: **$1,523**
- Industrial: **$9,275**

PGW
- Residential: **$459**
- Commercial: **$2,523**
- Industrial: **$7,530**

Peoples Gas
- Residential: **$920**
- Commercial: **$3,044**
- Industrial: **$37,170**

UGI
- Residential: **$479**
- Commercial: **$2,095**
- Industrial: **$8,299**

PECO
- Residential: **$443**
- Commercial: **$3,032**
- Industrial: **$20,375**

Adjusting these prices for inflation, **reduced natural gas supply costs saved consumers $8.83 Billion just last year, and over $30 Billion over the past five years**.

As your Committee, and the General Assembly more broadly, considers prudent steps to address energy affordability for residents, we strongly encourage you and your colleagues to recognize the real, tangible benefits of Pennsylvania produced natural gas, the significant savings this abundant fuel is providing to residents at a time of tightening household budgets, and how we can work collaboratively to amplify these savings even further.

Thank you for your continued support of Pennsylvania's energy industry and the men and women who work to produce and deliver it safely to our homes, schools and businesses each and every day.

Sincerely,

Patrick Henderson
Vice President, Government Affairs & Communications