



Via eTariff Filing

August 25, 2025

Ms. Debbie-Anne A. Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20428

Re: Adelphia Gateway, LLC
Docket Nos. RP24-1106-000 and RP24-1106-001
Stipulation and Agreement of Settlement and Motion for Waiver of Reply Comment
Period

Dear Ms. Reese:

Pursuant to Rule 602 of the Federal Energy Regulatory Commission's (the "Commission") Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2025), Adelphia Gateway, LLC ("Adelphia") hereby files the attached Stipulation and Agreement of Settlement ("Settlement") to resolve all issues set for hearing in the above-referenced proceeding. The referenced proceeding is pending before Presiding Administrative Law Judge Matthew J. Vlissides Jr. and Settlement Judge Patricia M. French, and Adelphia respectfully requests that the attached materials be forwarded to the Presiding Administrative Law Judge and Settlement Judge, and that the Settlement be certified promptly as an uncontested settlement and that the Commission act expeditiously to approve the Settlement, as discussed below.¹

The Settlement is the product of extensive negotiations between Adelphia, Trial Staff, and the active parties and resolves a host of contentious issues among the parties to the proceeding. The Settlement reflects the agreement of Adelphia and the settling parties to resolve all issues in the above docket and should be considered as an integrated package. The Settlement provides benefits to Adelphia's shippers and will save the parties substantial costs, time, and resources that would have been expended in further litigating these issues. Any modification or condition placed on the Settlement, or any provision of the Settlement, could jeopardize the negotiated compromise and

¹ Adelphia inadvertently submitted the Settlement via the Commission's eTariff system using an incorrect filing code on August 22, 2025. Following consultation with the Office of the Secretary, Adelphia is resubmitting the Settlement herewith using the correct filing code.

delicate balance of interests that is reflected in the Settlement and result in further litigation and consumption of the Commission's and the parties' resources.

The Settlement is supported or not opposed by the Settling Parties listed in Appendix A of the Settlement. Adelpia is not aware of any party to the proceeding that opposes the Settlement.

The following appendices to the Settlement are included in this submission:

- Appendix A – Settling Parties
- Appendix B – *Pro Forma* Rates
- Appendix C – Depreciation Rates and Negative Salvage Percentages

In light of the support or absence of opposition by all of the active parties, and consistent with the Motion for Waiver of the Reply Comment Period below, Adelpia asks that the Presiding Administrative Law Judge proceed expeditiously to certify to the Commission that the Settlement is uncontested. *See* 18 C.F.R. § 385.602(g) (2025).

This submission includes:

- (i) the Stipulation and Agreement of Settlement and the relevant appendices as detailed above; and
- (ii) a separate Explanatory Statement, *see* 18 C.F.R. § 385.602(c)(ii) (2025), including answers to the questions set forth in the December 15, 2016 Amended Notice to the Public issued by the Chief Administrative Law Judge.

Copies of this transmittal letter and all attachments are being served upon all parties to this proceeding, Adelpia's other jurisdictional customers, and all interested state commissions in accordance with Commission's Rule 602(d), 18 C.F.R. § 385.602(d) (2025).

Adelpia respectfully requests that the Commission waive any and all regulations that may be necessary in order to permit the approval of this Settlement as filed.

Motion for Waiver of Reply Comment Period

Pursuant to Rule 602(f)(2), 18 C.F.R. § 385.602(f)(2) (2025), initial comments on the Settlement will be due on September 15, 2025, and reply comments on September 24, 2025. Pursuant to the discretion afforded to the Commission and the Presiding Administrative Law Judge under Rule 602(f)(2), Adelpia respectfully moves for waiver of the reply comment period to the extent no initial comments are filed opposing the Settlement. Adelpia also requests expedited approval

Ms. Debbie-Anne A. Reese

August 25, 2025

Page 3

without modification of the Settlement.² As noted, Adelpia believes that this Settlement is uncontested. If no adverse initial comments are submitted, Adelpia requests that the reply comment period be waived. The requested waiver of the reply comment period and prompt certification of the Settlement should enable the Commission to act swiftly. All parties have been notified of the applicable deadlines.

Respectfully submitted,

Sincerely,

/s/ Austin Isensee

Austin Isensee

Director Rates and Regulatory

Adelpia Gateway, LLC

² No participant, including Trial Staff, has expressed opposition to waiver of the reply comment period and expedited approval.

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Adelphia Gateway, LLC) Docket Nos. RP24-1106-000, et al.
)

STIPULATION AND AGREEMENT OF SETTLEMENT

**To: The Honorable Matthew Vlissides Jr.
Presiding Administrative Law Judge**

**The Honorable Patricia M. French
Settlement Judge**

Pursuant to Rule 602 of the Federal Energy Regulatory Commission’s (“FERC” or the “Commission”) Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2025), Adelphia Gateway, LLC (“Adelphia”) submits this Stipulation and Agreement of Settlement (“Settlement”). The Settlement resolves all issues in Adelphia’s general rate case proceeding in Docket Nos. RP24-1106-000 et al., including all issues set for hearing in the Commission’s “Order Accepting and Suspending Tariff Records, Subject to Refund, and Establishing Hearing Procedures.”¹ Adelphia and the Settling Parties (as defined below in Article III.A) stipulate and agree to the following:

**ARTICLE I
PROCEDURAL HISTORY**

A. On September 30, 2024, Adelphia submitted a general rate case filing pursuant to section 4 of the Natural Gas Act (“NGA”)² (the “Rate Case Filing”), containing proposed revisions to its FERC Gas Tariff, Original Volume No. 1 (“Tariff”). In the Rate Case Filing, Adelphia proposed to restate its base rates and change its zone-gate rate design to a Dth-mile allocation methodology.

¹ *Adelphia Gateway, LLC*, 189 FERC ¶ 61,089 (2024) (“Suspension Order”).

² 15 U.S.C. § 717c.

B. Certain parties intervened in the proceeding and protested Adelphia's Rate Case Filing.

C. On October 31, 2024, the Commission issued its Suspension Order. The Commission accepted Adelphia's proposed tariff records subject to refund, suspended their effectiveness for the maximum five (5)-month period to be effective April 1, 2025, and established an evidentiary hearing to explore all issues presented in the Rate Case Filing.

D. On November 1, 2024, the Chief Administrative Law Judge designated the Honorable Matthew J. Vlissides Jr. as the Presiding Administrative Law Judge ("Presiding Judge"). Judge Vlissides initiated the hearing phase of the proceeding on December 4, 2024, by convening a prehearing conference to establish a procedural schedule and discovery procedures. On December 12, 2024, the Chief Administrative Law Judge issued an order extending procedural deadlines for the hearing. On December 16, 2024, Judge Vlissides issued orders establishing the procedural schedule and discovery procedures.

E. Also on November 1, 2024, the Chief Administrative Law Judge designated the Honorable Patricia M. French as the Settlement Judge to convene a settlement conference and conduct settlement negotiations. The participants exchanged multiple settlement offers and participated in five formal settlement conferences convened by Judge French on December 12, 2024, March 27, 2025, April 29, 2025, May 20, 2025, and June 10, 2025. The participants also conferred informally outside of the formal settlement conferences.

F. On March 28, 2025, as supplemented on April 2, 2025, Adelphia submitted a filing to place certain updated tariff sections contained in the Rate Case Filing into effect on April 1,

2025. On April 17, 2025, the Commission granted Adelpia's motion subject to refund and the outcome of the hearing as established in the Suspension Order.³

G. As a result of the various formal and informal settlement discussions, Adelpia and the active participants reached an agreement in principle to settle all issues in this case based on the terms that are reflected in this Settlement. On June 27, 2025, Adelpia filed an Unopposed Motion to Suspend the Procedural Schedule and Waive Answer Period. The Chief Administrative Law Judge issued an order holding the proceeding in abeyance on July 1, 2025.⁴ On August 7, 2025, Judge French reported that the parties had reached a settlement in principle.⁵

H. On July 28, 2025, Adelpia moved to place certain reduced rates into effect as of July 1, 2025, and to apply such rates to the Settling Parties ("Interim Rates"), subject to Adelpia's right to effectuate the Interim Rate Reduction Make-Up Charge as described in Article VI.B herein.⁶ On July 29, 2025, the Chief Administrative Law Judge granted Adelpia's July 28, 2025, motion to place the Interim Rates into effect as of July 1, 2025.⁷

ARTICLE II INDIVISIBILITY OF SETTLEMENT TERMS/BLACK BOX SETTLEMENT

A. Adelpia and the Settling Parties have engaged in extensive settlement negotiations in an effort to resolve all issues set for hearing in the above-referenced proceedings. This Settlement provides for a fair and reasonable resolution of all issues and matters in dispute in this

³ Letter Order Accepting Adelpia Gateway, LLC's Compliance Filing, Docket No. RP24-1106-003 (Apr. 17, 2025).

⁴ Letter Order of Chief Judge Holding Hearing Proceeding in Abeyance, Docket Nos. RP24-1106-001 (July 1, 2025).

⁵ Report of Settlement Judge, Docket Nos. RP24-1106-000, *et al.* (Aug. 7, 2025).

⁶ Adelpia first moved to place Interim Rates into effect on July 25, 2025. Adelpia Gateway Unopposed Motion to Place Interim Settlement Rates into Effect, Docket No. RP24-1106-005 (filed July 25, 2025). However, on July 28, 2025, Adelpia made an errata filing correcting errors contained in the July 25, 2025 motion. Adelpia Errata to Unopposed Motion to Place Interim Settlement Rates into Effect, Docket No. RP24-1106-006 (filed July 28, 2025).

⁷ *Adelpia Gateway, LLC*, 192 FERC ¶ 63,007 (2025).

proceeding. Adelpia and the Settling Parties view the multiple compromises set out in the Settlement as an integrated package, and any condition or modification to the Settlement has the potential to upset the delicate balance of multiple competing interests achieved by the compromise. The provisions of this Settlement are not severable and may become effective only in accordance with the terms of the Settlement. This provision may only be waived by unanimous agreement or non-opposition of Adelpia and the Settling Parties.

B. The rates set forth in this Settlement are “black box” rates in the sense that there is no agreement on any underlying assumptions, methodologies, or rate design for deriving such rates.

ARTICLE III SETTLING PARTIES AND CONTESTING PARTIES

A. A “Settling Party” (collectively, the “Settling Parties”) is (a) any party that is listed in Appendix A hereto; (b) any party that files any document with the Commission in this proceeding stating that it (i) expressly supports the Settlement as a whole or any of its underlying provisions or (ii) does not oppose the Settlement as a whole and each of its underlying provisions; or (c) any entity that is an intervenor in any of the dockets resolved by this Settlement and does not file any document at the Commission opposing the Settlement or any part thereof or seeking any alteration thereof. Settling Parties are deemed to either support or have no objection to this Settlement being evaluated and approved as fair and reasonable and in the public interest.⁸ References to Settling Party or Settling Parties within this Settlement do not include Adelpia or Trial Staff, though Adelpia is a party to this Settlement. All customers of Adelpia as of the Effective Date of this Settlement will be subject to the rates established pursuant to Article VI

⁸ 18 C.F.R. § 385.602(g)(3) (2025).

herein (collectively, the “Settlement Rates”) unless they become a Contesting Party pursuant to the terms of this Settlement and the Commission does not apply the terms of this Settlement to such Contesting Party pursuant to Article III.C below.

B. Adelpia and the Settling Parties shall be bound by an order that approves this Settlement without any condition or modification. Adelpia and the Settling Parties shall not be bound by an order that conditions or modifies the Settlement unless Adelpia and all Settling Parties unanimously agree to or do not oppose such condition or modification in accordance with the further provisions of Article IV.A.2.

C. A “Contesting Party” is any party, excluding Adelpia, that is not a Settling Party. If there is any Contesting Party, such Contesting Party may be severed from this Settlement, but this Settlement shall continue to apply to all Settling Parties. The Commission may determine the Settlement will apply to a Contesting Party, and if the Commission makes that determination, such Contesting Party will be deemed to be a Settling Party under the Settlement. If the Commission does not apply the Settlement to a Contesting Party, this Settlement shall not apply to such severed Contesting Party with respect to its direct interests on Adelpia, and any such Contesting Party shall not be entitled to any of the benefits or be subject to any of the burdens of the Settlement. For the purposes of this Settlement, the term “direct interest” means the rate applicable to any existing or future contracts with Adelpia, including contracts obtained through capacity release, in which the Contesting Party is the customer. If the Commission severs a Contesting Party, Adelpia shall not be bound by this Settlement with respect to such Contesting Party and shall retain all rights to file base rate or any other tariff changes pursuant to section 4 of the NGA that will be applicable only to all such severed Contesting Parties. Further, such a severed Contesting Party shall retain all rights to respond to any such filing by Adelpia. Any Commission orders

related to such NGA section 4 filings that are otherwise precluded by the Settlement shall only become effective as to such severed Contesting Parties. In the event of severance of a Contesting Party under this Article III.C, the provisions of this Settlement shall apply to the other Settling Parties.

D. All issues in the above-captioned dockets shall be resolved for severed Contesting Parties by further litigation, settlement, or other proceedings, it being recognized that such further proceedings may result in any such Contesting Party, as a customer, paying rates that are different than those provided for under this Settlement or in effect on the Effective Date (as defined below in Article IV.A). Resolution of these issues as to any such Contesting Party either by litigation or settlement shall have no effect on (i) the rates applicable to Settling Parties or (ii) any other provisions of this Settlement applicable to the Settling Parties. Adelpia and Settling Parties agree to make any necessary filing(s) with the Commission to achieve that result.

E. In the event that the provisions of Article III.D apply, so that Settling Parties and Contesting Parties are subject to different applicable maximum rates, the rate that an existing shipper must match to retain its existing capacity under the right of first refusal process in the Tariff, or that any bidder must bid to obtain that capacity, shall be based on the maximum rate that is applicable to the existing shipper's contract. Similarly, to the extent a maximum rate applies to a capacity release, the maximum rate applicable to replacement shippers shall be the maximum rate applicable to the releasing shipper's contract.

F. To the extent a Contesting Party desires to become a Settling Party, any change in status shall be effective upon the filing of any necessary pleading with the Commission withdrawing any opposition to the Settlement and stating that such Contesting Party is now a

Settling Party. Such Contesting Party shall be entitled to the benefits of the Settlement from that day forward only.

ARTICLE IV SETTLEMENT EFFECTIVENESS

A. Effective Date

1. The various provisions of this Settlement are not severable and will become binding and effective on the “Effective Date,” which shall be determined as follows:

(a) if the Commission issues an order approving this Settlement without modification(s) or condition(s), the Effective Date shall be the date of the order approving this Settlement; or

(b) if the Commission issues an order approving this Settlement with modification(s) or condition(s) and neither any Settling Party nor Adelpia provides notice pursuant to the first sentence of Article IV.A.2, the Settlement as modified or conditioned shall be deemed accepted as of the eighth (8th) day after the date of the order approving the Settlement and the Effective Date shall be the date of the order approving this Settlement; or

(c) if the Commission issues an order approving this Settlement with modification(s) or condition(s) and any Settling Party or Adelpia provides notice pursuant to the first sentence of Article IV.A.2, the Settlement shall become effective, if at all, pursuant to the provisions of Article IV.A.2.

2. If the Commission issues an order approving this Settlement subject to a modification or condition that affects any provision of this Settlement, any Settling Party or Adelpia may notify the Commission, other Settling Parties, Trial Staff, and Adelpia (if applicable) within seven (7) days of the date of such a Commission order that such modification

or condition is unacceptable. If such notice is provided, the Settling Parties, Trial Staff, and Adelphia will engage in a good faith meet-and-confer process to determine whether the Commission-imposed modification(s) or condition(s) can be accepted by all Settling Parties, Trial Staff, and Adelphia, or, if not, (i) to file a request for rehearing/clarification regarding unacceptable modification(s) or condition(s), or (ii) to revise and refile the Settlement as necessary to make it acceptable to all Settling Parties, Trial Staff, and Adelphia (the changed settlement shall be referred to as the “Amended Settlement”).

(a) If within twenty-one (21) days of the date of the Commission order the Settling Parties, Trial Staff, and Adelphia are unable to agree as provided in Article IV.A.2, then the obligation to meet and confer in good faith shall cease, and any Settling Party, Trial Staff, or Adelphia may seek rehearing/clarification of the Commission order that includes such unacceptable modification(s) or condition(s) in order to get the Settlement approved as filed. If the Commission grants rehearing/clarification in all respects as requested, the Settlement shall become effective and the Effective Date shall be the day after the date of the Commission order on rehearing. If the Commission does not grant rehearing/clarification in all respects as requested, the Settlement shall be null and void and shall not take effect except as to the provisions of Article IV.B and Article VI.B regarding the unwinding of Interim Rates. If Adelphia, any Settling Party, or Trial Staff files a request for rehearing or clarification requesting that the Commission approve the Settlement as filed, then Adelphia, the other Settling Parties, and Trial Staff shall not oppose such a request for rehearing or clarification.

(b) If, as a result of the good faith meet-and-confer process, the Settling Parties, Trial Staff, and Adelphia agree that they can accept the Commission-imposed modification(s) or condition(s), the Effective Date shall be the twenty-second (22nd) day after the date of the Commission order approving the Settlement.

(c) If, as a result of the good faith meet-and-confer process, all Settling Parties, Trial Staff, and Adelphia agree within twenty-one (21) days after the date of the Commission order to file an Amended Settlement, the Amended Settlement shall be filed promptly with the Commission and this Settlement shall not take effect.

(d) If (i) the Settling Parties, Trial Staff, and Adelphia are unable to agree as provided in this Article IV.A.2 and (ii) none of the Settling Parties, Trial Staff, or Adelphia seek rehearing of the Commission order as provided in this Article IV.A.2(a), then the Settlement shall be null and void and shall not take effect except for the unwinding of the Interim Rates in accordance with Article IV.B and Article VI.B.

(e) Adelphia shall promptly notify the Commission in the event the Settlement does not take effect in accordance with this Article IV.A.2.

3. Reference to the “Term of the Settlement” shall refer to the period beginning with the Effective Date and concluding on the day immediately prior to the date when new generally applicable rates become effective in accordance with Article V.

B. Effect of Termination or Rejection of the Settlement

If the Settlement does not become effective in accordance with Article IV.A above, all parties shall be returned to the status quo as it existed prior to July 1, 2025; provided, however, that Adelphia shall be entitled to implement the procedures set forth in Article VI.B.1 regarding

the Interim Rate Reduction Make-Up Charge. If the Settlement does not become effective in accordance with Article IV.A above, Adelphia may take any necessary action, including submission of a tariff filing, to restore or otherwise make effective the Motion Rates as of July 1, 2025, and neither Trial Staff nor any Settling Party shall oppose Adelphia's right to make that filing to the extent such filing is consistent with this Article IV.B; provided, however, that any such Motion Rates remain subject to refund and a determination of just and reasonable rates in this proceeding. All parties reserve all rights to challenge the Motion Rates on any grounds.

ARTICLE V
MORATORIUM AND MANDATORY FILING REQUIREMENT

A. Moratorium

1. The period from April 1, 2025 until March 31, 2028, is referred to herein as the "Moratorium."

2. Except in accordance with this Article V, during the Moratorium, Adelphia shall not make any filing that would become effective prior to the expiration of the Moratorium proposing to (a) increase or modify the Settlement Rates established pursuant to Article VI or (b) otherwise modify the terms of the Settlement.

3. No Settling Party, whether acting individually, with others, or in support of others, will initiate or support any effort, pursuant to section 5 of the NGA or any other statutory provision, at the Commission or with any other governmental authority or regulatory body having jurisdiction over Adelphia, to modify in any way, with respect to Adelphia or any Settling Party, the Settlement Rates established pursuant to Article VI, or any other provision of this Settlement, prior to the earlier of the date that Adelphia files a general NGA section 4 rate case or the end of the Moratorium, but the Settling Parties shall be free to oppose or otherwise take any position with respect to any proceeding described in Article V.A.4. Similarly, Adelphia is prohibited from

advocating or supporting a rate change or modification to any other provision of the Settlement that would become effective prior to the end of the Moratorium.

4. During the Moratorium, each Settling Party and Adelphia shall be free, so long as no such Settling Party or Adelphia acts to modify or abrogate this Settlement or to hinder the enforcement of any of its provisions, to (a) advance or oppose legislative changes or rulemaking proceedings of general industry-wide applicability; (b) actively participate (including but not limited to filing comments) in any rulemaking, notice of inquiry, or similar proceeding of general applicability before the Commission or any other federal or state regulatory body (“Rulemakings”); (c) petition for and actively participate in judicial appeals or remands of Rulemakings or in pipeline proceedings in other dockets; (d) participate in any other Commission proceeding and any related judicial appeals and take any position on any issue in that proceeding; (e) take any position with respect to any filing made by Adelphia pursuant to Article V.A.5; or (f) take any other position not inconsistent with this Settlement.

5. During the Moratorium, Adelphia may take any of the following actions, in addition to the actions permitted by Article V.A.4:

(a) file tariff provisions specifically required by any order issued after the date the Settlement is filed, resulting from any Commission Rulemaking proceeding(s) or any Commission order of general applicability;

(b) make any filing to implement any changes to the Settlement mandated by legislation and specifically required by subsequent Commission order issued after the date the Settlement is filed;

(c) make any filing pursuant to sections 4 or 7 of the NGA not inconsistent with the terms of the Settlement; and

(d) take other actions consistent with applicable laws and regulations as follows:

(i) proposing to construct and operate facilities or to provide new service(s) not covered by the Settlement;

(ii) proposing any incremental rate, maximum recourse rate, or rate schedule applicable solely to new facilities or new service(s) as permitted in Article V.A.5(d)(i);

(iii) proposing new terms or conditions of service that shall neither (1) impose a new fee or other charge on existing service(s) nor (2) materially and adversely affect the rights of any Settling Party under this Settlement;

(e) provide discounts to the Settlement Rates;

(f) enter into negotiated rate agreements; and

(g) take any other action and make any other filing not inconsistent with this Settlement; provided that such other action or filing shall not have the effect, directly or indirectly, of altering the provisions of the Settlement.

B. Mandatory Filing Requirement

Adelphia shall file a general rate case pursuant to section 4 of the NGA such that the rates proposed therein shall be effective no later than July 1, 2036, taking into account any suspension period that may be imposed by the Commission, unless rates are set in an NGA section 5 investigation that has become effective prior to July 1, 2036.

**ARTICLE VI
SETTLEMENT RATES**

A. Settlement Rates

1. The recourse rates for all Adelpia transportation services to be effective during the period from April 1, 2025 through the conclusion of the Term of the Settlement shall be as set forth in the tariff records attached as Appendix B.

B. Interim Rate Reduction

1. To the extent that the Settlement does not become effective pursuant to Article IV, Adelpia shall have the right to charge each Settling Party, subject to refund, to the extent such Settling Party has paid a lower rate by virtue of the Interim Rates. The amount of such charge shall be the difference between the Motion Rates and the Interim Rates collected from such Settling Party under each contract for the period commencing on July 1, 2025 until the date that the pre-Settlement rates are re-implemented, plus interest at the applicable FERC interest rate (“Interim Rate Reduction Make-Up Charge”). The billing adjustment to collect the Interim Rate Reduction Make-Up Charge will be calculated based upon the period during which the Interim Rates were in effect for such Settling Party. Notwithstanding the foregoing, any Settling Party may individually elect to pay the billing adjustment over a shorter period of time.

2. The calculation of the Interim Rate Reduction Make-Up Charge shall include interest at the interest rate established by using the methodology set forth in 18 C.F.R. § 154.501(d) (2025).

3. Adelpia shall begin applying any billing adjustment to such Settling Party’s next applicable monthly bill, following Commission acceptance of the appropriate tariff filing necessary to implement the Interim Rate Reduction Make-Up Charge. Each Settling Party agrees that it will not contest the lawfulness of the Interim Rate Reduction Make-Up Charge;

provided, however, that any Settling Party may seek to correct the implementation of the Interim Rate Reduction Make-Up Charge, or to correct a calculation or billing error pursuant to Section 10.3 of the General Terms and Conditions of Adelphia's Tariff; provided further that the Interim Rate Reduction Make-Up Charge remains subject to refund based upon the ultimate determination of just and reasonable rates in this proceeding.

C. Refunds

1. Within sixty (60) days after the Effective Date and in accordance with the requirements of 18 C.F.R. §§ 154.501 and 154.502 (2025), Adelphia shall provide to each shipper that is not a Contesting Party, including each Settling Party, a refund, via a lump sum payment or in the form selected by each such shipper, for the period April 1, 2025, through June 30, 2025. The refund shall equal the difference between the rates collected from each Settling Party under each contract and the Settlement Rates applicable to the service received by such Settling Party, plus interest at the applicable FERC interest rate. Within thirty (30) days of the distribution of any refunds due pursuant to this paragraph, Adelphia shall file a report complying with 18 C.F.R. §§ 154.501(e) and 154.502 (2025).

**ARTICLE VII
ADIT**

A. Adelphia shall recognize a balance for Accumulated Deferred Income Taxes ("ADIT") of \$382,621 as of December 31, 2024 and shall amortize this regulatory liability via an annual expense of \$9,092, to be effective April 1, 2025 and continuing for a period of 42.08 years.

B. The Commission's approval of this Settlement shall constitute the Commission's approval of the accounting adjustments to these balance sheet accounts.

**ARTICLE VIII
DEPRECIATION AND NEGATIVE SALVAGE**

A. Effective as of April 1, 2025, Adelphia shall apply the depreciation rates and negative salvage percentages set forth in Appendix C for regulatory accounting purposes. A Final Order approving the Settlement shall constitute all necessary authority, including under sections 8 and 9 of the NGA, for Adelphia to apply the Appendix C depreciation rates and negative salvage percentages. For purposes of this Settlement, a “Final Order” is an order by the Commission for which no request for rehearing or petition for review or certiorari is pending and for which the statutory time period within which to seek rehearing, review, or certiorari, if applicable, has expired.

B. Adelphia shall record all negative salvage collections to a separate subaccount of Account No. 108.

**ARTICLE IX
EQUITY ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION**

For expansion projects which shall be filed by Adelphia after the Effective Date of the Settlement, Adelphia shall calculate and record in its books the equity portion of Allowance for Funds Used During Construction in accordance with the formula set forth in the Commission’s Uniform System of Accounts, 18 C.F.R. Part 201, Gas Plant Instructions (3)(17)(b).

**ARTICLE X
POST-RETIREMENT BENEFITS OTHER THAN PENSIONS**

The Settling Parties and Adelphia agree that the Settlement Rates set forth in Article VI.A include an expense allowance for Post-Retirement Benefits Other than Pensions of \$2,391.

ARTICLE XI RESERVATIONS

A. This Settlement is submitted pursuant to Rule 602 of the Commission’s Rules of Practice and Procedure,⁹ and unless and until it becomes effective under Article IV.A.1, shall be privileged.

B. Unless and until it becomes effective, this Settlement shall not be admissible in evidence or in any way used against any person in any other proceeding. Insofar as it concerns Contesting Parties in the case of severance, this Settlement will be a “non-approved offer of settlement” within the meaning of Rule 602(e) of the Commission’s Rules of Practice and Procedure.¹⁰ As such, this Settlement shall not be admissible in evidence or in any way used against any person by any Contesting Party.

C. The standard of review to be applied by the Commission in considering any change to any provision of this Settlement shall be the “public interest” standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956) and *FPC v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), except that with respect to any such change sought by a non-settling third party or the Commission acting *sua sponte*, the standard of review to be applied by the Commission shall be the “just and reasonable” standard.

D. The Settlement represents a negotiated settlement only with respect to the issues resolved by the Settlement. The provisions hereof are limited to the specific matters referred to herein. Every party to this proceeding reserves any claim or right that it may otherwise have with respect to any matters not expressly provided for by the Settlement.

⁹ 18 C.F.R. § 385.602 (2025).

¹⁰ 18 C.F.R. § 385.602(e) (2025).

E. Except as otherwise expressly provided in this Settlement, all parties retain and reserve all rights, including but not limited to the rights of the Settling Parties to support, protest, challenge, oppose, file comments in support of or in opposition to, or otherwise advocate any position they deem warranted, with respect to any filing by Adelphia with the Commission. Without limiting the generality of the foregoing, it is further expressly understood and agreed that no Settling Party has waived its rights to oppose or otherwise advocate any position it deems warranted in any filing made pursuant to Article V.A.5 of this Settlement, provided that no such Settling Party may take a position that is inconsistent with the terms of this Settlement.

F. No participant herein, including but not limited to Adelphia and the Settling Parties, shall be deemed to have approved, accepted, agreed or consented to any principle of any method of regulation or ratemaking underlying or supposed to underlie any of the provisions hereof, or be prejudiced or bound thereby in any way, except as specifically provided by this Settlement, in any other proceeding. Without limitation of its terms, the foregoing sentence shall apply to principles or methods relating to (i) the allocation or recoverability of costs, (ii) the level of such costs, (iii) the level or design of any rate or charge, and (iv) the method of developing or assessing any rate or charge. Aside from Article VII, nothing in this Settlement shall be deemed to create a settled practice within the meaning of the decision of the U.S. Court of Appeals for the District of Columbia Circuit in *Public Service Commission of New York v. FERC*, 642 F.2d 1335 (1980), or a “long-standing practice” as that term was used in *Columbia Gas Transmission Corp. v. FERC*, 628 F.2d 578 (D.C. Cir. 1979), or to affect or shift the burden of proof on any issue in any proceeding. The provisions of this Settlement are for purposes of settlement only and shall have no precedential effect.

G. Capitalized terms not otherwise defined in this Settlement are defined by and shall have the meaning specified in Adelphia’s Tariff.

H. No party shall be deemed the drafter of this Settlement or any part of it, and this Settlement shall not be construed against any party as the drafter.

I. The provisions of this Settlement are not severable and may become effective only in accordance with the terms of the Settlement.

Respectfully submitted,

William P. Scharfenberg
Deputy General Counsel
Austin Isensee
Director Rates and Regulatory
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(732) 673-6743

August 22, 2025

/s/ Stefan M. Krantz
Stefan M. Krantz
A. Gregory Junge
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Counsel to
Adelphia Gateway, LLC

APPENDIX A

Settling Parties

SETTLING PARTIES

The entities listed below are parties to and either support or do not oppose the foregoing Stipulation and Agreement of Settlement:

Calpine Energy Services, L.P.
New Jersey Natural Gas Company
PECO Energy Company

APPENDIX B

Pro Forma Rates

APPENDIX B

Adelphia Gateway, LLC
FERC Gas Tariff, Original Volume No. 1

List of Tariff Records

<u>Tariff Section</u>		<u>Version</u>
4.1	Statement of Transportation Rates	1.3.2
4.2	Statement of Capacity Release Rates	1.3.2

APPENDIX B

Adelphia Gateway, LLC
FERC Gas Tariff, Original Volume No. 1

Clean Version of Tariff Records

STATEMENTS OF RATES

INDEX

DESCRIPTION/TITLE

1. Statement of Transportation Rates
2. Statement of Capacity Release Rates
3. Statement of Additional Charges and Surcharges

STATEMENT OF TRANSPORTATION RATES

Rate Schedule

RATE SCHEDULE FTS 1/

1. Capacity Reservation Rate Per Month Per Dth of MDQ	Maximum Rate Per Dth	Minimum Rate Per Dth
Access Charge	\$0.9885	\$0.0000
Zone North A	\$4.0302	\$0.0000
Zone North B	\$1.5208	\$0.0000
Zone South	\$10.6458	\$0.0000
Total Capacity Reservation Rates (Inclusive of Access Charge):		
Zone North A	\$5.0187	\$0.000
Zone North B	\$2.5093	\$0.000
Zone South	\$11.6343	\$0.000
2. Usage-1 Rate Per Dth 2/	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0.0200	\$0.0000
Zone North B	\$0.0200	\$0.0000
Zone South	\$0.0200	\$0.0000
3. 100% Load Factor Rates 3/ Per Day Per Dth of MDQ	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0.1850	\$0.0000
Zone North B	\$0.1025	\$0.0000
Zone South	\$0.4025	\$0.0000

4. Usage-2 Rate Per Dth	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0.1850	\$0.0000
Zone North B	\$0.1025	\$0.0000
Zone South	\$0.4025	\$0.0000

1/ Capacity Reservation Rates and Usage-2 Rates are additive if service is provided in more than one Zone. The Usage-2 and 100% Load Factor Rates are inclusive of the daily equivalent of the Access Charge or \$0.0325/ Dth. The Access Charge is a reservation charge applicable, a single time, for each FTS agreement contracted with a physical receipt point at a pipeline interconnect.

2/ The Usage-1 Rate is applied once if crossing zones. The Usage-1 Rate is to be effective prospectively from the Effective Date determined pursuant to

IV.A of the Stipulation and Agreement of Settlement under Docket Nos. RP24-1106
et al.

3/ For Comparative Purposes Only.

RATE SCHEDULE ITS 1/

1. Usage-1 Rate Per Day Per Dth	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0.1850	\$0.0000
Zone North B	\$0.1025	\$0.0000
Zone South	\$0.4025	\$0.0000

2. Usage-2 Rate Per Dth	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0.1850	\$0.0000
Zone North B	\$0.1025	\$0.0000
Zone South	\$0.4025	\$0.0000

RATE SCHEDULE PALS

Usage Rate Per Day Per Dth	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0.1850	\$0.0000
Zone North B	\$0.1025	\$0.0000
Zone South	\$0.4025	\$0.0000

1/ Capacity Reservation Rates and Usage-2 Rates are additive if service is provided in more than one Zone.

STATEMENT OF CAPACITY RELEASE RATES

Rate Schedule	Maximum	Minimum

MAXIMUM DAILY CAPACITY RELEASE		
RATE 1/		

1. Capacity Reservation Rate Per Month Per Dth of MDQ	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$5.0187	\$0.0000
Zone North B	\$2.5093	\$0.0000
Zone South	\$11.6343	\$0.0000
2. Usage-1 Rate Per Dth 2/	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0.0200	\$0.0000
Zone North B	\$0.0200	\$0.0000
Zone South	\$0.0200	\$0.0000
3. 100% Load Factor Rates 3/ Per Day Per Dth of MDQ	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0.1850	\$0.0000
Zone North B	\$0.1025	\$0.0000
Zone South	\$0.4025	\$0.0000
4. Usage-2 Rate Per Dth	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0.1850	\$0.0000
Zone North B	\$0.1025	\$0.0000
Zone South	\$0.4025	\$0.0000

1/ Capacity Reservation Rates and Usage-2 Rates are additive if service is provided in more than one Zone.

2/ The Usage-1 Rate is applied once if crossing zones. The Usage-1 Rate is to be effective prospectively from the Effective Date determined pursuant to IV.A of the Stipulation and Agreement of Settlement under Docket Nos. RP24-1106 et al.

3/ For comparative purposes only.

APPENDIX B

Adelphia Gateway, LLC
FERC Gas Tariff, Original Volume No. 1

Redline Version of Tariff Records

STATEMENTS OF RATES

INDEX

DESCRIPTION/TITLE

1. Statement of Transportation Rates
2. Statement of Capacity Release Rates
3. Statement of Additional Charges and Surcharges

STATEMENT OF TRANSPORTATION RATES

Rate Schedule

RATE SCHEDULE FTS 1/

1. Capacity Reservation Rate Per Month Per Dth of MDQ	Maximum Rate Per Dth	Minimum Rate Per Dth
<u>Access Charge</u>	\$0.9885	\$0.0000
Zone North A	\$10.28074 <u>10.0302</u>	\$0.0000
Zone North B	\$2.98671 <u>1.5208</u>	\$0.0000
Zone South	\$17.24771 <u>10.6458</u>	\$0.0000
<u>Total Capacity Reservation Rates (Inclusive of Access Charge):</u>		
<u>Zone North A</u>	\$5.0187	\$0.000
<u>Zone North B</u>	\$2.5093	\$0.000
<u>Zone South</u>	\$11.6343	\$0.000

2. Usage-1 Rate Per Dth <u>2/</u>	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0.02 <u>00059</u>	\$0.0000
Zone North B	\$0.02 <u>00009</u>	\$0.0000
Zone South	\$0.02 <u>00106</u>	\$0.0000

3. 100% Load Factor Rates <u>32/</u> Per Day Per Dth of MDQ	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0. 3439 <u>1850</u>	\$0.0000
Zone North B	\$0. 0991 <u>1025</u>	\$0.0000
Zone South	\$0. 5777 <u>4025</u>	\$0.0000

4. Usage-2 Rate Per Dth

Maximum
Rate
Per Dth Minimum
Rate
Per Dth

Zone North A	\$0. 3439 <u>1850</u>	\$0.0000
Zone North B	\$0. 0991 <u>1025</u>	\$0.0000
Zone South	\$0. 5777 <u>4025</u>	\$0.0000

1/ Capacity Reservation Rates and Usage-2 Rates are additive if service is provided in more than one Zone. The Usage-2 and 100% Load Factor Rates are inclusive of the daily equivalent of the Access Charge or \$0.0325/ Dth. The Access Charge is a reservation charge applicable, a single time, for each FTS agreement contracted with a physical receipt point at a pipeline interconnect.

2/ The Usage-1 Rate is applied once if crossing zones. The Usage-1 Rate is to be effective prospectively from the Effective Date determined pursuant to

IV.A of the Stipulation and Agreement of Settlement under Docket Nos. RP24-1106
et al.

3/ For Comparative Purposes Only.

RATE SCHEDULE ITS 1/

1. Usage-1 Rate Per Day Per Dth	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0. 3439 <u>1850</u>	\$0.0000
Zone North B	\$0. 0991 <u>1025</u>	\$0.0000
Zone South	\$0. 5777 <u>4025</u>	\$0.0000
2. Usage-2 Rate Per Dth	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0. 3439 <u>1850</u>	\$0.0000
Zone North B	\$0. 0991 <u>1025</u>	\$0.0000
Zone South	\$0. 5777 <u>4025</u>	\$0.0000

RATE SCHEDULE PALS

Usage Rate Per Day Per Dth	Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A	\$0. 3439 <u>1850</u>	\$0.0000
Zone North B	\$0. 0991 <u>1025</u>	\$0.0000
Zone South	\$0. 5777 <u>4025</u>	\$0.0000

1/ ~~Backhaul rate is equal to the Forward haul rate.~~ Capacity Reservation Rates, ~~Usage-1 Rates,~~ and Usage-2 Rates are additive if service is provided in more than one Zone. -

2/ ~~For comparative purposes only.~~

STATEMENT OF CAPACITY RELEASE RATES

	Maximum	Maximum	Minimum
Rate Schedule			

MAXIMUM DAILY CAPACITY RELEASE			
RATE 1/			

1. Capacity Reservation Rate Per Month Per Dth of MDQ		Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A		\$10.28075 <u>5.0187</u>	\$0.0000
Zone North B		\$2.98672 <u>2.5093</u>	\$0.0000
Zone South		\$17.24771 <u>11.6343</u>	\$0.0000
2. Usage-1 Rate Per Dth <u>2/</u>		Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A		\$0.02 <u>200059</u>	\$0.0000
Zone North B		\$0.02 <u>200009</u>	\$0.0000
Zone South		\$0.02 <u>200106</u>	\$0.0000
3. 100% Load Factor Rates <u>32/</u> Per Day Per Dth of MDQ		Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A		\$0. 3439 <u>1850</u>	\$0.0000
Zone North B		\$0. 0991 <u>1025</u>	\$0.0000
Zone South		\$0. 5777 <u>4025</u>	\$0.0000
4. Usage-2 Rate Per Dth		Maximum Rate Per Dth	Minimum Rate Per Dth
Zone North A		\$0. 3439 <u>1850</u>	\$0.0000
Zone North B		\$0. 0991 <u>1025</u>	\$0.0000
Zone South		\$0. 5777 <u>4025</u>	\$0.0000

1/ ~~Backhaul rate is equal to the Forward haul rate.~~ Capacity Reservation Rates, ~~Usage-1 Rates,~~ and Usage-2 Rates are additive if service is provided in more than one Zone. _

2/ The Usage-1 Rate is applied once if crossing zones. The Usage-1 Rate is to be effective prospectively from the Effective Date determined pursuant to IV.A of the Stipulation and Agreement of Settlement under Docket Nos. RP24-1106 et al.

3/ For comparative purposes only.

APPENDIX C

Depreciation Rates and Negative Salvage Percentages

Line No.	FERC Account No.	Account Description	Rate
1	303	Intangible Plant	9.06%
2	365.2-371	Transmission Plant	1.80%
3	365.2-371	Negative Salvage – Transmission Plant*	0.08%
4	390.0	Structures and Improvements	4.12%
5	390.01	Structures and Improvements	4.12%
6	390.02	Structures and Improvements – Leased	4.12%
7	391.04	Office Furniture and Equipment – Computer Software	15.67%
8	392	Transportation Equipment	9.21%
9	393	Stores Equipment	5.05%
10	394	Tools, Shop and Garage Equipment	6.01%
11	395	Laboratory Equipment	6.37%
12	396	Power Operated Equipment	4.73%
13	115	Acquisition Adjustment	2.50%

*Subject to Article VIII subpart (b).

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Adelphia Gateway, LLC

)

Docket Nos. RP24-1106-000, et al.

EXPLANATORY STATEMENT

**To: The Honorable Matthew J. Vlissides Jr.
Presiding Administrative Law Judge**

**The Honorable Patricia M. French
Settlement Judge**

Pursuant to Rule 602(c)(1)(ii) of the Federal Energy Regulatory Commission’s (“FERC” or the “Commission”) Rules of Practice and Procedure, 18 C.F.R. § 385.602(c)(1)(ii) (2025), Adelphia Gateway, LLC (“Adelphia”) submits the following Explanatory Statement to the attached Stipulation and Agreement of Settlement (“Settlement”). The Settlement resolves all remaining issues set for hearing by the Commission in the above-captioned proceedings. This Explanatory Statement is for informational purposes only; in the event of a conflict between the contents of this Explanatory Statement and terms of the Settlement, the terms of the Settlement govern.

ARTICLE I – PROCEDURAL HISTORY

Article I sets forth the procedural background to these proceedings.

ARTICLE II – INDIVISIBILITY OF SETTLEMENT TERMS/BLACK BOX SETTLEMENT

Article II.A explains that the Settlement is the product of extensive negotiations, and that Adelphia and the Settling Parties view the multiple compromises set out in the Settlement as an integrated package that is fair and reasonable and in the public interest. It further explains that the provisions of the Settlement are not severable and may become effective only in accordance with the terms of the Settlement.

Article II.B states that the rates set forth in the Settlement are “black box” rates.

ARTICLE III – SETTLING PARTIES AND CONTESTING PARTIES

Article III describes settlement procedures and the parties’ rights in the event there is a Contesting Party as that term is defined in the Settlement.

Article III.A defines the universe of Settling Parties, and explains that neither Adelphia nor Trial Staff are a Settling Party, though Adelphia is a party to the Settlement. It further provides that all customers of Adelphia as of the Effective Date of the Settlement will be subject to the Settlement Rates unless they become a Contesting Party pursuant to the terms of the Settlement and the Commission does not apply the terms of the Settlement to such Contesting Party pursuant to Article III.C.

Article III.B provides that Adelphia and the Settling Parties shall be bound by an order that approves the Settlement without any condition or modification. Adelphia and the Settling Parties shall not be bound by an order that conditions or modifies the Settlement unless Adelphia and all Settling Parties unanimously agree to or do not oppose such condition or modification in accordance with the further provisions of Article IV.A.2.

Article III.C provides that a Contesting Party is any party, excluding Adelphia, that is not a Settling Party. If there is any Contesting Party, such Contesting Party may be severed from the Settlement, but the Settlement shall continue to apply to all Settling Parties. The Commission may also determine the Settlement will apply to a Contesting Party and, if the Commission makes that determination, such Contesting Party will be deemed to be a Settling Party under the Settlement. Article III.C also contains a detailed discussion of the treatment of severed Contesting Parties.

Article III.D provides that all issues in the above-captioned dockets shall be resolved for severed Contesting Parties by further litigation, settlement, or other proceedings, it being

recognized that such further proceedings may result in any such Contesting Party, as a customer, paying rates that are different than those provided for under the Settlement or in effect on the Effective Date (as defined in Article IV.A). Resolution of these issues as to any such Contesting Party either by litigation or settlement shall have no effect on (i) the rates applicable to Settling Parties or (ii) any other provisions of the Settlement applicable to the Settling Parties. Adelpia and Settling Parties agree to make any necessary filing(s) with the Commission to achieve that result.

Article III.E addresses the circumstance where Settling Parties and Contesting Parties are subject to different applicable maximum rates, and specifies how the maximum recourse rate for those shippers shall be determined for purposes of the right of first refusal and for capacity release purposes.

Article III.F states that to the extent a Contesting Party desires to become a Settling Party, any change in status shall be effective upon the filing of any necessary pleading with the Commission withdrawing any opposition to the Settlement and stating that such Contesting Party is now a Settling Party. Such Contesting Party shall be entitled to the benefits of the Settlement from that day forward only.

ARTICLE IV – SETTLEMENT EFFECTIVENESS

Article IV.A generally governs when the Settlement shall become effective and sets forth the rights of various parties should the Commission issue an order approving the Settlement subject to a modification(s) or condition(s). In the event the Commission issues an order approving the Settlement subject to a modification(s) or condition(s) that is unacceptable to any Settling Party or Adelpia, then Adelpia, Trial Staff and the Settling Parties shall meet and confer in good faith to determine whether the modification(s) and condition(s) may be accepted by all Settling Parties,

Trial Staff and Adelphia, or whether to file a request for rehearing/clarification regarding the unacceptable modification(s) or condition(s), or whether to revise and refile the Settlement as necessary to make it acceptable to all Settling Parties, Trial Staff, and Adelphia. Article IV.A.2 specifies the procedures associated with potential outcomes of the good faith meet-and-confer process, and further provides that Adelphia shall promptly notify the Commission in the event the Settlement does not take effect in accordance with Article IV.A.2.

Article IV.A.3 provides that references to the “Term of the Settlement” shall refer to the period beginning with the Effective Date and concluding on the date when new generally applicable rates become effective in accordance with Article V.

Article IV.B provides that if the Settlement does not become effective in accordance with Article IV.A, all parties shall be returned to the status quo as it existed prior to July 1, 2025; provided, however, that Adelphia shall be entitled to implement the procedures set forth in Article VI.B regarding the Interim Rate Reduction Make-Up Charge. If the Settlement does not become effective in accordance with Article IV.A, Adelphia may take any necessary action, including submission of a tariff filing, to restore or otherwise make effective the Motion Rates as of July 1, 2025, and neither Trial Staff nor any Settling Party shall oppose Adelphia’s right to make that filing to the extent such filing is consistent with this Article IV.B; provided, however, that any such Motion Rates remain subject to refund and a determination of just and reasonable rates in this proceeding. All parties reserve all rights to challenge the Motion Rates on any grounds.

ARTICLE V – MORATORIUM AND MANDATORY FILING REQUIREMENT

Article V.A establishes a Moratorium during which Adelphia and the Settling Parties are prohibited from taking certain actions, including but not limited to any filings under sections 4 and 5 of the Natural Gas Act (“NGA”) that would be inconsistent with the Settlement or any of its

constituent provisions. Article V.A also enumerates various permissible filings by Adelphia and the Settling Parties during the Moratorium.

Article V.B provides that Adelphia shall file a general rate case pursuant to section 4 of the NGA such that the rates proposed therein shall be effective no later than July 1, 2036, taking into account any suspension period that may be imposed by the Commission, unless rates are set in an NGA section 5 investigation that has become effective prior to July 1, 2036.

ARTICLE VI – SETTLEMENT RATES

Article VI.A establishes the transmission and storage rates that shall be in effect pursuant to the Settlement. The recourse rates for all Adelphia transportation services to be effective as of April 1, 2025 through the end of the Term of the Settlement shall be as set forth in the tariff records attached as Appendix B to the Settlement.

Article VI.B recognizes that Adelphia has placed an interim rate reduction (“Interim Rates”) into effect as of July 1, 2025, and provides for Adelphia’s right, in the event the Settlement does not become effective, to charge each Settling Party, subject to refund, to the extent such Settling Party has paid a lower rate by virtue of the Interim Rates.

Article VI.C states that Adelphia will, within sixty days after the Effective Date and in accordance with the requirements of 18 C.F.R. §§ 154.501 and 154.502 (2025), provide to each shipper that is not a Contesting Party, including each Settling Party, a refund, including interest at the applicable FERC interest rate, via a lump sum payment or in the form selected each such shipper, for the period April 1, 2025, through June 30, 2025.

ARTICLE VII – ADIT

Article VII.A provides that Adelphia shall recognize a balance for Accumulated Deferred Income Taxes (“ADIT”) of \$382,621 as of December 31, 2024 and shall amortize this regulatory

liability via an annual expense of \$9,092, to be effective April 1, 2025 and continuing for a period of 42.08 years.

Article VII.B provides that the Commission's approval of this Settlement shall constitute the Commission's approval of the accounting adjustments to these balance sheet accounts.

ARTICLE VIII – DEPRECIATION AND NEGATIVE SALVAGE

Article VIII.A provides that effective as of April 1, 2025, Adelphia shall apply the depreciation rates and negative salvage percentages set forth in Appendix C to the Settlement for regulatory accounting purposes. A Final Order approving the Settlement shall constitute all necessary authority, including under sections 8 and 9 of the NGA, for Adelphia to apply the Appendix C depreciation rates and negative salvage percentages. For purposes of the Settlement, a "Final Order" is an order by the Commission for which no request for rehearing or petition for review or certiorari is pending and for which the statutory time period within which to seek rehearing, review or certiorari, if applicable, has expired.

Article VIII.B provides Adelphia shall record all negative salvage collections to a separate subaccount of Account No. 108.

ARTICLE IX – EQUITY ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION

Article IX provides that For expansion projects which shall be filed by Adelphia after the Effective Date of the Settlement, Adelphia shall calculate and record in its books the equity portion of Allowance for Funds Used During Construction in accordance with the formula set forth in the Commission's Uniform System of Accounts, 18 C.F.R. Part 201, Gas Plant Instructions (3)(17)(b).

ARTICLE X – POST-RETIREMENT BENEFITS OTHER THAN PENSIONS

Article X provides that The Settling Parties and Adelphia agree that the Settlement Rates set forth in Article VI.A include an expense allowance for Post-Retirement Benefits Other than Pensions of \$2,391.

ARTICLE XI – RESERVATIONS

Article XI.A provides that the Settlement is submitted pursuant to Rule 602 of the Commission’s Rules of Practice and Procedure, and unless and until it becomes effective under Article IV.A.1, shall be privileged.

Article XI.B provides that unless and until it becomes effective, the Settlement shall not be admissible in evidence or in any way used against any person in any other proceeding. Insofar as it concerns Contesting Parties in the case of severance, the Settlement will be a “non-approved offer of settlement” within the meaning of Rule 602(e) of the Commission’s Rules of Practice and Procedure.¹ As such, the Settlement shall not be admissible in evidence or in any way used against any person by any Contesting Party.

Article XI.C provides that the standard of review to be applied by the Commission in considering any change to any provision of the Settlement shall be the “public interest” standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956) and *FPC v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), except that with respect to any such change sought by a non-settling third party or the Commission acting *sua sponte*, the standard of review to be applied by the Commission shall be the “just and reasonable” standard.

Article XI.D states that the Settlement represents a negotiated settlement only with respect to the issues resolved by the Settlement. The provisions hereof are limited to the specific matters

¹ 18 C.F.R. § 385.602(e) (2025).

referred to herein. Every party to this proceeding reserves any claim or right that it may otherwise have with respect to any matters not expressly provided for by the Settlement.

Article XI.E provides that except as otherwise expressly provided in the Settlement, all parties retain and reserve all rights, including but not limited to the rights of the Settling Parties to support, protest, challenge, oppose, file comments in support of or in opposition to, or otherwise advocate any position they deem warranted, with respect to any filing by Adelphia with the Commission. It also identifies certain express understandings and agreements with respect to parties' rights.

Article XI.F states that no participant herein, including but not limited to Adelphia and the Settling Parties, shall be deemed to have approved, accepted, agreed or consented to any principle of any method of regulation or ratemaking underlying or supposed to underlie any of the provisions hereof, or be prejudiced or bound thereby in any way, except as specifically provided by the Settlement, in any other proceeding. Without limitation of its terms, the foregoing sentence shall apply to principles or methods relating to (i) the allocation or recoverability of costs, (ii) the level of such costs, (iii) the level or design of any rate or charge, and (iv) the method of developing or assessing any rate or charge. Aside from Article VII, nothing in the Settlement shall be deemed to create a settled practice within the meaning of the decision of the U.S. Court of Appeals for the District of Columbia Circuit in *Public Service Commission of New York v. FERC*, 642 F.2d 1335 (1980), or a "long-standing practice" as that term was used in *Columbia Gas Transmission Corp. v. FERC*, 628 F.2d 578 (D.C. Cir. 1979), or to affect or shift the burden of proof on any issue in any proceeding. The provisions of the Settlement are for purposes of settlement only and shall have no precedential effect.

Article XI.G provides that capitalized terms not otherwise defined in the Settlement are defined by and shall have the meaning specified in Adelpia's Tariff.

Article XI.H states that no party shall be deemed the drafter of the Settlement or any part of it, and the Settlement shall not be construed against any party as the drafter.

Article XI.I states that the provisions of the Settlement are not severable and may become effective only in accordance with the terms of the Settlement.

CERTIFICATION QUESTIONS

On December 15, 2016, the Chief Administrative Law Judge issued an Amended Notice to the Public requiring that each Explanatory Statement submitted in support of a proposed settlement filed with the Commission address the following four questions:

1. Does the settlement affect other pending cases?

Adelpia does not believe that the Settlement will affect any other pending cases.

2. Does the settlement involve issues of first impression?

The Settlement does not involve any issue of first impression.

3. Does the settlement depart from Commission precedent?

The Settlement does not depart from Commission precedent.

4. Does the settlement seek to impose a standard of review other than the ordinary just and reasonable standard with respect to any changes to the settlement that might be sought either by a third party or the Commission acting *sua sponte*?

Yes. The standard of review to be applied by the Commission in considering any change to any provision of the Settlement shall be the "public interest" standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956) and *FPC v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), except that with respect to any such change sought by a non-settling

third party or the Commission acting *sua sponte*, the standard of review to be applied by the Commission shall be the “just and reasonable” standard.

Respectfully submitted,

William P. Scharfenberg
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Director Rates and Regulatory
Adelphia Gateway, LLC
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August 22, 2025

/s/ Stefan M. Krantz
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