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May 2, 2022

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: PA PUC v. Columbia Gas of Pennsylvania, Inc.
Docket Nos. R-2022-3031211, et al.
Columbia Gas of Pennsylvania, Inc.**

Dear Secretary Chiavetta:

Please see the attached Motion to suspend this Rate Case until investigations, and constitutionally and statutorily required audits are planned, conducted and completed in accordance with upon Generally Accepted Audit Standards and are performed diligently by a competent and independent external audit firm. Copies will be provided to others per the attached Certificate of Service.

Respectfully submitted,



Richard C. Culbertson

cc: Honorable Christopher P. Pell (w/att.)
Certificate of Service

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2022-3031211
	:	
Columbia Gas of Pennsylvania, Inc.	:	

MOTION TO SUSPEND COLUMBIA GAS OF PENNSYLVANIA RATE CASE HEARINGS, DOCKET NO. R-2022-3031211, UNTIL ORDERED INVESTIGATIONS, AND PENNSYLVANIA CONSTITUTIONALLY REQUIRED AND PENNSYLVANIA STATUTIONALLY REQUIRED FINANCIAL AND PERFORMANCE AUDITS HAVE BEEN DILLIGENTLY PLANNED, PERFORMED AND COMPLETED BY A COMPETANT, INDEPENDENT AND EXPEERIEENCED AUDIT FIRM THAT CAN PROVIDE THE STATUS – MATERAL WEAKNESSES, SIGNIFICANT DEFICIENCIES AND A LEVAL OF ASSSURANCE OF COLUMBIA’S INTERNAL CONTROLS IN THE AREAS OF – EFFECTIVE AND EFFCIENT OPERATIONS – SAFEGUARDING ASSETS, RELIABLE REPORTING OF FINIANCIALS AND NON-FINIANCIALS AND COMPLIANCE WITH LAWS, REGULATIONS, STANDARDS, TARIFF AND INTERNAL POLICY.

TO DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE PELL:

Pursuant to the Constitution of the Commonwealth of Pennsylvania ARTICLE VIII TAXATION AND FINANCE § 10. Audit ... “The financial affairs of any entity funded or financially aided by the Commonwealth, and all departments, boards, commissions, agencies, instrumentalities, authorities and institutions of the Commonwealth, shall be subject to audits made in accordance with generally accepted auditing standards. This requirement was included in 66 Pa.C.S.A. Public Utilities § 308.2. [PUC functions] “(8) Conduct financial, management, operational and special audits”, 66 Pa.C.S.A. Public Utilities § 516(c), 2 C.F.R. Part 200, and Pennsylvania Management Directive 325.09 - in part:

Government Auditing Standards. A publication issued by the U.S. Government Accountability Office, Comptroller General of the United States, within which generally accepted government auditing standards (GAGAS) are promulgated, providing guidance for auditors and audit organizations outlining the requirements for audit reports,

professional qualifications for auditors, and audit organization quality controls. Auditors of federal, state, and local government programs use these standards to perform their audits and produce their reports. Commonly referred to as the “Yellow Book”

I hereby file this Motion so suspend PUC rate case Docket No. R-2022-3031211 “*Order 5. That the case be assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a Recommended Decision.*” until those required investigations and audits are performed. The PUC is required to protect customers 66 Pa.C.S.A. Public Utilities § 308.2. [PUC functions] (9) *Provide ... , consumer protection.* Without these investigations and audits consumers are exposed to illegal, unjust and unreasonable rates and charges as well as waste, fraud, abuse and mismanagement. It appears these required audits have never been performed as the electorate and the various levels of elected officials of government intended.

This motion also includes that the Administrative Law Judge’s order to require or obtain from the appropriate individuals a plan, completion and the reporting of finding of the investigations and audits to fulfill the Commission’s Order to investigate current and existing rates, rules, and regulations.

These gross omissions of investigations and audits have and are putting Columbia’s customers at risk of requiring customers to pay rates and charges that are not just, reasonable and in the public interest.

It is realized there is statutory required to processed rate cases in a timely manner -- it is also realized Columbia’s annual request of rate increases also put undue stress on the resources of the PUC and other participants -- this is also a tactic of commonly referred to as “storming the gate.”

There are indicators of the results of these omissions that are harming Columbia’s customers.

On April 15, 2022, the Pennsylvania Public Utility Commission issued its Comparison Report.

<https://www.puc.pa.gov/filing-resources/reports/rate-comparison-reports/> These reports are required under 66 Pa.C.S.A. Public Utilities § 308.1. *Consumer protection and information.*

(b) Rate comparison report.--Annually, by April 15, the commission shall submit a report to the Governor and to the General Assembly. The report shall compare all categories of ratepayers for all electric and gas public utilities so that reasonably accurate comparisons of rates can be made between similar individuals or groups of ratepayers receiving services in different service areas. This annual report has been required since 2004.

The report was not issued under a press release by the Commission, but it should have, as this is material information for consumers and other who care about just and reasonable utility rates for decision making purposes. Culbertson only became aware to the report by carefully reading the Pennsylvania public utility code and doing a web search on the title.

The 2022 Rate Comparison Report can be found at

https://www.puc.pa.gov/media/1893/rate_comparison_report_2022.pdf and the data shows for example:

Peer Natural Gas Large NGDCs Avg.	Avg. Monthly Usage (Mcf)	Avg. Monthly Bill (\$)
Columbia Gas of PA Inc.	7	128.16
National Fuel Gas Distribution Corp.	8	85.16
PECO Energy Co.	6.7	67.13
Peoples Natural Gas Co.	7	85.39
UGI Utilities Inc. – Gas Division	7	98.85

Just from this, the data shows Columbia is significantly higher than its peer group – and now

Columbia wants with this rate case --- about 10.09% more or the average monthly bill would to be raised to ~ **\$142.13**.

Even without normalizing the data, if this were a competitive government procurement per the Federal Acquisitions Regulations – Columbia would be outside of the competitive range and would be eliminated from consideration as a supplier. If customers had a choice, they would not elect to go with Columbia as a gas service supplier.

Residential Heating 15 MCF (monthly bill) the data shows:

Peer Natural Gas Large NGDCs Avg.	Distribution Charge	Customer Usage Charge (\$)
Columbia Gas of PA Inc.	\$131.08	\$16.75
National Fuel Gas Distribution Corp.	\$38.61	\$12.00
PECO Energy Co.	\$67.22	\$13.63
Peoples Natural Gas Co.	\$59.41	\$14.50
UGI Utilities Inc. – Gas Division	\$61.66	\$15.31

The proposed Columbia’s usage charge would be **\$24.00** and an estimated 10.09% increase in the distribution charge would be increased to **\$144.31 per month**. That would be over double the distribution charges of Columbia’s peer group members. It is the responsibility of Columbia to keep their rates just and reasonable.

Why are Columbia’s rate so much higher – unreasonably higher than other members of Columbia’s peer group? That is also what the Commission wants to know.

<https://www.puc.pa.gov/pcdocs/1740597.pdf>

The Commission states in its Order – *“Investigation and analysis of this proposed tariff filing and the supporting data indicate that the proposed changes in rates, rules, and regulations may be unlawful, unjust, unreasonable, and contrary to the public interest. It also appears that consideration should be given to the reasonableness of Columbia’s existing rates, rules,*

and regulations;”

When the Commission required “*consideration*” – this means due consideration – based upon the found facts and circumstances. Just and reasonable rates cannot be achieved for customers without due process and due consideration. The facts as provided by the Commission’s Rate Comparison Report indicate an investigation -- an actual investigation, must take place. That investigation cannot be a traditional rate case proceeding.

Complainants are not trained or reliable investigators nor auditors – Complainants are advocates, not independent and do not have free access to what is being investigated and audited.

Administrative Law Judges are also not trained investigators nor auditors.

So, audits and investigations must come from outside of the parties to this rate case.

If the Commission cannot meet a date to provide a decision to Columbia on the proposed rate – so be it.

Or, based upon Columbia’s and the Commission’s Rate Comparison Report – deny the proposed rate increase but those investigations and audits still must be planned, conducted and reported.

Those audits must consider if Columbia is charging cost based upon FERC Uniform System of Accounts, U.S. GAAP and the OMB’s Cost Principles.

Some particular concerns -- Columbia’s accelerated pipe replacement program is highly suspect as for being unallowable cost. Cost allowability under the Cost Principles, accelerated cost are not reasonable cost – unreasonable costs are unallowable costs for recovery purposes. This is like under the Government’s Medicare Program – elective cosmetic surgery is not covered, and the cost is the responsibility of the one who elected it. Changing the billing code from unlawful to lawful would be unlawful. Replacing aging pipeline that is suitable for use metallic infrastructure as the sole criteria for replacement is arbitrary, capricious and wrong.

The Public Utility Commission of Ohio (PUCO) through their staff’s recent financial audit, even

though this audit does not assert it was an audit up to the GAO Yellow Book standards using the allowable cost criteria provided the Cost Principles. The audit was good enough; however, to find \$68,533,621 that they believed should be excluded in consideration of rates. (See Page 67 of the PUCO staff report.) What are the sources of those identified mischarges or questioned costs in Ohio -- lack of due care, error, ignorance, or fraud?

<https://dis.puc.state.oh.us/ViewImage.aspx?CMID=A1001001A22D06B50032I01509>

From observation and experience of the rate case process used by the PA PUC, it falls short even with the due diligence process the PA PUC requires from UBER drivers.

<https://www.licenserestoration.com/2014/11/uber-driver-service-approved-pa#:~:text=For%20its%20part%20the%20PUC,prices%20through%20the%20Uber%20service.>

“For its part the PUC confirmed the requirements of valid driver’s license with proper insurance, background checks, and vehicle checks. Both Uber and the PUC are vested in ensuring a safe and hassle free experience.”

So, what does the PUC require for this proposed overall revenue increase of approximately \$82.2 million per year”? Are things based upon proof, annual checks, valid, proper, safe and hassle-free? The PUC should use a same proportionate process to protect gas ratepayers.

We, as participants of this rate case, must fulfill the requirements of the PUC ORDER in good faith. That includes Orders 1. *“That an investigation ... be ... instituted to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in the proposed and “4. “That this investigation shall include consideration of the lawfulness, justness, and reasonableness of the Columbia Gas of Pennsylvania, Inc. ’s existing rates, rules, and regulations.*

From the Commission’s Order – the logical sequence is investigations come before an Administrative Law Judge’s hearing. Hearings without diligent, independent and competent

investigations, which would include audits, would be wrong as it does not provide customers due process in established rates.

The PUC represented in its Published on 4/14/2022 Press Release “*PUC to Investigate Proposed Rate Increase by Columbia Gas -- The Pennsylvania Public Utility Commission (PUC) voted today to [investigate a rate increase request filed by Columbia Gas of Pennsylvania](#)*” Was that

press release a knowingly misrepresentation? Did the PUC know there would be no

investigations, there would be hearings with those who are not investigators nor auditors?

This Motion includes a form of a pause in operations of the PUC for the PUC to consider what is the due process owed to the public and rate payers and Columbia? Has the Commission ordered overtly or covertly hearings without investigations – thereby favoring Columbia over ratepayers?

CONCLUSION

WHEREFORE, Richard C. Culbertson respectfully requests that this rate case occur diligently in a timely fashion, but adequate time permitted for reliable, planned, performed and reported external investigations and audits to take place before scheduling and conducting hearings in this rate base proceeding at Docket No. R-2022- 3031211.

Respectfully submitted,



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Date: May 2, 2022