

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**SURREBUTTAL TESTIMONY
OF ANTHONY CUSATI, III
ON BEHALF OF THE RETAIL ENERGY SUPPLY ASSOCIATION,
SHIPLEY CHOICE, LLC AND NRG ENERGY, INC.**

RESA/NGS Parties' Statement No. 1-SR
July 26, 2022

1 **Q. Please state your name and business address for the record.**

2 A. My name is Anthony Cusati, III, and my business address is 1379 Butter Churn Drive,
3 Herndon, VA 20170-2051.

4

5 **Q. Are you the same Anthony Cusati, III that provided Direct Testimony in this same**
6 **matter?**

7 A. Yes, I am.

8

9 **Q. What is the purpose of your Surrebuttal Testimony?**

10 A. The purpose is to respond to the Rebuttal Testimonies of: 1) Ms. Kyliia Davis of Columbia
11 Gas of Pennsylvania ("Columbia" or the "Company"), who provided Columbia Statement
12 No. 18-R ("CPA St. 18-R"); and, 2) Mr. Harry Geller, who provided Rebuttal Testimony
13 on behalf of CAUSE-PA ("CAUSE-PA St. No. 1-R").

14

15 **Response to Ms. Kyliia Davis**

16 **Q. On Page 3 of CPA St. No. 18-R, beginning at page 20 and on to page 4, line 11, Ms.**
17 **Davis testifies that suppliers are indeed limited to 50 rate codes, but that Columbia**
18 **will provide additional rate codes as requested, has that been your or IGS'**
19 **experience?**

20 A. No. While it is true that Columbia has provided additional rate codes in the past, it also is
21 true that Columbia expressly retains the sole discretion to provide them. That creates a
22 potential risk for the supplier, where Columbia can impede or even fracture a suppliers'
23 ability to add new, unique rates for customers, with little or no recourse for the supplier.

1 When a supplier is negotiating with a larger customer, it may not know in advance what
2 the final rate will be or whether it will require a new rate code, so seeking codes in advance
3 is not practical. Moreover, it is not conducive to good business to be delayed, potentially
4 by two billing cycles, in being able to effectuate a new rate for a client. Which brings up
5 the second concern – time. The Columbia process for adding rate codes is admittedly long
6 and cumbersome and as discussed above, the lack of certainty coupled with the
7 competitively disadvantaging time delays, can cause competitive harm to suppliers.

8
9 **Q. At the same place, Ms. Davis suggests that many suppliers do not use all of the rate**
10 **codes allotted, does that change your view?**

11 A. No, the fact that there are suppliers that use few of their rate codes does not mean the
12 allocation of 50 codes, with an admittedly cumbersome and lengthy process to obtain
13 additional codes, does not make the 50-code allocation reasonable. For some suppliers
14 who participate mostly in the mass market, 50 rate codes might be sufficient. Other
15 suppliers, however, those who serve larger and sometimes more sophisticated clients,
16 operate in a world where if they are forced to make a customer wait 45 days before they
17 can serve or bill them, particularly with unique pricing, the benefits of the deal can be lost,
18 and the customer may go elsewhere for their supply.

19
20 **Q. Do you agree that it is entirely reasonable for it to take 45 days for Columbia to assign**
21 **additional codes?**

22 A. No. I addressed this point in my Direct Testimony (pages 3-4) and will not elaborate again,
23 except to state again, that making us wait 45 days in a competitive market simply does not

1 make sense. Columbia is rationing rate codes to the detriment of suppliers. I find it
2 interesting that nowhere in her testimony does Ms. Davis contend that rate codes are in
3 short supply or that Columbia is in danger of exceeding some limit on the total number of
4 rate codes. Without testimony regarding such limits, we cannot assume that there are any
5 and thus the only rationale for Columbia's rationing is to discourage suppliers from
6 obtaining rate codes for their customers. It may be good practice to recycle rate codes, but
7 that process can be managed outside of the process when suppliers urgently need new
8 codes.

9
10 **Q. Is Ms. Davis' description of a recent supplier acquisition, at the bottom of page 5 of**
11 **CPA St. No. 18-R, accurate?**

12 A. Yes. Columbia did assist in what could have been a very difficult situation, and we are
13 grateful for their efforts. However, it is incidents like this, and the need for re-assigning
14 rate codes in the first place, that make it clear that the rate code process is outdated, too
15 cumbersome and needs to be changed. The situation I described would not have been an
16 issue if Columbia offered Bill Ready Billing.

17
18 **Q. With regard to Ms. Davis' testimony on page 7, line 12, regarding bill ready billing -**
19 **was it your proposal that the per unit price for natural gas not be provided on the**
20 **bill?**

21 A. No. To provide context, Ms. Davis suggests that customers may be confused to see only
22 the total supply charge on their bill, as opposed to the computation that produces the total
23 charge, i.e., the per unit rate times the consumption. My understanding is that the

1 Commission's regulations require that the per unit price be included on the bill, without
2 regard to billing method. It is Columbia that produces the bills for most customers, so I
3 find it disingenuous that Ms. Davis would suggest that the billing process would engage in
4 illegal conduct when Columbia controls the bill. Moreover, Ms. Davis waves the red flag
5 that a supplier might not make a deadline for submitting prices, thus resulting in customers
6 receiving an incorrect, "zero bill". She does so without citing to a single incident when
7 this improbable sort of event had occurred, considering that suppliers must now provide
8 information to Columbia on a similar deadline, with a similar result, and again with no
9 citation to a supplier actually failing to provide the needed files on time. Ms. Davis also
10 ignores the plain fact that suppliers have an incredibly strong financial incentive to always
11 provide the data, because otherwise, they do not get paid. Finally, many suppliers not only
12 sell natural gas, but also sell electricity. All of Pennsylvania's electric utilities offer Bill
13 Ready and Rate Ready Billing, hence suppliers are quite familiar with the operation of Bill
14 Ready and appreciate the flexibility provided by having the ability to use both.

15
16 **Q. Ms. Davis cites to what she considers low adoption, by suppliers, of Bill Ready Billing**
17 **in Ohio as a basis for not providing it here. How do you respond?**

18 A. My understanding is that Bill Ready Billing, as an option, has been offered since 2017. In
19 the initial stages there were issues with implementation that may have soured some
20 suppliers. It is not clear from her testimony whether Ms. Davis is contending that only 3%
21 of the choice customers of the Supplier Parties in this case are using Bill Ready or 3% of
22 all suppliers, but if it is the latter, I find it an incredulous claim.

23

1 **Q. On Page 8, beginning at Line 12, Ms. Davis suggests that the costs to implement Bill**
2 **Ready Billing in Pennsylvania could be greater than you claim. How do you respond?**

3 A. We asked Columbia if it had quantified the cost of the offering, and it claimed, as Ms.
4 Davis does in her testimony, that no quantification of the cost to implement Bill Ready
5 Billing in Pennsylvania has been made. In the absence of such a study, I will state that
6 Columbia already offers Bill Ready in Ohio and so the coding is already in its system,
7 because Columbia uses the same billing system for all its utility affiliates. I understand
8 that testing would be needed, but that is to be expected. Ms. Davis makes no concrete
9 claim about what would be needed or what it would cost; in short, she has not rebutted my
10 premise that it should not be expensive.

11
12 **Q. Ms. Davis also complains that Columbia has made other enhancements that not being**
13 **used.**

14 A. First, Ms. Davis and Columbia must recognize that not all suppliers are members of RESA,
15 so therefore to make a blanket statement that enhancements are not being utilized by the
16 supplier community is out of place in this proceeding. Second, since it has been a while
17 that these enhancements have been in place, it may be time to send reminders to suppliers
18 that they have the options available to them and those reminders could include the
19 instructions on how suppliers can take advantage of their use. As I'm sure Columbia has
20 turnover in their organization, suppliers do as well, and this "complaint" could be a matter
21 of the current workforce in the supplier community not knowing that the options for logos
22 and messaging are available for their use. I have discovered however that there are some
23 RESA members that take advantage of the logo option, and other members who now know

1 that these options are available and plan on reaching out to Columbia to implement. RESA
2 would be glad to collaborate with Columbia on an educational announcement to the
3 supplier community.

4
5 **Q. Do you have anything else you would like to say about this issue?**

6 A. Yes. The intention of this testimony is not to require Columbia to do anything in
7 Pennsylvania that it has not already provided elsewhere. We are not asking that they
8 reinvent anything. I have identified what are actual shortcomings in what was once an
9 entirely manual process of assigning rate codes. The process can still take 45 days, which
10 is simply too long in today's environment. Rather than ask that Columbia be required to
11 speed up the rate code process, and spend money and time doing so, we requested that
12 Columbia simply employ a different process, Bill Ready, that it already has in its toolbox,
13 and which could easily cost far less money to implement than modifying/automating the
14 rate code process to increase the speed and certainty.

15
16 **Response to Mr. Harry Geller**

17 **Q. On page 2 of his Rebuttal Testimony, at lines 7-16, Mr. Geller recommends that**
18 **Columbia not adopt Bill Ready Billing based on his claims that suppliers would use it**
19 **to hide non-basic service charges. How do you respond?**

20 A. I find his claim to be offensive. Mr. Geller provides no evidence whatsoever to support his
21 speculative conjecture that suppliers will use bill ready billing to confuse customers by
22 including non-basic charges in the total bill amount for their customers. The simple fact is
23 that the Commission's regulations address this issue and require that the per unit charge

1 for the commodity be included on the customer's bill (See 52 Pa. Code §
2 62.74(b)(3)(i)(A)), and that non-basic charges be shown separately on the bill from
3 commodity charges. (See 52 Pa. Code § 62.74(b)(3)). Also, because many suppliers also
4 sell electricity, have been using Bill Ready billing on the electric side, and have done so
5 for years without anyone raising this issue or providing any evidence that such conduct
6 ever happened.

7 Because it is Columbia that ultimately has control over what appears on the utility bill, it
8 seems unlikely that Mr. Geller's overstated concerns would ever materialize. Accordingly,
9 there is no increase whatsoever in the probability of low-income customers having their
10 service terminated for non-payment of non-commodity charges, as Mr. Geller contends.

11
12 **Q. Do you have anything else you wish to add?**

13 **A.** Not at this time, and this concludes my Surrebuttal Testimony.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**SURREBUTTAL TESTIMONY
OF DAN CARAVETTA
ON BEHALF OF THE RETAIL ENERGY SUPPLY ASSOCIATION,
SHIPLEY CHOICE, LLC AND NRG ENERGY, INC.**

RESA/NGS Parties' Statement No. 2-SR
July 26, 2022

1 **Q. Please state your name, title, and employer for the record.**

2 A. Dan Caravetta, Director of Gas Supply, Shipley Energy.

3

4 **Q. Are you the same Dan Caravetta that provided Direct Testimony in this matter?**

5 A. Yes.

6

7 **Q. What is the purpose of your Surrebuttal Testimony?**

8 A. To respond to the Rebuttal Testimony of Ms. Stacy Djukic on behalf of Columbia
9 (Columbia Statement No. 19-R, "CPA St. No. 19-R").

10

11 **Q. On page 3 of her Rebuttal Testimony (CPA St. No. 19-R) beginning at line 7, Ms.
12 Djukic suggests that there is an alternative means for suppliers to learn of supply cuts
13 without the need for Columbia to provide confirmations for all 5 cycles. Is she
14 correct?**

15 A. She is partly correct. It is true that the interstate shippers do have electronic bulletin boards
16 that allow some visibility into delivery status, but she neglected to note that if a supplier is
17 purchasing delivered gas (gas purchased from a third party that also is responsible for
18 delivering the gas to the city gate), we have no ability to see the flow status of the third
19 party supplier's contracts, so we have no way of knowing if that supply was cut. If we
20 were delivering gas using our own capacity, we would be able to see a cut on the interstate
21 pipeline's EBB. But we purchase a significant percentage of our gas as delivered gas,
22 especially in critical periods. It is in these critical periods, where Columbia has called an
23 Operational Flow Order ("OFO") or Operational Matching Order ("OMO"), and where

1 suppliers are required to deliver gas within very tight tolerances, that the lack of supply
2 flowing as planned can be damaging to Columbia. However, the impacts of such a failure
3 go beyond Columbia, and also can cause harm to the customer or supplier, from a penalty
4 perspective. For example, last winter, between January 9 and March 31, Columbia
5 declared an OFO/OMO over half of the days. During that same period, gated gas (i.e., gas
6 supply that includes interstate transportation to the utility's city gate) was, in aggregate,
7 50% of our total supply. This is including released firm capacity we obtained last winter.
8 In other words, we could see the percentage of 3rd party gated supply become much greater
9 in the future. Had any of that supply been cut without us knowing it and being able to
10 address it, the penalties could have been more than material. We were fortunate that we
11 did not incur any penalties, but with increasing costs, penalty amounts are rising, and the
12 costs of penalties is something we, and our customers, prefer not to bear if it can be avoided
13 through a simple communication from the utility requiring the gas.

14 With the current frequency with which Columbia calls OFOs and OMOs, due to their
15 seemingly desperate need to keep their system in balance, it is surprising that Columbia
16 does not see it to be in their own best interest to ensure they receive the gas they need by
17 providing confirmations for all cycles.

18
19 **Q. Ms. Djukic also suggests that under the NAESB contract you would have the right to**
20 **notice from your counter parties of any supply interruptions and the right to damages**
21 **(CPA St. No. 19-R, pp. 3:7-4:17). Is that a practical solution?**

22 **A.** Not at all. The right to seek damages, after a cut has occurred, the customer potentially
23 impacted, and penalties are imposed, is not a solution to the lack of notice that would allow

1 us to address such issues *before there is a problem*. The right to sue someone for damages
2 hardly makes up for the potential to lose customers or the chaos that can ensue with trying
3 to make up for supply cuts in real-time. I find it interesting that Ms. Djukic takes pains to
4 point out that suppliers can seek to recover penalties, particularly those imposed by
5 Columbia, from upstream suppliers as well.

6
7 **Q. Do you, or other suppliers if you know, contract exclusively using the NAESB form**
8 **of contract?**

9 A. No.

10
11 **Q. Based on your experience, do you believe that going to confirmations for all five cycles**
12 **would make it significantly less likely that you would incur penalties?**

13 A. Yes. Confirming all five cycles would significantly reduce the chance of incurring
14 penalties because it would enable a supplier to initiate the process of restoring the supply.
15 This is important because a small cut that may be viewed as immaterial to a large gas
16 counterparty is most likely *material* to Shipley. I have seen the other side of this example
17 in my career. For example, if a scheduler is dealing with large volumes (possibly
18 exponentially more than Shipley) across several pipes, a small cut may not be a priority,
19 especially if the buyer isn't aware and therefore doesn't reach out. In such a case, it will
20 be left to be dealt with after the fact. We have examples of cuts that occurred during non
21 OFO/OMO periods where a 3rd party reached out too late to fix in the post cycle.
22 Meanwhile, the Columbia of PA EBB showed all the gas as flowing. We would prefer to

1 be empowered with the information and be proactive rather than falling back to the legal
2 teeth of contracts and passing penalties.

3

4 **Q. Do you agree with Ms. Djukic's estimate (CPA St. No. 19-R, pp. 6:13-20) that it would**
5 **take two full time equivalents ("FTEs") to do the work if Columbia were to confirm**
6 **on all five cycles?**

7 A. Without any backup, which is not provided, I don't find that assertion credible. If
8 Columbia can provide notice on 2 cycles with one employee, who has other job
9 responsibilities, it is hard to imagine how it would take an additional two employees to
10 confirm on 3 additional cycles. Even if it does take three people to manage the
11 confirmations because of the time schedule, it is not appropriate to allocate 100% of both
12 employee's time to the confirmation function when it is clear that the employees would be
13 performing other functions as well. (See Columbia Response to RESA/NGS Parties, Set V,
14 Nos. 5 and 7, attached hereto as **Exhibit DC-5**). Also, I question why Columbia would
15 spend the money to engage the process manually when an automated solution would appear
16 to be more economical over time.

17

18 **Q. Do you have anything further you wish to add?**

19 A. No, not at this time, and this concludes my surrebuttal testimony.

EXHIBIT DC-5

Columbia Gas of Pennsylvania, Inc.

COLUMBIA GAS OF PENNSYLVANIA, INC.
2022 RATE CASE PROCEEDING

Docket No. R-2022-3031211

Data Requests

NGS Parties INTERROGATORIES
Set 5

Question No. NGS Parties 5-005:

Is the employee responsible for the manual tasks listed on page 6, lines 1-10 responsible for other duties? If so, what percentage of the employee's work implicates the manual tasks listed?

Response:

Yes, the employee responsible for the daily manual confirmation tasks is also responsible for other duties. The manual confirmation tasks is between 25% - 35% of an employee's work.

Columbia Gas of Pennsylvania, Inc.

COLUMBIA GAS OF PENNSYLVANIA, INC.
2022 RATE CASE PROCEEDING

Docket No. R-2022-3031211

Data Requests

NGS Parties INTERROGATORIES
Set 5

Question No. NGS Parties 5-007:

Explain in detail the basis for the claim on page 6, lines 13-20, that adding three additional confirmation cycles would require hiring two additional employees? Include all workpapers or other documents relied upon for the conclusion.

Response:

Two additional employees would be needed to cover the three additional confirmation cycles, because two of the three confirmation cycles, Evening and Intra-day 3 (ID3), are outside what would be considered normal business hours and the remaining confirmation cycle, Intra-day 1 (ID1), would be performed around the same time as the Timely cycle that is currently being actively confirmed.

Evening Cycle confirmation deadline is 8:30 PM CCT and Intra-day 3 Cycle confirmation deadline is 10:00 PM CCT. Columbia would need to have employees staffed thru 10:00 PM CCT or later to confirm all five NAESB cycles 7 days a week / 365 days a year.

See table below for deadlines for all five NAESB cycles:

NAESB Cycles effective April 1, 2016					
Times listed below are in Central Clock Time ("CCT")					
	Day Ahead Timely Cycle	Day Ahead Evening Cycle	Intra-day ID1 Cycle	Intra-day ID2 Cycle	Intra-day ID3 Cycle
Nom Deadline	1:00 PM	6:00 PM	10:00 AM	2:30 PM	7:00 PM
Confirmations Deadline	4:30 PM	8:30 PM	12:30 PM	5:00 PM	9:30 PM
Schedule Issued	5:00 PM	9:00 PM	1:00 PM	5:30 PM	10:00 PM