

**I&E Statement No. 1  
Witness: Christopher Keller  
NON PROPRIETARY**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**v.**

**PEOPLES NATURAL GAS COMPANY LLC**

**Docket No. R-2018-3006818**

**Direct Testimony**

**of**

**Christopher Keller**

**Bureau of Investigation and Enforcement**

**Concerning:**

**OPERATING AND MAINTENANCE EXPENSES  
CASH WORKING CAPITAL  
MAIN EXTENSION TARIFF CHANGE PROPOSAL**

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1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Christopher Keller. My business address is Pennsylvania Public  
3 Utility Commission, Commonwealth Keystone Building, 400 North Street,  
4 Harrisburg, PA 17120.

5

6 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

7 A. I am employed by the Pennsylvania Public Utility Commission (Commission) in  
8 the Bureau of Investigation & Enforcement (I&E) as a Fixed Utility Financial  
9 Analyst.

10

11 **Q. WHAT IS YOUR EDUCATIONAL AND EMPLOYMENT EXPERIENCE?**

12 A. An outline of my education and employment experience is attached as  
13 Appendix A.

14

15 **Q. PLEASE DESCRIBE THE ROLE OF I&E IN RATE PROCEEDINGS.**

16 A. I&E is responsible for protecting the public interest in proceedings before the  
17 Commission. I&E's analysis in the proceedings is based on its responsibility to  
18 represent the public interest. This responsibility requires the balancing of the  
19 interests of the ratepayers, the regulated utility, and the regulated community as a  
20 whole.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. The purpose of my testimony is to review the base rate filing of Peoples Natural  
3 Gas Company (Peoples or Company), and make recommended adjustments to  
4 Peoples' proposed operating and maintenance (O&M) expenses and cash working  
5 capital for the fully projected future test year (FPFTY) ending October 31, 2020.  
6 It should be noted that this is the first base rate filing since Peoples acquired the  
7 Equitable Gas Company (Equitable) in 2013.

8

9 **Q. DOES YOUR TESTIMONY INCLUDE AN EXHIBIT?**

10 A. Yes. I&E Exhibit No. 1 contains schedules that support my direct testimony.

11

12 **Q. PLEASE SUMMARIZE YOUR RECOMMENDED ADJUSTMENTS.**

A. The following table summarizes my recommended adjustments.	Company Claim	I&E Adjustment	I&E Recommended Allowance
O&M Expenses:			
Rate Case Expense	\$1,194,500	(\$511,929)	\$682,571
Pension Expense	\$2,363,000	(\$1,810,000)	\$553,000
Outside Service – A&G	\$9,354,827	(\$325,914)	\$9,028,913
Corporate Insurance	\$3,476,740	(\$375,086)	\$3,101,654
Employee Expenses	\$2,931,384	(\$1,284,284)	\$1,647,100
Advertising Expense	\$3,133,755	(\$2,675,640)	\$458,115
Payment Processing	\$2,303,208	(\$944,749)	\$1,358,459
Total O&M Expense Adjustments		<u>(\$7,927,602)</u>	
Rate Base Adjustments:			
Cash Working Capital	\$35,169,645	<u>(\$909,367)</u>	\$34,260,278
Total Rate Base Adjustments		<u>(\$909,367)</u>	

13

1 **Q. WHAT TEST YEARS HAS PEOPLES USED IN THIS PROCEEDING?**

2 A. Peoples used the twelve months ended September 30, 2018 as the historic test year  
3 (HTY), the twelve months ending September 30, 2019 as the future test year  
4 (FTY), and the twelve months ending October 31, 2020 as the fully projected  
5 future test year (FPFTY) in this rate filing.

6

7 **OVERALL I&E POSITION**

8 **Q. WHAT IS I&E'S TOTAL RECOMMENDED REVENUE REQUIREMENT?**

9 A. I&E's total recommended revenue requirement for Peoples is \$711,132,000. This  
10 recommended revenue requirement represents an increase of \$44,113,000 to the  
11 present rate revenues of \$667,019,000. This total recommended allowance  
12 incorporates my adjustments made in this testimony to O&M expenses and cash  
13 working capital and those recommended adjustments made in the testimonies of  
14 I&E witnesses Christopher Henkel (I&E Statement No. 2), Brenton Grab (I&E  
15 Statement No. 3), Ethan Cline (I&E Statement No. 4), and Holly Gilliland (I&E  
16 Statement No. 5).

1 A calculation of the I&E recommended revenue requirement is shown  
 2 below:

Peoples Natural Gas Company LLC		TABLE I			
R-2018-3006818		INCOME		SUMMARY	
In Thousands					
10/31/20		INVESTIGATION & ENFORCEMENT			
Proforma		[-----]			
	Present Rates*	Adjustments	Present Rates*	Allowances	Proposed
	\$	\$	\$	\$	\$
Operating Revenue	667,019	0	667,019	44,113	711,132
Deductions:					
O&M Expenses	462,992	-11,559	451,433	1,029	452,462
Depreciation	86,626	0	86,626		86,626
Taxes, Other	10,431	-160	10,271	0	10,271
Income Taxes:					
Current State	-4,743	1,321	-3,422	4,304	882
Current Federal	-2,357	2,502	145	8,144	8,289
Deferred Taxes	15,790	0	15,790		15,790
ITC	0	0	0		0
Total Deductions	568,739	-7,896	560,843	13,477	574,320
Income Available	98,280	7,896	106,176	30,636	136,812
Measure of Value	2,052,311	-13,386	2,038,925	0	2,038,925
Rate of Return	4.79%		5.21%		6.71%
* Columns contain prior year and current year NOL adjustments which result in differences from Present Rate As Filed					
Revenue Requirement on Peoples Exhibit No. 2, Sch. 4, p. 2.					

3

1        **RATE CASE EXPENSE**

2        **Q.    DESCRIBE THE NATURE AND TYPES OF EXPENDITURES**  
3        **TYPICALLY ALLOWED AS A PART OF A REGULATED UTILITY'S**  
4        **OVERALL RATE CASE EXPENSE.**

5        A.    The nature and types of individual expenditures that comprise a utility's allowable  
6        claim for rate case expense are those directly incurred to compile, present, and  
7        defend a utility's request for a base rate increase before the Commission. The  
8        actual expenditures and estimated costs typically found in an allowable rate case  
9        expense claim include legal fees for outside counsel, fees to outside consultants,  
10       and the cost of printing, document assembly, and postage.

11  
12       **Q.    HOW HAS THE COMMISSION TRADITIONALLY TREATED RATE**  
13       **CASE EXPENSE FOR RATEMAKING PURPOSES?**

14       A.    The Commission has historically stated that it considers prudently incurred rate  
15       case expense as an ongoing expense, occurring at irregular intervals, related to the  
16       rendering of utility service. The Commission has also cited the importance of  
17       considering the involved utility's history regarding the frequency of rate case  
18       filings as an essential element to determine the normalized level of rate case  
19       expense for ratemaking purposes.

1 **Q. HOW IS THE FREQUENCY OF RATE CASE FILINGS DETERMINED?**

2 A. The frequency is determined by calculating the average number of months  
3 between the utility's previous rate case filings.

4

5 **Q. WHAT IS THE COMPANY'S CLAIM FOR RATE CASE EXPENSE?**

6 A. Peoples' claim for rate case expense is \$1,194,500 (Peoples Volume 1, Exhibit  
7 No. 4, Schedule 1, p. 27).

8

9 **Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?**

10 A. Peoples has estimated its total rate case expense amount to be \$2,389,000 and is  
11 requesting a normalization period of two years (24 months) based on Peoples  
12 filing rate cases in 2010 and 2012 and Peoples' commitment to infrastructure  
13 replacement through its Long-Term Infrastructure Improvement Plan (LTIIP)  
14 (Peoples Statement No. 3, p. 29, lns. 3-13). This produces a normalized claim of  
15 \$1,194,500 ( $\$2,389,000 \div 2$ ).

16

17 **Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?**

18 A. No.

19

20 **Q. WHAT IS YOUR RECOMMENDATION FOR RATE CASE EXPENSE?**

21 A. I recommend that Peoples' rate case expense be normalized over a period of 42  
22 months resulting in an annual expense of \$682,571 [ $(\$2,389,000 \div 42 \text{ months}) \times$



1 12 months], or a reduction of \$511,929 (\$1,194,500 - \$682,571) to the Company's  
2 claim.

3  
4 **Q. WHY DO YOU DISAGREE WITH THE PROPOSED TWO-YEAR**  
5 **RECOVERY PERIOD?**

6 A. I disagree with the claimed two-year recovery period because it is not supported  
7 by the Company's historic filing frequency. The proposed recovery period fails to  
8 properly rely upon historic filing frequency and is speculative in nature. As such,  
9 it should not be relied upon to determine the appropriate period to apply the  
10 normalization treatment.

11  
12 **Q. WHAT NORMALIZATION PERIOD DO YOU RECOMMEND?**

13 A. I recommend a normalization period of 42 months.

14  
15 **Q. WHY ARE YOU RECOMMENDING A 42-MONTH NORMALIZATION**  
16 **PERIOD?**

17 A. Peoples has not filed any base rate cases in recent years. In fact, the most recent  
18 base rate case was filed in 2012 (I&E Exhibit No. 1, Schedule 1). I recognize that  
19 this is due to the settlement terms in Peoples' acquisition of Equitable, where it  
20 was agreed that a base rate case would not be filed until at least January 1, 2018.<sup>1</sup>

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<sup>1</sup> Docket No. A-2013-2353647, Settlement Agreement, paragraph 27.

1 In light of the fact that neither Peoples or Equitable has filed a base rate case since  
2 2012 (approximately seven years ago), I believe that a two-year normalization  
3 period is inappropriate and lacks the proper support. While in past rate cases, I&E  
4 has sometimes recommended five-year normalization periods for utilities that have  
5 long intervals between the filing of rate cases, I believe that considering the focus  
6 on replacement of aging gas lines that five years would be unreasonably long.  
7 Therefore, I am recommending a 42-month normalization period, which is the  
8 actual average historic frequency of Peoples and Equitable's most recently filed  
9 cases.

10  
11 **Q. PLEASE EXPLAIN HOW A 42-MONTH NORMALIZATION PERIOD IS A**  
12 **MATCH TO THE COMPANY'S HISTORIC FILING FREQUENCY.**

13 A. Peoples' and Equitable's most recent base rate case filing dates and corresponding  
14 details for the current filing are as follows (I&E Exhibit No. 1, Schedule 1):

<b>Docket No.</b>	<b>Date Filed</b>	<b>Interval</b>
R-2018-3006818	Jan. 28, 2019	83 months
R-2012-2285985 <sup>2</sup>	Feb. 28, 2012	16 months
R-2010-2201702 <sup>3</sup>	Oct. 28, 2010	28 months
R-2008-2029325 <sup>4</sup>	June 30, 2008	

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<sup>2</sup> Peoples rate case.

<sup>3</sup> Peoples rate case.

<sup>4</sup> Equitable rate case.

1 Using these base rate case filing dates and the date of the current filing, an average  
2 interval is computed to be 42 months  $[(83 \text{ mo.} + 16 \text{ mo.} + 28 \text{ mo.}) \div 3 \text{ intervals}]$ ,  
3 or approximately 3.5 years. Peoples' requested 24-month recovery period is  
4 speculative and unsupported by its historic filing record. Thus, its proposed two-  
5 year normalization period should be rejected as it would result in an unreasonable  
6 and unsupported increase in rates. If Peoples files base rate cases with greater  
7 frequency now that its stay out has expired its normalization period will be  
8 shortened in future rate proceedings. However, it should not be granted a 24-  
9 month period in this proceeding since it has not established that it is on a two year  
10 filing cycle.

11  
12 **Q. ARE THERE ANY OTHER REASONS WHY A TWO-YEAR**  
13 **NORMALIZATION PERIOD SHOULD BE REJECTED?**

14 A. Yes. Evaluated independently, Peoples and Equitable's historic rate case filing  
15 frequencies would exceed even my 42-month recommendation. For example,  
16 Equitable's most recent rate case was filed in June 2008, or approximately 10.5  
17 years ago and approximately 5.5 years before the 2013 acquisition stay out period.  
18 While I recognize that Peoples filed rate cases in 2010 and 2012, it is my  
19 understanding that their rate prior to 2010 was filed in 1995 which does not  
20 support a 24-month normalization period. Furthermore, while the table above  
21 shows filings approximately every other year prior to the stay out, it should be  
22 noted that these were two separate companies at that time.

1 **Q. HAVE OTHER UTILITIES BEEN GRANTED A NORMALIZATION**  
2 **PERIOD BASED ON SPECULATION OF FUTURE FILINGS, AND IF SO,**  
3 **WHAT WAS THE RESULT?**

4 A. Yes. In 2012, the Commission granted PPL Electric Utilities Corporation (PPL)  
5 permission to normalize its rate case expense over a 24-month period based on the  
6 expected timing of future base rate case filings.<sup>5</sup> That particular base rate case was  
7 filed on March 30, 2012; however, PPL did not file its next rate case until  
8 March 31, 2015, which was 36 months after the 2012 rate case filing. It should be  
9 noted that I&E's recommended normalization period in the 2012 proceeding was a  
10 32-month interval based on that Company's historic filing frequency.<sup>6</sup> The I&E  
11 recommendation in that instance produced a much more accurate result than the  
12 Company's stated future intention to file a rate case.

13

14 **Q. ARE THERE ANY RECENT COMMISSION DECISIONS THAT SUPPORT**  
15 **YOUR RECOMMENDATION FOR A RATE CASE FILING INTERVAL**  
16 **BASED ON HISTORIC FILING FREQUENCY?**

17 A. Yes. In a recent base rate case filed by Emporium Water Company, the  
18 Commission adopted the I&E-recommended historic filing frequency.<sup>7</sup>  
19 Additionally, in an even more recent decision, the City of DuBois, the

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<sup>5</sup> PA PUC v. PPL Electric Utilities Corporation, Docket No. R-2012-2290597, pp. 47-48 (Order Entered December 28, 2012).

<sup>6</sup> I&E Statement No. 2, pp. 13-14 at Docket No. R-2012-2290597.

<sup>7</sup> PA PUC v. Emporium Water Company, Docket No. R-2014-2402324, p. 50 (Order Entered January 28, 2015).

1 Commission agreed with I&E's recommendation to use an historic filing  
2 frequency.<sup>8</sup>

3 In the Emporium Water Company case, the Commission found in favor of  
4 I&E's recommendation of a five-year normalization period based on an historic  
5 average filing frequency that was rounded down from 64 months. Additionally, in  
6 the City of DuBois case, the Commission found in favor of I&E's recommended  
7 64-month normalization period, which matched the actual historic filing  
8 frequency.<sup>9</sup>

9  
10 **Q. ARE THERE ANY OTHER RECENT COMMISSION DECISIONS**  
11 **WHERE THE COMPANY WAS GRANTED A NORMALIZATION**  
12 **PERIOD BASED ON ITS INTENT TO FILE A FUTURE RATE CASE?**

13 A. Yes. In the recent UGI Utilities, Inc. - Electric Division (UGI Electric) case, the  
14 Commission agreed with UGI Electric that a long period between filings is  
15 unlikely for that company and granted UGI Electric's requested three-year  
16 normalization period based on its intent to file in that timeframe.<sup>10</sup>

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<sup>8</sup> PA PUC v. City of DuBois - Bureau of Water, Docket No. R-2016-2554150, pp. 65-66 (Order Entered March 28, 2017); PA PUC v. City of DuBois - Bureau of Water, Docket No. R-2016-2554150, p. 13 (Order Entered May 18, 2017).

<sup>9</sup> PA PUC v. City of DuBois - Bureau of Water, Docket No. R-2016-2554150, p. 65 (Order Entered March 28, 2017).

<sup>10</sup> Pa. PUC v. UGI Utilities, Inc.- Electric Division, Docket No. R-2017-2640058, pp. 59-60 (Order Entered October 25, 2018).

1 **Q. DO YOU BELIEVE THAT THE COMMISSION'S DECISION FOR A**  
2 **RATE CASE NORMALIZATION PERIOD IN UGI ELECTRIC SHOULD**  
3 **APPLY TO ALL OTHER UTILITIES?**

4 A. No. This decision did not give blanket approval to allow all companies filing rate  
5 cases to develop a normalization period based on stated future intentions to file a  
6 rate case. Instead, the Commission looked at circumstances that were specific to  
7 UGI Electric, such as UGI Electric's planned acceleration of its capital  
8 expenditures when determining that the three-year period was appropriate. As  
9 demonstrated in the PPL case, reliance on a Company's future intention to file is  
10 not dependable and results in excess costs to ratepayers. If a Company does start  
11 filing on an accelerated basis, the calculated normalization period will inherently  
12 self-correct to realize the new filing frequency.

13

14 **PENSION EXPENSE**

15 **Q. WHAT IS INCLUDED IN PENSION EXPENSE?**

16 A. Peoples' claim for pension expense includes the amount for the Peoples and  
17 Equitable pension plans.

18

19 **Q. WHAT IS THE COMPANY'S CLAIM FOR PENSION EXPENSE?**

20 A. Peoples' pension expense claim is \$2,363,000 (Peoples Volume 1, Exhibit No. 4,  
21 Schedule 1, p. 4, line 3).

1 **Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?**

2 A. Peoples based its claim on a two-year average of cash contributions (Peoples  
3 Statement No. 3, pp. 15-16 and I&E Exhibit No. 1, Schedule 2).

4

5 **Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?**

6 A. No.

7

8 **Q. WHAT IS YOUR RECOMMENDATION FOR PENSION EXPENSE?**

9 A. I recommend an allowance of \$553,000 for pension expense, or a reduction of  
10 \$1,810,000 (\$2,363,000 - \$553,000) to the Company's claim.

11

12 **Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?**

13 A. My recommendation is based on the Company's pension expense on an accrual  
14 basis, which is the method used in the Company's last base rate case, rather than  
15 on a cash basis. This recommendation maintains consistency in the Peoples'  
16 pension allowances between cases for ratemaking purposes. The Company should  
17 simply not be allowed to switch methods in order to maximize its revenue  
18 requirement.

1 **Q. DOES THE COMPANY ASSERT THAT IT HAS BEEN CONSISTENT IN**  
2 **DETERMINING ITS CLAIM FOR PENSION EXPENSE?**

3 A. Yes. In response to I&E-RE-17, which requests an explanation for why the  
4 Company switched from the accrual method to a cash contribution method  
5 between the last rate case and the current one, the Company states that it used a  
6 cash contribution method in the current base rate case and the previous two base  
7 rate cases to develop its claim (I&E Exhibit No. 1, Schedule 3).

8

9 **Q. DO YOU AGREE THAT THE COMPANY BASED ITS CLAIMS ON CASH**  
10 **CONTRIBUTIONS FOR THE CURRENT CASE AND THE LAST TWO**  
11 **BASE RATE CASES?**

12 A. No. In response to I&E-RE-16 (I&E Exhibit No. 1, Schedule 2), which requests  
13 the method used to determine the Company's claim for pension expense for the  
14 base three base rate cases, the Company responded that in its last base rate case its  
15 claim was based on the accrual method:

16 Testimony from Peoples Natural Gas Company's 2012 base rate case  
17 (Docket# R-2012-2285985) provided by Lynda Petrichevich in Peoples'  
18 Statement No. 11 states that "Peoples' FTY pension expense is based on  
19 the salaried employees' pension costs determined on an *accrual basis*  
20 [emphasis added]....Peoples intends to make contributions to the pension  
21 account at the accrual amount". The amount claimed was \$874,719.  
22

23 Additionally, in the Commission's Order related to the Company's petition in  
24 2013 to establish a regulatory asset or liability for pension and other



1 postretirement benefit plans, the Commission clearly stated that the Company is  
2 using the accrual method for pension expense for ratemaking purposes:<sup>11</sup>

3 For regulatory purposes, Peoples has reflected the accrual method for  
4 pension costs in its ratemaking claims for its Salaried Employee Pension  
5 Plan (Salaried Plan). Peoples reflects the costs of its post-retirement health  
6 care and life insurance benefits program (Other Post-Employment Benefits  
7 (“OPEB”) costs) based upon the actuarially-determined cost in accordance  
8 with SFAS No. 106, “Employers’ Accounting for Retirement Benefits  
9 Other Than Pensions.” Peoples does not seek any change to these  
10 ratemaking allowances by this petition.  
11

12 **Q. HAS THE COMMISSION ADDRESSED THE IMPORTANCE OF**  
13 **CONSISTENCY IN METHODOLOGY FOR PENSION EXPENSE?**

14 A. Yes. In 1995, the Commission stated in a PPL base rate case that consistency in  
15 the methodology used to determine pension expense is fair and reasonable:

16 On review of this issue, we find the recommendation of the ALJ that the  
17 Company's claim for this item be accepted to be in accord with the  
18 evidence as developed in this proceeding. We note that pension expense  
19 tends to be an extremely variable cost, from year to year. As noted by the  
20 ALJ, consistent use of the accrual method should be fair to both ratepayers  
21 and stockholders, over the long term. Further, consistent use of the accrual  
22 method will, over time, provide for a more consistent and less variable  
23 expense element. We agree with the Company's position that it makes no  
24 sense to calculate pension expense on a cash basis, but to calculate  
25 retirement benefits other than pensions on an accrual basis.<sup>12</sup>

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<sup>11</sup> *Petition of Peoples Natural Gas Company LLC for Authority to establish a Regulatory Asset (or Liability) for the Overfunded or Underfunded Balance of a A Salaried Pension and Other Postretirement Employee Benefit Plans.* Docket P-2013-2341935. Final Order, p. 2 (Order Entered February 14, 2013).

<sup>12</sup> Docket R-00943271, pp. 45-46 (Order Entered September 27, 1995).

1           **OUTSIDE SERVICES – A&G**

2   **Q.    WHAT IS THE COMPANY’S CLAIM FOR OUTSIDE SERVICES – A&G?**

3   A.    The Company’s claim for outside services – A&G is \$9,354,827 (Peoples  
4       Volume 1, Exhibit No. 4, Schedule 1, p. 4, line 7).

6   **Q.    WHAT IS THE BASIS FOR THE COMPANY’S CLAIM?**

7   A.    The Company’s claim was based on the removal of non-recurring expenses during  
8       the HTY, an inflation adjustment, and increases for the Company’s growth in  
9       technology (Peoples Statement No. 3, p. 18).

11 **Q.    DO YOU AGREE WITH THE COMPANY’S CLAIM?**

12 A.    No.

14 **Q.    WHAT IS YOUR RECOMMENDATION FOR OUTSIDE SERVICES –  
15       A&G?**

16 A.    I recommend an allowance of \$9,028,913 or a reduction of \$325,914 (\$9,354,827 -  
17       \$9,028,913) to the Company’s claim.

19 **Q.    WHAT IS THE BASIS OF YOUR RECOMMENDATION?**

20 A.    My recommendation is based on applying the capitalization percentage for outside  
21       services contracted – A&G from the HTY. In the Company’s response to I&E-  
22       RE-25, the Company provided the expensed, capitalized, and total outside services

1 contracted – A&G for the twelve months ended September 30, 2016, 2017, HTY  
2 2018, FTY 2019, and the FPFTY ending October 31, 2020 (I&E Exhibit No. 1,  
3 Schedule 4). Below is the capitalization percentage for the above referenced  
4 years:

	2016	2017	2018	2019	2020
Capitalized	\$1,353,109	\$1,698,455	\$1,640,019	\$1,678,240	\$1,710,017
Expensed	\$8,269,151	\$7,310,022	\$7,279,186	\$9,101,581	\$9,354,828
Total	\$9,622,260	\$9,008,477	\$8,919,205	\$10,779,821	\$11,064,845
Capitalization Percentage	14.1%	18.9%	18.4%	15.6%	15.5%

5  
6 As shown above, the Company applies a lower capitalization percentage for the  
7 FTY and FPFTY compared to 2017 and HTY 2018 without any justification for  
8 the decrease. My recommendation to use the HTY capitalization percentage better  
9 reflects the actual capitalization percentage for the FTY and FPFTY based on the  
10 Company's recent capitalization history for contracted services – A&G.

11  
12 **Q. PLEASE EXPLAIN HOW YOU CALCULATED YOUR**  
13 **RECOMMENDATION.**

14 A. I multiplied the total outside services contracted – A&G amount claimed by the  
15 Company by the HTY capitalization percentage of 18.4% resulting in a  
16 recommended outside services contracted – A&G capitalized of \$2,035,931  
17 (\$11,064,845 x 18.4%) and outside services contracted – A&G expense of  
18 \$9,028,914 (\$11,064,845 x 81.6%), or a reduction of \$325,914 (\$9,354,828 -  
19 \$9,028,914) to the Company's claim.

1           **CORPORATE INSURANCE**

2   **Q.   WHAT IS INCLUDED IN THE COMPANY'S CORPORATE INSURANCE**  
3   **EXPENSE CLAIM?**

4   A.   The Company's claim for corporate insurance expense is made up of different  
5       categories, mainly directors and officers, excess liability, general property, and  
6       workers' compensation (I&E Exhibit No. 1, Schedule 5).

7  
8   **Q.   WHAT IS PEOPLES' CLAIM FOR CORPORATE INSURANCE**  
9   **EXPENSE?**

10  A.   The Company's claim for corporate insurance is \$3,476,740 (Peoples Volume 1,  
11       Exhibit No. 4, Schedule 1, p. 4, line 9).

12  
13  **Q.   WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?**

14  A.   The Company's claim for corporate insurance is based upon the annualization of  
15       premiums for October 2018 to September 2019 and the increase in premiums of  
16       7.1% from 2017 to 2018 (Peoples Statement No. 3, p. 19).

17  
18  **Q.   DO YOU AGREE WITH THE COMPANY'S CLAIM FOR CORPORATE**  
19  **INSURANCE?**

20  A.   No.

1 **Q. WHAT IS YOUR RECOMMENDATION?**

2 A. I recommend an allowance of \$3,101,654 for corporate insurance, or a reduction  
3 of \$375,086 (\$3,476,740 - \$3,101,654) to the Company's claim.  
4

5 **Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?**

6 A. My recommendation is based on a three-year average of corporate insurance  
7 expense. In response to OCA-I-27, which requested a breakdown of corporate  
8 insurance for the HTY and an explanation with supporting documentation for the  
9 7.1% increase in corporate insurance for the FTY and FPFTY, the Company  
10 simply provided a chart showing the amount of insurance premiums for the 2017-  
11 2018 and 2018-2019 years with no actual supporting documentation (I&E Exhibit  
12 No. 1, Schedule 6).

13 Additionally, corporate insurance has fluctuated significantly with amounts  
14 of \$3,686,174, \$2,455,968, and \$3,162,821 for the twelve months ended  
15 September 30, 2016, September 30, 2017, and the HTY ended September 30,  
16 2018, respectively (Peoples Volume 1, Exhibit No. 4, Schedule 22), with the  
17 Company stating this is mainly the result of changes in excess liability insurance  
18 and a change in capitalization (I&E Exhibit No. 1, Schedule 5).

19 Therefore, my recommendation to use a three-year average is appropriate  
20 and provides a more accurate estimate of expenses to be incurred for corporate  
21 insurance as it allows for smoothing of historic highs and lows of actual payments.

1 This is reasonable considering the Company failed to provide the requested  
2 supporting documentation for the 7.1% increase for the FTY and FPFTY.

3  
4 **Q. HOW DID YOU CALCULATE YOUR ADJUSTMENT TO THE**  
5 **COMPANY'S CLAIM?**

6 A. I referred to Peoples Volume 1, Exhibit No. 4, Schedule 22, which provided the  
7 expense incurred for corporate insurance for the twelve months ended September  
8 30, 2016, September 30, 2017, and the HTY ended September 30, 2018, that I  
9 used to calculate a three-year historic average of \$3,101,654 [(\$3,686,174 +  
10 \$2,455,968 + \$3,162,821) ÷ 3].

11  
12 **EMPLOYEE EXPENSES**

13 **Q. WHAT IS INCLUDED IN EMPLOYEE EXPENSES?**

14 A. Employee expenses include amounts for recruiting, tuition reimbursement,  
15 employee relations safety functions, miscellaneous employee related expenses,  
16 travel, and entertainment (I&E Exhibit No. 1, Schedule 7, pp. 3-4).

17  
18 **Q. WHAT IS THE COMPANY'S CLAIM FOR EMPLOYEE EXPENSES?**

19 A. The Company's claim for employee expenses is \$2,931,384 (Peoples Volume 1,  
20 Exhibit No. 4, Schedule 1, p. 4, line 11).

1 **Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?**

2 A. The Company's claim was based on the annualization of employees at the end of  
3 HTY, an inflation adjustment, costs associated with additional employees added  
4 during the FTY and FPFTY, and for new service and employee recognition  
5 programs (Peoples Statement No. 3, p. 19).

6

7 **Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?**

8 A. No.

9

10 **Q. WHAT IS YOUR RECOMMENDATION FOR EMPLOYEE EXPENSES?**

11 A. I recommend an allowance of \$1,647,100 for employee expense, or a reduction of  
12 \$1,284,284 (\$2,931,384 - \$1,647,100) to the Company's claim.

13

14 **Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?**

15 A. My recommendation is based on the removal of entertainment expenses of  
16 \$1,284,284 (I&E Exhibit No. 1, Schedule 7, p. 4). Employee entertainment  
17 expenses are not an operational cost necessary to provide safe and reliable service  
18 to the Company's ratepayers. Therefore, ratepayers should not be required to fund  
19 the Company's decision to entertain its employees.

1           **ADVERTISING EXPENSE**

2   **Q.    WHAT IS INCLUDED IN ADVERTISING EXPENSE?**

3   A.    Advertising expense includes community information advertising such as public  
4        health and safety, conservation of energy, explanation of billing practices, rates,  
5        etc., and other advertising programs (Peoples Volume 1, Exhibit No. 4,  
6        Schedule 4, p. 2).

7  
8   **Q.    WHAT IS THE COMPANY'S CLAIM FOR ADVERTISING EXPENSE?**

9   A.    Peoples' claim for advertising expense is \$3,133,755 (Peoples Volume 1, Exhibit  
10        No. 4, Schedule 1, p. 4, line 14).

11  
12   **Q.    WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?**

13   A.    The Company's claim was based on expenses that it asserts meet at least one of  
14        the criteria in Section 1316(a) of the Public Utility Code during the HTY, removal  
15        of other advertising programs under each type of advertising, and an inflation  
16        adjustment (Peoples Statement No. 3, pp. 20-22; and Peoples Exhibit No. 4,  
17        Schedule 1, p. 21).

18  
19   **Q.    DO YOU AGREE WITH THE COMPANY'S CLAIM?**

20   A.    No.



1 **Q. WHAT IS YOUR RECOMMENDATION FOR ADVERTISING EXPENSE?**

2 A. I recommend an allowance of \$458,115 for advertising expense, or a reduction of  
3 \$2,675,640 (\$3,133,755 - \$458,115) to Peoples' claim.  
4

5 **Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?**

6 A. My recommendation is based on the removal of advertising related to sports  
7 partnerships and other event partnerships under the Explanation of Billing  
8 Practices, Rates, etc. (\$1,163,706) and Public Health & Safety (\$1,402,509)  
9 categories (I&E Exhibit No. 1, Schedule 8, p. 2) for a total of \$2,566,215  
10 (\$1,163,706 + \$1,402,509) adjusted for FTY and FPFTY claimed inflation as  
11 explained below. The Company has not provided examples of the sports-related  
12 and event partnership ads in response to a request for such samples (I&E Exhibit  
13 No. 1, Schedule 8). This is very important because the ads in sports venues etc.  
14 may be more representative of goodwill advertising, or promotional advertising,  
15 that would provide little (if any) benefit to ratepayers. Because the Company has  
16 not provided proof that this advertising is not goodwill or promotional advertising,  
17 I believe that removal of the claim related to sports and event partnerships is  
18 appropriate. Ratepayers should not be required to finance Peoples' decision to pay  
19 for such promotional advertising.

20 {BEGIN PROPRIETARY} [REDACTED]  
21 [REDACTED]  
22 [REDACTED]

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**[REDACTED] {END**

**PROPRIETARY}**. Finally, not all customers who attend sporting events at these venues are Peoples ratepayers, and many Peoples ratepayers may never attend sporting events. So, even if the Company is holding out these payments as safety and e-billing promotions, there would be more effective and potentially less costly ways to reach the ratepaying community.

**Q. HOW DID YOU CALCULATE YOUR RECOMMENDED ADJUSTMENT?**

A. As mentioned above, the Company adjusted its HTY amounts by inflation factors for the FTY and FPFTY. Using the Company’s amounts of 2.33% for the FTY and 1.89% for the FPFTY (Peoples Exhibit No. 4, Schedule 1, p. 21), I determined the following adjustment to advertising expense:

Total Adjustment before Inflation	\$2,566,215
FTY Inflation Factor	x 1.0233
FTY Adjusted Amount	\$2,626,008
FPFTY Inflation Factor	<u>x 1.0189</u>
FPFTY Adjusted Amount	<u>\$2,675,640</u>

**PAYMENT PROCESSING**

**Q. SUMMARIZE THE COMPANY’S PAYMENT PROCESSING PROPOSAL.**

A. Peoples’ proposes to allow customers to make a payment without being charged the transaction fee subject to certain limitations such as limiting the amount of the

1 individual payments and the frequency a customer can make payments over a  
2 certain time period. The Company proposes that the costs associated with the  
3 transaction fees will be recovered through distribution rates (Peoples Statement  
4 No. 3, pp. 25-26).

5  
6 **Q. WHAT IS THE COMPANY'S CLAIM FOR PAYMENT PROCESSING**  
7 **EXPENSE?**

8 A. Peoples' claim for payment processing expense is \$2,303,208 (Peoples Volume 1,  
9 Exhibit No. 4, Schedule 1, p. 4, line 19; and Peoples Volume 1, Exhibit No. 4,  
10 Schedule 1, p. 26).

11  
12 **Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?**

13 A. Peoples states the claim is based on an AITE Group Paper<sup>13</sup> that indicates oil and  
14 gas customers make 31% of payments by debit and credit cards (Peoples  
15 Statement No. 3, pp. 27-28).

16 Further, the Company asserts that its customers are dissatisfied with paying  
17 a transaction fee in order to pay their bills. The Company states its proposal will  
18 eliminate the convenience fee to customers making electronic payments through a  
19 third-party processor and it will also eliminate transaction fees at walk-in  
20 locations. Finally, the Company notes that its proposal will encourage customers

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<sup>13</sup> <https://www.aciworldwide.com/-/media/files/collateral/trends/how-americans-pay-their-bills-sizing-bill-pay-channels-and-methods.pdf>, pp. 37-39, accessed April 11, 2019.

1 to use authorized agents, increase customer satisfaction as there will not be a fee to  
2 pay their bill, and it encourages payments from customers (Peoples Statement  
3 No. 3, pp. 26-27).

4  
5 **Q. DO YOU ACCEPT PEOPLES' PROPOSAL TO ESTABLISH A LINE**  
6 **ITEM FOR PAYMENT PROCESSING EXPENSE IN THE REVENUE**  
7 **REQUIREMENT?**

8 A. Yes.

9  
10 **Q. DO YOU AGREE WITH THE COMPANY'S CLAIMED DOLLAR**  
11 **AMOUNT FOR PAYMENT PROCESSING EXPENSE?**

12 A. No.

13  
14 **Q. WHAT IS YOUR RECOMMENDATION FOR PAYMENT PROCESSING**  
15 **EXPENSE?**

16 A. I recommend an allowance of \$1,358,459 for the payment processing fee proposal,  
17 or a reduction of \$944,749 (\$2,303,208 - \$1,358,459) to the Company's claim.

18  
19 **Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?**

20 A. I am unconvinced that 31% of ratepayers will begin using debit or credit card  
21 payment methods once new rates go into effect as currently only 11% of  
22 customers make payments via debit and credit cards (615,783 ÷ 5,628,892) (I&E

1 Exhibit No. 1, Schedule 10). It is possible that in future years that number will  
 2 increase and move toward the 31% average, but it is difficult to know how long it  
 3 will take for that movement to occur. Therefore, the Company's current payment  
 4 matrix should be reflected in the calculation to develop the payment processing  
 5 expense allowance as follows:

Payment Type	Payment Quantity <sup>14</sup>	Transaction Cost <sup>15</sup>	Total Cost
Lockbox Mail Payments	2,611,291	\$0.15	\$391,694
ACH Debit Transactions	1,412,477	\$0.02	\$28,250
Third Party Payments	615,783	\$1.30	\$800,518
Walk-in Payments	68,999	\$2.00	\$137,998
Bank Remittance	920,342		
Total	5,628,892		\$1,358,459

6

7 **Q. PLEASE CONTINUE.**

8 A. The Company did not provide any supporting documentation unique to Peoples  
 9 that supports an increase to 31% in debit and credit card payments upon the  
 10 effective date of rates or at any time during the FPFTY. Therefore, this increase is  
 11 speculative and not representative of a known and measurable change.

<sup>14</sup> Peoples Volume 1, Exhibit No. 4, Schedule 1, p. 26.

<sup>15</sup> Peoples Volume 1, Exhibit No. 4, Schedule 1, p. 26.

1           **CASH WORKING CAPITAL**

2   **Q.   WHAT IS A CASH WORKING CAPITAL (CWC) ALLOWANCE FOR**  
3   **RATEMAKING PURPOSES?**

4   A.   CWC includes the amount of funds necessary to operate a utility during the  
5       interim between the rendition of service, including the payment of related  
6       expenses, and the utility's receipt of revenue in payment of services rendered.

7  
8   **Q.   HOW DOES THE COMPANY CALCULATE ITS CWC CLAIM?**

9   A.   Peoples calculates its CWC by using a lead/lag study. A lead/lag study measures  
10       the differences in time between: (1) the time services are rendered until payment  
11       of those services is received; and (2) the time between the point when a utility has  
12       incurred an expense and the actual payment of the expense. Stated another way,  
13       the lead/lag study measures how many days exist on average between the midpoint  
14       of the service period and the date the payment is made.

15  
16   **Q.   WHAT IS PEOPLES' CLAIM FOR CWC?**

17   A.   Peoples' claim for CWC is \$35,169,645 (Peoples Exhibit No. EJP-1, p. 1).

18  
19   **Q.   WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?**

20   A.   Peoples' claim is based on a historic test year lead/lag study, applying total  
21       revenues and total expenses for the FPFTY ending October 31, 2020.

1 **Q. DID THE COMPANY PROVIDE AN UPDATE TO ITS CWC CLAIM?**

2 A. Yes. In response to I&E-RE-105, I&E-109, I&E-RE-110, and I&E-RE-111 (I&E  
3 Exhibit No. 1, Schedule 11), the Company revised its payment dates to apply the  
4 actual payment dates related to select purchase gas costs, taxes other than income  
5 taxes, federal and state income taxes, and the lead times for federal and state taxes  
6 that were inadvertently reversed. Based on the Company's information, the  
7 Company' revised claim results in an increase to the Company's initial claim by  
8 \$587,867 (\$35,757,512 - \$35,169,645) (I&E Exhibit No. 1, Schedule 11, p. 9).

9  
10 **Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?**

11 A. No.

12

13 **Q. WHAT DO YOU RECOMMEND?**

14 A. I recommend an allowance of \$34,260,278 or a decrease of \$909,367  
15 (\$35,169,645 - \$34,260,278) to the Company's initial claim (I&E Exhibit No. 1,  
16 Schedule 12, p. 1).

17

18 **Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?**

19 A. My recommendation is based on the following: (1) to reflect the revisions by the  
20 Company to its claim as noted above; (2) to reflect my adjustments to O&M  
21 expenses as discussed in my testimony; and (3) to remove CWC related to

1 uncollectible accounts expense as companies should remove all non-cash items  
2 such as uncollectibles and depreciation.

3 As shown in Peoples Volume 1, Exhibit No. 4, Schedule 1, p. 4, the  
4 Company's total O&M expense for the FPFTY on line 24 is \$192,027,630. After I  
5 remove the costs related to payroll and pension and benefits as these are addressed  
6 separately in the Company's CWC calculation, the remaining O&M expenses are  
7 \$95,485,928 based on my calculation as follows:

8	Total O&M Expenses	\$192,027,630
9	Less:	
10	Labor	\$67,633,076
11	APIP/Incentive Compensation	\$7,002,919
12	Pension	\$2,363,000
13	Post-Retirement Benefits Other than Pensions	\$2,320,000
14	Other Employee Benefits	<u>\$17,222,707</u>
15	Other O&M Expense	<u>\$95,485,928</u>

16 Therefore, the Company's CWC calculation for Other O&M Expenses  
17 includes the Company's claim for uncollectible accounts expense of \$12,017,436  
18 and as I stated above, non-cash items such as uncollectibles and depreciation  
19 should be removed from the CWC calculation.



1 **Q. IS YOUR RECOMMENDED CWC ALLOWANCE A FINAL**  
2 **RECOMMENDATION?**

3 A. No. All adjustments to Peoples' claims for revenues, expenses, taxes, and rate  
4 base must be continually brought together in the Administrative Law Judge's  
5 Recommended Decision and again in the Commission's Final Order. This  
6 process, known as iteration, effectively prevents the determination of a precise  
7 calculation until all adjustments have been made to the Company's claim.

8

9 **Q. WHAT O&M ADJUSTMENTS DID YOU INCORPORATE WHEN**  
10 **DETERMINING A RECOMMENDED CWC ALLOWANCE?**

11 A. All O&M adjustments that are cash-based expense claims should be included  
12 when determining the Company's CWC requirement. Therefore, I have included  
13 cash-based O&M recommendations when computing the overall recommended  
14 CWC allowance.

15

16 **Q. SUMMARIZE WHERE EACH OF THE RECOMMENDED O&M**  
17 **EXPENSE ADJUSTMENTS ARE REFLECTED IN THE CWC**  
18 **COMPUTATIONS.**

19 A. Pension and Benefits - Expense Lag Days:

20 I recommended a reduction to pension expense of \$1,810,000, which is reflected  
21 as a reduction of \$65,065 (\$787,453 - \$722,388) to the Pension and Benefits CWC  
22 calculation (I&E Exhibit No. 1, Schedule 12, p. 1).

1 Taxes Other Than Income Taxes - Expense Lag Days:

2 I&E witness Grab recommended a reduction to PURTA of \$160,159, which is  
3 reflected as a reduction of \$13,923 (\$906,782 - \$892,859) to the Taxes Other Than  
4 Income Taxes CWC calculation (I&E Exhibit No. 1, Schedule 12, p. 1).

5  
6 Other O&M Expenses – Expense Lag Days:

7 The following recommended adjustments (I&E Statement No. 1, p. 2 and I&E  
8 Statement No. 3) are reflected in the Other O&M Expenses, Expense Lag Days  
9 calculation: rate case expense adjustment of \$511,929, outside services – A&G  
10 adjustment of \$325,914, corporate insurance adjustment of \$375,086, employee  
11 expenses adjustment of \$1,284,284, advertising expense adjustment of \$2,675,640,  
12 payment processing adjustment of \$944,749, uncollectible accounts expense  
13 adjustment for CWC purposes of \$12,017,436, charitable and civic contributions  
14 adjustment of \$2,851,402, and amortization of regulatory liability – prior years’  
15 excess deferred income taxes adjustment of \$779,826 for a total downward  
16 adjustment of \$21,766,266 to total Other O&M Expenses, which is reflected as a  
17 reduction of \$1,418,248 (\$6,221,667 - \$4,803,419) to the Other O&M Expense  
18 CWC calculation. My calculation to determine the adjustment for the Other O&M  
19 Expenses can be located at I&E Exhibit No. 1, Schedule 12, p. 2.

1           **MAIN EXTENSION TARIFF CHANGE PROPOSAL**

2   **Q.   SUMMARIZE THE COMPANY’S PROPOSAL TO CHANGE ITS MAIN**  
3           **EXTENSION TARIFF.**

4   A.   Peoples proposes a change to its Pilot Rider Mainline Extension Service (Rider  
5           MLX) to allow up to 150 feet of main line per residential customer without  
6           needing to perform an economic analysis with certain limitations such as abnormal  
7           underground conditions that have an effect on excavation or excessive permit fees.  
8           Additionally, Peoples’ proposal would allow customers to “stack” the free 150 feet  
9           of main line. Peoples provides an example where a single project with four  
10          residential customers would allow the Company to install up to 600 feet (150 feet  
11          x 4 residential customers) of main line without a CIAC (Peoples Statement No. 2,  
12          p. 37-39).

13  
14   **Q.   WHY IS THE COMPANY PROPOSING TO CHANGE ITS MAIN**  
15           **EXTENSION TARIFF?**

16   A.   Peoples claims the purpose of the proposal is that it would encourage more  
17          customers to switch to natural gas and simplify the calculation that is based on an  
18          economic analysis. Peoples also states the proposal would allow transparency as it  
19          would make it easier for residential customers to understand, and it would simplify  
20          the administrative calculation when determining residential contributions (Peoples  
21          Statement No. 2, pp. 37-38).

1 **Q. IS PEOPLES MAKING A CLAIM FOR COSTS ASSOCIATED WITH THE**  
2 **PROPOSAL IN THIS PROCEEDING?**

3 A. No. Peoples states the cost of facilities and revenues related to this proposal  
4 would be included in future base rate proceedings (Peoples Statement No. 2,  
5 p. 40).

6

7 **Q. WHAT IS YOUR RECOMMENDATION FOR THE PROPOSED CHANGE**  
8 **TO PEOPLES' MAIN EXTENSION TARIFF?**

9 A. I recommend allowing up to 100 feet of main line per residential customer without  
10 needing to perform an economic analysis. I also recommend a penalty of \$2,000  
11 for customers that sign up for a line extension but fail to convert to natural gas or  
12 make the required payments under Rider MLX.

13

14 **Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION TO ALLOW**  
15 **100 FEET OF MAIN LINE PER RESIDENTIAL CUSTOMER RATHER**  
16 **THAN 150 FEET?**

17 A. Peoples' affiliates, Delta Gas in Kentucky and Peoples WV in West Virginia, allow  
18 up to 100 feet per customer for a main line extension (Peoples Statement No. 2,  
19 pp. 38-39). My recommendation of 100 feet is consistent and fair to all of  
20 Peoples' companies and affiliates to allow the same amount of free footage for a  
21 main line extension.

1 **Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION TO CHARGE A**  
2 **PENALTY TO CUSTOMERS WHO SIGN UP FOR THE LINE**  
3 **EXTENSION BUT FAIL TO CONVERT TO NATURAL GAS OR MAKE**  
4 **PAYMENTS UNDER RIDER MLX?**

5 A. My recommendation is to deter residential customers from signing up for a line  
6 extension, in order to stack the main line extension footage for other residential  
7 customers who want to receive a line extension at a reduced or no cost, and then  
8 do not convert their home to natural gas once the main line extension is complete  
9 or fail to make the payments under Rider MLX.

10 Without some sort of penalty, residential customers in an area could sign up  
11 for a line extension without taking service and stack the main line footage for  
12 residential customers that are further out of the main extension service area, which  
13 would result in insufficient revenues to cover the cost of the line extension.

14  
15 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

16 A. Yes.

**APPENDIX A**  
**Professional and Educational Experience**  
**Christopher Keller**

**Professional Experience**

January 2014 to Present  
Fixed Utility Financial Analyst  
Pennsylvania Public Utility Commission, Harrisburg, Pennsylvania  
Bureau of Investigation & Enforcement

September 2008 to January 2014  
Insurance Company Financial Analyst  
Pennsylvania Insurance Department, Harrisburg, Pennsylvania  
Bureau of Licensing & Financial Analysis

**Education and Training**

FAI Utility Finance and Accounting for Financial Professionals, Boston, MA  
May 21-23, 2014

York College of Pennsylvania, York, Pennsylvania  
Master of Business Administration, Finance Concentration, 2008  
Bachelor of Science, Accounting, 2006

**Testimony Submitted**

I have testified and/or submitted testimony in the following proceedings:

- Docket No. R-2018-3000124 – Duquesne Light Company
- Docket No. R-2018-3001631 – UGI Central Penn Gas, Inc., 1307(f)
- Docket No. R-2018-3001632 – UGI Penn Natural Gas, Inc., 1307(f)
- Docket No. R-2018-3001633 – UGI Utilities, Inc., 1307(f)
- Docket No. R-2018-2645938 – Philadelphia Gas Works, 1307(f)
- Docket No. P-2017-2637855 – Metropolitan Edison Company
- Docket No. P-2017-2637857 – Pennsylvania Electric Company
- Docket No. P-2017-2637858 – Pennsylvania Power Company
- Docket No. P-2017-2637866 – West Penn Power Company
- Docket No. I-2016-2526085 – Delaware Sewer Company
- Docket No. R-2017-2602627 – UGI Central Penn Gas, Inc., 1307(f)
- Docket No. R-2017-2602633 – UGI Penn Natural Gas, Inc., 1307(f)
- Docket No. R-2017-2602638 – UGI Utilities, Inc., 1307(f)
- Docket No. R-2017-2586783 – Philadelphia Gas Works
- Docket No. R-2017-2587526 – Philadelphia Gas Works, 1307(f)
- Docket No. R-2016-2531550 – Citizens' Electric Company

**APPENDIX A**  
**Professional and Educational Experience**  
**Christopher Keller**

**Testimony Submitted (Continued)**

I have testified and/or submitted testimony in the following proceedings:

- Docket No. R-2016-2531551 – Wellsboro Electric Company
- Docket No. R-2016-2537349 – Metropolitan Edison Company
- Docket No. R-2016-2537352 – Pennsylvania Electric Company
- Docket No. R-2016-2537355 – Pennsylvania Power Company
- Docket No. R-2016-2537359 – West Penn Power Company
- Docket No. R-2016-2543311 – UGI Central Penn Gas, Inc., 1307(f)
- Docket No. R-2015-2518438 – UGI Utilities, Inc. – Gas Division
- Docket No. P-2015-2511333 – Metropolitan Edison Company
- Docket No. P-2015-2511351 – Pennsylvania Electric Company
- Docket No. P-2015-2511355 – Pennsylvania Power Company
- Docket No. P-2015-2511356 – West Penn Power Company
- Docket No. R-2015-2468056 – Columbia Gas of Pennsylvania, Inc.
- Docket No. P-2014-2404341 – Delaware Sewer Company
- Docket No. R-2014-2452705 – Delaware Sewer Company
- Docket No. R-2014-2428304 – Borough of Hanover – Water
- Docket No. R-2014-2419774 – Wellsboro Electric Company
- Docket No. R-2014-2420279 – UGI Central Penn Gas, Inc., 1307(f)

**Assisted with the Following Cases**

- Docket No. R-2014-2462723 – United Water Pennsylvania
- Docket No. R-2014-2428742 – West Penn Power Company
- Docket No. R-2014-2428743 – Pennsylvania Electric Company
- Docket No. R-2014-2428744 – Pennsylvania Power Company
- Docket No. R-2014-2428745 – Metropolitan Edison Company
- Docket No. R-2013-2397353 – Pike County Light & Power Company (Gas)
- Docket No. R-2013-2397237 – Pike County Light & Power Company (Electric)