



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

June 22, 2023

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission, v.
Columbia Water Company
Docket No. R-2023-3040258
I&E Prehearing Memorandum

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Bureau of Investigation and Enforcement's (I&E) **Prehearing Memorandum** for the above-captioned proceeding.

Copies are being served on parties of record per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Respectfully,

A handwritten signature in black ink that reads 'Carrie B. Wright' with a stylized flourish at the end.

Carrie B. Wright
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185
(717) 783-6156
carwright@pa.gov

CBW/jfm
Enclosures

cc: Honorable Mary D. Long, Administrative Law Judge (*via email only*)
Honorable Charece Z. Collins, Administrative Law Judge (*via email only*)
Per Certificate of Service

I. INTRODUCTION

On April 28, 2023 Columbia Water Company (Columbia or Company) filed its proposed Supplement No. 121 To Tariff – Water Pa. P.U.C. No. 7 (Supplement No. 121) with the Pennsylvania Public Utility Commission (Commission) to become effective June 27, 2023. The rates set forth in therein, if approved by the Commission, would increase UGI Gas’s annual jurisdictional revenues by \$999,990, or 14.2%.

On June 15, 2023, the Commission entered an Order suspending the implementation of proposed the proposed rates by operation of law until January 27, 2024, and opening an investigation into the lawfulness, justness, and reasonableness of the proposed rates, rules, and regulations contained therein.

A dual-location telephonic Prehearing Conference is scheduled for June 23, 2023, at 10:00 am before Administrative Law Judges Mary D. Long and Charece Z. Collins.

II. ISSUES

The following list represents I&E’s preliminary determination of the potential issues in these proceedings. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues, as it deems appropriate if any such relevant issues arise. The issues are as follows:

- a) Overall Rate of Return:
 - Cost of Debt;
 - Cost of Common Equity;
 - Proxy Group;
 - Capital Structure;

- b) Rate Structure/Rate Design:
 - Usage Rates;
 - Customer Charge;

- c) Rate Base:
 - Plant In Service;
 - Accrued Deprecation;
 - Contributions in Aid of Construction;
 - Materials and Supplies;

- d) Operation and Maintenance Expense Claims including:
 - Salaries and Wages Expense;
 - Employee Pensions and Benefits Expense;
 - Purchased Water Expense;
 - Purchased Power Expense;
 - Chemicals Expense;
 - Materials and Supplies Expense;
 - Engineering Expense;
 - Accounting Expense;
 - Legal Expense;
 - Management Fees;
 - Testing Expense;
 - Rent Expense;
 - Transportation Expense;
 - Insurance Expense;
 - Rate Case Expense;
 - Bad Debt Expense;
 - Membership Dues Expense;
 - Office Expenses;
 - Director's Fees and Expenses;
 - Education Expense;
 - Taxes Other than Income;

- e) Present Rate Revenue:
 - Projected Number of Customers;
 - Projected Usage;
 - Annualization Adjustments;
 - Other Revenue.

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

- Christopher Keller, Fixed Utility Financial Analyst
- Esyan Sakaya, Fixed Utility Valuation Engineer

The I&E witnesses may be contacted through the information listed above for Ms. Wright. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, supplemental testimony, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

V. DISCOVERY

I&E will work with the parties to determine the appropriate discovery modifications in this proceeding.

VI. SCHEDULE

I&E will work with the parties and the ALJs to develop a schedule in this proceeding.

Regarding the location of hearings, I&E advocates for the use of telephonic hearings in the proceeding. However, to the extent that evidentiary hearings will be convened in person, I&E requests that those hearings be held in Harrisburg in order to save the Commission the expense of sending the I&E prosecutors, witnesses and technical supervisors to out-of-town hearings.

VII. PUBLIC INPUT HEARINGS

To the extent that public input hearings occur in this proceeding, I&E requests these hearings be held telephonically.

VIII. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand service requirements for discovery responses, prepared testimony, briefs and other documents during this proceeding, I&E requests that electronic delivery of documents satisfy the service requirements without the need to follow up with hardcopies.

IX. SETTLEMENT

I&E will maintain an open dialogue and is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully Submitted,



Carrie B. Wright
Prosecutor
PA Attorney ID No. 208185

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120
(717) 783-6156

Dated: June 22, 2023

