

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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March 16, 2018

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
Commonwealth Keystone Bldg.  
400 North Street  
Harrisburg, PA 17120

Re: Pa. Public Utility Commission  
v.  
Columbia Gas of Pennsylvania, Inc. 1307(f)  
Docket No. R-2018-3000253

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Christy M. Appleby  
Christy M. Appleby  
Assistant Consumer Advocate  
PA Attorney I.D. # 85824  
E-Mail: [CApplby@paoca.org](mailto:CApplby@paoca.org)

Attachment

cc: Office of Special Assistants (email only: [ra-OSA@pa.gov](mailto:ra-OSA@pa.gov))  
Office of Administrative Law Judge  
Bureau of Technical Utility Services (email only)  
Certificate of Service

\*245008

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :  
v. : Docket No. R-2018-3000253  
Columbia Gas of Pennsylvania, Inc. 1307(f) :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Formal Complaint and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 16th day of March 2018.

SERVICE BY E-MAIL & INTER-OFFICE MAIL

Erika L. McLain, Esquire  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

Theodore J. Gallagher, Esquire  
Adam J. Lanier  
Columbia Gas of Pennsylvania, Inc.  
Southpointe Industrial Park  
121 Champion Way, Suite 100  
Canonsburg, PA 15317

Todd S. Stewart, Esquire  
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100 North Tenth Street  
Harrisburg, PA 17101

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17 North Second Street, 12<sup>th</sup> Floor  
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John R. Evans, Esquire  
Office of Small Business Advocate  
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Harrisburg, PA 17101

/s/ Christy M. Appleby  
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Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152  
Dated: March 16, 2018  
\*245010

**FORMAL COMPLAINT**  
**BEFORE THE**  
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**1. COMPLAINANT**

Tanya J. McCloskey, Acting Consumer Advocate

555 Walnut Street, 5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
Dauphin County

Telephone - (717) 783-5048  
Facsimile - (717) 783-7152

**2. UTILITY NAME**

Columbia Gas of Pennsylvania, Inc.; Docket No. R-2018-3000253

**3. TYPE OF UTILITY**

Gas

**4. COMPLAINT**

A. On February 28, 2018, pursuant to Sections 53.64 and 53.65 of the Commission's Rules and Regulations, Columbia Gas of Pennsylvania, Inc. (Columbia or Company) submitted its pre-filing information in support of its annual purchased gas cost (PGC) filing. 52 Pa. Code §§ 53.64, 53.65.

B. The Company is scheduled to make its definitive rate filing with the Pennsylvania Public Utility Commission (PUC or Commission) on April 1, 2018, pursuant to Section 1307(f) of the Public Utility Code. 66 Pa. C.S. § 1307(f).

C. Relative to the current rate of \$0.41351/Therm, Columbia's pre-filing anticipates a decrease of \$0.03141/Therm to a rate of \$0.38210/Therm for service rendered on and after

October 1, 2018. This assumes that there are no further changes to the currently effective PGC rates.

D. Columbia provides natural gas services to approximately 417,000 customers in portions of 26 counties in Pennsylvania, including Adams, Allegheny, Armstrong, Beaver, Bedford, Butler, Centre, Chester, Clarion, Clearfield, Elk, Fayette, Franklin, Fulton, Greene, Indiana, Jefferson, Lawrence, McKean, Mercer, Somerset, Venango, Warren, Washington, Westmoreland, and York counties.

E. The Public Utility Code provides that no rates of a natural gas distribution utility shall be deemed just and reasonable unless the Commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to customers. 66 Pa. C.S. § 1318. The Commission must find, among other things, that the utility has: (1) fully and vigorously represented ratepayer interests before the Federal Energy Regulatory Commission; (2) taken all prudent steps to negotiate favorable gas contracts and to relieve its obligations under contracts that may be adverse to ratepayer interests; (3) taken all reasonable steps to obtain lower cost gas supplies; and (4) not withheld or caused to be withheld gas supplies that should have been utilized as part of a least cost fuel procurement policy.

F. The Consumer Advocate is empowered to represent the interests of consumers before the Pennsylvania Public Utility Commission, pursuant to Act 161 of the Pennsylvania General Assembly, 71 P. S. §§ 309-1 *et seq*, as enacted July 9, 1976.

G. After initial review of Columbia's pre-filing, the Acting Consumer Advocate files this Formal Complaint in order to ensure that the Company's proposed purchased gas cost rates

are consistent with a least cost fuel procurement policy and do not result in rates and charges that are excessive, discriminatory or otherwise contrary to Commission regulations or policy.

**5. RELIEF**

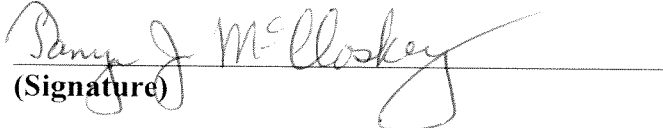
The Acting Consumer Advocate respectfully requests that the Public Utility Commission:

- A. Hold evidentiary hearings as mandated by Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f);
- B. Hold public input hearings in Columbia's service territory, if consumer interest arises;
- C. Deny any rate or tariff changes which are not the result of a least cost fuel procurement policy as defined by the standards set forth in Section 1318 of the Public Utility Code, 66 Pa. C.S. § 1318, and as defined by other applicable ratemaking standards;
- D. Deny any rate or tariff changes which result from costs which should be borne in whole or in part by interruptible sales customers or transportation customers; and
- E. Grant any other relief deemed necessary.

6. VERIFICATION AND SIGNATURE

*Verification:*

*I, Tanya J. McCloskey, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).*

  
(Signature)

March 16, 2018  
(Date)

7. LEGAL REPRESENTATION

Christy M. Appleby  
Assistant Consumer Advocate  
Pa. Attorney ID No. 85824  
[CAappleby@paoca.org](mailto:CAappleby@paoca.org)

Aron J. Beatty  
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Acting Consumer Advocate

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PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE  
PURSUANT TO 71 P.S. SECTION 309-4(e)

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Office of Consumer Advocate (OCA) to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the OCA determined to file a Formal Complaint and participate in proceedings before the Commission involving the purchased gas cost (PGC) rate proposed by Columbia Gas of Pennsylvania, Inc. (Columbia or the Company) at Docket No. R-2018-3000253.

On February 28, 2018, Columbia filed its pre-filing information in support of its annual PGC filing pursuant to the Commission's regulations. 52 Pa. Code §§ 53.64, 53.65. The Company's pre-filing anticipates a decrease of \$0.03141/Therm from the current PGC rate of \$0.41351/Therm to a rate of \$0.38210/Therm.

The OCA has filed this Formal Complaint with the Commission to ensure that each aspect of Columbia's 2018 PGC filing is scrutinized and that the proposed PGC rate is consistent with a least cost fuel procurement policy. A thorough analysis and review are appropriate because Section 1318 of the Public Utility Code, 66 Pa. C.S. § 1318, mandates that purchased gas costs cannot be determined to be just and reasonable unless such rates result from a least cost fuel procurement policy. That section of the Public Utility Code also specifies that certain findings must be made before the costs are determined to be lawful. The OCA, therefore, will seek to ensure that only those purchased gas costs which comply with the requirements of the Public Utility Code will be paid by the Company's ratepayers. In addition, the OCA will also seek to ensure that the rates approved by the Commission are not unduly discriminatory or otherwise excessive.