

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al. :
 :
 v. : Docket No. R-2018-2647577
 :
 Columbia Gas of Pennsylvania, Inc. :

**PREHEARING MEMORANDUM
OF THE COALITION FOR AFFORDABLE UTILITY SERVICES
AND ENERGY EFFICIENCY IN PENNSYLVANIA**

PENNSYLVANIA UTILITY LAW PROJECT
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April 17, 2018

I. Introduction

On April 10, 2018, a Prehearing Conference Order was issued by Administrative Law Judge Jeffery A. Watson, setting a prehearing conference for Thursday, April 18, 2018, and requiring parties to file a prehearing memorandum no later than noon on Tuesday, April 17, 2018. In response, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its counsel at the Pennsylvania Utility Law Project, hereby submits this Prehearing Memorandum.

II. History of the Proceeding

On March 16, 2018, Columbia Gas of Pennsylvania (“Columbia”) submitted a rate filing, Supplement No. 267 to its Tariff Gas PA PUC No. 9, which proposes to increase rates by approximately \$46.9 million per year, or 8.16%. According to Columbia’s calculations, its proposal would increase the total bill for a residential customer who uses 70 therms of gas from \$91.63 to \$99.88 per month, an increase of 9%.

On April 5, 2018, the Commission entered an Order suspending the Columbia tariff by operation of law. The Order opened an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained therein, and further noted that “consideration should be given to the reasonableness of the Columbia Gas of Pennsylvania, Inc.’s existing rates, rules, and regulations.” (S&I Order at 2).

On April 10, 2018, CAUSE-PA filed a Petition to Intervene.

III. Issues to be Addressed

In addition to complying with sound rate making principles, including the requirement that rates be just and reasonable, Columbia Gas must also ensure that its rates and tariff comply with the billing, collections, and termination standards contained in Chapters 14 and 56 of the Public

Utility Code and the universal service requirements contained in the Natural Gas Competition Act and Chapters 58 and 69 of the Public Utility Code. See 66 Pa. C.S. Ch. 14, 52 Pa. Code Ch. 56, 58, 69; 66 Pa. C.S. § 2203(8).

In the event that the Commission approves any natural gas distribution rate increase, the Commission should condition approval on Columbia's agreement to perform such actions as are necessary to assure compliance with applicable sections of the Public Utility Code, Commission regulations and guidelines, and prior approved settlement agreements.

Counsel for CAUSE-PA has reviewed Columbia's filing and testimony. While CAUSE-PA is still formulating its positions on all of the issues presented, it is concerned about the effect that the proposed rate increase will have on the affordability of service for economically vulnerable households within Columbia's service territory, and has tentatively identified the following issues presented by the filing which affect its members:

- i. The financial impact of Columbia's proposed distribution rate increase on the residential customer class, particularly low income households;
- ii. The effect of Columbia's proposed increase in the customer charge from \$16.75 to \$18.25 on residential customers with low or moderate income, and the impact such an increase may have on the effectiveness of energy efficiency programming (particularly the Low Income Usage Reduction Program (LIURP)) to reduce household energy costs;
- iii. The impact of Columbia's proposed Rider RNA (Revenue Normalization Adjustment) on the residential customer class, particularly low income households, and the continued effectiveness of energy efficiency programming (particularly LIURP) to reduce household energy costs;
- iv. The effect of Columbia's rate design and proposed rate increase on low income households enrolled in Columbia's current Universal Service Programs, particularly the Customer Assistance Program; and
- v. The design, delivery, and funding of Columbia's universal service programs, including Columbia's hardship fund program, to sufficiently offset the impact of a rate increase and produce an affordable bill for all residential customers.

CAUSE-PA asserts that these matters must be thoroughly reviewed through discovery and a hearing in order to ensure that the Company's low-income customers are sufficiently protected from the harm caused by any rate increase and any rate increase is in the public interest. CAUSE-PA anticipates that additional issues may arise as a more comprehensive review of the Company's filing is undertaken, discovery is conducted, and other parties present evidence and testimony. CAUSE-PA reserves the right to present evidence on any of the other issues contained in Columbia's filing but not specifically identified above, as well as issues raised by other parties.

IV. Witnesses

CAUSE-PA intends to present the following witness to testify in this matter, but reserves the right to call additional or substitute witnesses as may be warranted upon proper notice to Your Honor and the parties:

Mitchell Miller
Mitch Miller Consulting LLC
60 Geisel Road
Harrisburg, PA 17112
717-903-2196
Mitchmiller77@hotmail.com

Mr. Miller will address the issues identified above, as well as other issues that may arise through the course of this proceeding.

V. Discovery

CAUSE-PA supports the standard discovery modifications proposed by the Office of Consumer Advocate (OCA).

VI. Settlement

CAUSE-PA will work with any and all of the other parties in this proceeding to attempt to come to a full or partial settlement of the litigated issues.

VII. Service on CAUSE-PA

Service on CAUSE-PA may be made on its attorneys at the Pennsylvania Utility Law Project as follows:

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We request that parties serve one hard copy in addition to an electronic copy of all documents served in this proceeding.

VIII. Litigation Schedule

CAUSE-PA has been engaged in discussions with the other parties in an attempt to reach an agreement on a litigation schedule which provides for sufficient time between each round of testimony to allow for discovery to be exchanged. At the time of this filing, the parties have not reached consensus on a proposed schedule; however, we continue to work in good faith with the parties in an attempt to reach a workable solution.

IX. Conclusion

CAUSE-PA respectfully requests that its Prehearing Memorandum be entered into the record of this proceeding.

Respectfully submitted,

PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



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Certificate of Service

I hereby certify that I have this day served copies of the **Prehearing Memorandum of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania** upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

VIA First Class Mail and Email

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