

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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December 17, 2018

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

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

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Petition for Reconsideration in the above-referenced proceeding. The undersigned certifies that this filing contains no averments or denials of fact subject to verification and penalties under 52 Pa. Code Section 1.36.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Lauren M. Burge'.

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Enclosures:

cc: Honorable Jeffrey A. Watson  
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Certificate of Service  
\*264034

CERTIFICATE OF SERVICE

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

I hereby certify that I have this day served a true copy of the following documents, the Office of Consumer Advocate's Petition for Reconsideration, 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 17<sup>th</sup> day of December 2018.

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

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PETITION OF THE  
OFFICE OF CONSUMER ADVOCATE  
FOR RECONSIDERATION

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The Office of Consumer Advocate (OCA) hereby submits this Petition in accordance with Sections 5.41 and 5.572 of the Pennsylvania Public Utility Commission’s (Commission) regulations. 52 Pa. Code §§ 5.41, 5.572. The OCA requests that the Commission reconsider its Order entered December 6, 2018, in the Columbia Gas of Pennsylvania, Inc. (Columbia or the Company) base rate proceedings as it pertains to the scope of actions Columbia may take in order to conform its billing practices to the requirements of Section 1502 of the Public Utility Code. 66 Pa. C.S. § 1502.

**I. INTRODUCTION**

On December 6, 2018, the Commission entered an Opinion and Order in the above-captioned proceeding. In its Order, the Commission found that Columbia’s current practice of providing “on bill” billing of charges for non-commodity products and services for only two of its former affiliates is discriminatory in violation of Sections 1502 and 2204 of the Public Utility Code. 66 Pa. C.S. §§ 1502, 2204; Order at 44-51. The Commission stated that Columbia must “provide such a service to all entities that provide such non-basic services or must discontinue the

'on bill' billing policy. In other words, Columbia must either provide such a service to all entities that provide such non-basic services or must discontinue the 'on bill' billing policy." Order at 50.

The OCA respectfully requests that the Commission reconsider the scope of Columbia's options in reforming its "on bill" billing practices. In giving Columbia the option to open its bill to all entities offering non-commodity products and services, the Commission is potentially making a significant policy change that may not be permissible under current Commission regulations. This also overlooks a variety of concerns raised by the OCA regarding this possibility, and the OCA's recommendation which the Commission was agreeing with in its Order. For the reasons discussed below, the OCA requests that the Commission reconsider its December 6, 2018 Order on this point.

## **II. STANDARD OF REVIEW**

In Duick v. Pennsylvania Gas and Water Co., 56 Pa. P.U.C. 553 (1985) (Duick), the Commission set forth the standards for granting a petition for reconsideration, as follows:

A petition for reconsideration, under the provisions of 66 Pa.C.S. § 703(g), may properly raise any matters designed to convince the Commission that it should exercise its discretion under this code section to rescind or amend a prior order in whole or in part. In this regard we agree with the Court in the Pennsylvania Railroad case, wherein it was stated that "[p]arties . . . cannot be permitted by a second motion to review and reconsider, to raise the same questions which were specifically considered and decided against them . . ." What we expect to see raised in such petitions are new and novel arguments, not previously heard, or considerations which appear to have been overlooked or not addressed by the Commission. Absent such matters being presented, we consider it unlikely that a party will succeed in persuading us that our initial decision on a matter or issue was either unwise or in error.

Duick at 559, (quoting Pennsylvania R.R. Co. v. Pa. PUC, 179 A. 850 (Pa. Super 1935)).

In this Petition, the OCA raises considerations which appear to have been overlooked by the Commission or not addressed by the Commission. For the reasons set forth below, the OCA

submits that this Petition meets the Duick standard for reconsideration.

### **III. RECONSIDERATION**

In the December 6, 2018 Order, the Commission stated that “we agree with the OCA’s Reply Exception that it would not be a reasonable solution in these circumstances for the Commission to compel Columbia to provide the NGS Parties ‘on bill’ billing service for non-commodity goods and services offered by the NGS Parties.” Order at 50. However, the Order goes on to direct Columbia to “either provide such a service to all entities that provide such non-basic services or . . . discontinue the ‘on bill’ billing policy.” Id. While the Order does not *require* Columbia to provide on-bill billing service to the NGS Parties or others that offer similar products or services, it allows Columbia the discretion to do so if it wishes. In doing so, the Commission’s Order has overlooked significant concerns raised by the OCA in this proceeding for such a solution.

As discussed in the OCA’s Main Brief, OCA witness Barbara Alexander raised a variety of issues with the NGS Parties proposal to allow NGSs to include non-commodity products and services on Columbia customer bills. See OCA M.B. at 7-10. Including charges for non-commodity services in the total amount owed on a utility bill provides a significant competitive advantage, but “it is not proper for the utility bill to be used as a collection tool for all such unregulated products and services.” OCA M.B. at 8; OCA St. No. 5-R at 6. It may be unclear to customers that, although non-commodity charges are included in the total amount due on their bill, payment for non-commodity services is not necessary to avoid termination of essential utility service. OCA M.B. at 8; OCA St. No. 5-R at 6-7. Additionally, it is unclear from the record in this case exactly how the services are marketed and sold to Columbia’s customers, and it may not

be clear to customers that these charges are not regulated by the Commission or that payment is not linked to retention of utility service. OCA M.B. at 8-9; OCA St. No. 5-R at 7.

Further, OCA witness Alexander raised significant concerns that any proposal to allow NGSs to include non-commodity charges on the customer bill raises “potentially complex consumer protection issues...” OCA M.B. at 9; OCA St. 5-R at 8. Ms. Alexander summarized those concerns as follows:

For example, NGSs may seek to bundle their non-commodity or what [NGS Parties’ witness Cusati] calls “value added” services to the natural gas supply service, thus eliminating the customer’s ability to compare the NGS’s natural gas supply price with the Price to Compare stated on the natural gas utility bill on an “apples to apples” basis. Another concern is whether NGS marketing practices in offering these non-commodity services will properly inform customers about the different collection policies governing non-commodity products and services compared to natural gas supply service that is purchased by the NGDC and for which the customer is liable for termination of service. Mr. Cusati’s recommendation only exacerbates the concern I have raised about Columbia’s current practice of including non-commodity services on their regulated distribution services bill and including such charges on the total amount owed. Finally, the overall purpose of the Natural Gas Competition Act is to allow customers to select an alternative supplier for natural gas supply service, a product that is explicitly required to be unbundled from the NGDC’s previously bundled natural gas service.

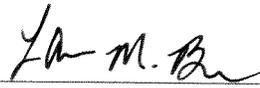
OCA M.B. at 9; OCA St. 5-R at 8-9. CAUSE-PA witness Mitchell Miller also raised similar concerns about the NGS Parties’ proposal, which he opposed. CAUSE-PA St. 1-R at 7-9. OCA witness Alexander recommended that the Commission “should not allow NGSs to include non-commodity and unregulated services on the regulated Columbia bill without a complete and more thorough investigation of the costs and potential adverse impact on other competitive suppliers . . . as well as the potential for confusion and adverse consequences on residential consumers.” OCA M.B. at 9-10; OCA St. 5-R at 9.

In allowing Columbia the discretion to open its customer bills to a wide range of unregulated non-commodity products and services, the Order overlooks the significant consumer protection issues raised by this possibility that the OCA has described. Further, the Order fails to appreciate the magnitude of policy change that this change would represent. As such, the OCA submits that the Duick standard has been met as the Commission has overlooked the important issues raised by the OCA in this proceeding. The OCA respectfully requests that the Commission reconsider its Order which would allow Columbia to include non-commodity products and services on its customer bills.

#### IV. CONCLUSION

For the reasons set forth above, the OCA respectfully requests that the Commission reconsider its December 6, 2018 Order with regard to the scope of actions Columbia may take in order to conform its billing practices to the requirements of Section 1502 of the Public Utility Code as described herein.

Respectfully Submitted,



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Dated: December 17, 2018

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