


COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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June 2, 2020

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

Re: Pennsylvania Public Utility Commission  
v.  
Columbia Gas of Pennsylvania, Inc.  
Docket No. R-2020-3018835

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Laura J. Antinucci  
Laura J. Antinucci  
Assistant Consumer Advocate  
PA Attorney I.D. # 327217  
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Enclosures:

cc: The Honorable Katrina L. Dunderdale (**email only**)  
Certificate of Service

\*289400

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :  
v. : Docket No. R-2020-3018835  
Columbia Gas of Pennsylvania, Inc. :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Prehearing Memorandum, 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 2<sup>nd</sup> day of June 2020.

**SERVICE BY E-MAIL ONLY**

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Fax: (717) 783-7152  
Dated: June 2, 2020  
\*289398

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,	:	R-2020-3018835
Office of Small Business Advocate,	:	C-2020-3019702
Office of Consumer Advocate	:	C-2020-3019714
	:	
v.	:	
	:	
Columbia Gas Pennsylvania, Inc.	:	

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PREHEARING MEMORANDUM OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pursuant to the Corrected Prehearing Conference Order of Administrative Law Judge Katrina L. Dunderdale issued on May 22, 2020, Section 333 of the Public Utility Code, 66 Pa. C.S. Section 333, and in anticipation of the telephonic Prehearing Conference scheduled for June 3, 2020, the Office of Consumer Advocate (OCA) provides the following information:

**I. INTRODUCTION AND PROCEDURAL HISTORY**

Columbia Gas of Pennsylvania, Inc. (CGP or the Company) is engaged in the business of furnishing natural gas service to approximately 433,000 residential, commercial, and industrial customers in portions of 26 counties in western, northwestern, southern, and central Pennsylvania.

On April 24, 2020, CGP filed Supplement No. 307 to Tariff Gas – Pa. P.U.C. No. 9 (Supplement No. 307) with the Pennsylvania Public Utility Commission (the Commission) to become effective June 23, 2020. In Supplement No. 307, CGP is seeking an increase in annual distribution revenues of \$100.4 million for a fully projected future test year (FPFTY) ending on December 31, 2021. According to CGP’s filing, the total monthly bill for residential customers

using 70 therms per month, will increase from \$87.57 to \$103.19 (17.84%). CGP also proposes an increase in the residential customer charge from \$16.75 to \$23.00.

Following CGP's filing, the Commission's Bureau of Investigation and Enforcement (I&E) filed a Notice of Appearance. On May 4, 2020, the Office of Small Business Advocate (OSBA) filed a Formal Complaint in this proceeding. On May 5, 2020, the OCA also filed a Formal Complaint in this proceeding—subsequently assigned to Docket No. C-2020-3019714—to protect the interests of CGP's residential customers and to ensure that CGP is permitted to implement only a level of rates that is fully justified and in accordance with sound ratemaking principles. On May 11, 2020 consumer Bruce Matteo filed a Formal Complaint with the Commission in this proceeding. The Community Action Association of PA filed a motion to intervene on May 13, 2020. On May 18, 2020 CAUSE-PA filed a Motion to Intervene and Columbia Industrial Interveners filed a Formal Complaint on May 29, 2020.

On May 21, 2020, the Commission issued an order suspending the filing by operation of law until January 23, 2021, unless permitted by the Commission to become effective at an earlier date. This filing was assigned to Administrative Law Judge Katrina L. Dunderdale for the scheduling of hearings and investigation into the lawfulness, justness, and reasonableness of the proposed rates.

## **II. DISCOVERY**

In order to effectively investigate and develop a record in this proceeding, the OCA requests certain modifications to the Commission's discovery rules, as set forth below:

- A. Prior to the filing of Rebuttal Testimony, answers to written interrogatories shall be served in-hand within ten (10) calendar days of service.

B. Prior to the filing of Rebuttal Testimony, responses to requests for document production and entry for inspection or other purposes must be served in-hand within ten (10) calendar days.

C. Prior to the filing of Rebuttal Testimony, requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.

D. After the filing of Rebuttal Testimony, the ten (10) calendar day requirements specified in (a) through (c), above, shall be modified to seven (7) calendar days.

E. Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be served to the ALJs in writing within five (5) days of service of the interrogatories. Objections to interrogatories served on a Friday shall be communicated orally within four (4) calendar days, and unresolved objections shall be served to the ALJs in writing within six (6) days of service of the interrogatories.

F. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.

G. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions.

H. Answers to written interrogatories objected to by a Party and subsequently subject to an Order Granting a Motion to Compel issued by the ALJ (and therein ordered to be answered) shall be served within ten (10) days of the issuance of the Order.

I. Discovery and discovery-related pleadings propounded after 12:00 noon on a Friday or after 12:00 noon on any business day immediately preceding a state holiday will be deemed served on the next business day for purposes of determining the due date of the responses and responsive pleadings.

In addition to the preceding modifications to the Commission's Discovery Regulations, the OCA has one further request as to the exchange of information for this proceeding. The OCA requests that parties providing Direct and Rebuttal testimony, either include with such testimony electronic workpapers, cited studies and other documents relied on, or, provide same in workable electronic format within two (2) business days of the testimony submission date to all parties. In the OCA's experience, following the submission of these rounds of testimony parties routinely request the information just described through the normal discovery channels. The OCA submits that much time and effort could be saved by agreeing to streamline the process through an informal discovery modification as the OCA proposes here.

### **III. SETTLEMENT**

The OCA will participate in settlement discussions in this matter.

### **IV. ISSUES**

Based upon a preliminary analysis of CGP's base rate increase filing, the OCA has compiled a list of issues, which it anticipates will be included in its investigation of CGP's proposed rate changes. The OCA anticipates that other issues may arise and may be pursued as responses to interrogatories are received and analyzed.

With regard to all issues, the OCA takes the position that the proposed increases or changes must be justified, reasonable, and in accordance with sound ratemaking principles in order to

protect the interests of CGP's customers. Additionally, the OCA has identified several issues that may require further review as follows:

A. Revenues and Expenses: The OCA will examine the Company's claimed revenues and any adjustments to the level of revenues. The OCA will seek to ascertain whether or not the Company's claimed expenses are supported, reasonable, and appropriate.

Among others, the following issues will be addressed:

- The sales forecast utilized by CGP in order to project future test year and fully forecasted test year sales and revenues;
- CGP's proposed depreciation expense;
- CGP's wages and benefits, rate case expenses, service company charges, outside service, uncollectible accounts, and pensions;

B. Rate Structure/Rate Design: The OCA will examine CGP's cost of service study, its proposed allocation of any rate increase to the customer classes, and its proposed design of the rates. The OCA will also examine other tariff issues raised by the filing.

C. Universal Services: The OCA will assess the impact of the Company's proposed rate increase on universal service, including the overall Customer Assistance Program (CAP) cost as affected by the Company's rate design. The OCA will evaluate CGP's proposal to continue using pipeline credits and revenue refunds as a source of funding for its Hardship Fund and implement a new administrative fee associated with pipeline credits or refunds through its Rider Universal Service Program (USP). Additionally, the OCA will review the Company's CAP outreach efforts. The OCA will also assess customer service quality.

D. Weather Normalization Adjustment (WNA): In CGP's 2012 base rate case, a pilot WNA rider was established to adjust a residential customer's monthly bill based on the



actual temperature experienced during the month. The Company's proposed tariff changes provides revisions to its WNA rider, including a reduction of the dead-band from 3% to 0% effective February 2021. The OCA will assess the Company's claim for the elimination of the dead-band protection associated with its WNA rider.

E. Revenue Normalization Adjustment (RNA): The Company is proposing a RNA rider for residential customers to begin being billed in October 2021. The Company seeks to establish a benchmark revenue amount at which revenue collected from residential customers that exceeds that benchmark would be refunded to residential customers and revenue amounts that fall below the benchmark level would be recouped by the Company from residential customers through the RNA. The OCA will evaluate the Company's request for the RNA rider along with the proposed calculation thereof .

F. Other Issues: The OCA will examine the reasonableness and appropriateness of CGP's proposed tariff changes and will investigate those proposals to ensure that CGP is complying with all prior orders.

The OCA reserves the right to raise additional issues.

## **V. WITNESSES**

The OCA intends to present the direct, rebuttal, and surrebuttal testimonies, as may be necessary, of the below witnesses. Each witness will present testimony in written form and will attach various exhibits, documents, and explanatory information, as may be necessary. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be mailed and/or emailed directly to the expert witness(es) responsible for the particular area of the case, as well as to counsel for the OCA.

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Universal Service:

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The OCA specifically reserves the right to call additional witnesses, as necessary. If the OCA determines that additional witnesses will be necessary for any portion of its case, it will notify all parties of record immediately.

#### **VI. PROPOSED SCHEDULE AND AMOUNT OF TIME NEEDED FOR HEARINGS**

Due to complications caused by the COVID-19 pandemic and I&E's outstanding Motion to extend the suspension period in this case, the parties have not reached an agreement on a litigation schedule. Given the circumstances, the OCA supports the Motion filed by I&E and is in agreement with I&E that an extension in this case is necessary. The OCA intends to continue discussions on an appropriate litigation schedule with the parties after I&E's Motion is decided.

The OCA requests that the dates included in any litigation schedule in this matter be considered “in-hand” dates and that electronic service or fax service on the due date will satisfy the “in-hand” requirement, as hard copy service may not be possible until the current COVID-19 pandemic has subsided.

## **VII. PUBLIC INPUT HEARINGS**

Due to the current circumstances surrounding the COVID-19 crisis, the OCA is unable to determine the level of consumer informal complaints that have been filed at the Commission thus far. However, given the magnitude of the requested rate increase and the well-attended public input hearings held for prior CGP rate cases, the OCA requests that public input hearings be held for CGP’s consumers in this matter. Taking into account the current circumstances, the OCA requests that, in lieu of “in-person” public input hearings within the CGP service territory, the Commission consider arranging for telephonic public input hearings for consumers to participate in. The OCA also requests that CGP, at a minimum, place advertisements within its service territory and publications in the newspaper and on CGP’s website to make its consumers aware of these hearings. If the public input hearings are not conducted prior to the filing of the OCA’s Direct Testimony in this matter, the OCA reserves the right to supplement its Direct Testimony to address any topics or issues introduced at the public input hearings after they are held.

### VIII. SERVICE ON THE OCA

The OCA will be represented in this case by Senior Assistant Consumer Advocate Darryl A. Lawrence and Assistant Consumer Advocates Barrett C. Sheridan and Laura J. Antinucci. Darryl A. Lawrence will act as the lead attorney for purposes of participating in the Prehearing Conference. Two Copies of all documents should be served on the OCA as follows:

Darryl A. Lawrence  
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Respectfully submitted,

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DATED: June 2, 2020  
#289043

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