

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

PSU Statement No. 1-SR

**SURREBUTTAL TESTIMONY OF JAMES L. CRIST, P.E.  
ON BEHALF OF  
THE PENNSYLVANIA STATE UNIVERSITY**

Dated: September 16, 2020

1 **Q. PLEASE STATE YOUR NAME AND ON WHOSE BEHALF YOU ARE**  
2 **TESTIFYING.**

3 A. I am James L. Crist, President of Lumen Group, Inc. I previously presented direct and  
4 rebuttal testimony and now I am presenting surrebuttal testimony on behalf of The  
5 Pennsylvania State University ( “Penn State” or “PSU” or the “University” ).

6  
7 **Q. WHAT ARE THE ISSUES YOU WILL ADDRESS IN THIS SURREBUTTAL**  
8 **TESTIMONY?**

9 A. Specifically, in my surrebuttal testimony I will:

10 ■ ■ [REDACTED]

11 ■ [REDACTED]

12 [REDACTED]

13 2. Update my review of the effect of the pandemic on the operation of the University.

14 ■ ■ [REDACTED]

15 ■ [REDACTED]

16 [REDACTED]

17

18 ■ ■ [REDACTED]

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20 ■ [REDACTED]

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14

15 **II. IMPACT OF COVID-19**

16 **Q. WHAT HAS OCCURRED AT PENN STATE SINCE THE CAMPUS OPENED FOR**  
 17 **THE FALL SEMESTER?**

18 A. In Centre County where the University Park campus is located there have been significant  
 19 increases in the number of confirmed cases of COVID-19. Penn State’s President, Dr.  
 20 Barron said, “The University is monitoring the number of positive and negative cases —  
 21 and other variables critical to our decision making — including isolation and quarantine  
 22 capacity, hospitalizations, locational data, transmission from student cases to employees  
 23 and community prevalence, to name a few.” Penn State continues implementation of its

1 “Return to State” plan including its “Mask Up or Pack Up” messaging. This ongoing  
2 discussion shows no signs of ending. Large customers of Columbia such as Penn State are  
3 facing serious problems as a result of COVID-19 that have potential significant financial  
4 impact.

5  
6 **Q. WHAT IS THE FINANCIAL IMPACT TO PENN STATE?**

7 A. For the tuition shortfall alone the current projection for this academic year is \$98.8 million.  
8 This does not include the return of housing dollars, lack of income generation by hotels  
9 and increased costs of PPE, along with other increased operating expenses. For the fiscal  
10 year ended June 30, 2020, net income from auxiliary operations was down by  
11 approximately \$47 million. Actions due to the pandemic were initiated during March 2020  
12 so the losses were incurred in a brief four-month period. Significant losses are currently  
13 projected for FY 2021 and the total amount is difficult to estimate due to the uncertainty of  
14 the pandemic.

15  
16 **Q. WHAT HAVE OTHER UNIVERSITIES IN PENNSYLVANIA EXPERIENCED?**

17 A. Penn State is not unique in the impact of COVID-19. In Philadelphia, Temple University  
18 moved almost all classes on-line and it provided an option for students to return home with  
19 a refund for housing and meal-plan charges for the fall semester. In the center of the state,  
20 Gettysburg University issued a one-week quarantine after a spike of cases on campus.  
21 Temple University stated it recognized there will be students in university housing who  
22 may want to return home, and for those who choose to leave by Sunday, September 13, it  
23 will provide a full refund of housing and meal plan charges for the fall semester. At the  
24 University of Pittsburgh where I am a Visiting Scholar on the faculty of the Katz Graduate

1 School of Business, the campus has opened with a sharp decrease in students in university  
2 housing. The fall semester begin early on Aug. 19 with online-only classes, including the  
3 class I teach. The University previously said classes would transition to in person on  
4 August 24, but officials pushed back a possible start date to September 14. These are the  
5 conditions that institutions of higher education are currently facing. It is unclear at this time  
6 when the University will be able to fully return to pre-COVID-19 operations. The financial  
7 impact is significant.

8  
9 **Q. WHAT DID COMMUNITY ACTION ASSOCIATION OF PENNSYLVANIA**  
10 **(“CAAP”) WITNESS MOORE EXPRESS?**

11 A. She supported CAUSE’s Mr. Miller’s recommendation to increase universal service  
12 program costs by \$600,000 to help alleviate any rate increase for low-income customers.  
13 She did not comment on or propose relief to commercial or industrial customers whose  
14 financial circumstances were negatively affected by the pandemic. While there are valid  
15 concerns of the effect of the pandemic on residential customers, I must emphatically state  
16 that the large customers also have significant financial concerns and must not be  
17 considered to have necessary financial resources to cover subsidy programs for residential  
18 customers from which they cannot benefit. Her recommendation to increase universal  
19 service program costs should be rejected.

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7

8 **V. CONCLUSION**

9 **Q. WHAT IS THE SUMMARY OF YOUR SURREBUTTAL TESTIMONY?**

10 A. I have these recommendations:

█ [REDACTED]

█ [REDACTED]

13 [REDACTED]

14 2. The effects of the COVID-19 pandemic have worsened in Centre County and at Penn

15 State. Large customers are facing significant financial pressures and should not be relied

16 upon to subsidize residential customers' universal service programs.

█ [REDACTED]

█ [REDACTED]

19 [REDACTED]

20

21 **Q: DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

22 A. Yes.