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October 6, 2020

via Electronic Mail

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor
P.O. Box 3265
Harrisburg, PA 17105-3265

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

Dear Secretary Chiavetta:

Per Administrative Law Judge Katrina L. Dunderdale's Post-Hearing Order issued on September 25, 2020, enclosed for electronic filing please find the following *Pre-Served Testimony and Verification of Community Action Association of Pennsylvania (CAAP)* witness in the above-captioned proceeding which were admitted into the record during the evidentiary hearing held in this case on September 24, 2020:

- CAAP Statement No. 1 – the Direct Testimony of Susan A. Moore;
- CAAP Statement No. 1-R – the Rebuttal Testimony of Susan A. Moore; and
- Verification of Susan A. Moore.

Copies of this letter are being served on the parties of record as evidenced in the attached Certificate of Service. Pursuant to the Commission's Emergency Order issued on March 20, 2020, and as indicated on the attached Certificate of Service, service on the parties was accomplished by email only.

Respectfully,


Joseph L. Vullo

JLV/jar
encls.

cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

CERTIFICATE OF SERVICE

The undersigned certified that he served a copy of the CAAP Preserved Testimony Cover Letter upon the following participants this 6th day of October, 2020, via electronic mail:

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A handwritten signature in black ink, appearing to read 'JV', is written over a horizontal line.

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COMMUNITY ACTION ASSOCIATION OF PENNSYLVANIA

CAAP Statement No. 1

Direct Testimony of Susan A. Moore

In Re: Pennsylvania Public Utility Commission v.
Columbia Gas of Pennsylvania, Inc.

Docket Number: R-2020-3018835

1 **Q. Please state your name, title, and business address.**

2 **A.** My name is Susan A. Moore, Chief Executive Officer, Community Action Association of
3 Pennsylvania, 222 Pine Street, Harrisburg, PA 17101.

4
5 **Q. On whose behalf are you testifying?**

6 **A.** The Community Action Association of Pennsylvania (CAAP), a statewide association of
7 local Community Action Agencies in Pennsylvania.

8
9 **Q. What is your relevant experience in this case before the Commission?**

10 **A.** CAAP's membership covers each of the counties in the Company's service territory.
11 CAAP was incorporated in 1975 and, as an integral part of its mission, has advocated for the
12 low-income population of Pennsylvania. I have been the CEO of this agency for eleven years.
13 Prior to that, I worked as the CEO for The Florida Patient Safety Corporation, an organization
14 dedicated to the continuous improvement of patient safety in Florida by serving as a learning and
15 research organization, created and funded by the Florida Legislature in recognition of the need to
16 improve patient safety and address skyrocketing liability insurance premiums in Florida. I also
17 served on the Board of Directors for the Pennsylvania Hunger Action Center, an organization
18 advocating against hunger insufficiency on a statewide basis. On behalf of our member agencies,
19 CAAP has intervened in numerous rate and restructuring cases before the PUC including
20 Peoples' Natural Gas rate case (R-2012-2285985) as well as the rate cases of Duquesne Light
21 Company (R-2018-3000124) and PECO Energy Company (R-2018-3000164). CAAP also
22 intervened in Columbia Gas' 2016 and 2018 rate cases. (R-2016-2529660, R-2018-2647577).

1 **Q. What is the interest of CAAP in this proceeding?**

2 **A.** The interest of CAAP in this proceeding is basically the same as it has been in those prior
3 proceedings I mentioned above. Our general concern is the impact of the Company's proposals
4 on low-income customers. We are concerned about the impact of the Company's proposed rate
5 design on residential customers, particularly low-income customers and we are concerned with
6 the proposed rate design's impact on the ability and motive of low-income customers to conserve
7 energy. We are also in this case to address the availability, design and funding of the Company's
8 low-income, or universal service programs. We want to ensure that the legislature's directive in
9 the Natural Gas Customer Choice and Competition Act Gas Restructuring Act that universal
10 service programs are 'appropriately funded and available' is followed.

11

12 **Q. Apart from universal service, does CAAP take a position on whether the Company's**
13 **rate increase should be granted?**

14 **A.** I do not believe that CAAP has ever taken a position before in any rate cases regarding
15 whether a requested rate increase should be granted. But these are extraordinary times due to the
16 COVID-19 crisis. Pennsylvania Department of Labor statistics indicate that 1,907,863 people
17 have filed for unemployment benefits between March 15 and July 12, 2020.¹ Although most
18 counties in Pennsylvania have resumed most economic activities there remains limits on
19 significant sectors of our economy. There is also great economic uncertainty going forward with
20 the increased spread of the virus in other parts of the country and the persistent presence of the
21 virus in Pennsylvania. Further, although all are negatively impacted by this downturn, the virus
22 and the resulting economics have particularly negatively impacted low-income people.

1 Based upon that, I do not believe that any rate increase should be granted. However,
2 should a rate increase be granted it should be a condition of any rate increase that the Company
3 be required to assist its most vulnerable rate payers.

4 Under the Company proposal a typical residential customer using an average of 70 therms
5 per month will see their bill increase from \$87.57 to \$103.19, an increase of 17.84%. That is a
6 significant increase under any economic conditions. Further, the Company has 404,910
7 residential customers and estimates that nearly 25% of them, or 97,268 are low-income. The
8 effect of this increase on a significant portion of customers is compounded further by the
9 Company's rate design proposals that lessen a residential customer's ability to reduce their bill
10 through conservation.

11
12 **Q. Please address those rate design issues?**

13 **A.** Initially I want to address the Company's proposal to increase the fixed monthly customer
14 charge for residential customers. The Company is proposing to increase the fixed monthly
15 charge from \$16.75 to \$23, an increase of over 37%. CAAP opposes any increase to the fixed
16 monthly customer charge and certainly opposes such a significant increase.

17
18 **Q. Why does CAAP oppose an increase to the fixed monthly customer charge?**

19 **A.** The more a consumer's bill is comprised of fixed charges, the less motive, and
20 opportunity, the consumer has to reduce consumption and therefore save money. One of the only
21 defenses a family, particularly a poor family, has against increases in energy costs is to conserve
22 – lower the thermostat, seal air leaks, change filters regularly, add more insulation, get a more

¹ <https://www.uc.pa.gov/COVID-19/Pages/UC-Claim-Statistics.aspx>

1 efficient heating unit, etc. The Company's proposal to increase that fixed cost would negatively
2 impact a customer's motive to conserve and the ability to save money. For reasons explained
3 below that negative impact on a customer's motive to conserve and the ability to save money
4 would be compounded should the Company's proposed Revenue Normalization Adjustment
5 (RNA) be approved.

6
7 **Q. Turning now to rate design, do you support the Company's proposed Revenue**
8 **Normalization Adjustment Rider (RNA)?**

9 **A.** I do not support the RNA for many of the same reasons why I oppose an increase to the fixed
10 monthly customer charge-I believe that it will have a negative impact on a low-income
11 customers' ability and motive to conserve. The RNA would allow the Company to recover
12 revenue on a per customer basis and not on a usage basis and that would lessen a low-income
13 customer's ability and motive to reduce their bill through conservation. Additionally, because of
14 the 'lag time' in the adjustment to rates a customer would not see the connection between
15 reducing consumption and a reduced bill. For example, a customer may see his bill increase due
16 to a revenue normalization adjustment even after making efforts at conserving or after having
17 conservation measures installed. Further, low usage residential customers would be in part
18 subsidizing high usage residential customers and that would have a negative impact on low-
19 income customers trying to reduce their bills through conservation efforts.

20
21 I do not believe that the Commission should allow an increase in rates, allow an increase
22 in the fixed monthly customer charge and a change in rate design that impacts a customer's
23 ability and motive to conserve. Should a rate increase be granted along with those changes in rate

1 design there should be an increase in universal service funding that would allow relief to low-
2 income customers. For a typical residential customer, a 17% increase is substantial, but for a
3 low-income customer, the effects can be dramatic. High utility costs are not the only challenge
4 for a poor person. Our members have been helping low-income people for years and know
5 firsthand that they face financial challenges on many fronts -- housing, energy costs, food and
6 health care -- and a dramatic increase in any of those areas can have a devastating impact. That
7 negative impact goes beyond just an increase in rates in this case because the increase in the
8 fixed monthly charge makes it more difficult for a consumer to lessen the impact of an increase
9 in rates through conservation. The (RNA) has a similar impact. Accordingly, the company's
10 proposals in this proceeding should be accompanied by greater measures to help its low-income
11 customers deal with those proposals.

12

13 **Q. Turning now to universal service programs what issues would you like to address?**

14 **A.** I want to address the Company's low-income usage reduction program (LIURP),
15 WarmWise. Annual funding for WarmWise for the years 2020 and 2021 is set at \$4,875,000.
16 Pursuant to the settlement reached in its 2018 rate case the parties agreed not to propose any
17 increase in the LIURP budget prior to the end of the 2021 program year and CAAP will certainly
18 abide by that agreement.

19 However, for period beyond 2021 CAAP believes that should a rate increase be granted
20 then more funding is needed to begin to address the great need for LIURP services in the
21 Company's service territory.

22

23 **Q. Are there additional reason why is CAAP proposing increased funding for LIURP?**

1 **A.** We are proposing greater funding for LIURP because there is an unmet need for LIURP
2 services. In its most recent Universal Service and Energy Conservation Plan filing (M-2018-
3 2645401) the Company estimates that it serves 101,375 low-income households with 67,659
4 confirmed as low-income. In discovery responses in this case the Company estimates that it
5 serves 97,268 low-income households with 68,534 confirmed as low-income as of May 2020. In
6 its USECP the Company estimated that there were 18,647 households eligible for LIURP
7 services. The Company completed 497 LIURP jobs in 2019 and 94 jobs from January to March
8 2020.

9 This combination of over 18,000 customers eligible for LIURP and what may be a
10 significant rate increase, requires an increase in LIURP funding. Further, the current level of
11 LIURP funding did not account for this anticipated rate increase.

12

13 **Q: Do you have any recommendations regarding the funding level for LIURP?**

14 **A:** Yes. With over 18,000 customers in need of LIURP services it is clear that there is a
15 great need for those services. I am recommending that should a rate increase be granted then the
16 number of customers served annually be increased from the 540 targeted to 600 and with an
17 average LIURP cost of approximately \$7,000, I am recommending additional annual LIURP
18 funding of \$420,000 beginning in the 2022 program year.

19

20 **Q: Do you have any other recommendations regarding the LIURP program?**

21 **A:** Yes. The increased funding for LIURP and the increased number of households targeted
22 represents a need to 'ramp up' the LIURP program. CAAP believes that there will be a need for
23 more partnerships with agencies experienced in the providing of services to poor people,

1 including weatherization services. Our member agencies have the expertise in developing and
2 operating programs that benefit people and communities. These organizations serve thousands of
3 low income and disadvantaged members of the community; they have direct knowledge of the
4 barriers and impediments to self-sufficiency, and continually innovate and evolve the service
5 delivery system to better meet the needs of the population they serve. Community based
6 organizations are governed by volunteer Boards of Directors; accountable to the communities
7 they serve, and are not conflicted by a duty to shareholders and investors. The focus and active
8 experience of community-based organizations make them singularly suited to speak for the needs
9 of the community. As such, the development and evolution of these programs should occur on a
10 community level, by organizations that are experienced in these programs not on a utility staff
11 level. These are “people” programs and community based organizations are best qualified to
12 implement them. I am recommending that the Company partner with our member agencies in the
13 administration and implementation of its LIURP program. Our member agencies are located
14 throughout the Company’s service territory, have experience in the administration and
15 implementation of LIURP programs and are needed because of the expansion of the Company’s
16 LIURP funding.

17
18 **Q. Are there any other universal service topics that you want to address?**

19 **A.** Yes. CAAP recommends that the Company’s hardship fund be increased from \$675,000
20 to \$800,000 annually with the Company contributing what is necessary to reach that funding
21 level after customer contributions. Although modest in comparison to other universal service
22 funding, the proposal will help customers deal with a rate increase in these difficult economic
23 times.

1 I also recommend that hardship funding be distributed in accordance with the percentage
2 of low-income customers in the counties served by the Company.

3
4
5
6 **Q. Can you please summarize your recommendations?**

7 **A.** Yes. CAAP is recommending the following:

- 8 1. That the Company's request for a rate increase be denied;
- 9 2. That the Company's request to increase its fixed residential monthly customer
10 charge be denied;
- 11 3. Should a rate increase be granted that annual funding for LIURP be increased
12 beginning in program year 2022 to \$5,295,000 annually and that any unused funds be carried
13 over and added to the following year's funding;
- 14 4. That the Company partner with member agencies of the Community Action
15 Association of Pennsylvania in the development, implementation and administration of its
16 LIURP program;
- 17 5. That the Company's funding for its Hardship program be increased to \$800,000
18 and distributed in accordance with the percentage of low-income customers in the counties
19 served by the Company; and
- 20 6. That the Company's RNA proposal be denied.

21
22
23 **Q. Does this conclude your testimony?**

1 A. Yes

2

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

CERTIFICATE OF SERVICE

The undersigned certified that he served a copy of the foregoing Community Action Association of Pennsylvania's CAAP Statement No. 1 – Direct Testimony of Susan A. Moore upon the following participants this 28th day of July, 2020, via electronic mail:

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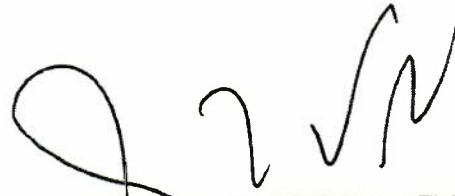
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CAAP Statement No. 1-R

Rebuttal Testimony of Susan A. Moore

In Re: Pennsylvania Public Utility Commission v.
Columbia Gas of Pennsylvania, Inc.

Docket Number: R-2020-3018835

1 **Q. Please state your name, title, and business address.**

2 **A.** My name is Susan A. Moore, Chief Executive Officer, Community Action Association of
3 Pennsylvania, 222 Pine Street, Harrisburg, PA 17101.

4

5 **Q. Have you submitted direct testimony in this case?**

6 **A.** Yes. I submitted direct testimony, CAAP Statement No. 1.

7

8 **Q. What is the purpose of your rebuttal testimony?**

9 **A.** In my direct testimony I opposed a rate increase in this case. However, I also stated that
10 should a rate increase be granted that it should be a condition of any rate increase that measures
11 be required to help low-income customers address that rate increase. The purpose of my rebuttal
12 testimony is to support certain measures that have been recommended in the testimony offered by
13 other parties in this case.

14

15 **Q. What recommendations would you like to address?**

16 **A.** Initially, The Coalition for Affordable Utility Services and Energy Efficiency in
17 Pennsylvania submitted CAUSE-PA Statement No. 1, the direct testimony of Mitchell Miller. Mr.
18 Miller also opposes this rate increase but recommended that should this increase be granted that
19 certain measure be enacted to alleviate the impact of a rate increase. One such recommendation
20 was to increase the LIURP Health and Safety Pilot Program budget by \$600,000 per year and to
21 extend the program until 2023. I support that recommendation.

22

1 **Q. Why do you support Mr. Miller's recommendation to increase the LIURP Health**
2 **and Safety Pilot Program budget by \$600,000 per year?**

3 **A.** Because I agree with Mr. Miller that oftentimes LIURP services must be deferred for
4 issues related to substandard housing. When those dangerous issues are present it is to everyone's
5 benefit to address those issues and to allow those low-income customers to obtain the benefit of
6 LIURP measures. The impact of any rate increase in this case would be particularly difficult for
7 those high usage low-income customers living in efficient homes; Mr. Miller's recommendation
8 to increase the LIURP Health and Safety Pilot Program budget by \$600,000 per year and to
9 extend the program would help alleviate any rate increase for those low-income customers.

10

11 **Q. Are there other recommendations that you want to address here?**

12 **A.** Both the Office of Consumer Advocate, through the testimony of Roger D. Colton (OCA
13 Statement No. 5) and CAUSE, through Mr. Miller, recommend that universal costs be borne by
14 all rate classes and not just the residential class. I support those recommendations.

15 **Q. Why do you support the recommendations that universal service costs be spread**
16 **among the rate classes?**

17 **A.** Because I believe, as those witnesses do, that low-income customers struggling to pay
18 their utility bills is not just a 'residential class' problem; but that all ratepayers benefit from rates
19 that are affordable for all classes. Further, the burden of universal service costs on just the
20 residential class may lead to more ratepayers who are not low-income struggling to meet their
21 utility costs.

22

1 **Q. Should your support of the above described recommendations be taken as your non-**
2 **support for other recommendations?**

3 **A.** No. I have simply chosen to address those two recommendations without addressing
4 others.

5

6 **Q. Does this conclude your testimony?**

7 **A.** Yes.

8

9

10

11

12

13

14

15

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VERIFICATION

I, **SUSAN A. MOORE**, hereby state and verify the following:

1. I am the Executive Director of Community Action Association of Pennsylvania.
2. I have submitted in this proceeding, through counsel, written direct testimony, CAAP Statement No. 1 and rebuttal testimony, CAAP Statement 1-R.
3. In lieu of my appearance at hearing in this matter, I am offering CAAP Statement No. 1 and CAAP Statement 1-R into evidence at hearing through the statements set forth in this Verification.
4. If I were called to testify at hearing, the answers to the questions I gave in those Statements would be the answers given by me at hearing in response to those same questions.
5. The facts set forth in my answers contained in CAAP Statement No. 1 CAAP and CAAP Statement 1-R are true and correct and represent my answers to those questions.
6. There are no additions, corrections or deletions I would propose to CAAP Statement No. 1 or CAAP Statement 1-R.



SUSAN A. MOORE

Date: September 23, 2020