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October 30, 2020

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

**VIA ELECTRONIC FILING**

**RE: Pennsylvania Public Utility Commission v. Columbia Gas of Pennsylvania;  
Docket Nos. R-2020-3018835 and C-2020-3020105**

Dear Secretary Chiavetta,

Attached please find for filing with the Pennsylvania Public Utility Commission the Reply Brief of the Columbia Industrial Intervenors ("CII") in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to these proceedings are being duly served via email only due to the current COVID-19 pandemic. Upon lifting of the aforementioned Emergency Order, we can provide parties with a hard copy.

Sincerely,

McNEES WALLACE & NURICK LLC

By 

Charis Mincavage

Counsel to the Columbia Industrial Intervenors

Enclosures

- c: Administrative Law Judge Katrina L. Dunderdale (via email and First Class Mail)
- Daniel Pallas, Assistant to ALJ Dunderdale (via email)
- Matthew Stewart, Bureau of Technical Utility Services (via email)
- Stephen Jakab, Bureau of Technical Utility Services (via email)
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- Certificate of Service

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I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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Charis Mincavage

Counsel to the Columbia Industrial Intervenors

Dated this 30<sup>th</sup> day of October, 2020, at Harrisburg, Pennsylvania.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY	:	
COMMISSION	:	
	:	DOCKET NO. R-2020-3018835
v.	:	C-2020-3020105
	:	
COLUMBIA GAS OF PENNSYLVANIA, INC.:	:	

**REPLY BRIEF OF  
THE COLUMBIA INDUSTRIAL INTERVENORS**

Hanover Foods Corporation  
International Paper Company  
Knouse Foods Cooperative, Inc.  
RHI Magnesita  
University of Pittsburgh Medical Center

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Dated: October 30, 2020

## TABLE OF CONTENTS

	<u>Page</u>
I. Introduction.....	1
II. Summary of Argument .....	2
III. Overall Position on Rate Increase.....	3
IV. Rate Base .....	3
A. Plant in Service FPFTY Plant Additions .....	3
B. Cloud-Based Computing.....	3
C. Depreciation Reserve .....	3
D. ADIT.....	3
V. Revenue.....	3
VI. Expenses .....	3
A. Labor Expense .....	3
1. Annualization Adjustment .....	3
2. Employee Complement.....	3
B. Other Employee Benefits.....	4
C. Incentive Compensation and Stock Rewards.....	4
D. PUC, OCA, OSBA Fees .....	4
E. Rate Case Expense.....	4
F. Outside Services.....	4
G. Other Adjustments .....	4
1. Adjustments for Safety Initiatives .....	4
a) Cross Bore Identification .....	4
b) Gas Qualification Specialists .....	4
c) Legacy Service Line Records .....	4
d) Customer-owned Field Assembled Riser Replacement.....	4
2. Compensation Adjustments .....	4
H. Depreciation Expense .....	4
VII. Taxes.....	5
A. Taxes Other Than Income Taxes .....	5
B. Income Taxes .....	5
VIII. Rate of Return.....	5
A. Introduction.....	5
B. Capital Structure Ratios .....	5
C. Debt Cost Rate .....	5
D. Return on Common Equity.....	5

	1.	Columbia Proposal.....	5
	2.	Other Parties' Proposals .....	5
	3.	Increment for Management Effectiveness .....	5
IX.		Miscellaneous Issues.....	5
	A.	Low-Income Customer Issues.....	5
		1. Customer Assistance Program .....	5
		2. Low-Income Customer Outreach.....	6
		3. Health and Safety Pilot .....	6
		4. LIURP .....	6
		5. Hardship Fund.....	6
	B.	Pipeline Replacement Issues.....	6
		1. DIMP.....	6
		2. Pipeline Replacement.....	6
		3. Pipeline Replacement Costs.....	6
		4. Risk Reduction.....	6
X.		Rate Structure.....	6
	A.	Introduction.....	6
	B.	Cost of Service.....	7
	C.	Revenue Allocation.....	9
		1. Proposed Revenue Allocation and Alternatives .....	9
		2. Flex Customers .....	10
		3. Allocation of Universal Service Costs.....	11
		a) The Natural Gas Choice and Competition Act provides no grounds for changing the status quo with respect to the collection of USP costs.....	11
		b) The Commonwealth Court's decision regarding the recovery of SEF costs has no bearing on the instant matter.....	13
		c) The status quo should remain as a change in USP cost collection raises many unanswered questions. ....	13
	D.	Rate Design.....	15
		1. Residential Rate Design.....	15
		a) Residential Customer Charge .....	15
		b) Weather Normalization Adjustment .....	15
		c) Revenue Normalization Adjustment.....	15

2.	Small C&I Customer Rate Design .....	15
3.	Large C&I Customer Rate Design .....	15
4.	Gas Procurement Charge Rider .....	15
E.	Bill Impacts .....	15
XI.	Conclusion .....	16

**TABLE OF AUTHORITIES**

**Cases**

*Lloyd v. Pa. PUC*, 904 A.2d 1010, 1024 (Cmwlth. Ct. 2006)..... 13  
*Pa. PUC v. PPL Elec. Utils. Corp.*, Docket No. R-2012, at 113 (Order entered Dec. 28, 2012)... 8

**Statutes**

66 Pa. C.S. § 2203..... 12  
Section 2203(6) of the Natural Gas Choice and Competition Act..... 11

## **I. INTRODUCTION**

On April 24, 2020, Columbia Gas of Pennsylvania, Inc. ("Columbia" or "Company"), filed with the Pennsylvania Public Utility Commission ("PUC" or "Commission") Supplement No. 307 to Tariff Gas – Pa. P.U.C. No. 9 ("Supplement No. 307"). *Columbia Gas of Pennsylvania, Inc. Supplement No. 307 to Tariff Gas Pa. P.U.C. No. 9*, Docket No. R-2020-3018835 (Apr. 24, 2020). Supplement No. 307 requested a general rate increase of approximately \$100.4 million over the Company's present annual revenues. Columbia supplemented this request with the Direct Testimony of several witnesses, responses to filing requirements, and documentation regarding the Company's proposals.

On May 29, 2020, the Columbia Industrial Intervenors ("CII") filed a Complaint in this proceeding. A description of CII is set forth in Paragraph 5 of CII's Complaint. A Prehearing Conference was held on June 3, 2020, before Administrative Law Judge ("ALJ") Katrina L. Dunderdale, in which the procedural schedule for this proceeding was developed.

CII received the Company's Direct Testimony on April 24, 2020. Pursuant to the procedural schedule, on July 28, 2020, CII submitted Direct Testimony and received Direct Testimony from the following parties: the Office of Consumer Advocate ("OCA"); the Bureau of Investigation and Enforcement ("I&E"); the Office of Small Business Advocate ("OSBA"); the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"); Community Action Association of Pennsylvania ("CAAP"); and The Pennsylvania State University ("PSU"). On August 26, 2020, CII submitted Rebuttal Testimony and received Rebuttal Testimony from the following parties: Columbia; OCA; OSBA; CAAP, and PSU. On September 16, 2020, CII received Surrebuttal Testimony from the following parties: Columbia; OCA; I&E; OSBA; CAUSE-PA; and PSU. The evidentiary hearings in this proceeding, which



were originally scheduled for September 22-24, 2020, were completed in one day on September 24, 2020.

Pursuant to the remaining procedural schedule, CII submitted a Main Brief ("MB") in this proceeding on October 16, 2020, and received Main Briefs from Columbia, OCA, I&E, OSBA, CAUSE-PA, CAAP, and PSU. CII now submits this Reply Brief to respond to issues raised in parties' Main Briefs that were not specifically addressed in CII's Main Brief.<sup>1</sup>

## **II. SUMMARY OF ARGUMENT**

CII's Main Brief sets forth CII's position on specific issues in this proceeding, including Columbia's proposed rate increase, the appropriate Cost of Service Study to be utilized, the resulting rate allocation, and the allocation of Universal Service Program costs. CII's position on these issues has not changed for purposes of this Reply Brief. Rather, as discussed more fully herein, CII continues to support its position that Columbia's rate increase should be significantly mitigated to recognize the impact of the COVID-19 pandemic. *See* Sections III and V, *infra*. Similarly, CII submits that, while the Customer/Demand Cost of Service Study may provide the best reflection of customer classes' cost to serve, Columbia's Average Cost of Service Study, without modification, most likely provides the best compromise with respect to the parties' positions in this proceeding. *See* Section X.B., *infra*. Even with the use of the Average Cost of Service Study, CII submits that the principle of gradualism and the hardships faced by large commercial and industrial customers because of the COVID-19 pandemic must be recognized by the Commission and should result in Rate Large Distribution Service ("LDS") customers receiving less than, but certainly not more than, the system average. *See* Section X.C.1., *infra*. Finally,

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<sup>1</sup> CII has not commented on every issue in this proceeding, but silence on any particular issue should not be construed as support for positions advanced by other parties.

because any change in the allocation of Columbia's Universal Service Program costs would raise issues that have not been adequately expounded upon in this proceeding, CII submits that the status quo regarding cost collection must remain. *See* Section X.C.3., *infra*.

### **III. OVERALL POSITION ON RATE INCREASE**

CII continues to support the position set forth in its Main Brief on this issue. *See* CII MB, pp. 3-5.

### **IV. RATE BASE**

#### **A. Plant in Service FPFTY Plant Additions**

CII offers no opinion on this issue at this time.

#### **B. Cloud-Based Computing**

CII offers no opinion on this issue at this time.

#### **C. Depreciation Reserve**

CII offers no opinion on this issue at this time.

#### **D. ADIT**

CII offers no opinion on this issue at this time.

### **V. REVENUE**

CII continues to support the position set forth in its Main Brief on this issue. *See* CII MB, p. 5.

### **VI. EXPENSES**

#### **A. Labor Expense**

##### **1. Annualization Adjustment**

CII offers no opinion on this issue at this time.

##### **2. Employee Complement**

CII offers no opinion on this issue at this time.

**B. Other Employee Benefits**

CII offers no opinion on this issue at this time.

**C. Incentive Compensation and Stock Rewards**

CII offers no opinion on this issue at this time.

**D. PUC, OCA, OSBA Fees**

CII offers no opinion on this issue at this time.

**E. Rate Case Expense**

CII offers no opinion on this issue at this time.

**F. Outside Services**

CII offers no opinion on this issue at this time.

**G. Other Adjustments**

**1. Adjustments for Safety Initiatives**

*a) Cross Bore Identification*

CII offers no opinion on this issue at this time.

*b) Gas Qualification Specialists*

CII offers no opinion on this issue at this time.

*c) Legacy Service Line Records*

CII offers no opinion on this issue at this time.

*d) Customer-owned Field Assembled Riser Replacement*

CII offers no opinion on this issue at this time.

**2. Compensation Adjustments**

CII offers no opinion on this issue at this time.

**H. Depreciation Expense**

CII offers no opinion on this issue at this time.

## **VII. TAXES**

### **A. Taxes Other Than Income Taxes**

CII offers no opinion on this issue at this time.

### **B. Income Taxes**

CII offers no opinion on this issue at this time.

## **VIII. RATE OF RETURN**

### **A. Introduction**

CII offers no opinion on this issue at this time.

### **B. Capital Structure Ratios**

CII offers no opinion on this issue at this time.

### **C. Debt Cost Rate**

CII offers no opinion on this issue at this time.

### **D. Return on Common Equity**

#### **1. Columbia Proposal**

CII offers no opinion on this issue at this time.

#### **2. Other Parties' Proposals**

CII offers no opinion on this issue at this time.

#### **3. Increment for Management Effectiveness**

CII offers no opinion on this issue at this time.

## **IX. MISCELLANEOUS ISSUES**

### **A. Low-Income Customer Issues**

#### **1. Customer Assistance Program**

CII offers no opinion on this issue at this time.

**2. Low-Income Customer Outreach**

CII offers no opinion on this issue at this time.

**3. Health and Safety Pilot**

CII offers no opinion on this issue at this time.

**4. LIURP**

CII offers no opinion on this issue at this time.

**5. Hardship Fund**

CII offers no opinion on this issue at this time.

**B. Pipeline Replacement Issues**

**1. DIMP**

CII offers no opinion on this issue at this time.

**2. Pipeline Replacement**

CII offers no opinion on this issue at this time.

**3. Pipeline Replacement Costs**

CII offers no opinion on this issue at this time.

**4. Risk Reduction**

CII offers no opinion on this issue at this time.

**X. RATE STRUCTURE**

**A. Introduction**

As set forth in CII's Main Brief, while Columbia's Customer/Demand study would provide the most appropriate Cost of Service Study mechanism for use in this proceeding, CII submits that the Company's Average study without modification should be adopted as a reasonable compromise of all of the parties' positions. Even with using the Average study, however, the PUC must still consider the principle of gradualism and the current economic hardships facing Large Commercial

and Industrial customers. Accordingly, in order to account for those factors, CII submits that the other parties' proposed rate allocation to Rate LDS be rejected and, instead, the PUC apply less than, but certainly no more than, any system average increase to Rate LDS. Moreover, in light of the current issues and economic environment, CII submits that any change in the status quo with respect to the allocation of Universal Service Programs would be inappropriate at this time.

**B. Cost of Service**

In this proceeding, Columbia provided three separate Cost of Service Studies ("COSSs"): (1) the Customer/Demand Study; (2) the Peak and Average ("P&A") Study; and (3) the Average Study (which averages the results of the Customer/Demand and P&A studies). *See* CII MB, p. 10. In their Main Briefs, the OCA and I&E both recommend exclusive use of the P&A Study. OCA MB, pp. 150-155; I&E MB, p. 86. Because exclusive use of the P&A Study would unfairly discriminate against higher load customers, CII agrees with Columbia and PSU that the Average Study may be the best compromise for purposes of this proceeding.

In its Main Brief, I&E argues that multiple COSSs are unnecessary when allocating costs and that use of multiple COSSs could be burdensome to other utilities. I&E MB, p. 90. First, the impact of using multiple COSSs on other utilities is not relevant in this proceeding. Second, I&E has not submitted any evidence supporting its assertion that presenting multiple COSSs has been burdensome for Columbia in this proceeding. For several years, Columbia has been conducting two studies and averaging the results of those two studies because Columbia finds that the Average Study produces "a reasonable range of returns for use as a guide in establishing appropriate rates." Columbia MB, p. 130.

I&E acknowledges in its Main Brief that the determination of whether to file a single or multiple cost of service studies should be based upon various issues, including the utility's decision. I&E MB, p. 90. I&E, in critiquing PSU's opposition to I&E's proposed use of the P&A

Study, concedes that "it is reasonable for the Commission to examine alternative methods for cost allocation." *Id.* Accordingly, despite I&E's preference for the exclusive use of P&A Study,<sup>2</sup> I&E recognizes that the Commission may consider a COSS that averages the results of two COSSs and that Columbia is entitled to use and advocate for the Average Study.

OCA, in arguing for the exclusive use of the P&A Study, contends that the Average Study contains "serious flaws" and does not accurately represent the costs to serve various customer classes. OCA MB, p. 133. As explained by Columbia and CII in their Main Briefs, OCA has failed to demonstrate that the exclusive use of the P&A Study is just and reasonable and appropriately considers the costs to serve all customer classes. *See* CII MB, pp. 11-15; *see also* Columbia MB, pp.131-136. Despite OCA's assertions to the contrary, the use of the Customer/Demand Study helps identify customer cost responsibility for mains. *See* OCA MB, p. 139, *cf.* CII MB, pp. 11-15; Columbia MB, pp. 131-136. For example, Columbia separated and allocated low-pressure and two-inch mains only to the residential and small commercial class because the other classes are not physically served from and do not benefit from those mains. Columbia MB, p. 131. Columbia further explained that the P&A Study alone does not reflect how Columbia incurs costs to provide service because 50% of the mains costs in the P&A Study is based on throughput. *Id.* at 132. Relying solely on the P&A Study is unreasonable, inconsistent with industry standards, violative of cost causation principles, and inconsistent with Commission precedent. *See* Columbia MB, pp. 131-136 (citing *Pa. PUC v. PPL Elec. Utils. Corp.*, Docket No. R-2012, at 113 (Order entered Dec. 28, 2012) (explaining that a proper COSS recognizes both the customer component and peak demand component of the distribution plant)).

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<sup>2</sup> As set forth in the Main Briefs of CII and Columbia, the use of the P&A Study should be rejected for several reasons. CII MB, pp. 11-15; Columbia MB, pp. 131-136.

Because the P&A COSS does not provide a reasonable consideration of the costs to serve all customer classes, the Commission should reject the proposed exclusive use of the P&A COSS. Instead, if the Commission chooses not to utilize the Customer/Demand COSS, the Commission should consider accepting the Average COSS, as it provides a reasonable compromise of all of the parties' positions in this proceeding.

### **C. Revenue Allocation**

#### **1. Proposed Revenue Allocation and Alternatives**

In its Main Brief, Columbia recommends the use of the Average COSS for purposes of revenue allocation and rate design. Columbia MB, pp. 128-131. As discussed herein, however, the resulting rate increase to Rate LDS proposed by Columbia, in addition to the modifications recommended by several other parties, fails to recognize the principal of gradualism much less the current economic hardships faced by large commercial and industrial customers. As such, these proposals should be rejected, and Rate LDS should receive no more, but preferably less, than any system average increase.

Under Columbia's proposal, the system average increase would be 17.5%; however, Rate LDS customers would receive an increase that is higher than the system average. *See* CII MB, p. 15. Such an increase is not appropriate in light of the fact that large commercial and industrial customers on Columbia's system have had to endure rate increases filed by Columbia approximately every twelve to eighteen months for over the past decade. *Direct Testimony of Frank Plank*, CII Statement No. 1, p. 8. Critically, Columbia's proposal in this rate filing is especially excessive because the Company's requested rate increase of \$100 million would translate to an approximate 25% overall increase to Rate LDS. CII MB, pp. 15-16. When this 25% increase is combined with the uncertainty that customers face due to the impact of the



COVID-19 pandemic, Rate LDS customers would be faced with a significant hardship that is neither just nor reasonable.

Similarly, I&E submits that, if the Commission allows for a rate increase for Columbia in this proceeding, then such an increase should be scaled back and applied proportionally among the customer classes using the COSS that is ultimately approved by the Commission. *See* I&E MB, p. 95. Under this scale-back, however, the industrial class (*i.e.*, Rate LDS) would receive more than the average system increase. *See* CII MB, pp. 15-17. Rather, CII submits that Rate LDS should receive less than, but certainly no more than, the system average increase. *Id.*

Under OSBA's two proposals, which provide greater weight to the P&A COSS, Rate LDS would receive either a 38.4% or 43.3% rate increase. OSBA MB, p. 18. Similarly, the OCA proposes a 36% increase for Rate LDS. *See* OCA MB, p. 158. Such increases would result in rate shock during normal economic times, and CII submits that such rate increases under current conditions would completely ignore the role of gradualism in ratemaking.

CII recognizes that Rate LDS may need to receive some increase in order to move this class of customers closer to their cost to serve; however, such an increase should be less than the approximate 25% increase proposed by Columbia. Similarly, the proposals of the OCA and OSBA, which would increase Rate LDS by significantly more than the system average, fail to comport with the principle of gradualism. Accordingly, the proposals of OCA and OSBA should be outright rejected. Rather, Rate LDS should receive a rate increase that is in line with or lower than the system average to reflect gradualism and current economic conditions.

## **2. Flex Customers**

CII offers no opinion on this issue at this time.

### 3. Allocation of Universal Service Costs

In their Main Briefs, OCA and CAUSE-PA continue to argue that the Commission should change the status quo with respect to cost allocation of Columbia's Universal Service Programs ("USP"). Both parties maintain that USP costs should be allocated to all ratepayers because USP somehow provide a public benefit, and, therefore, benefit all ratepayers. OCA MB, pp. 166-185; CAUSE-PA MB, pp. 29-38. CII's Main Brief addressed and explained the fact that the proposal to allocate USP costs to non-residential classes violates the fundamental ratemaking principle of cost-causation and provides no benefit for non-residential classes. CII MB, pp. 17-20.

For these reasons, CII's Reply Brief will only respond to three specific arguments raised in Main Briefs regarding this issue: (1) why the Natural Gas Choice and Competition Act provides no grounds for changing the status quo of USP cost collection; (2) how the Commonwealth Court's decision in *Lloyd v. Pa. PUC*, to grant recovery of Sustainable Energy Fund ("SEF") program costs from all ratepayers, has no bearing on the instant matter; and (3) if the PUC believes that a change in the status quo is necessary, why such change is not appropriate at this time.

- a) *The Natural Gas Choice and Competition Act provides no grounds for changing the status quo with respect to the collection of USP costs.*

Both OCA and CAUSE-PA point to Section 2203(6) of the Natural Gas Choice and Competition Act ("Competition Act" or "Act") as a basis for a change in the status quo of USP cost collection. According to OCA and CAUSE-PA, because the statute does not state that recovery of USP costs should come from a certain class, the statute must support the allocation of these costs to all classes. CAUSE-PA MB, pp. 32-33; OCA MB, pp. 160-161.

Upon further review of the statute, however, Section 2203(6) has no relevance to a determination of whether Columbia's USP costs should be collected from all ratepayers. Initially, the Competition Act provided the basis for the restructuring of the natural gas industry to provide

residential and small commercial customers the opportunity to shop for natural gas supply. 66 Pa. C.S. § 2203. In fact, as the very title of the relied upon statutory provision indicates, Section 2203 provides "[s]tandards for restructuring the gas utility industry." *Id.* Considering that the Competition Act was enacted in 1999, the natural gas markets have been restructured for almost twenty years. *Id.* at § 2201. Thus, the statutory provisions meant to guide the Commonwealth in its efforts to restructure the natural gas utility industry are not relevant to the discussion of whether Columbia's USP program costs should be collected from all customer classes.

CAUSE-PA and OCA also point to a lack of guidance in Section 2203(6) to argue that because the provision does not require collection of USP costs from any specific rate class, the provision supports allocation of USP costs to all rate classes. CAUSE-PA MB, p. 32; OCA MB, pp. 160-161. In actuality, Section 2203(6) does not address collection of Columbia's USP costs, much less whether such costs should be collected from a specific rate class. *See* 66 Pa. C.S. § 2203(6). The absence of a provision's guidance on any action cannot be used as an affirmative right to engage or to not engage in an action. Therefore, even if Section 2203(6) of the Act were applicable, the fact that the provision contains no language indicating from which classes USP costs should be collected cannot be used to affirmatively state that USP costs must be collected from all ratepayers.

CAUSE-PA also contends that, because the Act does prohibit recovery of consumer education costs from industrial customers, the Act's lack of a specific provision prohibiting cross class recovery for USP costs indicates support for CAUSE-PA's proposal. CAUSE-PA MB, pp. 32-33. For the same reasons discussed above—*i.e.*, that lack of a provision's guidance on a certain action cannot be used to support engaging in that action—CAUSE-PA's argument here falls short.

Accordingly, and contrary to the arguments of the OCA and CAUSE-PA, the Competition Act does not provide, much less require, that Columbia's USP costs should be collected from all customers. As such, this argument must be rejected by the Commission.

b) *The Commonwealth Court's decision regarding the recovery of SEF costs has no bearing on the instant matter.*

CAUSE-PA contends that, because the Commonwealth Court of Pennsylvania ("Commonwealth Court") addressed the recovery of SEF programs costs, such precedent should be used as a guiding principle with respect to the allocation of Columbia's USP program costs. CAUSE-PA MB, pp. 33-34. Upon further review, however, SEF programs are not the same as Columbia's USP. As such, the resulting cost allocation cannot be reviewed under the same lens.

In *Lloyd v. Pa. PUC*, the Commonwealth Court reviewed various issues on appeal from PPL Electric Utilities Corporation's ("PPL") distribution and transmission rate case, including the funding of PPL's Sustainable Energy Fund ("SEF"). *Lloyd v. Pa. PUC*, 904 A.2d 1010, 1024 (Cmwlth. Ct. 2006). PPL's SEF is a fund that was instituted to promote development and the use of renewable and clean energy technologies, as well as energy conservation and efficiency. *Id.* Conversely, Columbia's USP is a program that was created in order to "reduce overall costs related to customer arrearages and customer collection costs related to residential rate payers by reducing residential customer arrearages." *Rebuttal Testimony of Andrew Tubbs*, Columbia Statement No. 1-R ("Columbia St. 1R"), p. 25. Although CAUSE-PA attempts to utilize *Lloyd* as precedent for the allocation of USP costs among all customers, USP programs are inherently different than SEF programs. As such, the decision in *Lloyd* regarding SEF funding cannot automatically transfer to this proceeding. Accordingly, CAUSE-PA's attempt to apply the Commonwealth's decision regarding SEF program costs to USP costs in the instant matter must be rejected.

c) *The status quo should remain as a change in USP cost collection raises many unanswered questions.*

To date, the costs of Columbia's USP have been funded by the residential customer class, as these customers are the class that is eligible to receive the benefits offered by the USP. CII MB, p. 17. As part of this proceeding, several parties have suggested changes to USP cost collection; however, these changes have not been fully fleshed out for review and consideration. Because of the overarching impact these changes would have on customers, CII submits that the status quo must remain in this proceeding.

Specifically, while both OCA and CAUSE-PA submitted testimony on their proposals to allocate USP cost to all customers, neither the OCA nor CAUSE-PA fully addressed the manner in which such costs would be allocated. In fact, only in Main Briefs did OCA propose that allocation of USP costs be based on the percentage of revenue provided by each customer class at base rates. OCA MB, pp. 159-160. Unfortunately, no other testamentary evidence has been developed on this point, and the parties have not had the opportunity to determine whether this proposal would be just and reasonable, assuming *arguendo* that the allocation of USP costs were to be expanded.

Further, in light of the effects of the COVID-19 pandemic—some of which are surely yet to be seen—it would be unwise to implement any changes to USP cost collection. OSBA MB, p. 21. Large Commercial and Industrial customers are already facing hardships due to the COVID-19 pandemic, and allocating costs to these customer classes, for programs from which they cannot receive any direct benefits, would be unjust and unreasonable at this time. CII MB, p. 19.

Lastly, should the proposal to collect USP costs from all rate classes be accepted, Columbia's Large Commercial and Industrial customers would be the only such customers with a cost obligation related to these programs in this Commonwealth. Columbia MB, p. 148. Columbia's Large Commercial and Industrial customers would, accordingly, be incentivized to

bypass Columbia in such instances where a bypass is viable. *Id.* Unfortunately, such actions by these customers may result in an economic impact on other Columbia customers that would only be exacerbated by the COVID-19 pandemic.

Accordingly, because of the significant issues surrounding the application of USP costs to all customers on Columbia's system, CII submits that changing the status quo at this time would be premature and inappropriate while also creating potential and unforeseen issues on Columbia's system. For these reasons, the PUC should reject any proposals to change the status quo with respect to the allocation of USC costs.

**D. Rate Design**

**1. Residential Rate Design**

*a) Residential Customer Charge*

CII has no opinion on this issue at this time.

*b) Weather Normalization Adjustment*

CII has no opinion on this issue at this time.

*c) Revenue Normalization Adjustment*

CII has no opinion on this issue at this time

**2. Small C&I Customer Rate Design**

CII has no opinion on this issue at this time.

**3. Large C&I Customer Rate Design**

CII has no opinion on this issue at this time.

**4. Gas Procurement Charge Rider**

CII has no opinion on this issue at this time.

**E. Bill Impacts**

CII has no opinion on this issue at this time.

## XI. CONCLUSION

WHEREFORE, the Columbia Industrial Intervenors respectfully requests that the Pennsylvania Public Utility Commission:

- (1) Deny Columbia's requested rate increase at this time due to the COVID-19 pandemic;
- (2) Grant only amount needed to ensure just and reasonable rates for all customers if the PUC determines that Columbia should receive some rate increase;
- (3) Accept Columbia's Customer/Demand Cost of Service Study;
- (4) In the alternative, accept Columbia's Average Cost of Service Study without modification;
- (5) Allocate Rate Schedule Large Distribution Service only a minimal rate increase, if any, but certainly no more than the system average;
- (6) Maintain the status quo with respect to Columbia's current allocation of Universal Service Program costs; and
- (7) Grant any other relief consistent with the arguments set forth herein.

Respectfully submitted,

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