

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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November 16, 2020

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

Re: Pennsylvania Public Utility Commission
v.
Pike County Light and Power Company -- Gas
Docket No. R-2020-3022134

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Santo G. Spataro
Santo G. Spataro
Assistant Consumer Advocate
PA Attorney I.D. # 327494
E-Mail: SSpataro@paoca.org

Enclosures:

cc: Office of Administrative Law Judge (**email only**)
Office of Special Assistants (**email only**: ra-OSA@pa.gov)
Bureau of Technical Utility Services (**email only**)
Certificate of Service

*299513

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
v. : Docket No. R-2020-3022134
Pike County Light and Power Company :
-- Gas :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Formal Complaint and Public Statement, 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 16th day of November 2020.

SERVICE BY E-MAIL ONLY

Carrie B. Wright, Esquire
Erika L. McLain, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Sharon E. Webb, Esquire
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17109-1923

Thomas J. Sniscak, Esquire
Whitney E. Snyder, Esquire
Bryce R. Beard, Esquire
Hawke, McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101

/s/ Santo G. Spataro
Santo G. Spataro
Assistant Consumer Advocate
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E-Mail: SSpataro@paoca.org

Aron J. Beatty
Senior Assistant Consumer Advocate
PA Attorney I.D. # 86625
E-Mail: ABeatty@paoca.org

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Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: November 16, 2020
*299518

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

1. CUSTOMER NAME (COMPLAINANT)

Tanya J. McCloskey

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County

Phone: (717) 783-5048

Facsimile: (717) 783-7152

2. UTILITY NAME (RESPONDENT)

Pike County Light & Power Company, Docket No. R-2020-3022134

3. TYPE OF UTILITY

Gas

4. COMPLAINT

A. On October 26, 2020, Pike County Light & Power Company (Pike or Company) filed Supplement No. 110 to Tariff Gas – Pa. P.U.C. No. 6 at Docket No. R-2020-3022134. The Company proposes to increase rates to produce additional annual operating revenues of \$262,200 per year or an overall increase of 16% in total gas revenues. The Company proposes that the rate increase become effective on December 28, 2020.

B. The Company is engaged in the business of furnishing natural gas service to approximately 1,200 residential, commercial, and industrial customers in Westfall Township and Matamoras Borough in Pike County, Pennsylvania.

C. For the residential customer class, the Company is proposing an overall increase in revenues of \$253,731. A residential customer using 80 Ccf will see their average bill rise from \$93.57 to \$111.97 per month, or by approximately 19.7%.

D. The Company's proposed rate increase, if approved, would produce a 7.09% overall rate of return on its original cost rate base, including a 9.75% rate of return on common equity.

- E.** The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission, pursuant to Act 1976-161 of the General Assembly, as amended, 71 Pa. C.S. §§ 309-1, *et seq.*
- F.** A preliminary examination of the Company's filing indicates that the proposed increase to annual revenues of \$262,200 and the proposed return on common equity of 9.75% may be unjust, unreasonable, in violation of the law and will or may produce an excessive return on investment in violation of the Public Utility Code, 66 Pa. C.S. § 1301 *et seq.*, and may otherwise be contrary to sound ratemaking principles and public policy.
- G.** The Acting Consumer Advocate avers that the proposed tariff changes, revenue allocations, and proposed rate design may be unlawfully discriminatory, in violation of Public Utility Code, 66 Pa. C.S. §§ 1301 and 1304 *et seq.*, and may otherwise be contrary to sound ratemaking principles and public policy.
- H.** The Company's filing indicates that the proposed changes and increases in rates, proposed rate schedule modifications, and proposed changes in rate policy, rules, and regulations contained in the proposed Tariff may be unjust, unreasonable, and in violation of the law and will or may produce an excessive return on investment in violation of the Public Utility Code, 66 Pa. C.S. § 1301 *et seq.*
- I.** The Acting Consumer Advocate files this Formal Complaint to ensure that the Commission fully and fairly adjudicates issues pertaining to whether the Company's existing and proposed rates, and all rate policy changes, are unjust, unreasonable, unduly discriminatory, or otherwise unlawful.

5. RELIEF

The Acting Consumer Advocate respectfully requests that Your Honorable Commission take the following actions:

- A.** Suspend and investigate the operation of the proposed tariff supplement, pursuant to Section 1038(d) of the Public Utility Code, 66 Pa. C.S. § 1038(d);
- B.** Consolidate all complaints filed against the proposed increase;
- C.** Hold full evidentiary hearings examining the reasonableness of the Company's current rates and its proposed increase in rates;
- D.** After providing the public with adequate notice, hold public input hearings in the Company's service territory, in order to provide its customers an opportunity to be heard on the record;

- E. Deny any charges contained in the proposal which cannot be fully justified by the Company, or which otherwise are contrary to the Public Utility Code, sound ratemaking principles, and public policy;
- F. Determine the justness and reasonableness of the Company's current and proposed rates; and
- G. Grant such other relief that the Commission may deem to be necessary and proper.

6. VERIFICATION AND SIGNATURE

Verification:

I, Tanya J. McCloskey, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

/s/ Tanya J. McCloskey
Signature

11/16/2020
Date

7. LEGAL REPRESENTATION

Aron J. Beatty, Senior Assistant Consumer Advocate, PA Bar No. 86625
 Santo G. Spataro, Assistant Consumer Advocate, PA Bar No. 327494

555 Walnut Street, 5th Floor, Forum Place
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 Dauphin County

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*299457

**PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)**

Act 161 of the Pennsylvania General Assembly, 71 Pa. C.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (PUC). In accordance with Act 161, and for the following reasons, the Acting Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the PUC involving the proposed rate increase requested by Pike County Light & Power (Pike or Company).

On October 26, 2020, the Company Supplement No. 110 to Tariff Gas – Pa. P.U.C. No. 6 at Docket No. R-2020-3022134. The Company proposes to increase rates to produce additional operating revenues of \$262,000 or an increase of 16% in total gas revenues. The Company proposes that the rate increase become effective on December 28, 2020. For the residential customer class, the Company is proposing an overall increase in revenues of \$253,731. A residential customer using 80 Ccf will see their average bill rise from \$93.57 to \$111.97 per month, or by approximately 19.7%. The Company's proposed rate increase, if approved, would produce a 7.09% overall rate of return on its original cost rate base, including a 9.75% return on common equity.

The objective of the Acting Consumer Advocate in filing a Formal Complaint in this matter is to protect the interests of the Company's customers. The Acting Consumer Advocate will seek to ensure that the Company is permitted to implement only a level of rates that is fully justified and in accordance with sound ratemaking principles. The Acting Consumer Advocate will represent the interests of the Company's consumers before the Commission and will seek to ensure that customers are not charged rates that are unjust, unreasonable or otherwise contrary to law.