



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

January 8, 2021

Via Electronic Filing

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

Re: Pennsylvania Public Utility Commission v.
Pike County Light & Power Company (Gas)
Docket No: R-2020-3022134
I&E Prehearing Memorandum

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Bureau of Investigation and Enforcement's (I&E) **Prehearing Memorandum** for the above-captioned proceeding.

Copies are being served on parties of record per the attached Certificate of Service. *Due to the temporary closing of the PUC's offices, I&E is only providing electronic service.* Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Erika L. McLain
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 320526

Carrie B. Wright
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185

ELM/CBW/jfm
Enclosures

cc: Honorable Mary D. Long (*via e-mail*)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
v. : Docket No. R-2020-3022134
Pike County Light & Power Company :
(Gas) :

**PREHEARING MEMORANDUM OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO ADMINISTRATIVE LAW JUDGE MARY D. LONG:

In accordance with the Prehearing Conference Order dated December 18, 2020, the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) hereby submits this Prehearing Memorandum in the above captioned docket. The I&E prosecutors assigned to this proceeding are Carrie B. Wright and Erika L. McLain. Ms. Wright and Ms. McLain may be contacted as follows:

By mail: Carrie B. Wright
Erika L. McLain
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120¹

By e-mail: carwright@pa.gov
ermclain@pa.gov

Telephone: (717) 783-6156¹
(717) 783-6170

¹ As a result of the COVID-19 pandemic, Commission physical offices are currently closed. While Commission offices are closed, Ms. Wright and Ms. McLain should be contacted first only by e-mail.

I. BACKGROUND

On October 26, 2020, the Pike County Light and Power Company (“Pike” or “County”), filed Supplement No. 110 to Tariff Gas-Pa. P.U.C. No. 6 which proposed an annual distribution revenue increase of \$262,000 (16%), to become effective December 28, 2020. I&E entered its appearance on November 3, 2020. The Office of Small Business Advocate (“OSBA”) filed a Notice of Appearance and Formal Complaint on November 13, 2020. The Office of Consumer Advocate (“OCA”) filed a Notice of Appearance and Formal Complaint on November 16, 2020.

On December 17, 2020, pursuant to 66 Pa. C.S. § 1308(d), the Commission ordered suspension of the proposed tariff changes until July 28, 2021, unless permitted by Commission Order to become effective at an earlier date. Through its order, the Commission assigned this case to the Office of Administrative Law Judge for the scheduling of hearings as necessary for issuance of a recommended decision.

A Prehearing Conference is scheduled for January 11, 2021 at 10:00 a.m., before Administrative Law Judge Mary D. Long (“ALJ Long”). I&E submits this Memorandum in compliance with the Prehearing Conference Order issued by ALJ Long on December 18, 2020.

II. ISSUES

The following list represents I&E's preliminary determination of the potential issues in this proceeding:

- Rate of Return
 - Proxy Group
 - Capital Structure
 - Cost of Debt
 - Cost of Equity
 - Overall Rate of Return
- Rate Base
 - Test Year
 - Plant in Service
 - Accrued Depreciation
 - Present Revenue
 - Forfeited Discounts
 - Normalized Sales
- Rate Structure
 - Customer Charges
 - Scale Back of Rates
 - Cost of Service Study
- Operation and Maintenance Expense
 - Purchased Gas Costs
 - Taxes Other Than Income
 - State Income Taxes
 - Federal Income Taxes
 - Rate Case Expense
 - Amortization of Storm Deferral Balances
 - Deferred Debits
 - Income Taxes
 - Additional Employees
 - Cash Working Capital
 - Other Operation and Maintenance Expenses
- Pipeline Safety
 - Distribution Improvement Management Program
 - Long Term Infrastructure Improvement Plan
 - Pipeline Replacement Program

The listing is as complete as can be made at this time. I&E is developing its position on each specific issue, but is generally evaluating whether the Company's

proposed tariff is just, reasonable, and otherwise in compliance with the law. I&E specifically reserves the right to address other issues, as it deems appropriate if any such relevant issues arise.

III. WITNESSES

It is currently expected that I&E may call the following witnesses without being limited thereto:

<i>Esyon Sakaya</i>	<u>Fixed Utility Valuation Engineer</u>
<i>Anthony Spadaccio</i>	<u>Fixed Utility Financial Analyst</u>
<i>John Zalesky</i>	<u>Fixed Utility Financial Analyst</u>
<i>Christopher Keller</i>	<u>Fixed Utility Financial Analyst</u>
<i>Lara Lapinski</i>	<u>Pipeline Safety Engineer</u>

The I&E witnesses may be contacted through the contact information listed above for Ms. Wright and Mr. McLain. I&E reserves the right to substitute witnesses or call additional witnesses if warranted.² All active parties will be notified of any amendments to the I&E witness list.

IV. EVIDENCE

I&E expects to present all pre-served written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends

² The above listing is provided without analysis of the positions of all parties to this proceeding and without the benefit of completed discovery.

to rely on the Company's filing, testimony, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports. However, there may be issues of Commission policy or legal representation that are not properly the subject of testimony or factual issues that are clear on the record and need not be supported by testimony. I&E reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed through briefing.

V. DISCOVERY

Due to the time limitations in the proceedings, I&E requests that the Commission's Rules of Practice and Procedure for the conduct of discovery be modified as follows:

1. Answers to written interrogatories shall be served in-hand within seven (7) calendar days of service.
2. Objections to interrogatories shall be communicated orally to the opposing party within three (3) calendar days of service; unresolved objections shall be served to the other party in writing within seven (7) calendar days of service of interrogatories.
3. Motion to dismiss objections and/or direct the answering of interrogatories shall be filed within five (5) calendar days of service of written objections.

4. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within five (5) calendar days of service of such motions.
5. Discovery served after 12:00 noon on a Friday or after 12:00 p.m. on any business day preceding a state holiday will be deemed to be served on the next business day.

VI. SCHEDULE

I&E is working with Parties to develop a mutually agreeable procedural schedule regarding testimony for this proceeding.

VII. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs during the closure of Commission offices, and consistent with Paragraph 8 of the Commission's March 20, 2020 Emergency Order,³ I&E can both only serve and accept electronic delivery of documents. Upon re-opening of Commission offices, I&E requests parties provide a follow-up hard copy provided by regular first-class mail in addition to electronic delivery.

³ Docket No. M-2020-3019262, *Re: Suspension of Regulatory and Statutory Deadlines; Modification to Filing and Service Requirements*.

VIII. PUBLIC INPUT HEARINGS

To the extent that public input hearings are deemed necessary in this proceeding, I&E advocates for the use of electronic or telephonic hearings where possible.

IX. SETTLEMENT

I&E intends to participate in any settlement discussions and is willing to work with the parties to reach a resolution of any or all issues.

Respectfully submitted,

A handwritten signature in cursive script that reads "Erika L. McLain".

Erika L. McLain

Prosecutor

PA Attorney ID No. 320526

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Date: January 8, 2021

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No: R-2020-3022134
	:	
Pike County Light & Power Company (Gas)	:	
	:	

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated January 8, 2021, in the manner and upon the persons listed below:

Served via Electronic Mail Only

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