

From: Charlie Gillinder charliegillinder@gmail.com  
Subject: Fwd: PCLP rate case R-2020-3022134 Gas  
Date: Apr 13, 2021 at 4:10:32 PM  
To: Charlie Gillinder charliegillinder@gmail.com

---

PCLP rate case R-2020-3022134 gas

April 13, 2021

All parties:

Please accept this email as my objection to the proposed settlement on the above referenced rate case.

The reasons for my objection include:

- 1) Rates should be set to provide adequate return may be true if we believe the inputs provided by PCLP. I personally experienced errors of omission, partial truths, and changing answers. I believe BIE and OCA also experienced the same.
- 2) There was a lot of talk about delivery costs, but not so much about commodity costs. PCLP current commodity contract with Con Ed is 50% over market. This is not prudent or reasonable. It is grossly overpriced. This 50% over market purchase price for gas is enough to reduce the overall cost to PCLP customers by about 10%. How much longer will PCLP customers be under the thumb of Con Ed? How much longer will the PUC accept this non prudently incurred cost?
- 3) PCLP stated to me that there is no revenue guarantee for the Company, yet this rate case is all about guaranteed revenues. Please see Company response to Gillinder 1-5, on their January 19, 2021 response. Here the Company states 'revenue decoupling mechanisms are typically only applicable to electric companies'. The revenue decoupling mechanism is another phrase for revenue

guarantee. The PUC can decide if the Company answer was misleading.

4) I did not see anywhere in the agreement a time limit on when the Company can file another rate request increase. I cannot accept anything less than 6 years on this case, if the increase is as currently agreed to among the parties. This will put the average annual increase somewhere around 1.75%. This is above the 1.4% per year increase the Company has stated they have received since the last rate case.

5) If this settlement agreement is accepted, then the expected cost as calculated by the Company would become \$15.60 per million BTUs. A million BTUs sounds like a lot, but in reality our household uses that much with just over seven hours of furnace operation.

6) Do not be fooled, Con Ed did a really good job of pulling the wool over CNG on the purchase of PCLP. Con Ed essentially just sold off the retail side of PCLP and kept the wholesale side with much of the profits. PCLP stated that they entered into a six year gas agreement. Has it been renewed? What are the terms? Can CNG purchase gas on their own and have it delivered to the Sparrowbush, NY city gate? If PCLP does purchase gas on their own, would Con Ed retaliate and increase the transportation cost through their system? What could Pennsylvania and the PUC do about this?

7) Another word of caution. This is on the electric side, and maybe should not be addressed here. Con Ed, in their last rate case for ORU, stated they were spending \$28 million on the new electric substation in Port Jervis, NY. Did Con Ed secure additional overpriced service agreements with PCLP for capacity or commodity?

Please contact me if there are any questions.