

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 14, 2021

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

Re: Pennsylvania Public Utility Commission  
v.  
Columbia Gas of Pennsylvania, Inc.  
Docket No. R-2021-3024296

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Laura J. Antinucci  
Laura J. Antinucci  
Assistant Consumer Advocate  
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Enclosures:

cc: The Honorable Mark A. Hoyer (**email only**)  
Certificate of Service

\*308815

## CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2021-3024296
	:	
Columbia Gas of Pennsylvania, Inc.	:	

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Prehearing Memorandum, 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 14<sup>th</sup> day of May 2021.

### **SERVICE BY E-MAIL ONLY**

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Phone: (717) 783-5048  
Fax: (717) 783-7152  
Dated: May 14, 2021  
\*308816

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,

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R-2021-3024296

v.

Columbia Gas Pennsylvania, Inc.

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PREHEARING MEMORANDUM OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pursuant to the Prehearing Conference Order of Administrative Law Judge Mark A. Hoyer issued on May 10, 2021, Section 333 of the Public Utility Code, 66 Pa. C.S. Section 333, and in anticipation of the telephonic Prehearing Conference scheduled for May 17, 2021, the Office of Consumer Advocate (OCA) provides the following information:

**I. INTRODUCTION AND PROCEDURAL HISTORY**

Columbia Gas of Pennsylvania, Inc. (Columbia or the Company) is engaged in the business of furnishing natural gas service to approximately 436,000 residential, commercial, and industrial customers in portions of 26 counties in western, northwestern, southern, and central Pennsylvania.

On March 30, 2021, Columbia filed Supplement No. 325 to Tariff Gas – Pa. P.U.C. No. 9 (Supplement No. 325) with the Pennsylvania Public Utility Commission (the Commission) to become effective May 29, 2021. In Supplement No. 325, Columbia is seeking an increase in annual distribution revenues of \$98.3 million for a fully projected future test year (FPFTY) ending on December 31, 2022. According to Columbia’s filing, the total monthly bill for residential

customers using 70 therms per month, will increase from \$100.77 to \$115.37 (14.49%). Columbia also proposes an increase in the residential customer charge from \$16.75 to \$19.33.

On April 6, 2021, the OCA filed a Formal Complaint and Public Statement in this proceeding—subsequently assigned Docket No. C-2021-3025078—to protect the interests of Columbia’s residential customers and to ensure that Columbia is permitted to implement only a level of rates that is just and reasonable and in accordance with sound ratemaking principles. The Commission’s Bureau of Investigation and Enforcement (I&E) filed a Notice of Appearance on April 7, 2021. The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) filed a Petition to Intervene and Answer on April 12, 2021. On April 15, 2021, the Office of Small Business Advocate (OSBA) filed a Formal Complaint, Public Statement, and Verification in this proceeding. On April 16, 2021, Shipley Choice, LLC and Interstate Gas Supply, Inc. filed a Petition to Intervene. On April 29, 2021, Columbia Industrial Interveners filed a Formal Complaint. The Pennsylvania Weatherization Providers Task Force, Inc. filed a Petition to Intervene on May 4, 2020. The Pennsylvania State University filed a Formal Complaint on May 7, 2021.

On May 6, 2021, the Commission issued an Order initiating an investigation into the lawfulness, justness, and reasonableness of the proposed rate increase in this filing, in addition to the Company’s existing rates, rules, and regulations, and suspended the effective date of Supplement No. 325 until December 29, 2021, by operation of law. The case was assigned to the Office of Administrative Law Judge (OALJ) and further assigned to Administrative Law Judge Mark A. Hoyer. A Prehearing Conference is scheduled for Monday, May 17, 2021.

## **II. DISCOVERY**

In order to effectively investigate and develop a record in this proceeding, the OCA requests certain modifications to the Commission's discovery rules, as set forth below:

A. Prior to the filing of Rebuttal Testimony, answers to written interrogatories shall be served in-hand within ten (10) calendar days of service.

B. Prior to the filing of Rebuttal Testimony, responses to requests for document production and entry for inspection or other purposes must be served in-hand within ten (10) calendar days.

C. Prior to the filing of Rebuttal Testimony, requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.

D. After the filing of Rebuttal Testimony, the ten (10) calendar day requirements specified in (a) through (c), above, shall be modified to seven (7) calendar days.

E. Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be served in writing to the party sponsoring the objected-to interrogatories within five (5) days of service of the interrogatories. Objections to interrogatories served on a Friday shall be communicated orally within four (4) calendar days, and unresolved objections shall be served in writing to the party sponsoring the objected-to interrogatories within six (6) days of service of the interrogatories.

F. Motions to dismiss objections and/or compel the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.

G. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions.

H. Answers to written interrogatories objected to by a Party and subsequently subject to an Order Granting a Motion to Compel issued by the ALJ (and therein ordered to be answered) shall be served within ten (10) days of the issuance of the Order.

I. Discovery and discovery-related pleadings propounded after 12:00 noon on a Friday or after 12:00 noon on any business day immediately preceding a state holiday will be deemed served on the next business day for purposes of determining the due date of the responses and responsive pleadings.

In addition to the preceding modifications to the Commission's discovery regulations, the OCA has one further request as to the exchange of information for this proceeding. The OCA requests that parties providing Direct and Rebuttal testimony, either include with such testimony the electronic workpapers, cited studies, and other documents relied on, or, provide the same in workable electronic format within two (2) business days of the testimony submission date to all parties. In the OCA's experience, following the submission of these rounds of testimony the parties routinely request the above-described information through the normal discovery channels. The OCA submits that much time and effort could be saved by agreeing to streamline the process through an informal discovery modification as the OCA proposes here.

### **III. ISSUES**

Based upon a preliminary analysis of Columbia's base rate increase filing, the OCA has compiled a list of issues which it anticipates will be included in its investigation of Columbia's proposed rate changes. The OCA anticipates that other issues may arise and may be pursued as responses to interrogatories are received and analyzed.

With regard to all issues, the OCA takes the position that the proposed increases or changes must be justified, reasonable, and in accordance with sound ratemaking principles in order to protect the interests of Columbia's customers. Additionally, the OCA has identified several issues that may require further review. They are as follows:

A. Revenues and Expenses: The OCA will examine the Company's claimed revenues and any adjustments to the level of revenues. The OCA will seek to ascertain whether the Company's claimed expenses are supported, reasonable, and appropriate. Among others, the following issues will be addressed:

- The sales forecast utilized by Columbia in order to project future test year and fully forecasted test year sales and revenues;
- Columbia's proposed depreciation expense;
- Columbia's wages and benefits, rate case expenses, service company charges, outside service, uncollectible accounts, and pensions;

B. Rate Structure/Rate Design: The OCA will examine Columbia's cost of service study, its proposed allocation of any rate increase to the customer classes, and its proposed design of the rates. The OCA will also examine the Company's proposals for the continuation of its Weather Normalization Adjustment (WNA) Rider and the establishment of a Revenue Normalization Adjustment (RNA) Rider and a Federal Tax Reform Adjustment (FTRA) Rider. The OCA will also examine other tariff issues raised by the filing.

C. Universal Services: The OCA will assess the impact of the Company's proposed rate increase on universal service, including the overall Customer Assistance Program (CAP) cost as affected by the Company's rate design. The OCA will evaluate Columbia's proposal to continue using pipeline credits and revenue refunds as a source



of funding for its Hardship Fund and implement a new administrative fee associated with pipeline credits or refunds through its Rider Universal Service Program (USP). Additionally, the OCA will review the Company's CAP outreach efforts. The OCA will also assess customer service quality.

D. Rate of Return: The OCA will perform a detailed analysis of the methodologies and supporting data used to develop the cost of common equity claimed by Columbia. The OCA will also evaluate Columbia's investment risk relative to that of similarly situated natural gas companies and examine the capital structure and long-term and short-term debt cost rates proposed by Columbia so as to determine if they are accurate and appropriate.

E. COVID-19 Policy Concerns: The OCA will examine the reasonableness of the proposed rate increase in light of the COVID-19 pandemic conditions. The OCA will also investigate whether there is adequate support for the Company's projections due to the COVID-19 pandemic. The OCA reserves the right to raise additional issues.

#### **IV. WITNESSES**

The OCA intends to present the direct, rebuttal, and surrebuttal testimonies, as may be necessary, of the below witnesses. Each witness will present testimony in written form and will attach various exhibits, documents, and explanatory information, as may be necessary. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be mailed and/or emailed directly to the OCA's group email formed particularly for this proceeding.

Accounting:

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Berkshire Consulting Services  
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OCAcolumbiaGas2021@paoca.org

Cost of Service:

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Rate of Return:

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Universal Service:

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The OCA specifically reserves the right to call additional witnesses, as necessary. If the OCA determines that additional witnesses will be necessary for any portion of its case, it will notify all parties of record immediately.

## **V. PROPOSED SCHEDULE AND AMOUNT OF TIME NEEDED FOR HEARINGS**

The Parties have reached a mutually agreeable procedural schedule as presented below:

Other parties' direct testimony	June 16, 2021
Rebuttal testimony	July 14, 2021
Surrebuttal testimony	July 27, 2021
Rejoinder outlines	July 30, 2021
Hearings and oral rejoinder	August 3-5, 2021
Main Briefs	August 25, 2021
Reply Briefs	September 7, 2021

The OCA requests that the dates included in any litigation schedule in this matter be considered "in-hand" dates and that electronic service or fax service on the due date will satisfy the "in-hand" requirement, as hard copy service may not be possible until the current COVID-19 pandemic has subsided.

## **VI. PUBLIC INPUT HEARINGS**

Given the magnitude of the requested rate increase and the customer opposition and complaints received thus far in this matter, the OCA respectfully requests that telephonic public input hearings be held for Columbia's consumers in this matter. The OCA further requests that telephonic public input hearings be conducted with four public input hearings being held over two days, one during the morning/afternoon and one in the evening on each day. The OCA is able to use its call center staff to sign up Columbia consumers who want to testify or listen to the public input hearings. The OCA will be prepared to discuss public input hearings at the prehearing conference.

The OCA also requests that the Company be directed to advertise these public input hearings in a local newspaper and on the Company's website. Other methods of informing its customers of the public input hearings, including social media and the Company's website, should be utilized as well.

## **VII. SERVICE ON THE OCA**

The OCA will be represented in this case by Senior Assistant Consumer Advocate Darryl A. Lawrence and Assistant Consumer Advocates: Harrison W. Breitman, Barrett C. Sheridan, Laura J. Antinucci, and Christy M. Appleby. Harrison W. Breitman will act as the lead attorney for purposes of participating in the Prehearing Conference. All documents should be served on the OCA as follows:

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Harrison W. Breitman  
Barrett C. Sheridan  
Laura J. Antinucci  
Christy M. Appleby  
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Harrisburg, PA 17101-1923  
Phone: (717)783-5048

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## **VIII. SETTLEMENT**

The OCA will participate in settlement discussions in this matter.

Respectfully Submitted,

/s/ Harrison W. Breitman

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