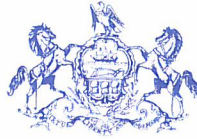



COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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April 27, 2022

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-2022-3031211

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/ Harrison W. Breitman
Harrison W. Breitman
Assistant Consumer Advocate
PA Attorney I.D. # 320580
E-Mail: HBreitman@paoca.org

Enclosures:

cc: The Honorable Christopher P. Pell (**email only**)
Certificate of Service

*327668

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2022-3031211
 :
 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 27th day of April 2022.

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Dated: April 27, 2022
*327678

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PA Attorney I.D. # 86625
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	R-2022-3031211
v.	:	
	:	
Columbia Gas Pennsylvania, Inc.	:	

PREHEARING MEMORANDUM OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to the Prehearing Conference Order of Deputy Chief Administrative Law Judge Christopher P. Pell issued on April 20, 2022, Section 333 of the Public Utility Code, 66 Pa. C.S. Section 333, and in anticipation of the telephonic Prehearing Conference scheduled for April 29, 2022, 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 440,000 residential, commercial, and industrial customers in portions of 26 counties in western, northwestern, southern, and central Pennsylvania.

On March 18, 2022, Columbia filed Supplement No. 337 to Tariff Gas – Pa. P.U.C. No. 9 (Supplement No. 337) with the Pennsylvania Public Utility Commission (the Commission) to become effective May 17, 2022. In Supplement No. 337, Columbia is seeking an increase in annual distribution revenues of \$82.2 million for a fully projected future test year (FPFTY) ending on December 31, 2023. According to Columbia’s filing, the total monthly bill for residential

customers using 70 therms per month, will increase from \$123.24 to \$135.67. Columbia also proposes an increase in the residential customer charge from \$16.75 to \$25.47.

On April 5, 2022, the OCA filed a Formal Complaint and Public Statement in this proceeding (Docket No. C-2022-3031767) 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 March 22, 2022. On March 28, 2022, the Office of Small Business Advocate (OSBA) filed a Formal Complaint, Public Statement, and Verification in this proceeding. The Pennsylvania Weatherization Task Force filed a Petition to Intervene on April 8, 2022. The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) filed a Petition to Intervene and Answer on April 12, 2022. On April 11, 2022, the Retail Energy Supply Association, Shipley Choice, LLC, and NRG Energy, Inc. filed a Petition to Intervene in this proceeding. Individual consumer complaints were filed on April 1 and April 4, 2022 by Jose A. Serrano and Constance Wile, respectively.

On April 14, 2022, 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. 337 until December 17, 2022, by operation of law. The case was assigned to the Office of Administrative Law Judge (OALJ) and further assigned to Deputy Chief Administrative Law Judge Christopher P. Pell. A Prehearing Conference is scheduled for Friday, April 29, 2022.

On April 22, 2022, Columbia filed Supplement No. 342, to give notice that proposed Supplement No. 337 is suspended until December 17, 2022.

On April 26, 2022, Columbia filed Supplement No. 343 to Tariff Gas – Pa. P.U.C. No. 9 with a proposed effective date of January 1, 2023. The proposed tariff would implement a new optional service for eligible residential and commercial sales customers called Green Path Rider as a five-year pilot program. The proposed Green Path Rider tariff supplement is accompanied by replies to 52 Pa. Code § 52.53 filing requirements, exhibits, and Columbia direct testimony.

II. SCOPE OF THIS PROCEEDING

The Company made its base rate filing on March 18, 2022, pursuant to Chapter 13 of the Public Utility Code and the Commission’s regulations governing base rate filings that request an increase in excess of \$1 million in annual revenues.¹ This is the rate request and supporting materials which provide the basis for the Commission’s April 14, 2022 Order directing investigation and suspension of the Company’s proposed Supplement No. 337.

On Tuesday, April 26, 2022, Columbia concurrently filed its proposed Green Path Rider (Supplement No. 343) and a Motion in this docket requesting consolidation of the Green Path Rider rate filing with this Section 1308(d) base rate case.

The OCA is opposed to the Company’s motion which requests permission to expand the scope of this Section 1308(d) general rate case to include new tariff language, new testimony, and new policy issues which were not provided as part of the Company’s March 18, 2022 base rate filing. The OCA will formally object to Columbia’s motion to consolidate the Commission’s review of April 26, 2022 Green Path Rider rate filing with this Section 1308(d) base rate proceeding.

¹ See, 66 Pa.C.S. § 1308(d) (General rate increases).

III. DISCOVERY

The OCA and other parties have commenced discovery of the Company's March 18, 2022 base rate filing. In order to effectively investigate and develop a record in this proceeding, the OCA requests certain modifications to the Commission's discovery rules be approved for all future and pending discovery requests. The OCA's requested modification are as follows:

(1) Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service. Discovery requests received after noon on a Friday will be deemed as served on the following Monday.

(2) Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be served upon the ALJ within five (5) calendar days of service of the interrogatories.

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

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

(5) Responses to requests for document production, entry for inspection, or other purposes must be served in-hand within ten (10) calendar days of service.

(6) Requests for admission will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.

(7) Answers to on-the-record data requests shall be served in-hand within seven (7) calendar days of the requests.

IV. ISSUES

Based upon a preliminary analysis of Columbia's March 18, 2022 base rate 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 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 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 to determine if they are accurate and appropriate.
- E. The OCA reserves the right to raise additional issues.

V. 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:	Lafayette Morgan Exeter Associates, Inc. 10480 Little Patuxent Pkwy, Suite 300 Columbia, MD 21044-3575 OCAColumbiaGas2022@paoca.org
Cost of Service:	Jerry Mierzwa Exeter Associates, Inc. 10480 Little Patuxent Pkwy, Suite 300 Columbia, MD 21044-3575 OCAColumbiaGas2022@paoca.org
Rate of Return:	David Garrett Resolve Utility Consulting PLLC 101 Park Avenue Suite 1125

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Universal Service:

Roger Colton
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34 Warwick Road
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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.

VI. 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 7, 2022
Rebuttal testimony	July 6, 2022
Surrebuttal testimony	July 26, 2022
Rejoinder outlines	August 1, 2022
Hearings and oral rejoinder	August 2-4, 2022
Main Briefs	August 23, 2022
Reply Briefs	September 2, 2022

The OCA requests that the dates included in any litigation schedule in this matter be considered "in-hand" dates and that electronic service on the due date will satisfy the "in-hand" requirement.

VII. 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.

VIII. SERVICE ON THE OCA

The OCA will be represented in this case by Senior Assistant Consumer Advocate Aron J. Beatty and Assistant Consumer Advocates: Harrison W. Breitman, Barrett C. Sheridan, Lauren E. Guerra. 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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Barrett C. Sheridan
Lauren E. Guerra
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717)783-5048
E-Mail: OCAColumbiaGas2022@paoca.org

IX. SETTLEMENT

The OCA will participate in settlement discussions in this matter.

Respectfully submitted,

/s/ Harrison W. Breitman
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Date: April 27, 2022
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