

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility)
Commission)
)
)
vs.)
)
)
Columbia Gas of Pennsylvania, Inc.)
)
)

Docket No. R-2015-2468056

SURREBUTTAL TESTIMONY OF
NANCY J.D. KRAJOVIC
ON BEHALF OF
COLUMBIA GAS OF PENNSYLVANIA, INC.

July 28, 2015

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1 **I. Introduction**

2 **Q. Please state your name and business address.**

3 A. Nancy J. D. Krajovic, Southpointe Industrial Park, 121 Champion Way, Suite 100,
4 Canonsburg, PA 15317

5 **Q. Are you the same Nancy J. D. Krajovic that served direct testimony in
6 this proceeding?**

7 A. Yes.

8 **Q. What is the purpose of your surrebuttal testimony?**

9 A. The purpose of my testimony is to respond to portions of the rebuttal testimony of
10 witness James Crist filed on behalf of The Pennsylvania State University ("PSU") as
11 they relate to the testimony of Natural Gas Supplier ("NGS") witness Thomas
12 Butler. I will also respond to the rebuttal testimony of Office of Consumer Advocate
13 ("OCA") witness Roger Colton.

14 **Q. Mr. Crist states at Line 20 on Page 7 of his rebuttal testimony "Mr.
15 Butler of the NGS Parties discussed imbalance charges that are applied
16 to suppliers for Choice customers and for transportation customers.
17 His point concerns the level of charges which are excessive and punitive
18 for both types of customers. I agree with this analysis...". Do you have
19 any comments?**

20 A. Yes, I do. Mr. Crist simply expresses support for Mr. Butler's position. Columbia's
21 response to Mr. Butler has already been addressed in my rebuttal testimony.

22 **Q. Continuing with Mr. Crist's rebuttal testimony, he states beginning on**

1 **Line 23 on Page 7 and continuing on the top of Page 8, that he agrees**
2 **“...with the concept of [Mr. Butler’s] solution as it applies to General**
3 **Transportation customers.” Mr. Crist further states at Line 16 on Page**
4 **8 of his rebuttal testimony that “by selecting the extremes, either the**
5 **highest or lowest prices, [Mr. Butler] has structured his proposal so**
6 **that the transportation customers will be subsidizing the sales**
7 **customers every time they are charged an imbalance penalty, and this is**
8 **unfair.” Mr. Crist starting at Line 12 on Page 9 of his rebuttal testimony**
9 **further offers an alternative pricing mechanism as what Columbia**
10 **actually pays for its gas purchases or the average, not the highest or**
11 **lowest, in determining the monthly imbalance charge. Would you like**
12 **to comment?**

13 **A.** I certainly would. While I have already addressed many of these issues in my
14 rebuttal testimony, I would like to focus on Mr. Crist’s proposal that a “fairer”
15 pricing mechanism would be what Columbia actually pays for its gas purchases or
16 the average in determining the monthly imbalance charge. This suggestion is
17 unjustified. In the first place, it is unknown when in a month the customer first
18 exceeds the generous EBS imbalance provided or when they first started buying gas
19 from CPA as they are monthly metered generally, so determining “what Columbia
20 actually pays” is unknown. Furthermore, The GDS customers and NGS Aggregators
21 under this proposal would have no incentive whatsoever to abide by the tariff
22 provisions. They could virtually skate on their monthly delivery obligations without

1 any financial ramifications. This puts all risk on the back of Columbia and its sales
2 customers. The tariff, including the banks and tolerance levels, has been
3 established to enable Columbia to manage its system in a least cost manner. Mr.
4 Crist is totally ignoring these aspects and obviously has no idea how an NGDC
5 operates its system nor understands its obligations to its customers.

6 **Q. Starting at Line 21 on Page 9 of his testimony, Mr. Crist states “[Mr.
7 Butler’s] first recommendation is to have earlier availability of GTS
8 meter reads and that would help reduce imbalances.” Would you like to
9 comment?**

10 **A.** Yes. Mr. Crist simply expresses support for Mr. Butler’s position. Columbia’s
11 response to Mr. Butler’s proposal has already been addressed in my rebuttal
12 testimony.

13 **Q. Starting at Line 23 on Page 9 of his rebuttal testimony, Mr. Crist agrees
14 with Mr. Butler’s recommendation to eliminate the splitting of Priority
15 1 and non-Priority 1 by market area because these only come “into play
16 in the event of a curtailment.” He further states there will not be
17 curtailments. Would you like to comment?**

18 **A.** Yes. The splitting of nomination groups between Priority 1 and non-Priority 1 has
19 already been addressed in my rebuttal testimony. With regard to curtailments,
20 Exhibit No. 17, Page 4 of 7 states that “the Company does not anticipate any
21 curtailments” and goes on to describe other options available to the Company that
22 may mitigate the need to call a curtailment. This does not state or even imply that

1 curtailments would never be called should the need arise. Mr. Crist's statement on
2 Line 20 of Page 10 of his rebuttal testimony where he states "there will not be
3 curtailments and the requirements to balance nomination groups by Priority 1 and
4 non-Priority 1 customers is unnecessary and nonsensical" makes a false conclusion
5 concerning the calling of curtailments.

6 **Q. Starting at Line 23 on Page 10 of his rebuttal testimony, Mr. Crist states**
7 **"Mr. Butler's third recommendation would also help reduce**
8 **imbalances by simply allowing more flexibility by allowing NGSs to**
9 **move banked and imbalance volumes among market area and how**
10 **NGSs can trade imbalance with other NGSs along with allowing NGSs to**
11 **trade prior month banks up to 3 days after Columbia provides the Bank**
12 **and Burn reports. These are all administrative solutions to reduce the**
13 **imbalances on the system and should be implemented. Would you like**
14 **to comment?**

15 **A.** Yes. Mr. Crist simply expresses support for Mr. Butler's third recommendation.
16 Columbia's response to Mr. Butler has already been addressed in my rebuttal
17 testimony.

18 **Q. Does that conclude your rebuttal to Mr. Crist's rebuttal testimony?**

19 **A.** Yes, it does.

20 **Q. OCA Witness Colton supports CAUSE-PA Witness Miller's claim that**
21 **Columbia should increase cross program participation specifically**

1 **addressing CAP and Energy Efficiency programs. Would you like to**
2 **address this recommendation?**

3 A. Yes. I note that Mr. Miller did not reference cross participation between CAP and
4 LIURP. However, in response to Mr. Colton's testimony, the Company agrees that
5 CAP and LIURP should be linked at all times. The Company monthly reviews CAP
6 user lists for high usage and screens those customers first for LIURP eligibility. The
7 second source of referrals comes from partnering utilities and contractor referrals
8 and the third source comes from agency and self-referrals. Since 2000 when
9 prioritizing CAP customers for LIURP became part of the formalized process, 82%
10 of our LIURP customers are on CAP.

11 **Q. Witness Colton also supports Witness Miller's recommendation to**
12 **increase Universal Service outreach focusing on CAP enrollment.**
13 **Would you like to address this recommendation?**

14 A. In addition to the statements on this topic included in my rebuttal testimony and
15 that of Company witness Kempic, I maintain that Columbia uses many outreach
16 avenues throughout the year including web, television, direct call campaigns,
17 outreach to community agencies, bill inserts, senior and legislative fairs, social
18 media, print ads, and press releases. The Company's call center scripting is
19 designed to triage the customer to the appropriate referrals at the first call.

20 It should be noted Columbia's Universal Service and Energy Conservation Program
21 (USECP) was very recently reviewed and approved by the Commission. In the final
22 order dated July 8, 2015, the Commission stated "We find that Columbia's CARES

1 program provides the outreach and casework approach necessary to help customers
2 secure energy assistance funds and other needed services as described in Sections
3 62.2, and 62.4 of our regulations.” The Commission further states “Consistent with
4 our discussion in the Tentative Order, we find that these enrollment provisions
5 should adequately serve the need in Columbia’s service territory in the near future.”
6 Columbia appreciates the recognition and will continue to strive to produce these
7 results and positive opinions.

8 Nonetheless, Columbia continues to strongly support the philosophy that customers
9 should be payment troubled in order to be eligible for CAP. Customers who do not
10 have a demonstrated inability to pay should not receive a discount simply because
11 their income is lower. The interest of customers who pay for discounts must be
12 considered in establishing CAP eligibility. Columbia also recognizes that LIHEAP
13 and/or Hardship funds may be the only assistance a person needs in order to pay
14 their entire bill. The average annual CAP shortfall forgiveness per customer in 2014
15 was approximately \$650.00. Considering that the average LIHEAP grant is \$214.00
16 and the average Hardship fund grant is \$407.00, it stands to reason that at least
17 some low income customers can use these grants to achieve the same level of
18 payment assistance that CAP provides.

19 **Q. Does that conclude your rebuttal to Mr. Colton’s rebuttal testimony?**

20 **A.** Yes, it does.

21 **Q. Does this complete your surrebuttal testimony in its entirety?**

22 **A.** Yes, it does.