

COMMONWEALTH OF PENNSYLVANIA



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May 1, 2023

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

Re: Petition for Declaratory Order of the Retail  
Energy Supply Association  
Docket No. P-2023-3039774

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Answer to the Petition for Declaratory Order of the Retail Energy Supply Association in the above-referenced proceeding. As required under the Commission's regulations, the Office of Consumer Advocate's Answer is accompanied by a verification in accordance with 52 Pa. Code Section 1.36.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Harrison W. Breitman  
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Enclosures:

cc: The Honorable Charles E. Rainey, Jr. (**email only:** [crainey@pa.gov](mailto:crainey@pa.gov))  
Bureau of Technical Utility Services (**email only:** [pdiskin@pa.gov](mailto:pdiskin@pa.gov), [dgill@pa.gov](mailto:dgill@pa.gov))  
Office of Special Assistants (**email only:** [ra-OSA@pa.gov](mailto:ra-OSA@pa.gov))  
Certificate of Service

\*345305

CERTIFICATE OF SERVICE

Petition for Declaratory Order of the : Docket No. P-2023-3039774  
Retail Energy Supply Association :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Answer to the Petition for Declaratory Order of the Retail Energy Supply Association, 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 1<sup>st</sup> day of May 2023.

**SERVICE BY E-MAIL ONLY**

Richard A. Kanaskie, Esquire  
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/s/ Harrison W. Breitman  
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Dated: May 1, 2023  
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*Purchased Gas Costs*, 2008 Pa. PUC LEXIS 667 (*NGDC Order*). The Commission granted NGDC's interim PGC rate decrease and held as follows:

Upon review of NFGD's Petition, the proposed forms of tariff supplements and the accompanying data, it appears that it is in the interest of the public that NFGD's PGC rates accurately reflect the costs of providing service. We note that this interim GCR update is subject to reconciliation pursuant to 66 Pa. C.S. § 1307 and will be fully reviewed and subject to hearings as part of NFGD's 2009 GCR review, hence hearings will not be directed at this time for the interim request.

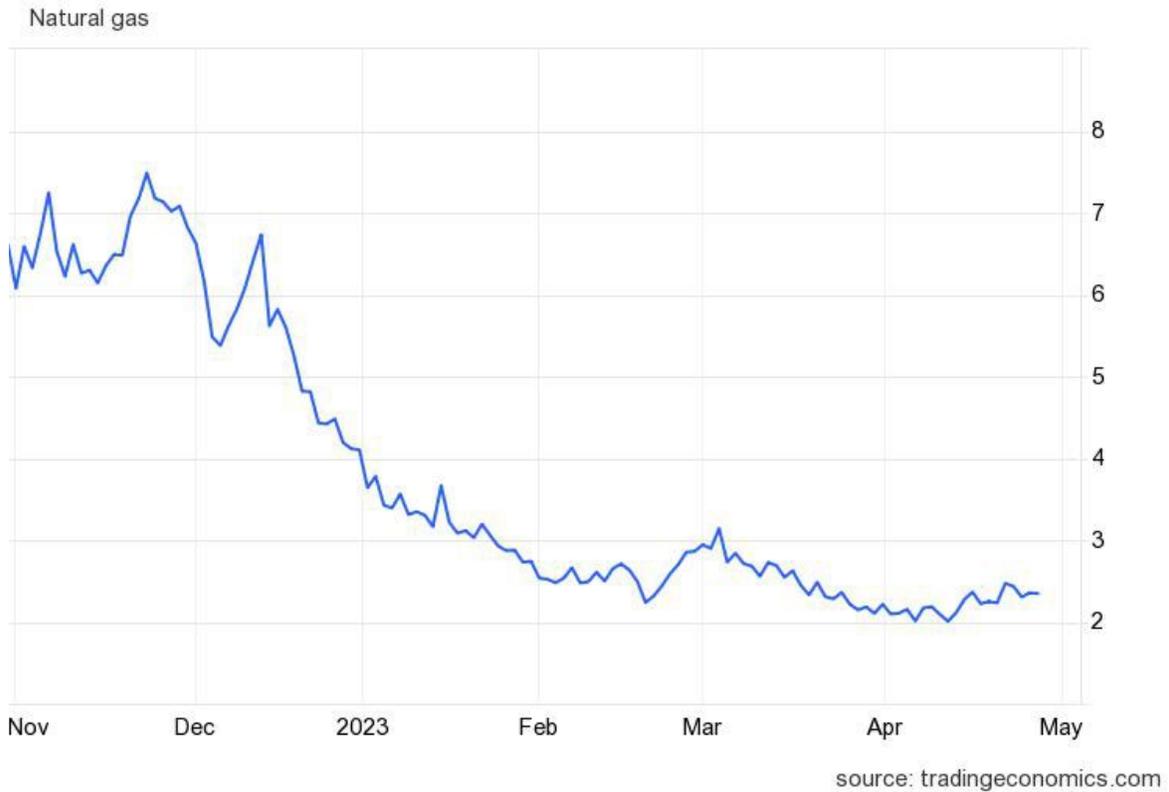
*NGDC Order* at \*9.

In its Petition, RESA argues that interim PGC rate decreases are illegal and contrary to the Public Utility Code. As shown above, the Commission has granted interim PGC rate decrease filings. In fact, the Commission noted that the following interim PGC rate changes were granted since 2005:

Four decreases were approved in early 2006: Columbia Gas of Pennsylvania, Inc., P-00062200; UGI Utilities Inc., P-00062201 and P-00062209; and PG Energy, P-00062202. Two increases were also approved in early 2006; Pike County Light & Power, M-00051890 and Herman Reimer Gas Company, M-00051914. We also note that these filings were not litigated before an Administrative Law Judge.

*NGDC Order* at \*7.

In the present case, Columbia's decision to file for interim rate reductions reflected a steep drop in the wholesale price of gas. The NYMEX price of gas (per MMBtu) has trended downward over the past six months, as seen in the following chart:



<https://tradingeconomics.com/commodity/natural-gas>

RESA’s request for a Commission-issued Declaratory Order stating that Columbia’s interim PGC rate decreases are illegal, unwarranted, and contrary to Commission precedent should be denied. RESA’s interpretation of the Public Utility Code should not be so narrowly construed so as to preclude the Commission from taking action that may be necessary during times of extreme wholesale price volatility like those seen in the past six months. In addition, the Commission must balance the interests of consumers in ensuring that even the “interim rates” are reasonable and affordable. Interim PGC rate decreases have previously been authorized by the Commission and are supported by Commission precedent.

WHEREFORE, the Office of Consumer Advocate respectfully submits that RESA’s Petition, which requests that interim PGC rate decreases be declared illegal, must be denied.

Respectfully Submitted,

/s/ Harrison W. Breitman

Harrison W. Breitman

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Harrisburg, PA 17101-1923

Phone: (717) 783-5048

Dated: May 1, 2023

344853

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition for Declaratory Order of the : Docket No. P-2023-3039774  
Retail Energy Supply Association :

VERIFICATION

I, Patrick M. Cicero, hereby state that the facts set forth in the Office of Consumer Advocate's Answer to the Petition of Declaratory Order of the Retail Energy Supply Association, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: May 1, 2023  
\*345308

Signature:   
Patrick M. Cicero  
Consumer Advocate

Address: Office of Consumer Advocate  
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