



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

April 15, 2024

Via Electronic Filing

Secretary Rosemary Chiavetta
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-2024-3046519
I&E Prehearing Memorandum

Dear Secretary Chiavetta

Enclosed for electronic filing please find the Prehearing Memorandum of the Bureau of Investigation and Enforcement in the above-captioned proceeding.

Copies are being served on parties of record per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Scott B. Granger'.

Scott B. Granger
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 63641
(717) 425-7593
sgranger@pa.gov

SBC/ac
Enclosures

cc: Administrative Law Judge Jeffrey A. Watson (*via email* – jeffwatson@pa.gov)
Mary Swarner, Legal Assistant (*via email* – mswarner@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2024-3046519
	:	
Columbia Gas of Pennsylvania, Inc.	:	
Base Rates	:	

**PREHEARING MEMORANDUM
OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO ADMINISTRATIVE LAW JUDGE JEFFREY WATSON:

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Prehearing Memorandum in the above-captioned proceeding.

The Bureau of Investigation and Enforcement Prosecutor in these proceedings will be Scott B. Granger. Contact information is as follows:

By mail: Scott B. Granger
 Pennsylvania Public Utility Commission
 Bureau of Investigation and Enforcement
 Commonwealth Keystone Building
 400 North Street, 2nd Floor West
 Harrisburg, PA 17120

By e-mail: sgranger@pa.gov

By telephone: (717) 425-7593

I. INTRODUCTION

On March 15, 2024, Columbia Gas of Pennsylvania, Inc. (“Columbia” or Company”) filed Supplement No. 373 to Tariff Gas Pa. P.U.C. No. 9 (“Supplement 373”) pursuant to 66 Pa. C.S. § 1308, seeking a general rate increase. Supplement 373 issued March 15, 2024, to be effective May 14, 2024, proposes changes to Columbia’s base distribution rates, and removes, revises, and adds various tariff provisions.

Further, Columbia’s filing reflects an overall revenue increase of approximately \$124.1 million per year. The filing also includes a request for approval of a Revenue Normalization Adjustment mechanism and a request to remove the dead band associated with the currently effective Weather Normalization Adjustment.

Additionally, Columbia’s filing includes a request for approval of a Municipal Levelization Charge, which would further increase bills issued to residents of the City of Pittsburgh and Perryopolis and decrease bills issued to residents of Roscoe Borough and New Sewickley.

Finally, pursuant to the proposed rates, which includes the most recently effective gas cost rates, the total bill for a residential customer who purchases 70 therms of gas from Columbia per month, would increase from \$118.16 to \$136.92 per month, or by 15.88 percent. The total bill for a small commercial customer using 150 therms of gas purchased from Columbia per month would increase from \$196.43 to \$226.24, or by 15.18 percent. Rates for a small industrial customer using 1,215 therms of gas from Columbia per month would increase from \$1,281.25 to \$1,452.98 per month, or by 13.40 percent.

On March 18, 2024, the Pennsylvania Weatherization Providers Task Force, Inc. (“Providers Task Force”) filed a Petition to Intervene in this base rate proceeding.

On March 20, 2024, the Office of Consumer Advocate (“OCA”) filed a Notice of Appearances and Formal Complaint in this base rate proceeding.

On March 21, 2024, I&E filed a Notice of Appearance in this proceeding.

On March 27, 2024, the Office of Small Business Advocate (“OSBA”) filed a Notice of Appearance and Complaint in this base rate proceeding.

On April 8, 2024, the Coalition for Affordable Utilities Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) filed a Petition to Intervene in this base rate proceeding.

Various individuals filed a protest and opposition to Columbia’s proposed base rate increase.

A telephonic Prehearing Conference is scheduled for Wednesday, April 17, 2024, beginning at 10:00 pm before Administrative Law Judge Jeffrey Watson presiding telephonically from Pittsburgh.

II. WITNESSES AND ISSUES

I&E currently expects that it may call the following expert witnesses, without being limited thereto, who will address the issues listed *infra*. The list represents I&E’s preliminary determination of the potential issues in these proceedings. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues as it deems appropriate if any such relevant issues arise. The witnesses and issues are as follows:

Witnesses:

- Christian Yingling, Fixed Utility Financial Analyst.
- D.C. Patel, Fixed Utility Financial Analyst.
- Esysan Sakaya, Fixed Utility Valuation Engineer.
- Christine Wilson, Fixed Utility, Supervisor.

Issues:

- Labor and Related Benefits
- Outside Services
- Rent and Leases
- Insurance
- Memberships
- Utilities and Fuel
- Advertising
- Fleet and Other Clearing
- Materials and Supplies
- Miscellaneous O&M
- Assessments
- Corporate Allocations
- Rate Case Expense
- Uncollectibles
- COVID-19 Expense Amortization
- Universal Service Plan (USP)
- Proxy Group
- Cost of Debt
- Capital Structure
- Cost of Equity Analysis (including the methods and data used)
- Financial Risk Leverage Adjustment to DCF Result
- Adjusted Beta for CAPM
- Size Premium Adjustment to CAPM Result
- Business and Financial Risk Assessments
- Management Performance Adjustment
- Overall Rate of Return
- Plant in Service
- Depreciation Reserve
- Annual Depreciation Expense
- Reporting Requirements
- Revenue Normalization Adjustment
- Weather Normalization Adjustment
- Municipal Levelization Charge “MLC”

- Hydrogen Pilot Proposal
- Energy Efficiency Plan Update
- Flex Rate Agreements
- Cost of Service
- Present Revenue
- Proposed Rates
- Revenue Allocation/Rate Design
- Scale Back

The I&E witnesses may be contacted through the information listed above for Prosecutor Granger. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of any witnesses listed above.

III. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, answers to data requests and interrogatories, quarterly and annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

IV. DISCOVERY

Discovery in these proceedings will be conducted according to 52 Pa. Code §§5.321 et. seq. No modifications to the rules of discovery have been proposed by I&E. I&E will give due consideration to any discovery modifications proposed by any other party. In the past, I&E has not opposed the discovery modifications as routinely

proposed by the OCA. Also, pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing.

V. SCHEDULE

As of this date, the parties are actively negotiating an amicable litigation schedule.

I&E tentatively proposes the following schedule.

Filed	March 15, 2024
Prehearing Conference	April 17, 2024
Other Parties Direct	June 14, 2024
Rebuttal Testimony	July 10, 2024
Surrebuttal Testimony	July 25, 2024
Rejoinder Outline	July 30, 2024 at Noon
Evidentiary Hearings ¹	July 31, August 1, 2, 2024
Main Brief	August 20, 2024
Reply Brief	August 30, 2024

VI. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs during the closure of Commission offices, and consistent with Paragraph 8 of the Commission’s March 20, 2020 Emergency Order,² I&E will both only serve and accept electronic delivery of documents. Upon re-opening of Commission offices, and only on a forward-moving basis from that point forward, I&E requests

¹ Upon the rescinding of Governor Tom Wolf’s Proclamation of Disaster Emergency, and the re-opening of the Keystone Commonwealth Building, if in-person Hearings are requested, I&E requests that Hearings be held in Harrisburg, PA.

² *Re: Suspension of Regulatory and Statutory Deadlines, Modification to Filing and Service Requirements*, Docket No. M-2020-3019262.

parties provide a follow-up hard copy by regular first-class mail in addition to electronic delivery.

VII. SETTLEMENT

I&E is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully, or partially, litigate this proceeding.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Scott B. Granger".

Scott B. Granger
Prosecutor
PA Attorney ID No. 63641

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120
(717) 425-7593

Dated: April 15, 2024

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2024-3046519
 :
 Columbia Gas of Pennsylvania, Inc. :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated April 15, 2024, in the manner and upon the persons listed below:

Served via Electronic Mail Only

Michael W. Hassell, Esq.
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
mhassell@postschell.com
*Counsel for Columbia Gas of
Pennsylvania, Inc.*

Joseph L. Vullo, Esq.
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
jlvullo@bvrrlaw.com
*Counsel for Pennsylvania Weatherization
Providers Task Force*

Candis A. Tunilo, Esq.
NiSource Corporate Services Co.
800 N. Third Street, Suite 204
Harrisburg, PA 17102
ctunilo@nisource.com
*Counsel for Columbia Gas of
Pennsylvania, Inc.*

Todd S. Stewart, Esq.
Hawke McKeon & Sniscak LLP
100 N. 10th Street
P.O. Box 1778
Harrisburg, PA 17105-1778
tsstewart@hmslegal.com

Charis Mincavage, Esq.
Kenneth R. Stark, Esq.
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
cmincavage@mcneeslaw.com
kstark@mcneeslaw.com

Ria M. Pereira, Esq.
Elizabeth R. Marx, Esq.
John W. Sweet, Esq.
Lauren N. Berman, Esq.
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@pautilitylawproject.org

Thomas J. Sniscak, Esq.
Whitney E. Snyder, Esq.
Phillip D. Demanchick, Esq.
Hawke McKeon & Sniscak, LLP
100 N. 10th Street
Harrisburg, PA 17101
tjsniscak@hmslegal.com
wesnyder@hmslegal.com
pddemanchick@hmslegal.com

Melanie J. El Atieh, Esq.
Christy M. Appleby, Esq.
Harrison W. Breitman, Esq.
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
OCA2024COLGASBRC@pa.gov

Steven C. Gray, Esq.
Rebecca Lyttle, Esq.
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923
sgray@pa.gov
relyttle@pa.gov



Scott B. Granger
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 63641
(717) 425-7593
sgranger@pa.gov