



COMMONWEALTH OF PENNSYLVANIA

April 15, 2024

**E-FILED**

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

**Re: Pennsylvania Public Utility Commission v. Columbia Gas Company / Docket No. R-2024-3046519**

Dear Secretary Chiavetta:

Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

*/s/ Steven C. Gray*

Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: Robert D. Knecht  
Parties of Record



## **II. FILING BACKGROUND**

On March 15, 2024, Columbia Gas of Pennsylvania, Inc. (“Columbia” or the “Company”) filed Supplement No. 373 Tariff Gas – Pa. P.U.C. No. 9 (“Supplement No. 337”) with the Commission. The rates set forth in Supplement No. 337, if approved by the Commission, would increase Columbia’s annual revenue by approximately \$124.1 million.

The OSBA filed a Complaint on March 27, 2024.

## **III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES**

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mark Ewen  
Industrial Economics, Incorporated  
2067 Massachusetts Avenue  
Cambridge, MA 02140  
(617) 354-0074  
[mewen@indecon.com](mailto:mewen@indecon.com)

Robert D. Knecht  
Industrial Economics, Incorporated  
5 Plymouth Road  
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(781) 249-9461  
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The OSBA will participate in this proceeding to assure that the interests of small business customers are adequately represented and protected.

After an initial review of the materials submitted by Columbia, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

- 1) Whether the Company’s proposed class cost of service study reasonably reflects cost causation, past practice and Commission precedent;
- 2) Whether the Company’s revenue allocation proposal reasonably reflects a proper class cost of service study, rate gradualism, credible competitive concerns and other established rate design principles;
- 3) Whether the Company’s proposed rate design for Columbia’s small business

customers is consistent with allocated costs and other established rate design principles;

4) Whether the Company's negotiated rate revenues credibly reflect current competitive market conditions, customer bypass potential and/or other factors that can reasonably justify negotiated rates;

5) Whether the Company's proposed Revenue Normalization Adjustment unreasonably shifts all residential volume-related risk to ratepayers without adequately compensating them for assuming that risk in the form of material reductions to allowed rates of return on equity;

6) Whether the Company's proposal to modify the Pilot Weather Normalization Adjustment mechanism is consistent with the settlement of the Company's 2021 base rates proceeding, and whether the proposed removal of the 3 percent dead band is just, reasonable, and is adequately supported by the performance of the existing pilot mechanism; and

7) Whether the Company's proposed Municipal Levelization Charge is just, reasonable, and not unduly discriminatory.

The OSBA reserves the right to pursue additional issues that may arise throughout this proceeding.

#### **IV. SERVICE OF DOCUMENTS**

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date<sup>1</sup> as satisfying the in-hand requirement. At the time of this writing, hard copy delivery of documents to the OSBA is not possible. The OSBA requests that email delivery of documents also be provided to its witnesses identified above.

In addition to email copies of pleadings, briefs, and exceptions, the OSBA requests email copies of responses to discovery propounded by the OSBA or any other party.

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<sup>1</sup> In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

**V. DISCOVERY**

The OSBA does not propose any discovery modifications.

**VI. SETTLEMENT**

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

**VII. HEARING AND BRIEFING SCHEDULE**

At the time of this writing, the parties are discussing a proposed procedural schedule. Given the excess of rate cases presently before the Commission, the OSBA requests that any Hearings in this proceeding be held telephonically.

Respectfully submitted,

*/s/ Steven Gray*  
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Steven Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

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Office of Small Business Advocate  
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Dated: April 15, 2024

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Pennsylvania Public Utility Commission** : **Docket No. R-2024-3046519**  
: **C-2024-3047905**  
v. :  
**Columbia Gas of Pennsylvania, Inc.** :

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Jeffrey A. Watson  
Administrative Law Judge  
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DATE: April 15, 2024

*/s/ Steven C. Gray* \_\_\_\_\_  
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