COMMONWEALTH OF PENNSYLVANIA

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October 15, 2024

Via Electronic Filing
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-2024-3046519

Dear Secretary Chiavetta:

Enclosed for e-filing please find a copy of the Reply Exceptions of the Office of Consumer Advocate in the captioned proceeding. Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

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Enclosures

cc: Honorable Administrative Law Judge Jeffrey A. Watson (via e-mail)
Mary Swarner, Legal Assistant, mswarner@pa.gov (via e-mail)
Certificate of Service (as indicated)

CERTIFICATE OF SERVICE

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

I hereby certify that I have this day filed electronically on the Commission's electronic filing system and served a true copy of the following document, the Office of Consumer Advocate's Reply Exceptions, 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 15th day of October 2024.

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket Nos.
	:	R-2024-3046519
v.	:	C-2024-3047905
	:	C-2024-3047675
Columbia Gas Pennsylvania, Inc.	:	

REPLY TO EXCEPTION OF THE OFFICE OF CONSUMER ADVOCATE

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I. INTRODUCTION

The Office of Consumer Advocate (OCA) submits this Reply to Exception of Columbia Gas of Pennsylvania, Inc. (Columbia or the Company) to the Recommended Decision (RD) issued on October 1, 2024, of Administration Law Judge (ALJ) Jeffery A. Watson. In this Reply, the OCA submits that the Commission should deny Columbia's Exception No. 1 and deny the Company's proposed Municipal Levelization Charge (MLC) consistent with the well-reasoned RD of ALJ Watson, which is supported by substantial evidence and in accordance with rate-setting standards of the Public Utility Code.

II. LEGAL STANDARDS

A. Utility Monopoly Regulation

Columbia is a natural gas distribution provider with an exclusive monopoly franchise in approximately 450 municipalities. Consumers who reside in its certificated service territory have no choice; if they want natural gas service, they must buy it from Columbia. Public utility regulation stems from the constitutional exercise of state police powers to protect the health, safety, morals, and general welfare of their citizens. *Munn v. Illinois*, 94 U.S. 113, 126 (1877); *Ark. Elec. Coop. Corp. v. Ark. Pub. Serv. Comm'n*, 461 U.S. 375, 377 (1983); *Relief Elec. Light, Heat & Power Co's. Petition*, 1916 Pa. Super. LEXIS 89, **6-15 (Pa. Super. Ct. Mar. 1, 1916); *Jenkins Twp. v. Pub. Serv. Comm'n*, 1916 Pa. Super. LEXIS 30, **15-16 (Oct. 30, 1916).

B. Burden of Proof

Columbia bears the full burden of proof to establish the justness and reasonableness of its proposed MLC. 66 Pa. C.S. § 315(a); *Burleson v. Pa. PUC*, 461 A.2d 1234, 1236 (Pa. 1983) (*Burleson*). The evidence necessary to meet that burden must be substantial, legally credible, and cannot be mere "suspicion" or "scintilla" of evidence. *Lower Frederick Twp. Water Co. v. Pa. PUC*, 409 A.2d 505, 507 (Pa. Cmwlth. 1980); *Lansberry v. Pa. PUC*, 578 A.2d 600, 602 (Pa.

Cmwlth. 1990) (*Lansberry*). It is well-established that the "degree of proof before administrative tribunals as well as before most civil proceedings is satisfied by establishing a preponderance of the evidence." *Lansberry* at 602. The burden of proof does not shift to parties challenging the rate increase, but rather must be met by the utility. *Pa. PUC v. Pa.-American Water Co*., 2004 Pa. PUC LEXIS 29 at *16-18 (Order entered Jan. 29, 2004) (citing *Berner v. Pa. PUC*, 116 A.2d 738, 744 (Pa. 1955)); *Pa. PUC v. Equitable Gas Co.*, 57 Pa. PUC 423, 471 (1983); *see also University of Pa. v. Pa. PUC*, 485 A.2d 1217 (Pa. Cmwlth. 1984); *Pa. PUC v. PPL Elec. Util. Corp.*, 237 PUR4th 419 (Pa. PUC 2004) (Order entered Dec. 22, 2004). Thus, it is unnecessary for the OCA (or any challenger) to prove that the Company's proposed MLC is unjust, unreasonable, or unduly discriminatory. To prevail in its challenge, Pennsylvania law requires only that the OCA show *how* the Company failed to meet its burden of proof. While subtle, this critical distinction shows that parties opposing a utility in a rate proceeding need only to shift the burden of going forward to prevail.

C. Just and Reasonable and Not Unduly Discriminatory Rates

As a matter of law, a public utility's rates must be just and reasonable and in conformity with regulations or orders of the Commission. 66 Pa. C.S. § 1301(a). Rates must not be unduly discriminatory. 66 Pa. C.S. § 1304. The Commission "has broad discretion in determining whether rates are reasonable" and "is vested with discretion to decide what factors it will consider in setting or evaluating a utility's rates." *Popowsky v. Pa. PUC*, 683 A.2d 958, 961 (Pa. Cmwlth. 1996). The Commission's discretion to determine if a requested rate is just and reasonable includes the "power to make and apply policy" concerning the appropriate balance between rates charged to consumers and returns allowed to utility investors. *Popowsky v. Pa. PUC*, 665 A.2d 808, 812 (Pa. 1995) (*Popowsky 1995*). Additionally, in rendering its determination in this matter, the

Commission must "consistent with its other statutory responsibilities, take such action with due consideration to the interests of consumers." 71 P.S. § 309-5.

III. REPLY TO EXCEPTION

A. Reply to Summary Description of the MLC

In Columbia's Introduction Section of its Exceptions, it provided an overview of the MLC. In Reply, the OCA directs the Commission to the OCA's Main Brief at page 3. Columbia is proposing to implement a new rate design called the MLC for customers residing in certain municipalities within its service territory. OCA St. 5 at 28. The purpose of the MLC is two-fold. First, it is to reflect Columbia's assertion that the City of Pittsburgh and the Borough Perryopolis impose paving and restoration requirements for infrastructure replacement projects that exceed what other municipalities require and the statewide Pennsylvania Department of Transportation (PennDOT) requirements. OCA St. 5 at 28. Second, it is to reflect Columbia's assertion that Roscoe Borough and New Sewickley Township have less costly infrastructure replacement paving and restoration requirements. *Id*. The MLC will operate by being a monthly MLC charge of $0.70 per bill to customers located in the City of Pittsburgh and the Borough of Perryopolis, and a monthly MLC credit of $7.44 per bill to customers located in Roscoe Borough and New Sewickley Township. *Id.* The revenues collected from customers located in the City of Pittsburgh and the Borough Perryopolis through the MLC charge would be credited to the customers located in Roscoe Borough and New Sewickley Township. OCA M.B. at 3.

Currently Columbia recovers its paving and restoration costs through base rates from all customers. *Id.* Columbia claims that the MLC charge/credit will foster fairness because customers living in municipalities that do not impose costly paving and restoration requirements will no longer pay for paving and restoration costs that only benefit customers in those municipalities that impose more costly requirements. *Id*.; OCA M.B. at 3.

B. Reply to Columbia's Exception No. 1 – The ALJ Did Not Err in Recommending that the Commission Reject the Company's Proposed MLC Rate (RD 88-118)

Columbia's Exception No. 1 should be denied because the ALJ's RD contains well-reasoned analysis, findings that are supported by substantial evidence, and conclusions of law that are consistent with statutory requirements. RD at 88-118. The ALJ demonstrated a keen and thorough understanding of the purpose and intent of the MLC and properly concluded that the MLC would result in unjust, unreasonable, and unduly discriminatory rates. RD at 88-118. While the Company has clearly stated its concerns with/objections to local municipalities imposing restoration requirements that exceed the PennDOT standards, the Company has failed to carry its burden of proving that the MLC rate design is just and reasonable and not unduly discriminatory. Below the OCA responds directly to each of Columbia's subpoints to its Exception No. 1.

1. Contrary to Columbia's assertion, the ALJ correctly explained the existing tools available to Columbia under existing the legal construct of the Commonwealth.

Columbia takes exception to the discussion on pages 104-107 of the RD, arguing that the ALJ unreasonably concludes that Columbia can bring piecemeal challenges to restoration requirements that exceed PennDOT standards across the 450 municipalities where it provides service, and further states that litigation, while an important tool available to it, is not a solution to the problem of increasing municipal restoration requirements. Columbia Exception at 4-5.

Contrary to Columbia's assertions, the ALJ does not conclude that piecemeal litigation in 450 municipalities is a better solution. Rather, the ALJ noted Columbia's concerns with two municipalities – City of Pittsburgh and Perryopolis Borough – and explained extensively the status quo of the law governing road restoration requirements and the legal tools available to Columbia under the existing legal construct of the Commonwealth. R.D. at 104-107. Notably, Columbia in its Exception does not dispute the ALJ's statement of the existing law or assert that the ALJ's

explanation was incorrect in anyway. This is critical because the status quo sets the context for discussion of the MLC.

To put the ALJ's explanation in the RD another way – the reality is, under existing law, local municipalities are empowered to set restoration requirements, and Columbia must comply with the restoration requirements set by the various localities within its service area. OCA M.B. at 9. There is no existing statute or regulation that establishes a statewide baseline standard on restoration work, and currently municipalities are free to impose requirements that exceed the PennDOT standards. OCA M.B. at 9. The only way for the status quo to change is for the legislative and executive branches of the Commonwealth to enact legislation that would set a statewide standard. OCA M.B. at 9. Absent a statewide policy change of the status quo, the Company's proposed MLC seeks to solve the political issue because, in Columbia's own words, it "uses state [PennDOT] highway standards as a baseline, and provides that customers in municipalities that exceed that baseline will be charged an additional rate based upon the excess cost." Columbia Exception at 8; OCA M.B. at 13.

With this context, the ALJ properly cited the record evidence to underscore Columbia's stated intent of using the MLC as a driver of change to the status quo of municipal regulation:

> Columbia seeks to impose a charge on its customers who live in the City of Pittsburgh and Perryopolis Borough, where such regulations have been enacted, because they have been deemed excessive by Columbia. *One stated purpose by Columbia for the additional charge is to discourage municipalities from adopting costly road permitting and restoration requirements that increase the cost of Columbia's pipeline replacements program*. (Citing Columbia St. No. 1, p. 22). *Columbia further explains, the implementation of the MLC provides notice to municipalities that enacting excessive permitting and restoration requirements may result in their residents, who are also customers of Columbia, being charged a higher rate for natural gas service*. (Citing Columbia St. No. 9, p. 19). Apparently, Columbia believes local residents will encourage their locally elected representatives to forego enacting such

> ordinances that are intended to maintain safe and adequate roadways, so that the customers gas utility bills will not be increased by Columbia.

R.D. at 106-107.

However, as the OCA has argued in this proceeding, attempting to single out municipal restoration costs by rewarding some ratepayers (MLC credit) and punishing others (MLC charge) in hope of making political change at the municipality level, is both discouraged single-issue ratemaking and an unreasonable attempt at a solution to a political issue that customers likely will not understand. OCA M.B. at 13. The ALJ drew a similar conclusion, stating:

> Certainly, the Commission should not impose such a proposed charge on utility customers for such a purpose, especially when long standing remedies to address improper local regulations have been in place for decades in our municipalities and Courts. Furthermore, given that the legislature has provided broad police powers to municipalities and the legislation provides a mechanism to challenge the appropriateness of the municipal requirements, it is unclear why the Commission would or could step in and regulate these issues when these issues are being appropriately addressed by the Common Pleas Courts and appellate courts.

RD at 107. In recommending the Commission reject the proposed MLC, the ALJ correctly reasoned that the Commission's approval of a bill charge to customers residing in municipalities where Columbia deems to have excessive restoration regulation for the purpose of potentially affecting political change at the municipal level is a form of interference with the legal status quo. Additionally, the ALJ properly cited *Popowsky 1995*, *supra*, stating that the Commission is vested with broad discretion in determining whether rates are reasonable, which includes the power to make and apply policy concerning the appropriate balance between rates charged to consumers and returns allowed to utility investors. RD at 107 (citing *Popowsky 1995* at 812). The ALJ properly concluded that Columbia failed to carry its burden of proof that the MLC rate is just and reasonable or even necessary. RD at 107. Indeed, as the OCA argued in its Main Brief, Columbia

failed to carry its burden of proof to establish that the PennDOT standards is the appropriate baseline from which to measure restoration costs absent statewide legislation, regulation, or policy that would state that the PennDOT standards should be the baseline. OCA M.B. at 9.

2. The ALJ properly reasoned that the effect of the MLC charge would be an interference with the legal status quo, but should the Commission disagree with the ALJ's statement, the ALJ's findings are nevertheless supported by substantial evidence and conclusions are in accordance with law.

Columbia takes exception to the ALJ's statement on page 107 of the RD: "it is unclear why the Commission would or could step in and regulate these issues when these issues are being appropriately addressed by the Common Pleas Courts and appellate courts." RD at 107. Columbia asserts that the ALJ misperceived the intent and operation of the MLC as the MLC would not have the Commission litigate challenges or direct municipalities to adopt PennDOT standards, but rather Columbia asserts would simply apply cost causation rate design principles to "set higher rates for customers in municipalities with restoration requirements that exceed PennDOT standards and set lower rates for customers in municipalities that have restoration requirements below PennDOT standards. If a municipality adopts an ordinance that requires excessive restoration requirements, Columbia's customers within the municipality will bear the increased cost of that decision." Columbia Exceptions at 5.

Contrary to Columbia's assertions, in recommending the Commission not approve the proposed MLC, the ALJ correctly reasoned that the Commission's approval of a bill charge to customers residing in municipalities where Columbia deems to have excessive restoration regulation for the purpose of potentially affecting political change at the municipal level is a form of interference with the legal status quo. Regardless, this statement was a part of ALJ's analysis, and should the Commission disagree with this specific statement, the ALJ's RD is nevertheless

supported by substantial evidence and consistent with rate-setting standards in the Code. Therefore, the ALJ did not err.

3. Contrary to Columbia's assertions, the ALJ did not ignore Columbia's evidence but rather properly weighed the evidence in recommending rejection of Columbia's proposed MLC.

Columbia takes exception to and disagrees with the RD, at page 109, in which the ALJ stated that Columbia failed to submit sufficient evidence to establish that municipal requirements had the effect of shifting costs from taxpayers in certain municipalities to Columbia customers in other municipalities. Columbia gives three examples as its witness Kempic testified to in Columbia Statement No. 1 at 19-20. Further, Columbia takes exception to the RD, at page 109, in which the ALJ states that Columbia failed to demonstrate that any specific provisions of a municipality's ordinances were unfair or improper, stating again the ALJ misperceives the purpose of the MLC. Columbia Exc. at 6-8.

Contrary to Columbia's assertions, the ALJ did not ignore Columbia's evidence submitted in the record but rather found that such evidence it did not meet Columbia's burden of proving the justness and reasonableness of the proposed MLC. Indeed, on pages 110-11 of the RD, the ALJ cited to witness Kempic's direct testimony and discussed the examples given in his testimony, RD at 110, and after citing various cases, properly found that such evidence did not meet Columbia's burden of proving the justness and reasonableness of the MLC, explaining:

> [V]arious costs of a municipality are considered in determining road permit and restoration fees, which obviously include engineering and administrative fees, road preparation and surface paving, adjacent structures such as sidewalks and bridges, the existence of other utilities or other fixtures that could be affected, the volume of traffic on the roadways and the life expectancy of the roadway when the construction is anticipated, specific road and sidewalk composition, safety measures and police or other traffic control measures, or other factors that require municipal governments to invest more money in the repair, to name a few. *More evidence is needed than conclusions that permit fees are increasing, and fees*

> *and restoration demands significantly exceed PennDOT requirements*.

RD at 111 (emphasis added).

Finally, Columbia takes exception to the RD, at pages 111-112, in which the ALJ states that there can be a number of variables that affect the costs incurred in different municipalities because Columbia's issue is whether customers should bear costs above the PennDOT standards. Columbia Exc. at 8. However, as the ALJ properly explained, Columbia makes the assumption that PennDOT standards are appropriate for all the various and unique municipalities throughout the Commonwealth, despite the determinations made by the elected officials of those municipalities. RD at 113. Columbia failed to carry its burden of proof to establish that the PennDOT standards is the appropriate baseline from which to measure restoration costs absent statewide legislation, regulation, or policy that would state that the PennDOT standards should be the baseline. OCA M.B. at 9. Accordingly, the ALJ properly concluded that Columbia failed to meet its burden of proof to establish that the MLC is just and reasonable. RD at 112.

4. The RD properly concluded that the MLC is impermissibly discriminatory and unjust and unreasonable.

Finally, Columbia takes exception to the RD, at pages 112-117, which concludes that the proposed MLC would create impermissible cost shifting and create improper geographic rate discrimination as Columbia asserts that such conclusion improperly applies the non-discrimination standards of Section 1304 of the Code. Columbia Exc. at 9-11.

Columbia's Exception should be denied and the ALJ's RD adopted. The Commission must reject Columbia's proposed MLC rate design because it creates an unreasonable preference and disadvantage in rates depending on which municipality a customer resides, *i.e.*, the locality, and creates an unreasonable difference in rates as between localities. OCA M.B. at 8. Setting rates that make or grant an unreasonable preference to a customer and an unreasonable prejudice or

disadvantage to another customer is statutorily prohibited, as is setting rates that establish an unreasonable difference as between localities. 66 Pa.C.S. § 1304. Section 1304 provides, in relevant part:

> No public utility shall, as to rates, make or grant any unreasonable preference or advantage to any person, corporation, or municipal corporation, or subject any person, corporation, or municipal corporation to any unreasonable prejudice or disadvantage. No public utility shall establish or maintain any unreasonable difference as to rates, either as between localities or as between classes of service.

66 Pa. C.S. § 1304. While the Commission has discretion to determine reasonable differences in rates, such differences must be justified, for example: "by a variety of considerations including the quantity of service used, the nature of the use, the time of the use, the pattern of the use, differences of conditions of service or cost of service." *Zucker v. Pa. PUC,* 402 A.2d 1377, 1382 (Pa. Cmwlth. 1979).

Here, as argued in the OCA's Main Brief, the very objective of the MLC is to treat customers differently by charging different rates based on the locality in which the customer resides. OCA M.B. at 8-11. Specifically, the MLC will operate by being a monthly MLC charge of $0.70 per bill to customers located in the City of Pittsburgh and the Borough of Perryopolis, and a monthly MLC credit of $7.44 per bill to customers located in Roscoe Borough and New Sewickley Township. OCA St. 5 at 28. Columbia attempts to justify this difference in rate on the basis that the City of Pittsburgh and the Borough Perryopolis impose more costly paving and restoration requirements while Roscoe Borough and New Sewickley Township impose less costly infrastructure replacement paving and restoration requirements. OCA St. 5 at 28. Columbia claims that in 2022 and 2023, the Company was forced to spend nearly $1.3 million of its capital program to pave above and beyond the standards that are perfectly fine for every state highway in Pennsylvania. *Id.* The OCA does not dispute the amount claimed by Columbia, however, Columbia

has failed to carry its burden of proof to establish that this is the appropriate baseline from which to measure costs absent statewide legislation, regulation, or policy that would state that the PennDOT standards should be the baseline.

Columbia's misrelies on the Commonwealth Court's decision in *Pittsburgh v. Pa. PUC*, 526 A.2d 1243, 1247-1248 (1986) (City of Pittsburgh) to support its argument the $0.70 charge per bill should be approved because that amount not unreasonably high. However, at issue in the *City of Pittsburgh* was the water utility's proposed revenue allocation for setting base rates, which is an issue that must be addressed in every base rate case and which Section 1304 permits differences between rate classes and rate zones so long as such differences are not unreasonable or unduly discriminatory. The Court in that case did not address a charge like the proposed MLC. Here, the very purpose and function of the MLC is unreasonably discriminatory – regardless of the amount of the charge or credit that will end up on consumers bills – and therefore the charge as a rate design must be denied.

That the MLC rate is an unreasonable difference as between localities is highlighted by the fact that the proposed MLC is not intended to address *all differences* in costs between municipalities; rather, it is intended to address one major cost category that is uniquely driving increases in rates to customers across all municipalities: *i.e*., those municipalities that demand restoration which far exceeds PennDOT standards. OCA St. 5SR at 40. The proposed MLC is $0.70 per month and, therefore, would reflect less than 1% of Columbia's total cost of serving the average Residential customer. OCA St. 5 at 29. The remaining 99% of the cost of service is not addressed in the MLC. *Id*. It is unreasonable to recognize this less than 1% difference in the cost of serving customers in different municipalities and to ignore cost differences which may exist for the remaining 99% of the cost of service. *Id*. Indeed, the "fairness" of a utility rate generally means

that the rate bears a reasonable relationship to the utility's cost of serving the customer without exceeding the value of service to the customer. James C. Bonbright et al., *Principles of Public Utility Rates*, at 82-92 (1st ed. 1988).

For example, to serve the City of Pittsburgh, Columbia has installed an average of 54 feet of distribution main per customer. OCA St. 5 at 29. To serve New Sewickley Township, Columbia has installed an average of 142 feet of distribution main per customer. *Id.* Hence, the average feet of distribution mains installed by Columbia to serve a customer in the City of Pittsburgh is much lower than the average feet of distribution mains installed by Columbia to serve a customer in New Sewickley Township. OCA St. 5SR at 41. However, under the MLC, City of Pittsburgh customers would be assessed higher charges than New Sewickley Township customers, and the MLC fails to account for the lower costs of the distribution mains serving the City of Pittsburgh. *Id*. Moreover, while the same MLC would be assessed as the same flat charge to all customers in a municipality served by Columbia, the MLC does not recognize differences in the costs associated with serving different customer classes. OCA St. 5 at 30. Residential, commercial, and industrial customers would each be assessed the same amount, despite cost-of-service differences between them.

Furthermore, the proposed difference in rates as between localities in which customers reside is not based on any customer behavior that would cause the Company to incur greater costs in restoration work. OCA M.B. at 11. Rather, the difference in rates is based on the decisions of the officials presiding over the municipalities that set the paving and restoration requirements, over which utility consumers have little to no control. Effectively, the proposed rate design is intended to recover costs from customers who did not cause them (unreasonable prejudice) and reward other customers who took no action (unfair preference). This has no immediate benefit for customers as it does not reduce the costs of restoration that Columbia collects it simply surcharges one group of

customers who did not cause the higher restoration costs and credits another group of customers who did nothing to cause the lower restoration lower costs. Hence, the proposed MLC is fundamentally unfair to consumers given that it is based on where customers live and not tied to any consumer behavior that caused the costs. OCA M.B. at 11.

Furthermore, the MLC is unjust and unreasonable because, under the MLC, customers who would pay the MLC charge are not the cost causers and the customers who would receive the MLC credit did nothing to deserve the benefit. Thus, the MLC is inconsistent with well-established cost causation principles. OCA M.B. at 11. Along these lines, additional paving and restoration costs incurred to serve customers in the City of Pittsburgh and Borough of Perryopolis are reflected in the rates proposed by Columbia in this proceeding for all customers served by Columbia. OCA St. 5 at 30. Columbia currently serves a total of 22,604 customers in the City of Pittsburgh and the Borough of Perryopolis which would be assessed the MLC, and a total of 2,116 customers in New Sewickley Township and Roscoe Borough that would receive the MLC credit. *Id*. It is unreasonable to impose a charge on 22,604 customers for additional costs incurred to serve those customers and then credit the additional charges to 2,116 customers when the additional City of Pittsburgh and Borough of Perryopolis paving and restoration costs have been reflected in the rates of all Columbia customers. *Id*. Moreover, the Company's societal objectives relating to paving and restoration requirements cannot and should not be achieved through a rate design that is fundamentally unfair to consumers. OCA St. 5SR at 40; OCA M.B. at 11-12.

For the foregoing reasons, the OCA urges the Commission to deny Columbia's Exception No. 1, adopt the ALJ's RD, and reject Columbia's proposed MLC.

IV. CONCLUSION

For the reasons stated above, the OCA requests that the Commission deny Columbia's Exception No. 1 and reject the Company's proposed Municipal Levelization Charge for the reasons set forth in the ALJ's RD and because the Company has failed to meet its burden of proving that the rate is permitted under Sections 1301(a) and 1304 of the Public Utility Code, 66 Pa. C.S.§§ 1301(a), 1304, and consistent with generally accepted ratemaking principles.

Respectfully submitted,

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Dated: October 15, 2024