

COMMONWEALTH OF PENNSYLVANIA



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January 8, 2025

**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  
Pike County Light & Power Company  
Docket No. R-2024-3052357

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Complaint and Public Statement in this matter.

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

Respectfully submitted,

/s/ Darryl A. Lawrence  
Darryl A. Lawrence  
Senior Assistant Consumer Advocate  
Pa. Attorney I.D. # 93682  
DLawrence@paoca.org

Enclosures:

cc: The Honorable Charles E. Rainey, Jr. (email only: crainey@pa.gov)  
Paul Diskin, TUS (email only: pdiskin@pa.gov)  
Darren Gill, TUS (email only: dgill@pa.gov)  
Certificate of Service

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission :  
v : Docket No. R-2024-3052357  
Pike County Light & Power Company :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Complaint and Public Statement, 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 8<sup>th</sup> day of January 2025.

**SERVICE BY E-MAIL ONLY**

Allison Kaster, Esq., Director and Chief Prosecutor Bureau of Investigation and Enforcement Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street Harrisburg, PA 17120 akaster@pa.gov <i>Bureau of Investigation and Enforcement</i>	NazAarah Sabree, Small Business Advocate Office of Small Business Advocate Forum Place 555 Walnut Street, 1st Floor Harrisburg, PA 17101 ra-sba@pa.gov <i>Office of Small Business Advocate</i>
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*Counsel for Pike County L&P*

/s/ Darryl A. Lawrence  
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Assistant Consumer Advocate  
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Dated: January 8<sup>th</sup> 2025

**FORMAL COMPLAINT**  
**BEFORE THE**  
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**1. COMPLAINANT**

Patrick M. Cicero, Consumer Advocate

555 Walnut Street, 5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
Dauphin County

Phone: 717-783-5048

**2. UTILITY NAME**

Pike County Light & Power Company

**3. TYPE OF UTILITY**

Gas

**4. COMPLAINT**

A. On December 31, 2024, Pike County Light & Power Company (Pike or Company) filed Supplement No. 127 to Tariff Gas – Pa. P.U.C. No. 6 at Docket No. R-2024-3052357. The Company proposes to increase rates to produce additional annual operating revenues of \$905,900 per year or an overall increase of 35.8% in total gas distribution revenues. The Company proposes that the rate increase become effective on February 28, 2025.

B. The Company is engaged in the business of furnishing natural gas service to approximately 1,370 residential, commercial, and industrial customers in Westfall Township and Matamoras Borough, and the vicinity, in Pike County, Pennsylvania, of whom nearly 1,300 are residential customers.

C. For the residential customer class, the Company is proposing an overall increase in revenues of \$844,729. A residential customer using 80 Ccf will see their average bill rise from

\$135.78 to \$196.08 per month, or by approximately 44.4%, including the commodity cost of the natural gas consumed.

D. The proposed rate change noted above does not reflect the changes that would be experienced by all customers; rather, it only reflects the change for a residential customer using 80 Ccf per month. In the OCA's experience, the increase reflected above (and on the notices sent to customers) often underestimates the impact of the rate increase for many customers.

E. The Company's proposed rate increase, if approved, would produce an 8.59% overall rate of return on its original cost rate base, including a 10.2% rate of return on common equity.

F. A preliminary examination of the Company's filing indicates that the proposed increase to annual revenues of \$905,900 and the proposed return on common equity of 10.2% may be unjust, unreasonable, in violation of the law and will or may produce an excessive return on investment in violation of the Public Utility Code, 66 Pa. C.S. Section 1301 *et seq.*, and may otherwise be contrary to sound ratemaking principles and public policy.

G. Pike's filing also includes a request for approval of a Weather Normalization Adjustment (WNA) as an alternative ratemaking mechanism under 66 Pa. C.S. Section 1330. As proposed, the WNA would provide Pike with the ability to collect additional revenues from residential customers. Pike proposes to include the WNA in monthly bills rendered from October through May. The WNA would be an additional charge on bills in months where actual daily temperatures are warmer than the Company's benchmark for "normal" temperatures. The WNA would be a credit on bills in months where weather is colder than "normal." The amount of charge or credit on each customer's bill would be based on that customer's actual consumption. Pike proposes that the WNA would be recalculated each billing cycle. The Company's proposal to establish a WNA warrants additional investigation, and the OCA will fully evaluate the proposed

mechanism as part of this case. The OCA will review the WNA proposal to determine if it meets all legal requirements and sound ratemaking principles.

H. In its filing, the Company included an Affidavit of Customer Notice, wherein it included the notices it mailed to its gas customers on December 30, 2024<sup>1</sup>, and delivered to two local newspapers on December 30, 2024. In neither of the two notices provided did the Company mention its request for the implementation of a WNA. Under Section 1330 of the Public Utility Code, when a utility requests Commission authorization to implement an alternative ratemaking mechanism, such as a WNA, the utility must provide notice to its customers that it is requesting such a mechanism. 66 Pa. C.S. § 1330(c). The OCA submits that Pike's notice to its customers was deficient because it failed to provide notice of its request for a WNA.

I. The Consumer Advocate avers that the proposed tariff changes, revenue allocations, and proposed rate design may be unlawfully discriminatory, in violation of Public Utility Code, 66 Pa. C.S. Sections 1301 and 1304 *et seq.*, and may otherwise be contrary to sound ratemaking principles and public policy.

J. The Company's filing indicates that the proposed changes and increases in rates, proposed rate schedule modifications, and proposed changes in rate policy, rules, and regulations contained in the proposed Tariff may be unjust, unreasonable, and in violation of the law and will or may produce an excessive return on investment in violation of the Public Utility Code. 66 Pa. C.S. § 1301 *et seq.*

K. The Consumer Advocate is empowered to represent the interests of consumers before the Pennsylvania Public Utility Commission, pursuant to Act 161 of the Pennsylvania General Assembly, 71 P. S. Sections 309-1 *et seq.*, as enacted July 9, 1976.

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<sup>1</sup> This notice is currently available on the Company's website at: [https://pclpeg.com/files/2024/12/Notice\\_-\\_2024\\_Pike\\_Gas\\_Rate\\_Case.pdf](https://pclpeg.com/files/2024/12/Notice_-_2024_Pike_Gas_Rate_Case.pdf).

L. In reaching a decision on whether to grant the Company's rate increase as well as its various rule and tariff changes, the Commission must give "due consideration to the interests of consumers." 71 Pa. Stat. Ann. § 309-5(2).

M. The Consumer Advocate files this Formal Complaint to ensure that the Company's requests are granted only to the extent they are found to be just and reasonable or otherwise compliant with applicable statutes, Commission regulations, or policy.

## **5. RELIEF**

The Consumer Advocate respectfully requests that the Public Utility Commission:

A. Suspend and investigate the operation of the proposed tariff, pursuant to Section 1308(d) of the Public Utility Code. 66 Pa. C.S. § 1308(d);

B. Order Pike to issue corrected notices in bill inserts and by posting on its website, informing customers that it is requesting authority to implement a WNA in this rate proceeding;

C. Consolidate all complaints filed against Tariff Supplement No. 127;

D. Hold full evidentiary hearings examining the reasonableness of the Company's requests;

E. Hold public input hearings in the Company's service territory, by telephone, virtually, or in person as may be needed to provide its customers with an opportunity to be heard on the record, if consumer interest arises;

F. Modify or reject the proposed rate increase and tariff changes which cannot be fully justified by the Company and shown to be just and reasonable and in the public interest, or which are otherwise contrary to the Public Utility Code, sound ratemaking principles, and public policy; and

G. Grant any other relief deemed necessary.

6. VERIFICATION AND SIGNATURE

*Verification:*

*I, Patrick M. Cicero, hereby state that the facts above set forth 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).*

/s/ Patrick Cicero  
(Signature)

January 8, 2025  
(Date)

7. LEGAL REPRESENTATION

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Senior Assistant Consumer Advocate  
Pa. Attorney I.D. # 93682  
[DLawrence@paoca.org](mailto:DLawrence@paoca.org)

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Ryan Morden  
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Counsel for:

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Consumer Advocate

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717-783-5048

PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE  
PURSUANT TO 71 P.S. SECTION 309-4(e)

Act 161 of the Pennsylvania General Assembly, 71 P.S. Section 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the Commission involving the current base rate filing made by Pike County Light & Power (Pike or Company).

The Consumer Advocate submits that the rates sought by Pike may be unjustifiable and unlawful based upon information filed by the Company in support of its claim. On December 31, 2024, the Company filed Supplement No. 127 to Tariff Gas – Pa. P.U.C. No. 6 at Docket No. R-2024-3052357. The Company proposes to increase rates to produce additional operating revenues of \$905,900 or an increase of 35.8% in total gas revenues. The Company proposes that the rate increase becomes effective on February 28, 2025. For the residential customer class, the Company is proposing an overall increase in revenues of \$844,729. A residential customer using 80 Ccf will see their bill rise from \$135.78 to \$196.08 per month, or by approximately 44.4%. The Company's proposed rate increase, if approved, would produce an 8.59% overall rate of return on its original cost rate base, including a 10.2% return on common equity. Pike also proposed to implement a Weather Normalization Adjustment to adjust residential customers' bills during the months of October through May based on the difference between actual weather and the weather that Pike predicted at the time of the filing.

The Consumer Advocate has filed this Complaint with the Commission to ensure that each aspect of Pike's request is scrutinized and not approved unless shown to be fully justified in law, and consistent with the Public Utility Code, sound ratemaking principles, and sound public policy. The Consumer Advocate will represent the interests of the Company's consumers before the

Commission and will seek to ensure that customers are not charged rates that are unjust, unreasonable or otherwise contrary to law.