



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

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

February 12, 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 - Electric
Docket No. R-2024-3052359
I&E Prehearing Memorandum

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Prehearing Memorandum of the Bureau of Investigation and Enforcement (I&E) 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 'Michael Podskoch'.

Michael A. Podskoch, Jr.
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 330132
(717) 783-6151
mpodskoch@pa.gov

MAP/jfm
Enclosures

cc: Per Certificate of Service

I. INTRODUCTION

On January 14, 2025, Pike County Light & Power Company (“PCLP” or “Company”) filed proposed Supplement No. 105 to Tariff Electric – Pa. P.U.C. No. 8 (“Supplement No. 105”) with a proposed effective date of March 15, 2025. Supplement No. 105 contained changes in electric rates, rules, and regulations with a proposed revenue increase of \$1,874,600, or 11.6%.

On January 17, 2025, the Office of Small Business Advocate (“OSBA”) filed its Notice of Appearance. That same day, I&E filed its Notice of Appearance. On January 24, 2025, the Office of Consumer Advocate (“OCA”) filed its Notice of Appearance. That same day, OCA and OSBA filed Formal Complaints and Public Statements.

On February 7, 2025, PCLP filed Supplement No. 106 to Tariff Electric – Pa. P.U.C. No. 8 (“Supplement No. 106”) voluntarily postponing the effective date of the rate increase until October 15, 2025.

On February 6, 2025, the Commission entered an Order pursuant to Section 1308(d) of the Public Utility Code suspending the implementation of the proposed rates until October 15, 2025, and opening an investigation into the lawfulness, justness, and reasonableness of the proposed rates, rules, and regulations contained therein. The case was assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a Recommended Decision.

Pursuant to the Prehearing Conference Order issued on February 7, 2025, a telephonic Prehearing Conference is scheduled on February 14, 2025 at 10:00 a.m. before Administrative Law Judges (“ALJs”) Marta Guhl and Alphonso Arnold III.

II. ISSUES

The following list represents I&E’s preliminary determination of the potential issues in this proceeding:

1. Customer Debit and Credit Card Transaction Cost
2. Cash Working Capital
3. Deferred Debits and Deferred Credits
4. Accumulated Deferred Income Tax
5. Taxes other than Income Tax
6. Income Tax Expense
7. Payroll Expense
8. Employee Benefits Expense
9. Tree Trimming Expense
10. Rate Case Expense
11. Intercompany Allocations
12. Uncollectible Expense
13. Overall Rate of Return
14. Capital Structure
15. Proxy Group
16. Cost of Debt
17. Cost of Equity
18. Rate Base
19. Plant in Service
20. Accrued Depreciation
21. Construction Work in Progress
22. Customer Deposits
23. Future Test Year Plant Additions
24. Annual Depreciation Expense
25. Present Rate Revenue
26. Miscellaneous Revenue
27. Rate Structure/Cos of Service
28. Cost Allocation
29. Proposed Rates
30. Customer Charges
31. Scale Back of Rates

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.

III. WITNESSES

It is currently expected that I&E will call the following expert witnesses without being limited thereto:

1. Getachew Bedasa, Fixed Utility Financial Analyst
2. DC Patel, Fixed Utility Financial Analyst
3. Esyan Sakaya, Fixed Utility Valuation Engineer

The I&E witnesses may be contacted through the information listed above for Ms. Wright and Mr. Podskoch. The witness list is provided without the benefit of complete discovery or analysis of the positions of the other parties to this proceeding.

Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal, and surrebuttal testimony and accompanying exhibits at the evidentiary hearings. Moreover, I&E intends to rely on the Company's filing, supplemental testimony, answers to data requests and interrogatories, 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. However, there may be issues of law or Commission policy that are not properly the subject of testimony or factual issues that are clear on the record and need not be supported by

testimony. I&E thereby reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed through briefing.

V. DISCOVERY

I&E will work with the parties to determine the appropriate discovery modifications in this proceeding. I&E supports the following discovery modifications as proposed by OCA as reasonable:

- A. Answers to written interrogatories and requests for document production, entry for inspection, or other purposes shall be served in-hand within ten (10) calendar days of service.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within three (3) calendar days of service of the interrogatories; unresolved objections shall be served in writing to the propounding party within five (5) calendar days of service of the interrogatories and/or requests for production.
- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within five (5) business days of service of written objections.
- D. Answers to motions to dismiss objections and/or answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of such motions.
- E. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.
- F. Answers to on-the-record data requests shall be served in-hand within five (5) calendar days of the requests.
- G. Any discovery or discovery-related pleadings (such as objections, motions, and answers to same) served after served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day before a holiday will be deemed to have been served on the next business day for purposes of calculating the due date for any responsive filing.

After rebuttal is served:

- A. Answers to interrogatories and responses to requests for document production, entry for inspection, or other purposes shall be served within five (5) calendar days of service of the interrogatories or requests for production.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within two (2) calendar days of service; unresolved objections shall be served on the propounding party in writing within three (3) calendar days of service of the interrogatories and/or requests for production.
- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of such motions.
- E. Requests for admission shall be deemed admitted unless answered or objected to within three (3) calendar days of service.
- F. Discovery requests and discovery related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day preceding a holiday shall be deemed to have been served on the next business day.

VI. SCHEDULE

I&E will work with the parties and the ALJ(s) to develop a mutually agreeable litigation schedule in this proceeding. As of this date, the parties have not yet agreed on a schedule. I&E supports the following litigation schedule as proposed by OCA:

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|------------------------------|---------------|
| Non-Company Direct Testimony | April 3, 2025 |
| Rebuttal Testimony | May 1, 2025 |

| | |
|-----------------------|-----------------|
| Surrebuttal Testimony | May 15, 2025 |
| Rejoinder | May 19, 2025 |
| Evidentiary Hearings | May 21-23, 2025 |
| Main Briefs | June 9, 2025 |
| Reply Briefs | June 23, 2025 |

I&E proposes the use of telephonic hearings in this proceeding. However, to the extent that evidentiary hearings will be convened in person, I&E requests that those hearings be held in Harrisburg in order to save the Commission the expense of sending the I&E prosecutors, witnesses, and technical supervisors to out-of-town hearings.

VII. PUBLIC INPUT HEARINGS

To the extent that public input hearings be deemed necessary, I&E proposes the use of telephonic hearings to encourage increased participation by the ratepayers.

VIII. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony, briefs, and other documents during this proceeding, and consistent with Commission regulations and policy, I&E proposes to both only serve and accept electronic delivery of documents.

IX. MOTION TO CONSOLIDATE

On February 7, 2025, PCLP filed a Motion to Consolidate for Scheduling Purposes Only and Request for Expedited Response Period requesting that the instant proceeding and its gas base rate proceeding at Docket No. R-2024-3052357 be heard on a consolidated schedule. I&E does not oppose the Company’s request for consolidation for scheduling purposes only.

X. SETTLEMENT

I&E will maintain an open dialogue and is willing to make good faith efforts to successfully resolve this matter through settlement. In the event that 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,



Michael A. Podskoch, Jr.
Prosecutor
PA Attorney ID No. 330132

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Dated: February 12, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|--|---|----------------------------|
| Pennsylvania Public Utility Commission | : | |
| | : | |
| v. | : | Docket No.: R-2024-3052359 |
| | : | |
| Pike County Light & Power Company – | : | |
| Electric Division | : | |

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated February 12, 2025, in the manner and upon the person listed below.

Served via Electronic Mail Only

Hon. Marta Guhl
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