



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 - Gas
Docket No. R-2024-3052357
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 December 30, 2024, Pike County Light & Power Company (“PCLP” or “Company”) filed proposed Supplement No. 127 to Tariff Gas – Pa. P.U.C. No. 6 (“Supplement No. 127”) with a proposed effective date of February 28, 2025.

Supplement No. 127 contained changes in gas rates, rules, and regulations with a proposed revenue increase of \$905,900, or 35.8%.

On January 8, 2025, the Office of Consumer Advocate (“OCA”) filed a Formal Complaint and Public Statement. On January 10, 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 16, 2025, OSBA filed a Formal Complaint and Public Statement.

On January 17, 2025, PCLP filed Supplement No. 128 to Tariff Gas – Pa. P.U.C. No. 6 (“Supplement No. 128”) voluntarily postponing the effective date of the rate increase until March 15, 2025. On February 7, 2025, PCLP filed Supplement No. 129 to Tariff Gas – Pa. P.U.C. No. 6 (“Supplement No. 129”) voluntarily postponing the effective date of the rate increase until October 15, 2025.

On January 23, 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 5, 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. Rate Case Expense
2. Payroll Expense
3. Membership Dues
4. Aggregation of Electronic Payment Fees
5. IT Segmentation
6. Advertising Expenses
7. Tax Deferrals
8. Overall Rate of Return
9. Capital Structure
10. Proxy Group
11. Cost of Debt
12. Cost of Equity
13. Rate Base
14. Plant Additions
15. Depreciation
16. Depreciation Expense
17. Materials and Supplies
18. Present Rate Revenue
19. Rate Design
20. Cost of Service Study
21. Weather Normalization Adjustment
22. Cast Iron Replacement
23. Long Term Infrastructure Improvement Plan (LTIIIP)

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. Zachari Walker, Fixed Utility Financial Analyst
2. Christopher Keller, Fixed Utility Financial Analyst
3. Ethan Cline, Fixed Utility Valuation Engineer
4. Andrew Hiorth, Fixed Utility Valuation Engineer

The I&E witnesses may be contacted through the information listed above for 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 ALJs 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:

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 prosecutor, 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 electric base rate proceeding at Docket No. R-2024-3052359 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-2024-3052357
 :
 Pike County Light & Power Company :

CERTIFICATE OF SERVICE

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

Served via Electronic Mail Only

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