



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

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

May 5, 2025

Via Electronic Filing

Matthew L. Homsher, 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-2025-3053499
I&E Prehearing Memorandum

Dear Secretary Homsher:

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 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 'Scott B. Granger'.

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AJW/jfm
Enclosures

cc: Administrative Law Judge Jeffrey A. Watson (*via email*)
Administrative Law Judge Chad L. Allensworth (*via email*)
Per Certificate of Service

I. INTRODUCTION

On March 20, 2025, Columbia Gas of Pennsylvania, Inc. (“Columbia” or Company”) filed Supplement No. 392 to Tariff Gas Pa. P.U.C. No. 9 (“Supplement 392”) pursuant to 66 Pa. C.S. § 1308, seeking a general rate increase. Supplement 392 issued March 20, 2025, to be effective May 19, 2025, proposes changes to Columbia’s base distribution rates, and removes, revises, and adds various tariff provisions.

Further, Columbia’s filing reflects an overall revenue increase of approximately \$110.5 million per year. The filing also includes a request for approval of a Revenue Normalization Adjustment mechanism and a request to make permanent a previously approved Pilot Weather Normalization Adjustment.

Additionally, Columbia’s filing includes requests to extend its Energy Efficient Pilot for residential customers, initiate an Energy Efficiency Program Pilot for small commercial customers, and seeks approval of an Economic Development Distribution Service tariff.

Finally, pursuant to the proposed rates, which includes the most recently effective gas cost rates, the total bill for a residential customer who purchases 70 therms of gas from Columbia per month, would increase from \$138.52 to \$154.29 per month, or by 11.38 percent. The total bill for a small commercial customer using 150 therms of gas purchased from Columbia per month would increase from \$240.61 to \$269.45, or by 11.99 percent. Rates for a small industrial customer using 1,460 therms of gas from Columbia per month would increase from \$1,907.69 to \$2,109.67 per month, or by 10.59 percent.

On March 24, 2025, I&E filed a Notice of Appearances in this proceeding.

On April 8, 2025, the Office of Consumer Advocate (“OCA”) filed a Notice of Appearances and Formal Complaint in this proceeding.

On April 7 and 11, 2025, the Office of Small Business Advocate (“OSBA”) filed a Notice of Appearances and Formal Complaint, respectively, in this proceeding.

On April 11, 2025, The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) filed a Petition to Intervene in this proceeding.

On March 28, April 11 and April 21, 2025, formal complaints in opposition to the proposed base rate increase were filed by Linda Allison, Linda Slick and Terri Walker, respectively, in this proceeding.

On April 24, 2025, a formal complaint in opposition to the proposed base rate increase was filed by The Pennsylvania State University (“Penn State”) in this proceeding.

Various additional oppositions and protests have been filed by multiple individuals regarding the proposed base rate increase.

A telephonic Prehearing Conference is scheduled for Wednesday, May 7, 2025, beginning at 9:00 a.m. before Administrative Law Judges (“ALJs”) Jeffrey A. Watson and Chad L. Allensworth.

II. WITNESSES AND ISSUES

I&E currently expects that it may call the following expert witnesses, without being limited thereto, who will address the issues listed *infra*. The list represents I&E’s preliminary determination of the potential issues in these proceedings. 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. The witnesses and issues are as follows:

Witnesses:

- Getachew Bedasa, Fixed Utility Financial Analyst.
- D.C. Patel, Fixed Utility Financial Analyst.
- Esyan Sakaya, Fixed Utility Valuation Engineer.
- Christine Wilson, Fixed Utility Supervisor.

Issues:

- Rate Base
- Plant in Service
- Plant Additions and Retirements
- Depreciation Reserve
- Annual Depreciation Expense
- Reporting Requirements
- Introduction of the Economic Development Distribution Service (“EDDS”) Rate
- Economic Development Distribution Service Proposal
- Revenue Normalization Adjustment Propoosal
- Weather Normalization Adjustment
- Energy Efficiency Plan Update
- Flex Rate Agreements
- Forfeited Discounts
- Cost of Service
- Present Revenue
- Proposed Rates

- Customer charges
- Scale Back
- Proxy Group Composition
- Capital Structure
- Cost of Debt
- Cost of Equity Analysis (including the methods and data used)
- Financial Risk Leverage Adjustment to DCF Result
- Floatation Cost adjustment
- Size Premium Adjustment to CAPM Result
- Reasonableness of Return on Equity
- Business and Financial Risk Assessments
- Management Performance Adjustment
- Energy Efficiency Plan
- Low Income Customers Assistance Programs
- New Rates Effective Date
- Labor and Related Benefits
- Outside Services
- Rent and Leases
- Insurance
- Employee expenses
- Memberships
- Utilities and Fuel
- Advertising
- Fleet and Other Clearing
- Materials and Supplies
- Miscellaneous O&M
- Assessments
- Corporate Allocations
- Rate Case Expense
- Uncollectibles
- COVID-19 Expense Amortization
- Universal Service Plan (USP)
- Taxes other than income
- Energy Efficiency Program
- Interest on customer deposits

The I&E witnesses may be contacted through the information listed above for Prosecutors Granger and Williams. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of any witnesses listed above.

III. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, answers to data requests and interrogatories, quarterly and 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 Commission policy or legal representation that are not properly the subject of testimony or there may be factual issues that are clear on the record and need not be supported by testimony. I&E reserves the right to dispense with testimony, when, in its opinion, an issue can be adequately addressed through briefing.

IV. DISCOVERY

Discovery in these proceedings will be conducted according to 52 Pa. Code §§5.321 et. seq. No modifications to the rules of discovery have been proposed by I&E. I&E will give due consideration to any discovery modifications proposed by any other party. In the past, I&E has not opposed the discovery modifications as routinely proposed by the OCA. Also, pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing.

V. SCHEDULE

As of this date, the parties are actively negotiating an amicable litigation schedule. I&E tentatively proposes the following schedule.

Filed	March 20, 2025
Prehearing Conference	May 7, 2025
Other Parties Direct	June 18, 2025
Rebuttal Testimony	July 17, 2025
Surrebuttal Testimony	July 31, 2025
Rejoinder Outline	August 5, 2025 (by 12pm)
Evidentiary Hearings	August 6, 7, 8, 2025
Main Brief	August 26, 2025
Reply Brief	September 5, 2025

VI. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs, I&E proposes to only serve and accept electronic delivery of documents. If the ALJs and/ or any party prefers to have additional service (or "hard copies") of documents by mail, I&E will certainly provide such service.

VII. SETTLEMENT

I&E is willing to make good faith efforts to successfully resolve this matter through settlement. In the event 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,



Scott B. Granger
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PA Attorney ID No. 63641

Adam J. Williams
Prosecutor
PA Attorney ID No. 310019

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

Dated: May 5, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2025-3053499
 :
 Columbia Gas of Pennsylvania, Inc. :
 Base Rates :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated May 5, 2025, in the manner and upon the persons listed below.

Served via Electronic Mail Only

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