



COMMONWEALTH OF PENNSYLVANIA

May 05, 2025

E-FILED

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**

Dear Secretary Homsher:

Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

cc: Mark Ewen
Parties of Record

II. FILING BACKGROUND

On March 20, 2025, Columbia Gas of Pennsylvania, Inc. (“Columbia” or the “Company”) filed Supplement No. 392 to Tariff Gas Pa. P.U.C. No. 9 (“Supplement No. 392”) with the Commission. Supplement No. 392, if approved by the Commission, would increase the Company’s total annual operating revenues by approximately \$110.5 million.

The OSBA filed a Complaint on April 11, 2025.

III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mark Ewen
Industrial Economics, Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
(617) 354-0074
mewen@indecon.com

The OSBA will participate in this proceeding to assure that the interests of small business customers are adequately represented and protected.

After an initial review of the materials submitted by Columbia, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

- (1) Whether the Company’s return on equity, inclusive of the adder for management effectiveness, is reasonable and appropriate.
- (2) Whether the Company’s proposed class cost of service study reasonably reflects cost causation, past practice, and Commission precedent.
- (3) Whether the Company’s revenue allocation proposal reasonably reflects a proper class cost of service study, rate gradualism, credible competitive concerns and other

established rate design principles.

- (4) Whether the Company's proposed rate design for Columbia's small business customers is consistent with allocated costs and other established rate design principles.
- (5) Whether the Company's negotiated rate revenues credibly reflect current competitive market conditions, customer bypass potential and/or other factors that can reasonably justify negotiated rates.
- (6) Whether the Company's proposed full decoupling Revenue Normalization Adjustment mechanism for all rate classes unreasonably shifts risks from shareholders to ratepayers, creates bill instability, and encourages gamesmanship in base rates proceedings.
- (7) Whether the Company's proposal to permanently add the Pilot Weather Normalization Adjustment mechanism is just, reasonable, and adequately supported by the performance of the existing pilot mechanism
- (8) Whether the Company's proposed Economic Development Distribution Service tariff is just, reasonable, and is consistent with allocated costs and other established rate design principles.
- (9) Whether the Energy Efficiency Program Pilot for small commercial customers is just, reasonable, and consistent with allocated costs and other established rate design principles.

The OSBA reserves the right to pursue additional issues that may arise throughout this proceeding.

IV. SERVICE OF DOCUMENTS

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date¹ as satisfying the in-hand requirement.

The OSBA requests that email delivery of documents also be provided to its witnesses identified above.

In addition to email copies of pleadings, briefs, and exceptions, the OSBA requests email copies of responses to discovery propounded by the OSBA or any other party.

V. DISCOVERY

The OSBA does not propose any discovery modifications.

VI. SETTLEMENT

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

¹ In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

VII. HEARING AND BRIEFING SCHEDULE

At the time of this writing, the parties are discussing a proposed procedural schedule.

Respectfully submitted,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA. 17101

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 :

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant)

The Honorable Jeffrey Watson
Administrative Law Judge
PA Public Utility Commission
Office of Administrative Law Judge
301 Fifth Avenue
Suite 220, Piatt Place
Pittsburgh, PA 15222
jeffwatson@pa.gov

Scott B. Granger, Esquire
Adam J. Williams, Esquire
Bureau of Investigation & Enforcement
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
sgranger@pa.gov
adawilliam@pa.gov

Christy M. Appleby, Esquire
Barrett C. Sheridan, Esquire
Jacob Guthrie, Esquire
PA Office of Consumer Advocate
Forum Place
555 Walnut Street, 5th Floor
Harrisburg, PA 17101-1923
OCAColumbiaGas2025@paoca.org

The Honorable Chad Allensworth
Administrative Law Judge
Pennsylvania Public Utility Commission
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
callenswor@pa.gov

Michael W. Hassell, Esquire
Megan E. Rulli, Esquire
Anthony D. Kanagy, Esquire
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101
mhassell@postschell.com
mrulli@postschell.com
akanagy@postschell.com

Candis A. Tunilo, Esquire
NiSource Corporate Services Co.
800 N. Third Street, Suite 204
Harrisburg, PA 17102
ctunilo@nisource.com

Date: May 5, 2025

/s/ Steven C. Gray _____
Senior Attorney
Assistant Small Business Advocate
Attorney I.D. No. 77538