



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

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

October 21, 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 Reply Exceptions

Dear Secretary Homsher:

Enclosed for electronic filing please find the Reply Exceptions of the Bureau of Investigation and Enforcement in the above captioned proceeding.

Copies of this letter 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'.

Scott B. Granger
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 63641
(717) 425-7593
sgranger@pa.gov

SBG/nb
Enclosures

cc: Administrative Law Judge Jeffrey A. Watson (*via email* – jeffwatson@pa.gov)
Administrative Law Judge Chad A. Allensworth (*via email* – callenswor@pa.gov)
Office of Special Assistants (*via email* – ra-OSA@pa.gov)
Per Certificate of Service

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	I&E REPLIES TO EXCEPTIONS OF COLUMBIA GAS.....	2
A.	I&E Reply to Columbia Gas Exception No. 1. R.D. at 115.	2
B.	I&E Reply to Columbia Gas Exception No. 2. R.D. at 2.	4
C.	I&E Reply to Columbia Exception No. 3. R.D. at 204.	5
D.	I&E Reply to Columbia Exception No. 4. R.D. at 206.	5
E.	I&E Reply to Columbia Exception No. 5. R.D. at 209.	6
F.	I&E Reply to Columbia Exception No. 6. R.D. at 226.	6
G.	I&E Reply to Columbia Exception No. 7. R.D. at 232.	6
H.	I&E Reply to Columbia Exception No. 8. R.D. at 240.	6
I.	I&E Reply to Columbia Exception No. 9. R.D. at 337, 348, 350.	6
J.	I&E Reply to Columbia Exception No. 10. R.D. at 394.	7
K.	I&E Reply to Columbia Exception No. 11. R.D. at 397.	7
L.	I&E Reply to Columbia Exception No. 12. R.D. at 489.	9
M.	I&E Reply to Columbia Exception No. 13. R.D. at 647.	10
N.	I&E Reply to Columbia Exception No. 14. R.D. at 622.	11
O.	I&E Reply to Columbia Exception No. 15. R.D. at 549.	11
P.	I&E Reply to Columbia Exception No. 16. R.D. at 608.	11
Q.	I&E Reply to Columbia Exception No. 17. R.D. at 647.	11
R.	I&E Reply to Columbia Exception No. 18. R.D. at 662.	11
S.	I&E Reply to Columbia Exception No. 19. R.D. at 608.	12
T.	I&E Reply to Columbia Exception No. 20. R.D. at 681, 684, 685.	12
III.	I&E REPLIES TO EXCEPTIONS OF THE OCA.....	12
A.	I&E Reply to OCA Exceptions Nos. 1(A), 1(B), 1(C). R.D. at 137.	13
B.	I&E Reply to OCA Exception No. 2. R.D. at 157, 173, 210, 223.....	13
C.	I&E Reply to OCA Exception No. 3. R.D. at 216.....	13
D.	I&E Reply to OCA Exception No. 4. R.D. at 228.....	13
E.	I&E Reply to OCA Exception No. 5. R.D. at 238, 246.....	13
F.	I&E Reply to OCA Exception No. 6. R.D. at 350.....	13
G.	I&E Reply to OCA Exception No. 7. R.D. at 502, 505.....	13

H.	I&E Reply to OCA Exception No. 8. R.D. at 505.....	13
I.	I&E Reply to OCA Exception No. 9. R.D. at 393.....	14
IV.	I&E REPLIES TO THE EXCEPTIONS OF PENN STATE (PSU).....	14
A.	I&E Reply to PSU Exception No. 1. R.D. at 393.....	14
B.	I&E Reply to PSU Exception No. 2. R.D. at 401.....	16
V.	CONCLUSION	17

TABLE OF CITATIONS

Cases

<i>Bell Telephone Co. v. Pa. PUC</i> , 452 A.2d 86 (Pa. Cmwlth 1982), <i>aff'd</i> 482 A.2d 1272 (Pa 1983).....	4
<i>Pa. PUC v. Columbia Gas of Pennsylvania, Inc.</i> , Docket No. R-2020-3018835 (Order entered February 19, 2021)	15
<i>Pa. PUC v. Phila. Gas Works</i> , Docket No. R-00061931, <i>et al</i> (Order entered Sept. 28, 2007)	15
<i>Pa. PUC v. Philadelphia Gas Works</i> , Docket No. R-2023-3037933 (Order entered Nov. 9, 2023).....	15

Statutes

66 Pa. C.S. § 332(h).....	1
66 Pa. C.S. § 315(e)	4

Regulations

52 Pa. Code § 5.535	1
---------------------------	---

I. INTRODUCTION

Pursuant to 66 Pa. C.S. § 332(h) of the Public Utility Code and 52 Pa. Code § 5.535 of the Public Utility Commission regulations, the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits these Replies to Exceptions filed by the parties in response to the Recommended Decision (“Recommended Decision” or “RD”) of Administrative Law Judges Jeffrey A. Watson and Chad Allensworth (the “ALJs”) issued on October 3, 2025.

On March 20, 2025, Columbia Gas of Pennsylvania, Inc. (“Columbia” or “Columbia Gas” or “Company”) filed proposed Supplement No. 392 to Tariff Gas Pa. P.U.C. No. 9 with the Pennsylvania Public Utility Commission. The Company proposed increasing rates to produce additional overall annual revenues of \$110.5 million per year, a 12.0% increase in the overall distribution revenue requirement, to be effective May 19, 2025.¹

The parties to this base rate proceeding are Columbia; I&E; the Office of Consumer Advocate (“OCA”); the Office of Small Business Advocate (“OSBA”); the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”); the Pennsylvania Weatherization Providers Task Force (“PWPTF” or “Task Force”), and The Pennsylvania State University (“Penn State” or “PSU”). Additionally, there were five formal complaints filed by Columbia ratepayers that were consolidated into this proceeding.

¹ RD, p. 1.

The evidentiary hearing was convened as scheduled on August 6, 2025, and concluded on August 7, 2025. Counsel for Columbia, I&E, OCA and OSBA appeared, as well as counsel for PSU, CAUSE-PA, and Task Force. No individual Complainant attended the evidentiary hearing.²

After the conclusion of the hearing and the closing of the record, the active parties submitted briefs according to the briefing schedule. I&E submitted its Main Brief on August 26, 2025 (“I&E MB”) as did the other active parties. I&E then submitted its Reply Brief on September 5, 2025 (“I&E RB”) as did the other active parties.

Then, on October 3, 2025, the ALJs issued their Recommended Decision. Columbia Gas, OCA, and PSU all filed Exceptions to the Recommended Decision on October 14, 2025. I&E now files these Replies to Exceptions of Columbia Gas Nos. 1 through 20 (“Columbia Exceptions”); OCA Nos. 1 through 9 (“OCA Exceptions”); PSU Nos. 1 and 2 (“PSU Exceptions”), and requests the Commission affirm the Recommended Decision without modification.

II. I&E REPLIES TO EXCEPTIONS OF COLUMBIA GAS

I&E recommends that the Commission affirm the Recommended Decision and reject the Columbia Gas Exceptions to the extent recommended below.

A. I&E Reply to Columbia Gas Exception No. 1. R.D. at 115.

Columbia erroneously argues that the RD’s recommendation disregarded the traditional ratemaking formula and is unconstitutional and contrary to the record.³

² RD, p. 8.

³ Columbia Exceptions, p. 4.

Further, Columbia erroneously argues that a commission decision rejecting any rate increase would send shockwaves through the financial community.⁴

I&E argues that the ALJs correctly found that based on their careful and exhaustive review of the substantial record evidence, the ALJs recommended that the Commission deny Columbia's proposed tariff in its entirety.⁵ The ALJs correctly concluded that Columbia failed to meet its burden of proof that the proposed rate increase, rate design, and alternate rate mechanisms are in the public interest and will result in just and reasonable rates consistent with the public utility code.⁶ Ultimately, the ALJs correctly recommended that the Commission deny Columbia's base rate request and keep in place the rates, charges, and provisions having been previously approved.⁷

The ALJs correctly reasoned that since 2006, Columbia has filed twelve rate cases yielding approved rate increases in excess of \$487 million.⁸ Further, Columbia's WNA pilot has produced approximately \$74 million in additional revenues from Columbia ratepayers subject to the WNA in the five most recent heating seasons.⁹ Finally, the ALJs correctly noted that when compared to other Pennsylvania jurisdictional natural gas distribution companies, Columbia has the highest average monthly bill for a residential heating customer using 73.7 Ccf/month.¹⁰ One could argue Columbia has been sending

⁴ *Id.*, p. 7.

⁵ RD, p. 2.

⁶ *Id.*

⁷ *Id.*

⁸ RD, p. 1.

⁹ *Id.*

¹⁰ *Id.*

shock waves through the ratepaying public for years. Therefore, the Commission should reject Columbia Exception No. 1.

B. I&E Reply to Columbia Gas Exception No. 2. R.D. at 2.

Columbia erroneously argues that the ALJs unlawfully recommended that the effective date of rates be delayed after the end of the statutory suspension period.¹¹

Columbia argues that the ALJs recommendation is contrary to law and would be reversible error if adopted.¹² In support of its argument, Columbia cites to the 1982 *Bell Telephone Co. v. Pa. PUC*¹³ Commonwealth Court decision.¹⁴

I&E argued that Columbia’s convoluted logic proffered to support their argument is not supported by any precedent and the 1982 case they cite to support their position is woefully outdated and inapplicable having been decided decades prior to the implementation of the Fully Projected Future Test Year (“FPFTY”) as a ratemaking mechanism.¹⁵ Act 11 of 2018 amended Section 315(e) of the Public Utility Code¹⁶ to include the use of the FPFTY as a mechanism that a public utility can select to meet their Section 315 burden of proof. Further, Section 315(e) clearly states “... or a fully projected future test year, which shall be the 12-month period beginning with the first month that the new rates will be placed into effect.”¹⁷ The ALJs correctly concluded

¹¹ Columbia Exceptions, p. 8.

¹² *Id.*, p. 8.

¹³ 452 A.2d 86 (Pa. Cmwlth 1982), *aff’d* 482 A.2d 1272 (Pa 1983).

¹⁴ Columbia Exception, p. 9.

¹⁵ I&E MB, pp. 58-59; I&E RB, pp. 32-35.

¹⁶ *See* 66 Pa. C.S. § 315(e) as amended.

¹⁷ 66 Pa. C.S. § 315(e) (emphasis added).

“that Columbia’s new rates become effective the first day of the fully projected future test year (FPFTY), January 1, 2026.”¹⁸ Therefore, I&E recommends that the Commission put an end to Columbia’s archaic logic in this proceeding to prevent other utilities from attempting to make this argument and reject Columbia’s Exception No. 2.

C. I&E Reply to Columbia Exception No. 3. R.D. at 204.

Columbia erroneously argues that the ALJ’s recommendation to disallow 70% of Columbia’s cash-based incentive compensation disregards long established precedent.¹⁹

In reply, I&E offers that the ALJs correctly considered the testimony of OCA witness Mr. Mugrace and therefore the Commission should reject Columbia’s Exception number 3.²⁰

D. I&E Reply to Columbia Exception No. 4. R.D. at 206.

Columbia erroneously argues that the ALJ’s recommendation to disallow 70% of Columbia’s stock-based incentive compensation disregards long established precedent.²¹

In reply, I&E offers that the ALJs correctly considered the testimony of OCA witness Mr. Mugrace and therefore the Commission should reject Columbia’s Exception No. 4.²²

¹⁸ RD, p. 2. See also RD, pp. 679-680, Ordering Paragraphs 3-4.

¹⁹ Columbia Exceptions, p. 9.

²⁰ See RD, pp. 202-205.

²¹ Columbia Exceptions, pp 10-12.

²² See RD, pp. 205-208.

E. I&E Reply to Columbia Exception No. 5. R.D. at 209.

I&E does not offer a reply to Columbia Exception No. 5 other than the RD correctly relied on the testimony of OCA witness Mr. Mugrace.²³

F. I&E Reply to Columbia Exception No. 6. R.D. at 226.

Columbia erroneously argues that the RD incorrectly disallows Chambers of Commerce and Energy Association of Pennsylvania membership dues.²⁴

I&E offers that the ALJs correctly relied on the testimony of OCA witness Mr. Mugrace.²⁵ Therefore the Commission should reject Columbia Exception No. 6.

G. I&E Reply to Columbia Exception No. 7. R.D. at 232.

Columbia erroneously argues that the RD erred in denying recovery of Energy Assistance Team costs.²⁶

I&E argues that the RD correctly relied on the substantial record evidence presented by I&E.²⁷ Therefore the Commission should reject Columbia Exception No. 7.

H. I&E Reply to Columbia Exception No. 8. R.D. at 240.

I&E offers no reply to Columbia Exception No. 8.

I. I&E Reply to Columbia Exception No. 9. R.D. at 337, 348, 350.

Columbia argues that the Commission should establish a return on equity consistent with I&E's recommended 10.51%.²⁸

²³ RD, pp. 209-210.

²⁴ Columbia Exceptions, pp. 12-14.

²⁵ RD, pp. 226-227.

²⁶ Columbia Exceptions, p. 14.

²⁷ RD, pp. 223-224.

²⁸ Columbia Exceptions, p. 15.

To the extent a reply is necessary, I&E agrees with the RD's reasoning and recommendations regarding the overall rate of return and return on equity.²⁹ Further, I&E continues to agree with the RD that the record does not support the awarding of any management performance points.³⁰

J. I&E Reply to Columbia Exception No. 10. R.D. at 394.

The RD recommends adoption of Columbia's allocated cost of service study without mains.³¹ Nevertheless, Columbia argues that the RD does not recommend a specific revenue allocation proposal.³²

I&E notes that the RD states "we recommend that the Company's customer cost analysis, that does not include the cost of mains, should be utilized in this proceeding; and, the Company's customer cost analysis that includes the cost of mains should not be considered."³³ Otherwise, I&E does not offer a reply to Columbia Exception No. 10.

K. I&E Reply to Columbia Exception No. 11. R.D. at 397.

Columbia erroneously argues that the ALJs' analysis of the issues related to Columbia's proposal to increase fixed residential charge by more than 85% is "flawed", does not consider cost of service principles and does not properly evaluate the merits of arguments made by I&E, OCA and CAUSE-PA.³⁴ However, this argument disregards

²⁹ RD, pp. 337-338, 350-351.

³⁰ RD, pp. 348-350.

³¹ Columbia Exceptions, p. 17.

³² *Id.*

³³ RD, p. 394.

³⁴ Columbia Exceptions pp. 18-22.

the valid concerns raised by other parties and violates the established principles of gradualism.

As the ALJs correctly highlighted, Columbia's proposed increase in residential customer charge, as numerous parties have argued, is a significant increase in what is already the highest such charge among NGDCs in the Commonwealth.³⁵ While an increase in the fixed customer charge (and correspondingly decreased volumetric charges) could result in savings above a certain threshold of gas usage, doing so would be contrary to the Commission's goal of fostering energy conservation and reduce the agency of the customer, as their efforts to reduce usage would have a lower impact.³⁶ Furthermore, the ALJs correctly reason that mains and uncollectables should be excluded from any customer cost analysis, and that Columbia's extraordinary proposed increase puts customers at risk for rate shock, as such a significant increase would violate the principle of gradualism.³⁷

I&E asserts that the ALJs properly considered the evidence and arguments of all parties in reaching their recommendation to deny the proposed increase, or alternatively noting that any increase in such a charge should be based on the Peak and Average allocated cost of service study (P&A ACOS).

I&E replies that the ALJs provided an extensive discussion of cost-of-service, rate structure, and rate design.³⁸ More specifically, as part of its lengthy discussion, the RD

³⁵ RD p. 365, 378, 383-84.

³⁶ See I&E Statement No. 3 pp. 44-46.

³⁷ RD p. 399.

³⁸ See RD, pp. 351-402.

states “accordingly, we agree with OCA and I&E and recommend that the residential customer charge increase proposed by the Company be rejected and that the customer charges for rate classes RS, RDS, and RC2 stay at the current rate of \$17.25.”³⁹

Therefore, the Commission should reject Columbia Exception No. 11.

L. I&E Reply to Columbia Exception No. 12. R.D. at 489.

Columbia erroneously argues that the ALJs mischaracterize aspects of Columbia’s WNA and argues that the Commission should approve a permanent WNA.⁴⁰ However, much of Columbia’s exception argument concerns relatively minor factors and suggestions that their program should be approved based on the programs accepted by other utility companies.⁴¹ Columbia also erroneously argues that the Commission should not consider the ALJ recommended alternatives proposed by I&E and CAUSE-PA.⁴²

However, as argued by I&E in both testimony⁴³ and briefing⁴⁴, the WNA pilot program in this case should not be made permanent based on multiple Commission Issued policy questions, as the WNA does not properly align revenues with cost causation principles, inappropriately shifts costs to lower income customers and is generally too complex and confusing to customers. The ALJs also recommended modifications proposed by I&E and CAUSE-PA should the Commission decide to allow the WNA to continue, including modifications to what months utilize the WNA, shortening the period

³⁹ RD, p. 397.

⁴⁰ Columbia Exceptions, pp. 22-23.

⁴¹ Columbia Exceptions, pp. 23-25.

⁴² Columbia Exceptions, p. 25.

⁴³ See I&E St. No. 3, pp 10-21, I&E St. No 3-SR pp. 8-16.

⁴⁴ I&E Main Brief pp 66-69.

of time used to determine normal heating degree days to 10 years, and increasing the deadband to 5%.⁴⁵

I&E asserts that the ALJs properly considered the evidence and arguments of all parties in reaching their recommendation to end the WNA pilot program and not make the WNA permanent, or alternatively to make such changes as proposed by I&E and CAUSE-PA. Therefore, the Commission should reject Columbia Exception No. 12.

M. I&E Reply to Columbia Exception No. 13. R.D. at 647.

Columbia erroneously argues that their proposed Economic Development Distribution Service rate class should be approved to allow Columbia to potentially serve extremely large load customers such as data centers.⁴⁶ However, in addition to being premature given the pending Commission policy decisions,⁴⁷ Columbia's argument ignores the concerns raised by I&E, OCA and CAUSE-PA. The ALJs properly recognized these concerns, including arguments by I&E regarding jurisdictional issues, risk of improper subsidization by customers outside the proposed class as well as stranded cost issues related to transmission between jurisdictional and non-jurisdictional customers.⁴⁸

⁴⁵ RD pp. 494-497.

⁴⁶ Columbia Exceptions, p. 26.

⁴⁷ RD p. 647.

⁴⁸ See I&E Main Brief pp 83-84, I&E St. No. 3 pp. 30-35, I&E St. No. 3-SR pp. 31-33.

I&E asserts that the ALJS properly considered the concerns raised by I&E and other parties in reaching their reasoned recommendation to deny the proposed rate EDDS. Therefore, the Commission should reject Columbia Exception No. 13.

N. I&E Reply to Columbia Exception No. 14. R.D. at 622.

I&E does not offer a reply to Columbia Exception No. 14 as the ALJ's recommendation relied on the record evidence presented by Columbia, the OCA and CAUSE-PA.

O. I&E Reply to Columbia Exception No. 15. R.D. at 549.

I&E does not offer a reply to Columbia Exception No. 15 as the ALJ's recommendation relied on the record evidence presented by Columbia, the OCA and CAUSE-PA.

P. I&E Reply to Columbia Exception No. 16. R.D. at 608.

I&E does not offer a reply to Columbia Exception No. 16 as the ALJ's recommendation relied on the record evidence presented by Columbia and the OCA.

Q. I&E Reply to Columbia Exception No. 17. R.D. at 647.

I&E does not offer a reply to Columbia Exception No. 17 as the ALJ's recommendation relied on the record evidence presented by Columbia, the OCA and CAUSE-PA.

R. I&E Reply to Columbia Exception No. 18. R.D. at 662.

Columbia argues that the ALJs erred in that they appeared to recommend both the primary proposal by I&E that Columbia implement a pilot program for methane detectors

as well as the alternative proposal by I&E that Columbia be required to study the feasibility of such a program and present the results to the Commission.⁴⁹

I&E asserts that the benefits of such a pilot program would be significant⁵⁰ and that the primary proposal to develop and implement the pilot program should be approved, or alternatively that Columbia be required to complete and present to the Commission a feasibility study on a timeframe the Commission feels is reasonable.

S. I&E Reply to Columbia Exception No. 19. R.D. at 608.

I&E does not offer a reply to Columbia Exception No. 19 as the ALJ's recommendation relied on the record evidence presented by Columbia, the OCA and CAUSE-PA.

T. I&E Reply to Columbia Exception No. 20. R.D. at 681, 684, 685.

I&E does not offer a reply to Columbia Exception No. 20 as the ALJ's recommendation relied on the record evidence presented by Columbia, the OCA and CAUSE-PA.

III. I&E REPLIES TO EXCEPTIONS OF THE OCA

I&E recommends that the Commission affirm the Recommended Decision and reject the OCA Exceptions to the extent recommended below.

⁴⁹ Columbia Exceptions, p. 33.

⁵⁰ See I&E Main Brief pp. 85-86.

A. I&E Reply to OCA Exceptions Nos. 1(A), 1(B), 1(C). R.D. at 137.

The OCA filed exceptions regarding the RD's recommendations relative to Columbia's continued use of the Equal Life Group depreciation methodology.⁵¹

I&E did not present any testimony regarding this issue. Therefore, I&E does not offer a reply to OCA Exception No. 1.

B. I&E Reply to OCA Exception No. 2. R.D. at 157, 173, 210, 223.

I&E offers no reply to OCA Exception No. 2.

C. I&E Reply to OCA Exception No. 3. R.D. at 216.

I&E offers no reply to OCA Exception No. 3.

D. I&E Reply to OCA Exception No. 4. R.D. at 228.

I&E offers no reply to OCA Exception No. 4.

E. I&E Reply to OCA Exception No. 5. R.D. at 238, 246.

I&E offers no reply to OCA Exception No. 5.

F. I&E Reply to OCA Exception No. 6. R.D. at 350.

I&E offers no reply to OCA Exception No. 6.

G. I&E Reply to OCA Exception No. 7. R.D. at 502, 505.

I&E offers no reply to OCA Exception No. 7.

H. I&E Reply to OCA Exception No. 8. R.D. at 505.

I&E offers no reply to OCA Exception No. 8.

⁵¹ OCA Exceptions pp. 3-14.

I. I&E Reply to OCA Exception No. 9. R.D. at 393.

The OCA argues that the ALJs agreed with the OCA's position that the Company's proposed Peak & Average (P&A) allocated cost of service (ACOS) study should be utilized for the purposes of revenue allocation and rate design and that the results of the P&A ACOS study should be tempered by principles of gradualism.⁵² Further, the OCA notes that the ALJs did not reach a determination regarding whether the appropriate gradualism ceiling for Rate LDS/LGSS customers is 1.5 times (as proposed by Columbia) or 2.0 times the system average increase (as proposed by the OCA and the OSBA) and, if the gradualism ceiling is increased to 2.0, how the difference in revenue should be allocated among the remaining classes.⁵³

I&E offers that the RD discusses these issues at length.⁵⁴ I&E's understanding of the RD is that the ALJs made recommendations and preserved certain final decisions for the Commission. Beyond that, I&E offers no reply to OCA Exception No. 9.

IV. I&E REPLIES TO THE EXCEPTIONS OF PENN STATE (PSU)

I&E recommends that the Commission affirm the Recommended Decision and reject the PSU Exceptions to the extent recommended below.

A. I&E Reply to PSU Exception No. 1. R.D. at 393.

PSU erroneously argues that "the evidence of record demonstrates that the Customer-Demand Study is in accord with cost causation principles, and that evidence

⁵² OCA Exceptions, pp. 33-34.

⁵³ *Id.*, pp. 34-35.

⁵⁴ *See* RD, pp. 351-402.

cannot be ignored based on Commission precedent.”⁵⁵ PSU argues further that “the evidence in this proceeding shows that Columbia’s Average COSS is a balanced and fair approach to the allocation of costs, whereas the Peak and Average COSS fails to conform to the evidence of how Columbia designs, constructs, and maintains and thus incurs costs for its distribution system.”⁵⁶

The RD correctly considered all of the substantial record evidence presented by I&E, the OCA, and PSU regarding allocated cost of Service Studies and revenue allocation.⁵⁷ The RD correctly recommended that “the Company utilize the peak and average methodology to allocate any potential revenue increases among Columbia customer classes; and that the Company continue to show a separate customer class for flex rate customers.”⁵⁸ Further, use of the P&A COSS is also consistent with Commission precedent both generally and specifically to Columbia based on prior cases.⁵⁹ Additionally, the RD agreed with the OCA stating “the evidence of record does not indicate a sufficient basis to move away from the Commission’s precedent supporting the P&A methodology in similar circumstances as presented here, and that the results of the Company’s P&A ACOS to allocate any potential revenue increases among Columbia

⁵⁵ PSU Exceptions, p. 5.

⁵⁶ *Id.*

⁵⁷ *See* RD, pp. 393-401.

⁵⁸ RD, p. 393.

⁵⁹ *Pa. Pub. Util. Comm’n v. Philadelphia Gas Works, Docket No. R-2023-3037933 (Order entered Nov. 9, 2023)* at 137 (citing *Pa. PUC v. Phila. Gas Works, Docket No. R-00061931, et al (Order entered Sept. 28, 2007)* at 80; *Columbia 2020* at 217).

customer classes are reasonable and should be given significant weight.”⁶⁰ Therefore, the Commission should reject PSU Exception No. 1.

B. I&E Reply to PSU Exception No. 2. R.D. at 401.

PSU argues that the RD “not only erroneously chose the Peak and Average COSS, but it also failed to make a decision regarding how to implement that study to allocate the rate increase across Columbia Gas’ customer classes.”⁶¹ PSU argues further that “should the Commission choose the Peak and Average COSS, Penn State submits that the Company’s revenue allocation, scaled back proportionally, should be utilized to develop rates.”⁶²

In reply, I&E offers the RD reasoned “in the event the Commission grants an increase less than the amount requested by the Company, we recommend that all proposed increases to customer charges and usage rates be scaled back proportionately based on the P&A ACOSS.”⁶³ Further, the RD set forth its reasoning regarding rate design which included consideration of both scale back and gradualism rate design concepts.⁶⁴ The RD concluded that “the ALJs agree with I&E that if the Commission determines to approve less than the full requested increase, then all customer charges and usage rates should be scaled back proportionately based on the allocated cost of service

⁶⁰ *Id.*, pp. 393-394.

⁶¹ PSU Exception, p. 11.

⁶² *Id.*

⁶³ RD, p. 401.

⁶⁴ *See* RD, pp. 396-402.

study the Commission approves.”⁶⁵ Therefore, the Commission should reject PSU Exception No. 2.

V. CONCLUSION

Wherefore, I&E respectfully submits that for all the foregoing reasons, the Bureau of Investigation and Enforcement respectfully requests that the Recommended Decision of Administrative Law Judges Jeffrey A. Watson and Chad Allensworth, issued on October 3, 2025, be adopted by the Commission pursuant to the I&E Replies to Exceptions set forth above.

Respectfully submitted,



Scott B. Granger
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 63641

Dated: October 21, 2025

⁶⁵ RD, p. 402.

**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 I am serving the foregoing **Reply Exceptions** dated
October 21, 2025, in the manner and upon the persons listed below:

Served via Electronic Mail Only

Candis A. Tunilo, Esq.
NiSource Corporate Services Co
800 N. Third Street, Suite 204
Harrisburg, PA 17102
ctunilo@nisource.com
Counsel for Columbia Gas

Emily Farah, Esq.
121 Champion Way, Suite 100
Canonsburg, PA 15317
efarah@nisource.com
Counsel for Columbia Gas

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

Steven C. Gray, Esq.
Rebecca Lyttle, Esq.
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923
sgray@pa.gov
relyttle@pa.gov

Christy M. Appleby, Esq.
Jacob D. Gutherie, Esq.
Harrison W. Breitman, Esq.
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
OCAColumbiaGas2025@paoca.org

John W. Sweet, Esq.
Ria M. Pereira, Esq.
Lauren M. Berman, Esq.
Elizabeth R. Marx, Esq.
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@pautilitylawproject.org
Counsel for CAUSE-PA

Whitney E. Snyder, Esq.
Thomas J. Sniscak, Esq.
Erich W. Struble, Esq.
HMS Legal LLP
501 Corporate Circle, Suite 302
Harrisburg, PA 17110
wesnyder@hmslegal.com
tjsniscak@hmslegal.com
ewstruble@hmslegal.com
Counsel for PSU

Joseph L. Vullo, Esq.
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
jlvullo@bvrrlaw.com
Counsel for PWPTF

Linda Allison
522 Pacific Avenue
York, PA 17404
xdiver@verizon.net

Linda Slick
2200 Broadway Avenue, 2nd Floor
Pittsburgh, PA 15216
15216slick@gmail.com

Terri Walker
508 Main Street
Meyersdale, PA 15552
2shihtzu@gmail.com

Alexandra Garlitz
705 6th Street
Charleroi, PA 15022
alixg@comcast.net

Mark Ewen
Industrial Economics, Inc.
2067 Massachusetts Avenue
Cambridge, MA 02140
mewen@indecon.com

James L. Crist, PE
Lumen Group, Inc.
4226 Yarmouth Drive, Suite 101
Allison Park, PA 15101
jlcris@aol.com



Scott B. Granger
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 63641
(717) 425-7593
sgranger@pa.gov