

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
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March 22, 2016

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

Re: Pa. Public Utility Commission
v.
Columbia Gas of Pennsylvania, Inc.
Docket No. R-2016-2529660

Dear Secretary Chiavetta:

Attached for electronic filing please find the Formal Complaint and Public Statement of the Office of Consumer Advocate in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Lauren Burge
Lauren Burge
Assistant Consumer Advocate
PA Attorney I.D. 311570

Attachment

cc: Office of Special Assistants
Office of Administrative Law Judge
Bureau of Technical Utility Services
Certificate of Service

218579

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

1. CUSTOMER NAME (COMPLAINANT)

Tanya J. McCloskey, Acting Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County
Phone: (717) 783-5048

2. UTILITY NAME (RESPONDENT)

Columbia Gas of Pennsylvania, Inc.; Docket No. R-2016-2529660

3. TYPE OF UTILITY

Gas

4. COMPLAINT

- A. On March 18, 2016, Columbia Gas of Pennsylvania, Inc. (Columbia or the Company) filed Supplement No. 241 to Tariff Gas - Pa. P.U.C. No. 9 at Docket No. R-2016-2529660 (Supplement No. 241). The Company proposes to increase rates to produce additional annual operating revenues of \$55.3 million, or 11.23%, over present revenues. The Company proposes that the rate increase become effective on May 17, 2016.
- B. Columbia is engaged in the business of furnishing natural gas service to approximately 421,000 residential, commercial, and industrial customers in portions of 26 counties in western, northwestern, central, and southern Pennsylvania.
- C. The total bill for a residential customer who purchases 70 therms of gas per month would increase from \$77.33 to \$86.97 per month, or by 12.47%. The Company proposes to increase the residential fixed monthly charge by \$2.76 from \$16.75 to \$19.51.
- D. Pursuant to Act 11 of 2012 (Act 11), the Company utilizes a fully forecasted future test year ending on December 31, 2017 in its filing.
- E. The Company's proposed rate increase, if approved, would produce an 8.15% overall rate of return on its original cost rate base, including an 11% return on common equity.

- F. The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission, pursuant to Act 1976-161 of the General Assembly, as amended, 71 P.S. §§ 309-1 *et seq.*
- G. A preliminary examination of the Company's filing indicates that the proposed increase may be unjust, unreasonable, in violation of law, and will or may produce an excessive return on investment in violation of the Public Utility Code, 66 Pa.C.S. § 1301, *et seq.*
- H. The Consumer Advocate also avers that the proposed tariff changes and proposed rate design may be unjust, unreasonable, and unlawfully discriminatory, in violation of the Public Utility Code, 66 Pa.C.S. §§ 1301 and 1304, *et seq.*, and may otherwise be contrary to sound ratemaking principles and public policy.
- I. A preliminary examination and review by the OCA of the Company's existing rates, rules, and regulations indicates that certain rates, rules, and regulations may not be just and reasonable or otherwise proper under the Public Utility Code and applicable ratemaking principles. 66 Pa.C.S. §1301, *et seq.*
- J. The Consumer Advocate files this Complaint to ensure that the Commission fully and fairly adjudicates issues pertaining to whether the Company's existing and proposed rates—and all rate policy changes—are unjust, unreasonable, unduly discriminatory, or otherwise unlawful.

5. RELIEF

The Consumer Advocate respectfully requests that Your Honorable Commission take the following actions:

- A. Suspend and investigate the operation of Supplement No. 241, pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d);
- B. Consolidate all complaints filed against the proposed Supplement No. 241;
- C. Hold full evidentiary hearings examining the reasonableness of the Company's current rates and its proposed increases in rates;
- D. After providing the public with adequate notice, hold public input hearings in the Company's service territory in order to provide customers with an opportunity to be heard on the record, and hold those hearings as early in the case as feasible;
- E. Deny any increase or change in Company's rates that is unjust, unreasonable, or inconsistent with the Public Utility Code, sound ratemaking principles, and public policy;
- F. Determine the justness and reasonableness of Company's current and proposed rates; and

G. Grant such other relief it deems appropriate.

6. VERIFICATION AND SIGNATURE

Verification:

I, Tanya J. McCloskey, Acting Consumer Advocate, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).


(Signature)

3/22/16
(Date)

7. LEGAL REPRESENTATION

Erin L. Gannon, Senior Consumer Advocate (Pa. Bar #83487), EGannon@paoca.org
Amy E. Hirakis, Assistant Consumer Advocate (Pa. Bar #310094), AHirakis@paoca.org
Lauren M. Burge, Assistant Consumer Advocate (PA Bar #311570), LBurge@paoca.org

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**PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)**

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (PUC). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the PUC involving the proposed rate increase requested by Columbia Gas of Pennsylvania, Inc. (Columbia). Columbia is engaged in the business of furnishing natural gas service to approximately 421,000 residential, commercial, and industrial customers in 26 counties in western, northwestern, southern and central Pennsylvania.

On March 18, 2016, Columbia filed for an overall increase in annual operating revenues of \$55.3 million or 11.23%, effective May 17, 2016. The total bill for a residential customer who purchases 70 therms of gas per month would increase from \$77.33 to \$86.97. The Company's proposed rate increase, if approved, will produce an 8.15% overall rate of return on its original cost rate base, including an 11% return on common equity. Columbia proposes to increase the fixed monthly charge from \$16.75 to \$19.51.

The Consumer Advocate files this Complaint to determine whether the rate increase and other policy changes sought by Columbia are just and reasonable based upon the information filed by the Company in support of its claim. The Consumer Advocate will represent the interests of Columbia's consumers before the PUC and seek to ensure that customers are not charged rates that are unjust, unreasonable, or otherwise contrary to law.

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
v. : Docket No. R-2016-2529660
Columbia Gas of Pennsylvania, Inc. :

I hereby certify that I have this day served a true copy of the foregoing document, Formal Complaint and Public Statement of the Office of Consumer Advocate, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 22nd day of March 2016.

SERVICE BY E-MAIL AND INTER-OFFICE MAIL

Johnnie Simms
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

SERVICE BY E-MAIL AND FIRST CLASS MAIL, POSTAGE PREPAID

John R. Evans
Office of Small Business Advocate
Suite 202, Commerce Building
300 N. Second Street
Harrisburg, PA 17101

Theodore J. Gallagher, Esquire
Columbia Gas of Pennsylvania, Inc.
121 Champion Way, Suite 100
Canonsburg, PA 15317
Counsel for Columbia Gas of Pennsylvania, Inc.

Michael W. Hassell, Esquire
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101
Counsel for Columbia Gas of Pennsylvania, Inc.

/s/ Lauren Burge
Erin L. Gannon
Senior Assistant Consumer Advocate
PA Attorney I.D. # 83487
[REDACTED]

Lauren Burge
Assistant Consumer Advocate
PA Attorney I.D. 311570
[REDACTED]

Amy Hirakis
Assistant Consumer Advocate
PA Attorney I.D. #310094
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