

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 26, 2016

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

Re: Pa. Public Utility Commission
v.
Peoples Natural Gas Company, LLC –
Equitable Division
Docket No. R-2016-2542923

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

Attachment

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

221554

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
Facsimile: (717) 783-7152

2. UTILITY NAME (RESPONDENT)

Peoples Natural Gas Company LLC – Equitable Division at Docket No. R-2016-2542923

3. TYPE OF UTILITY

Gas

4. COMPLAINT

- A. On April 29, 2016, Peoples Natural Gas Company LLC – Equitable Division (“Peoples-Equitable Division” or Company) filed Supplement No. 38 to Tariff Gas – Pa. P.U.C. No. 46. The Company proposes to implement Rate MLX to replace its pilot program entitled Pilot Rider H - Service Expansion Tariff (Rider SET).
- B. Rider SET is an alternative to the Company’s main extension tariff that allows customers to pay the uneconomic portion of the main extension project through a monthly surcharge on their bills. Rider SET was intended to reduce the financial barriers faced by consumers seeking natural gas service in areas where natural gas is currently unavailable.
- C. Rate MLX, if approved, would allow customers to pay the uneconomic portion through higher delivery charges instead of as an upfront lump payment. Customers would no longer have the option of paying their uneconomic portion through a monthly surcharge.
- D. The Company is engaged in the business of furnishing natural gas service to approximately 265,000 customers in portions of 10 counties in

Pennsylvania, including Allegheny, Armstrong, Butler, Clarion, Fayette, Greene, Indiana, Jefferson, Washington, and Westmoreland counties.

- E. The Company's proposed Rate MLX will be available to residential and commercial customers who seek natural gas service.
- F. Under the proposal, the Company will apply Rate MLX for each Mcf of gas used. The applicable rate a customer will be charged is at the discretion of the Company, but within the range provided in the filing. For a residential customer, the minimum rate is \$6.79 per Mcf and the maximum rate is \$10.34 per Mcf.
- G. 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 Pa. C.S. §§ 309-1, *et seq.*
- H. The Acting Consumer Advocate avers that provisions of the Company's proposed Rate MLX require further investigation and may be unjust, unreasonable and contrary to sound public policy.
- I. The Acting Consumer Advocate avers that the Company's calculations, formulas and supporting data used in determining Rate MLX may not be in compliance with the Public Utility Code, Commission regulations, Commission orders and/or general ratemaking principles and require further investigation.
- J. The Acting Consumer Advocate files this Formal Complaint to ensure that the Commission fully and fairly adjudicates issues pertaining to whether the Company's proposed Rate MLX is just, reasonable, and otherwise lawful.

5. RELIEF

The Acting Consumer Advocate respectfully requests that the Public Utility Commission take the following actions:

- A. Refer this matter to the Office of Administrative Law Judge for assignment to an Administrative Law Judge for hearings where all issues can be thoroughly developed;
- B. Consolidate all complaints filed against the proposed Rate MLX;
- C. Hold full evidentiary hearings examining the reasonableness of Rate MLX;

- D. Deny Rate MLX if the rate cannot be fully justified by the Company or if otherwise contrary to the Public Utility Code, sound ratemaking principles and/or public policy; and
- E. Grant such other relief that the Commission may deem to be necessary and proper.

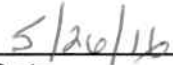
6. VERIFICATION AND SIGNATURE

Verification:

I, Tanya J. McCloskey, 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



Date

7. LEGAL REPRESENTATION

Amy E. Hirakis, Assistant Consumer Advocate, PA Attorney ID 310094
Darryl Lawrence, Senior Assistant Consumer Advocate, PA Attorney ID 93682

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

Act 161 of the Pennsylvania General Assembly, 71 Pa. C.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 Acting Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the PUC involving the proposed Rate MLX filed by Peoples Natural Gas Company LLC – Equitable Division (“Peoples-Equitable Division” or Company).

On April 29, 2016, the Company filed Supplement No. 38 to Tariff Gas – Pa. P.U.C. No. 46. The Company proposes Rate MLX to replace its pilot program entitled Pilot Rider H - Service Expansion Tariff (Rider SET). Rider SET is an alternative to the Company’s main extension tariff that allows customers to pay the uneconomic portion of their main extension project through a monthly surcharge on their bills. Rider SET was intended to reduce the financial barriers faced by consumers seeking natural gas service in areas where natural gas is currently unavailable. The Company’s proposed Rate MLX, if approved, would allow customers to pay the uneconomic portion through higher delivery charges instead of as an upfront lump payment. Customers would no longer have the option of paying their uneconomic portion through a monthly surcharge. Rate MLX will be available to residential and commercial customers who seek natural gas service.

The objective of the Acting Consumer Advocate in filing a Formal Complaint in this matter is to protect the interests of the Company’s customers, both existing customers and new customers. The Acting Consumer Advocate will seek to ensure that

the Company is permitted to implement Rate MLX only if the program is in compliance with the Public Utility Code, Commission regulations, Commission orders and general ratemaking principles and represents sound public policy.

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CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission :
v. : Docket No. R-2016-2542923
Peoples Natural Gas Company, LLC - :
Equitable Division :

I hereby certify that I have this day served a true copy of the Office of Consumer Advocate's Formal Complaint and Public Statement 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 26th day of May 2016.

SERVICE BY E-MAIL & INTER-OFFICE MAIL

Carrie B. Wright, Esquire
Gina L. Lauffer, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

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

Anthony D. Kanagy, Esquire
Michael W. Gang, Esquire
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17 North Second Street, 12th Fl.
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300 N. Second Street
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William H. Roberts II, Esquire
225 North Shore Drive
Pittsburgh, PA 15212
*Counsel for Peoples Natural Gas Company,
LLC*

/s/ Amy E. Hirakis

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