

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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November 16, 2020

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission  
v.  
Pike County Light and Power Company -- Electric  
Docket No. R-2020-3022135

Dear Secretary Chiavetta:

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

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Santo G. Spataro  
Santo G. Spataro  
Assistant Consumer Advocate  
PA Attorney I.D. # 327494  
E-Mail: SSpataro@paoca.org

Enclosures:

cc: Office of Administrative Law Judge (**email only**)  
Office of Special Assistants (**email only**: [ra-OSA@pa.gov](mailto:ra-OSA@pa.gov))  
Bureau of Technical Utility Services (**email only**)  
Certificate of Service

\*299512

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :  
v. : Docket No. R-2020-3022135  
Pike County Light and Power Company :  
-- Electric :

I hereby certify that I have this day served a true copy of the following document, 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 16<sup>th</sup> day of November 2020.

**SERVICE BY E-MAIL ONLY**

Carrie B. Wright, Esquire  
Erika L. McLain, Esquire  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

Sharon E. Webb, Esquire  
Office of Small Business Advocate  
555 Walnut Street  
1<sup>st</sup> Floor, Forum Place  
Harrisburg, PA 17109-1923

Thomas J. Sniscak, Esquire  
Whitney E. Snyder, Esquire  
Bryce R. Beard, Esquire  
Hawke, McKeon & Sniscak LLP  
100 North Tenth Street  
Harrisburg, PA 17101

/s/ Santo G. Spataro  
Santo G. Spataro  
Assistant Consumer Advocate  
PA Attorney I.D. # 327494  
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Aron J. Beatty  
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Counsel for:  
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555 Walnut Street  
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Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152  
Dated: November 16, 2020  
\*299517

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Formal Complaint**

**1. CUSTOMER NAME (COMPLAINANT)**

Tanya J. McCloskey

555 Walnut Street, 5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
Dauphin County

Phone: (717) 783-5048

Facsimile: (717) 783-7152

**2. UTILITY NAME (RESPONDENT)**

Pike County Light & Power Company, Docket No. R-2020-3022135

**3. TYPE OF UTILITY**

Electric

**4. COMPLAINT**

- A.** On October 26, 2020, Pike County Light & Power Company (Pike or Company) filed Supplement No. 82 to Tariff Electric – Pa. P.U.C. No. 8 at Docket No. R-2020-3022135. The Company proposes to increase rates to produce additional annual operating revenues of \$1,933,600 per year or an overall increase of 24.7% in total electric revenues. The Company proposes that the rate increase become effective on December 28, 2020.
- B.** The Company is engaged in the business of furnishing electric service to approximately 4,800 residential, commercial, and industrial customers in Pike County, Pennsylvania.
- C.** For the residential customer class, the Company is proposing an overall increase in revenues of \$829,658. A residential customer using 674 kWh will see their average bill rise from \$103.90 to \$121.90 per month, or by approximately 17.3%.
- D.** The Company’s proposed rate increase, if approved, would produce a 7.09% overall rate of return on its original cost rate base, including a 9.75% rate of return on common equity.

- E.** 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.*
- F.** A preliminary examination of the Company's filing indicates that the proposed increase to annual revenues of \$1,933,600 and the proposed return on common equity of 9.75% may be unjust, unreasonable, in violation of the 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.*, and may otherwise be contrary to sound ratemaking principles and public policy.
- G.** The Acting Consumer Advocate avers that the proposed tariff changes, revenue allocations, and proposed rate design may be unlawfully discriminatory, in violation of Public Utility Code, 66 Pa. C.S. §§ 1301 and 1304 *et seq.*, and may otherwise be contrary to sound ratemaking principles and public policy.
- H.** The Company's filing indicates that the proposed changes and increases in rates, proposed rate schedule modifications, and proposed changes in rate policy, rules, and regulations contained in the proposed Tariff may be unjust, unreasonable, and in violation of the 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.*
- I.** The Acting Consumer Advocate files this Formal 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 Acting Consumer Advocate respectfully requests that Your Honorable Commission take the following actions:

- A.** Suspend and investigate the operation of the proposed tariff supplement, pursuant to Section 1038(d) of the Public Utility Code, 66 Pa. C.S. § 1038(d);
- B.** Consolidate all complaints filed against the proposed increase;
- C.** Hold full evidentiary hearings examining the reasonableness of the Company's current rates and its proposed increase in rates;
- D.** After providing the public with adequate notice, hold public input hearings in the Company's service territory, in order to provide its customers an opportunity to be heard on the record;

- E. Deny any charges contained in the proposal which cannot be fully justified by the Company, or which otherwise are contrary to the Public Utility Code, sound ratemaking principles, and public policy;
- F. Determine the justness and reasonableness of the Company's current and proposed rates; and
- G. 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).***

/s/ Tanya J. McCloskey  
**Signature**

11/16/2020  
**Date**

**7. LEGAL REPRESENTATION**

Aron J. Beatty, Senior Assistant Consumer Advocate, PA Bar No. 86625  
 Santo G. Spataro, Assistant Consumer Advocate, PA Bar No. 327494

555 Walnut Street, 5<sup>th</sup> Floor, Forum Place  
 Harrisburg, PA 17101-1923  
 Dauphin County

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\*299464

**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 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 increase requested by Pike County Light & Power (Pike or Company).

On October 26, 2020, the Company filed Supplement No. 82 to Tariff Electric – Pa. P.U.C. No. 8 at Docket No. R-2020-3022135. The Company proposes to increase rates to produce additional operating revenues of \$1,933,600 or an increase of 24.7% in total electric revenues. The Company proposes that the rate increase become effective on December 28, 2020. A residential customer using 674 kWh will see their average bill rise from \$103.90 to \$121.90 per month, or by approximately 17.3%. The Company’s proposed rate increase, if approved, would produce a 7.09% overall rate of return on its original cost rate base, including a 9.75% return on common equity.

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. The Acting Consumer Advocate will seek to ensure that the Company is permitted to implement only a level of rates that is fully justified and in accordance with sound ratemaking principles. The Acting Consumer Advocate will represent the interests of the Company’s consumers before the Commission and will seek to ensure that customers are not charged rates that are unjust, unreasonable or otherwise contrary to law.