

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

REJOINDER TESTIMONY OF

**KENNETH S. DYBALSKI**

ON BEHALF OF  
PHILADELPHIA GAS WORKS

Docket No. R-2020-3017206

Philadelphia Gas Works

General Rate Increase Request

TOPICS:

Customer Charge  
Rate IT

July 27, 2020

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND CURRENT POSITION WITH PGW.**

3 A. My name is Kenneth S. Dybalski. My position is Vice President – Energy Planning &  
4 Technical Compliance at the Philadelphia Gas Works.

5 **Q. DID YOU PREVIOUSLY SUBMIT TESTIMONY IN THIS PROCEEDING ON**  
6 **BEHALF OF PGW?**

7 A. Yes. I submitted my direct testimony on February 28, 2020 (PGW St. No. 6) and my  
8 Rebuttal Testimony on July 13, 2020 (PGW St. No. 6-R).

9 **Q. WHAT IS THE PURPOSE OF YOUR REJOINER TESTIMONY IN THIS**  
10 **PROCEEDING?**

11 A. The purpose of my Rejoinder Testimony is to respond to certain statements made in: 1)  
12 the Surrebuttal Testimony of the Environmental Stakeholders’ witness Ezra D. Hausman  
13 related to PGW’s proposed increases in customer charges; and 2) the Surrebuttal  
14 Testimony of the Office of Small Business Advocate’s witness Robert D. Knecht related  
15 to Interruptible Transportation (Rate IT).

16 **Q. IN GENERAL, HAVE YOU CHANGED THE POSITIONS YOU ADVANCED IN**  
17 **YOUR DIRECT AND REBUTTAL TESTIMONIES AFTER REVIEWING THE**  
18 **SURREBUTTAL TESTIMONIES OF DR. HAUSMAN AND MR. KNECHT?**

19 A. No, I have not.

20 **Q. HOW DO YOU RESPOND TO DR. HAUSMAN’S ASSERTION THAT YOU**  
21 **HAVE NOT REFUTED HIS TESTIMONY THAT FIXED COSTS ARE ONLY**  
22 **FIXED IN THE SHORT TERM? (SC ST. NO. 1-SR AT 14).**

23 A. As I explained in my Rebuttal Testimony, such a position is inconsistent with utility  
24 costing principles, as well as Commission precedent and the rate structure of every  
25 Pennsylvania utility. PGW witness Connie Heppenstall fully supported PGW’s proposed  
26 increase in customer charges in her testimony and in the Cost of Service Study she

1 provided in this proceeding. While Dr. Hausman makes a broad generalization that fixed  
 2 costs should be limited, neither he (nor any other party) address or revise the calculation  
 3 of the costs that were presented by Ms. Heppenstall.

4 **Q. HOW DO YOU RESPOND TO MR. KNECHT’S TESTIMONY THAT RATE IT  
 5 CUSTOMERS SHOULD NOT BE EXEMPT FROM CUSTOMER  
 6 RESPONSIBLIITY PROGRAM COSTS? (OSBA ST. NO. 1-SR AT 12).**

7 A. Mr. Knecht seems to imply that PGW’s Customer Responsibility Program (“CRP”) costs  
 8 will be recovered through PGW’s rate increase. This characterization is not accurate.  
 9 These costs are recovered through PGW’s universal service surcharge, which is  
 10 essentially a transfer of costs from CRP participants to non-participants. The pilot  
 11 program does not change what is recovered under the surcharge; the costs of the discount  
 12 have always been recovered in this manner. To my knowledge, there is no precedent for  
 13 recovering these costs from IT customers. It is also worth noting that a **failure** to  
 14 implement the new energy burdens could impact rate case approvals.<sup>1</sup>

15 **II. CONCLUSION**

16 **Q. DOES THAT CONCLUDE YOUR REJOINDER TESTIMONY?**

17 A. Yes.

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<sup>1</sup> See 2019 Amendments to CAP Policy Statement at 52 Pa. Code §§ 69-261-69.26, Docket No. M-2019-3012599 Statement of Vice Chairman David W. Sweet at 2 (Sept. 19, 2019) (“I will be paying close attention to utility adherence to these polices [related to proposed reductions in energy burden thresholds] both in USCEP proceedings and rate case filings, and encourage my colleagues to do so, as well.”).

**VERIFICATION**

I, Kenneth S. Dybalski, hereby state that: (1) I am the Vice President - Energy Planning & Technical Compliance for Philadelphia Gas Works ("PGW"); (2) the facts set forth in my testimony are true and correct to the best of my knowledge, information and belief; and (3) 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).

July 27, 2020

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Dated

  
\_\_\_\_\_  
Kenneth S. Dybalski

Vice President - Energy Planning & Technical Compliance  
Philadelphia Gas Works