



COMMONWEALTH OF PENNSYLVANIA

April 13, 2021

**E-FILED**

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

**Re: Petition of Pike County Light & Power for Approval of Its Default Service Plan and Waiver of Commission Regulations and Nunc Pro Tunc Treatment for the Period June 1, 2021 through May 31, 2024 / Docket No. P-2020-3022988**

Dear Secretary Chiavetta:

The Pennsylvania Public Utility Commission's Implementation Order at *Electronic Access to Pre-Served Testimony*, Docket No. M-2012-2331973, requires that all testimony furnished to the court reporter during a proceeding must subsequently be provided to the Secretary's Bureau.

As such, this letter will confirm that the Office of Small Business Advocate ("OSBA") has e-filed the **Public Version** of Direct Testimony and Exhibits IEC-1 and IEC-2, of Robert D. Knecht, labeled OSBA Statement No.1, in the above-captioned proceeding.

All known parties were previously served with the aforementioned Testimony. If you have any questions, please contact me.

Sincerely,

/s/ Sharon E. Webb

Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995

*Enclosures*

cc: Robert D. Knecht  
Parties of Record (Cover Letter and Certificate of Service Only)



COMMONWEALTH OF PENNSYLVANIA

February 19, 2021

The Honorable Eranda Vero  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120

**Re: Petition of Pike County Light & Power for Approval of Its Default Service Plan and Waiver of Commission Regulations and Nunc Pro Tunc Treatment for the Period June 1, 2021 through May 31, 2024 / Docket No. P-2020-3022988**

Dear Judge Vero:

The Office of Small Business Advocate (“OSBA”) previously served **Confidential** Direct Testimony and Exhibits of Robert D. Knecht, labeled OSBA Statement No. 1, with Exhibits IEC-1 and IEC-2, on January 25, 2021, in the above-captioned proceeding.

The OSBA is serving the **Public Version** of Direct Testimony and Exhibits of Robert D. Knecht, labeled OSBA Statement No. 1, with Exhibits IEC-1 and IEC-2, today in conformance with the Joint Stipulation for Admission of Testimony and Exhibits into the Evidentiary Record, that is also being filed today.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Sharon E. Webb

Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995

*Enclosures*

cc: **PA PUC Secretary Rosemary Chiavetta (Cover Letter & Certificate of Service only)**  
Robert D. Knecht  
Parties of Record

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF PIKE COUNTY LIGHT :  
& POWER COMPANY FOR APPROVAL :  
OF ITS DEFAULT SERVICE PLAN AND :  
WAIVER OF COMMISSION REGULATIONS : Docket No. P-2020-3022988  
AND *NUNC PRO TUNC* TREATMENT FOR :  
THE PERIOD JUNE 1, 2021 THROUGH :  
MAY 31, 2024 :

Direct Testimony and Exhibits of

ROBERT D. KNECHT

\*\*\*\* PUBLIC VERSION\*\*\*\*

On Behalf of the

Pennsylvania Office of Small Business Advocate

Topics:

Default Service Procurement for Small C&I Customers

Date Served: January 25, 2021

Date Submitted for the Record: March 09, 2021

## **DIRECT TESTIMONY OF ROBERT D. KNECHT**

1     **Q.     Mr. Knecht, please state your name and briefly describe your qualifications.**

2     A.     My name is Robert D. Knecht. I am a Principal of Industrial Economics, Incorporated  
3           ("IEc"), a consulting firm located at 2067 Massachusetts Avenue, Cambridge, MA 02140.  
4           For the past several years, my consulting practice has consisted primarily of preparing  
5           analyses and expert testimony in the field of regulatory economics on a variety of topics.  
6           I obtained a B.S. degree in Economics from the Massachusetts Institute of Technology in  
7           1978, and a M.S. degree in Management from the Sloan School of Management at M.I.T.  
8           in 1982, with concentrations in applied economics and finance. I am appearing in this  
9           proceeding on behalf of the Pennsylvania Office of Small Business Advocate ("OSBA").  
10          My résumé and a listing of the expert testimony that I have filed in utility regulatory  
11          proceedings during the past five years are attached in Exhibit IEC-1.

12    **Q.     What is the purpose of this testimony?**

13    A.     OSBA requested that I review the changes proposed by Pike County Light & Power  
14          Company ("PCL&P" or "the Company") in its petition for its default service plan ("DSP"),  
15          to determine whether the proposal is consistent with sound economics and regulatory  
16          policy, and fairly treats small business customers.

17    **Q.     Do you have any caveats regarding this testimony?**

18    A.     As explained further herein, the Company has provided incomplete responses to discovery  
19          at this writing. I will update this testimony as necessary based on those responses when  
20          they are received.

21          In addition, the Company has designated all of its interrogatory responses to OSBA as  
22          highly confidential, even basic shopping rate statistics. As much of this testimony relies  
23          on those responses, the public version is significantly redacted.

24          Finally, I have previously participated in several of the Company's default service  
25          proceedings, and some of this testimony is unabashedly copied or slightly altered from that  
26          earlier testimony without full citation. I acknowledge the self-plagiarism.

1 **Q. Please summarize the salient features of the Company’s DSP, as approved by**  
2 **settlement of the Company’s last default service proceeding at Docket No. P-2018-**  
3 **3002709.**

4 **A.** A DSP establishes the process by which an electric distribution company (“EDC”) procures  
5 electric supplies for customers who choose not to shop from competitive electric generation  
6 suppliers (“EGSs”), or who affirmatively opt to take service from the EDC.

7 The Company’s current plan is generally consistent with the basic default service plan that  
8 has been in effect since January 2008, with the primary exception being that the Company  
9 incorporated a financial price hedges in its most recent plan, which runs from May 31,  
10 2019 to May 30, 2021. The key features of the Company’s DSP are as follows:

- 11 • Because PCL&P is interconnected to the NYISO and is not itself a load-serving  
12 entity (“LSE”), the Company purchases electricity supplies through its former  
13 affiliate Orange & Rockland Utilities, Inc. (O&R). O&R allocates spot market  
14 energy costs, generation capacity costs and all other NYISO costs to PCL&P, as  
15 well as imposing fees for transmitting the power and some administrative costs.
- 16 • PCL&P procures alternative energy certificates (“AECs”) to meet its obligation  
17 under the Alternative Energy Portfolio Standards Act (“AEPSA”) by making  
18 solicitations to various brokers, as assisted by its outside consultant. Due to its  
19 small size, PCL&P does not follow a formal procurement process.
- 20 • Under the settlement at Docket No. P-2018-3002709, approximately 50 and 75  
21 percent of the energy purchases were to be hedged using a fixed rate energy swap  
22 mechanism (detailed below).
- 23 • Default service rates for each class are set quarterly at fixed per-kWh rates. The  
24 rates include a “market price of electricity” component (“C-Factor”) based on a  
25 prospective forecast of purchased power costs, and an electric supply adjustment  
26 charge (“ESA” or “E-Factor”) which reconciles prior period differences between  
27 revenues and costs.

- 1 • Forecast purchase costs for the C-Factor are allocated among the rate classes  
2 based on class load profiles and loss factors. Differences by rate class in the C-  
3 Factor for the major rate classes are relatively minor.
- 4 • The E-Factor is differentiated by rate class. It is capped at an absolute value of  
5 2.0 cents per kWh, and any unrecovered charges or credits are deferred for future  
6 recovery.

7 **Q. Please summarize the key attributes of the Company's financial hedging program**  
8 **that was adopted in the last default service proceeding.**

9 A. The Company attempts to reduce volatility in its default service charges by engaging in  
10 financial hedges related to its spot energy purchases. The hedging strategy has the  
11 following characteristics: \*\*\*\* BEGIN HIGHLY CONFIDENTIAL \*\*\*\*

12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]

17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]

21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]

- 24 • [REDACTED]

25 \*\*\*\* END HIGHLY CONFIDENTIAL \*\*\*\*

26 **Q. What are the customer shopping patterns at the Company?**

1 A. For several years, PCL&P exhibited a relatively high shopping rate for smaller customers,  
2 arising initially from a Commission-sponsored opt-out Direct Energy aggregation program  
3 that was approved in 2006 at Docket No. P-00062205. Shopping rates gradually declined  
4 over the years from then until 2018, and some shopping customers moved from Direct  
5 Energy to other EGSs.

6 In this proceeding, OSBA requested an update for shopping rates for 2017 to 2020 in  
7 OSBA-I-1. The information was provided on a highly confidential basis. \*\*\*\* BEGIN

8 HIGHLY CONFIDENTIAL \*\*\*\* [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
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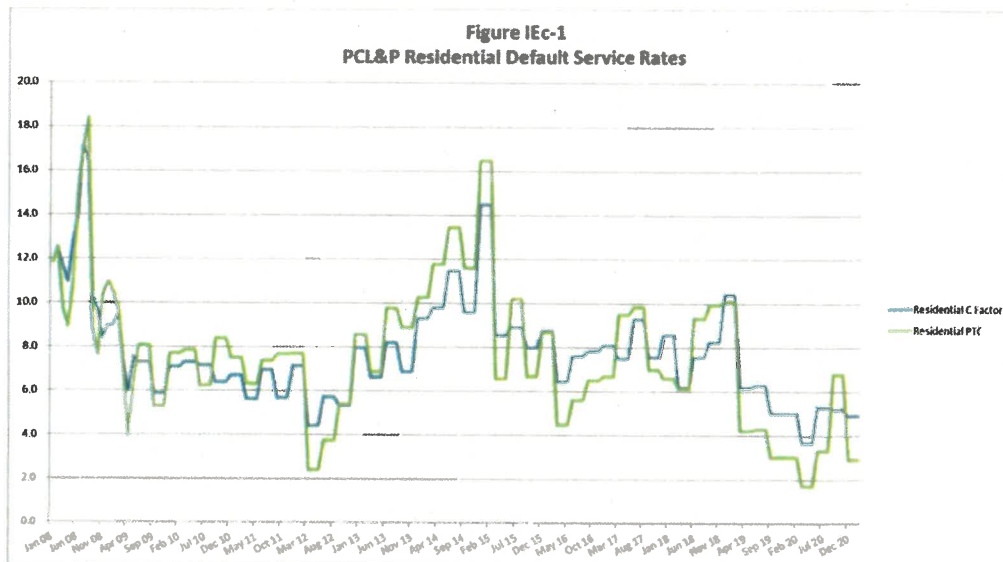
<sup>1</sup> The SC2 class consists of non-residential, non-lighting general service customers. SC2-S comprises secondary voltage customers; SC2-P primary.

<sup>2</sup> Docket No. P-2018-3002709, Direct Energy Statement No. 1-R, page 5. This testimony details at least some of the factors leading to Direct Energy's decision.

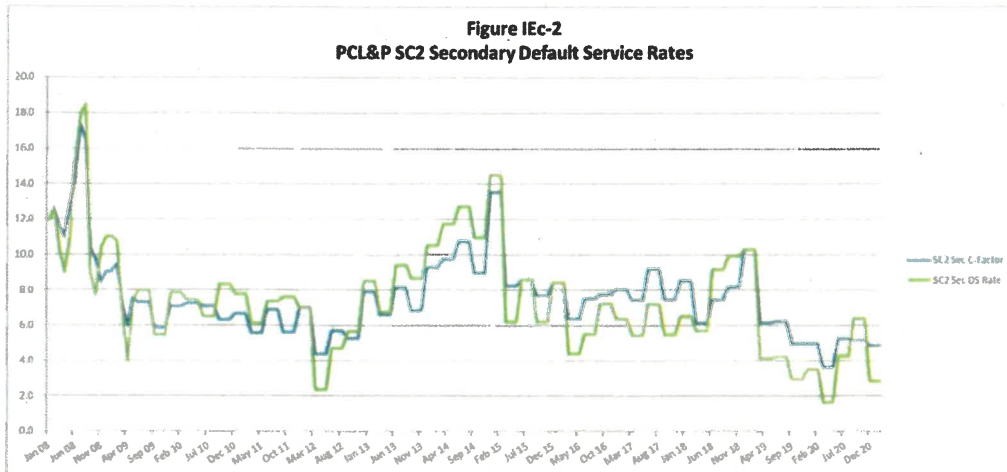
HIGHLY CONFIDENTIAL \*\*\*\*

**Q. Please describe the historical default service rate patterns for PCL&P.**

A. Because PCL&P has traditionally procured its supplies on the spot market, the Company's default service rates tend to track that market, but show both substantial volatility in the "C-Factor," exacerbated by the difficulty in forecasting which results in large E-Factor reconciliation charges/credits. The 2-cents per kWh upper bound on the E-Factor does mitigate the volatility somewhat. Figures IEC-1 and IEC-2 below depict historical patterns for default service rates for smaller customers. As shown, default service rates over the past two years have been quite low, but both C-Factors and E-Factors have remained volatile.







1 **Q. What changes has the Company proposed regarding its DSP as compared to the plan**  
 2 **agreed-upon in the settlement of the last default service proceeding?**

3 A. The proposed DSP is substantially the same. The details of the hedging strategy are set out  
 4 in detail in HIGHLY CONFIDENTIAL Exhibit NPC-2, but they are generally the same as  
 5 those in the settlement of the last case. The changes to the hedging policy are (a) the  
 6 Company proposes to eliminate the additional hedging option from the settlement, due to  
 7 lack of counter-party interest, and (b) to adjust the timing for the hedge procurements “. . .  
 8 to ensure Commission approval prior to hedge date execution.”<sup>3</sup>

9 The only other changes to the DSP are that the Company proposes to extend the DSP from  
 10 two years to three.

11 **Q. What price hedging has occurred to date?**

12 A. \*\*\*\* BEGIN HIGHLY CONFIDENTIAL \*\*\*\* [REDACTED]  
 13 [REDACTED]  
 14 [REDACTED]  
 15 [REDACTED]  
 16 [REDACTED]  
 17 [REDACTED]  
 18 [REDACTED]  
 19 [REDACTED]

<sup>3</sup> PCLP Statement No. 1, page 8.

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[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] \*\*\*\* END HIGHLY

CONFIDENTIAL \*\*\*\*

**Q. Has the price hedging resulted in more rate stability and lower E-Factors?**

A. I attempted to obtain more detailed information regarding the Company's forecast and actual customer count, volumes, and costs, to determine if I could get insight into the source for the variances and whether the hedging program resulted in any material improvement. However, the Company's response to OSBA-I-3 did not provide the Company's forecasts for its customer count and its costs, and the volume data provided in the response appear to have a mismatch between forecast and actual. \*\*\*\* BEGIN HIGHLY

CONFIDENTIAL \*\*\*\* [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED] \*\*\*\* END HIGHLY CONFIDENTIAL \*\*\*\* As such, I conclude that it is too soon to evaluate the efficacy of the hedging strategy. I therefore do not disagree with the Company's proposal to essentially continue the existing strategy.

**Q. Do you agree with the Company's proposal to drop the supplemental optional hedging component of the current plan?**

A. I do. The Company's difficulties in finding counter-parties for the 50 percent portion of the hedge has been problematic, and its ability to expand beyond that level is highly questionable. \*\*\*\* BEGIN HIGHLY CONFIDENTIAL \*\*\*\* [REDACTED]

[REDACTED]  
[REDACTED] \*\*\*\* END HIGHLY

CONFIDENTIAL \*\*\*\*

1 Q. Do you have any concerns about the Company's default service plan at this time?

2 A. \*\*\*\* BEGIN HIGHLY CONFIDENTIAL \*\*\*\* [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

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10 [REDACTED]

11 [REDACTED]

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24 [REDACTED]

25 [REDACTED]

26 [REDACTED]

27 [REDACTED]

28 [REDACTED]

29 [REDACTED]

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2

\*\*\*\* END HIGHLY CONFIDENTIAL \*\*\*\*

3

**Q. Does this conclude your direct testimony?**

4

**A. Yes, it does.**

**EXHIBIT IEc-1**

**RÉSUMÉ AND EXPERT TESTIMONY LIST**

**FOR**

**ROBERT D. KNECHT**

## Overview

Mr. Knecht has more than 35 years of practical economic consulting experience, focusing on the energy, utility, metals and mining industries. For the past 25 years, Mr. Knecht's practice has primarily involved providing analysis, consulting support and expert testimony in regulatory matters, primarily involving electric and natural gas utilities. Mr. Knecht's work includes many aspects of utility regulation, including industry restructuring, cost unbundling, cost allocation, rate design, rate of return, customer contributions, energy efficiency programs, smart metering programs, treatment of stranded costs and utility revenue requirement issues. He has worked for state advocacy agencies, industrial customer groups, law firms, regulatory agencies, government agencies and utilities, in both the United States and Canada. He has provided expert testimony in more than one hundred separate utility proceedings.

In addition to his work with regulated utilities, Mr. Knecht has consulted on international industry restructuring studies, prepared economic policy analyses, participated in a variety of litigation matters involving economic damages, and developed energy industry forecasting models.

## Education

Master of Science, Management (Applied Economics and Finance), Sloan School of Management, M.I.T.

Bachelor of Science, Economics, Massachusetts Institute of Technology

## Select Project Experience

For more than twenty years, Mr. Knecht has provided consulting services, analysis and expert testimony before the Pennsylvania Public Utility Commission on all manner of regulatory proceedings to the **PENNSYLVANIA OFFICE OF SMALL BUSINESS ADVOCATE**. In addition to expert testimony, Mr. Knecht has assisted OSBA with the development of public policy positions, litigation strategy, and longer term strategy.

For the **INDUSTRIAL GAS USERS ASSOCIATION**, Mr. Knecht provided consulting and expert witness services in a generic cost allocation proceeding involving Gaz Métro before the Régie de l'énergie in Québec.

For the **NEW BRUNSWICK PUBLIC INTERVENER**, Mr. Knecht provides consulting and expert witness services in a variety of regulatory proceeding before the New Brunswick Energy and Utilities Board involving New Brunswick Power, Enbridge Gas New Brunswick, and petroleum products. Mr. Knecht has addressed issues of load forecasting, costs forecasting, cost of capital, allocation of corporate overhead costs, utility cost allocation, revenue allocation, market-based rate design, cost-based rate design, and rate decoupling.

For **L'ASSOCIATION QUÉBÉCOISE DES CONSOMMATEURS INDUSTRIELS D'ÉLECTRICITÉ (AQCIE) AND LE CONSEIL DE L'INDUSTRIE FORESTIÈRE DU QUÉBEC (CIFQ)**, Mr. Knecht provided analysis, consulting advice and expert testimony before the Régie de l'énergie in regulatory matters involving Hydro Québec Distribution and TransÉnergie. This work includes revenue requirement, power purchasing, cost allocation, treatment of cross-subsidies, and rate design.

For the **INDEPENDENT POWER PRODUCERS SOCIETY OF ALBERTA**, Mr. Knecht provided consulting advice, analysis and expert testimony before the Alberta Energy and Utilities Board in a series of proceedings involving the restructuring of the electric utility industry, the unbundling of rates, and the development of transmission rates.

## EXPERT TESTIMONY SUBMITTED IN REGULATORY PROCEEDINGS: 2012-2017

DOCKET #	REGULATOR	UTILITY	DATE	CLIENT	TOPICS
R-2016-2580030	Pennsylvania Public Utility Commission	UGI Penn Natural Gas	April 2017	Pennsylvania Office of Small Business Advocate	Test year, load forecast, O&M expenses, rate base, rate of return, cost allocation, rate design, EE&C program, capacity assignment
Matter 336	New Brunswick Energy & Utilities Board	New Brunswick Power	January 2017	New Brunswick Public Intervener	Financial forecast, equity requirement, depreciation life, variance mechanisms, cost allocation, rate design
Matter 338	New Brunswick Energy & Utilities Board	Generic	December 2016	New Brunswick Public Intervener	Retail petroleum margins
Matter 330	New Brunswick Energy & Utilities Board	Enbridge Gas New Brunswick	September 2016	New Brunswick Public Intervener	Revenue requirement, investment test, customer retention initiatives, cost allocation, rate design
R-2016-2537359	Pennsylvania Public Utility Commission	West Penn Power Company	July 2016	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, rate design.
R-2016-2537355	Pennsylvania Public Utility Commission	Pennsylvania Power Company	July 2016	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, rate design.
P-2016-2537609, 2537594	Pennsylvania Public Utility Commission	UGI Central Penn Gas, UGI Penn Natural Gas	July 2016	Pennsylvania Office of Small Business Advocate	Waiver of DSIC cap.
P-2016-2543523	Pennsylvania Public Utility Commission	UGI Utilities, Inc., Electric Division	July 2016	Pennsylvania Office of Small Business Advocate	Default service procurement.
R-2016-2529660	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania, Inc.	June 2016	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, rate design.
R-2015-2469275	Pennsylvania Public Utility Commission	PPL Electric Utilities Corporation	May 2016	Pennsylvania Office of Small Business Advocate	Default service procurement plan.
R-2015-2518438	Pennsylvania Public Utility Commission	UGI Utilities, Inc., Gas Division	April 2016	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, rate design, energy efficiency and conservation program.

## EXPERT TESTIMONY SUBMITTED IN REGULATORY PROCEEDINGS: 2012-2017

DOCKET #	REGULATOR	UTILITY	DATE	CLIENT	TOPICS
P-2016-2521993	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania, Inc.	April 2016	Pennsylvania Office of Small Business Advocate	Waiver of DSIC cap.
M-2015-2477174	Pennsylvania Public Utility Commission	UGI Utilities, Inc., Electric Division	February 2016	Pennsylvania Office of Small Business Advocate	Energy efficiency and conservation plan review and development.
Matter No. 306	New Brunswick Energy & Utilities Board	Enbridge Gas New Brunswick	February 2016	New Brunswick Public Intervenor	Financial review, investment prudence, revenue requirement, cost allocation, rate design, market-based pricing.
P-2015-2511333, 2511351, 2511355, 2511356	Pennsylvania Public Utility Commission	Metropolitan Edison, Pennsylvania Electric, Pennsylvania Power, West Penn Power	January 2016	Pennsylvania Office of Small Business Advocate	Default service procurement plans, purchase of receivables.
P-2015-2501500	Pennsylvania Public Utility Commission	Philadelphia Gas Works	October 2015	Pennsylvania Office of Small Business Advocate	DSIC rate design under cash flow regulation, capital structure
P-2014-2459362	Pennsylvania Public Utility Commission	Philadelphia Gas Works	June 2015	Pennsylvania Office of Small Business Advocate	Demand side management programs, rate decoupling mechanism, incentive mechanism, cost-benefit analysis.
R-2015-2469275	Pennsylvania Public Utility Commission	PPL Electric Utilities	June 2015	Pennsylvania Office of Small Business Advocate	Misc. revenue requirement issues, cost allocation, rate design
R-2015-2468056	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	June 2015	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, rate design, customer contribution policy
R-2015-2461373	Pennsylvania Public Utility Commission	National Fuel Gas Distribution	April 2015	Pennsylvania Office of Small Business Advocate	Load balancing rates, reconciliation
R-2014-2456648	Pennsylvania Public Utility Commission	Peoples TWP LLP	March 2015	Pennsylvania Office of Small Business Advocate	Load balancing rates, reconciliation
R-3867-2013	Régie de l'énergie, Québec	Société en commandite Gaz Métro	February 2015	l'Association des Consommateurs de Gaz	Distribution cost allocation



## EXPERT TESTIMONY SUBMITTED IN REGULATORY PROCEEDINGS: 2012-2017

DOCKET #	REGULATOR	UTILITY	DATE	CLIENT	TOPICS
R-3888-2014	Régie de l'énergie, Québec	Hydro Québec TransÉnergie	December 2014	AQCIE/CIFQ	Transmission customer contribution policy
R-2014-2428744 R-2014-2428742	Pennsylvania Public Utility Commission	Pennsylvania Power Company, West Penn Power Company	November 2014	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, rate design
M-2014-2430781	Pennsylvania Public Utility Commission	PPL Electric Utilities	October 2014	Pennsylvania Office of Small Business Advocate	Smart meter procurement, rate design
Matter No. 253	New Brunswick Energy & Utilities Board	Enbridge Gas New Brunswick	September 2014	New Brunswick Public Intervenor	Financial review, investment prudence, revenue requirement, cost allocation, rate design, market-based pricing.
P-2014-2417907	Pennsylvania Public Utility Commission	PPL Electric Utilities	July 2014	Pennsylvania Office of Small Business Advocate	Default service procurement, class eligibility, reconciliation
R-2014-2406274	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	June 2014	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, rate design
R-2014-2407345	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	June 2014	Pennsylvania Office of Small Business Advocate	Customer contribution policy, alternative financing mechanism
R-2014-2408268	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	May 2014	Pennsylvania Office of Small Business Advocate	Gas procurement sharing mechanism, cost allocation
R-2014-2397237	Pennsylvania Public Utility Commission	Pike County Light & Power (Electric)	April 2014	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, rate design
R-2014-2397353	Pennsylvania Public Utility Commission	Pike County Light & Power (Gas)	April 2014	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation
R-2014-2399598	Pennsylvania Public Utility Commission	Peoples TW Phillips	March 2014	Pennsylvania Office of Small Business Advocate	Gas procurement, design day demand, cost allocation rate design, retainage
P-2013-2389572 (Remand)	Pennsylvania Public Utility Commission	PPL Electric Utilities	February 2014	Pennsylvania Office of Small Business Advocate	Time of use rates, net metering rates

## EXPERT TESTIMONY SUBMITTED IN REGULATORY PROCEEDINGS: 2012-2017

DOCKET #	REGULATOR	UTILITY	DATE	CLIENT	TOPICS
Matter 225	New Brunswick Energy & Utilities Board	Enbridge Gas New Brunswick	January 2014	New Brunswick Public Intervenor	Financial review, investment prudence, revenue requirement, cost allocation, rate design, market-based pricing.
P-2013-2391368, P-2013-2391372, P-2013-2391375, P-2013-2391378	Pennsylvania Public Utility Commission	Metropolitan Edison, Pennsylvania Electric, Pennsylvania Power, West Penn Power	January 2014	Pennsylvania Office of Small Business Advocate	Default service procurement, cost allocation, rate design
Matter No. 214	New Brunswick Energy & Utilities Board	Generic	November 2013	New Brunswick Public Intervenor	Maximum retail margins for motor fuel and residential heating oil.
Matter No. 171	New Brunswick Energy & Utilities Board	New Brunswick Power	September 2013	New Brunswick Public Intervenor	Amortization method for deferral costs associated with refurbishing Point Lepreau Generating Station
C-2013-2367475	Pennsylvania Public Utility Commission	PPL Electric Utilities	August 2013	Pennsylvania Office of Small Business Advocate	Forecasting and reconciliation of default service electric costs and revenues.
P-2011-2277868, I-2012-2320323	Pennsylvania Public Utility Commission	Generic	August 2013	Pennsylvania Office of Small Business Advocate	Ratemaking treatment for customers in overlapping NGDC service territories ("gas-on-gas").
P-2013-2356232	Pennsylvania Public Utility Commission	UGI Central Penn Gas, UGI Penn Natural Gas, UGI Utilities (Gas Division)	July 2013	Pennsylvania Office of Small Business Advocate	Program design, cost recovery and rate design for alternative system expansion financing pilot program ("GET Gas")
R-2013-2355886	Pennsylvania Public Utility Commission	Peoples TWP LLC	July 2013	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, rate design
R-2013-2361764, R-2013-2361763, R-2013-2361771	Pennsylvania Public Utility Commission	UGI Central Penn Gas, UGI Penn Natural Gas, UGI Utilities (Gas Division)	July 2013	Pennsylvania Office of Small Business Advocate	Unaccounted-for gas.



INDUSTRIAL ECONOMICS, INCORPORATED

ROBERT D. KNECHT

EXPERT TESTIMONY SUBMITTED IN REGULATORY PROCEEDINGS: 2012-2017

DOCKET #	REGULATOR	UTILITY	DATE	CLIENT	TOPICS
Matter No. 178	New Brunswick Energy & Utilities Board	Enbridge Gas New Brunswick	July 2012	NB Public Intervenor	System expansion economic test, test year revenue requirement, cost allocation, rate design, treatment of stranded costs.
R-2012-2290597	Pennsylvania Public Utility Commission	PPL Electric Utilities	June 2012	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, rate design
R-2012-2293303	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	May 2012	Pennsylvania Office of Small Business Advocate	Treatment of pipeline credits
AUC ID #1633	Alberta Utilities Commission	Alberta Electric System Operator	April 2012	Powerex, Northpoint Energy Solutions, Cargill	Economic efficiency issues for allocation of constrained transmission capacity.
R-2012-2286447	Pennsylvania Public Utility Commission	Philadelphia Gas Works	April 2012	Pennsylvania Office of Small Business Advocate	Unaccounted-for gas retainage, reconciliation
R-2012-2281465	Pennsylvania Public Utility Commission	National Fuel Gas Distribution	March 2012	Pennsylvania Office of Small Business Advocate	Unaccounted-for gas retainage, gas price procurement and hedging
R-2011-2273539	Pennsylvania Public Utility Commission	Peoples TWP	March 2012	Pennsylvania Office of Small Business Advocate	Design day demand methodology
P-2011-2273650 P-2011-2273668 P-2011-2273669 P-2011-2273670	Pennsylvania Public Utility Commission	Metropolitan Edison, Pennsylvania Electric, Penn Power, West Penn Power	February 2012	Pennsylvania Office of Small Business Advocate	Default service procurement, retail market enhancement, rate design.
R-2011-2264771	Pennsylvania Public Utility Commission	PPL Electric Utilities	January 2012	Pennsylvania Office of Small Business Advocate	TOU Rates

Note: Dates shown reflect submission date for direct testimony.

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May 2017

**EXHIBIT IEc-2**

**REFERENCED INTERROGATORY RESPONSES**

**\*\*\*\* ALL HIGHLY CONFIDENTIAL \*\*\*\***

**OSBA-I-1**

**OSBA-I-2**

**OSBA-I-3**

**OSBA-I-4**

**OSBA-I-5**

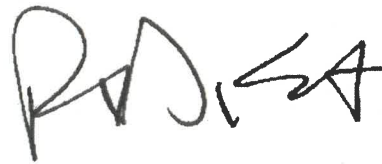
**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PIKE COUNTY LIGHT  
& POWER COMPANY FOR APPROVAL  
OF ITS DEFAULT SERVICE PLAN AND  
WAIVER OF COMMISSION REGULATIONS :      Docket No. P-2020-3022988  
AND *NUNC PRO TUNC* TREATMENT FOR :  
THE PERIOD JUNE 1, 2021 THROUGH :  
MAY 31, 2024 :**

**VERIFICATION**

I, Robert D. Knecht, hereby state that the facts set forth in my Direct Testimony and Exhibits, labelled OSBA Statement No. 1, with Exhibits IEc-1 and IEc-2, 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 19 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: January 25, 2021



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Robert D. Knecht

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of Pike County Light & Power for** :  
**Approval of Its Default Service Plan and** : **Docket No. P-2020-3022988**  
**Waiver of Commission Regulations and** :  
***Nunc Pro Tunc* Treatment for the Period** :  
**June 1, 2021 through May 31, 2024** :

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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The Honorable Eranda Vero  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120  
[evero@pa.gov](mailto:evero@pa.gov)

DATE: February 18, 2021

/s/ Sharon E. Webb

Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of Pike County Light & Power for  
Approval of Its Default Service Plan and  
Waiver of Commission Regulations and  
Nunc Pro Tunc Treatment for the Period  
June 1, 2021 through May 31, 2024**       :       :       :       :  
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**Docket No.   P-2020-3022988**

**CERTIFICATE OF SERVICE**

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[evero@pa.gov](mailto:evero@pa.gov)

DATE: April 13, 2021

/s/ Sharon E. Webb

\_\_\_\_\_  
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Assistant Small Business Advocate  
Attorney ID No. 73995