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April 27, 2022

Via Electronic Filing
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Docket No. R-2022-3031211, Columbia Gas of Pennsylvania Supplement No. 337 to Tariff Gas – Pa. P.U.C. No. 9

Dear Secretary Chiavetta:

Please find enclosed a **Prehearing memorandum of the Natural Resources Defense Council (NRDC)** for filing in the above-referenced proceeding. Parties are being served as indicated in the attached certificate of service.

Please contact me if you have any questions concerning this matter.

Thank you very much.

Sincerely,

Andrew J. Karas Andrew J. Karas, Esq. Counsel for NRDC

cc: Per certificate of service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Columbia Gas of Pennsylvania Supplement :

No. 337 to Tariff Gas – Pa. P.U.C. No. 9 Docket No. R-2022-3031211

PREHEARING MEMORANDUM OF THE NATURAL RESOURCES DEFENSE COUNCIL

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DATE: April 27, 2022

Pursuant to 52 Pa. Code §§ 5.221 – 5.223 and the April 20, 2022 Prehearing Conference Order of Deputy Chief Administrative Law Judge Christopher P. Pell, the Natural Resources Defense Council ("NRDC") hereby submits this Prehearing Conference Memorandum.

I. Procedural Background

On March 18, 2022, Columbia Gas of Pennsylvania, Inc. ("Columbia" or "the Company") submitted a rate filing, Supplement No. 337 to Tariff Gas – Pa. P.U.C. No. 9, which proposes, *inter alia*, a general increase in gas distribution rates of \$82.2 million per year. NRDC filed a Petition to Intervene and Answer on April 27, 2022.

By Order entered on April 14, 2022, the Pennsylvania Public Utility Commission instituted an investigation into the lawfulness, justness, and reasonableness of the proposed rate increase. Pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S.A. § 1308(d), Supplement No. 337 to Tariff Gas Pa. P.U.C. No. 9 was suspended by operation of law until December 17, 2022, unless permitted by Commission Order to become effective at an earlier date. Additionally, the Commission ordered that the investigation include consideration of the lawfulness, justness, and reasonableness of Columbia's existing rates, rules, and regulations.

On April 26, 2022, the Company moved to consolidate its proposed green path rider tariff – a pilot proposal which would allow customers to elect to purchase "renewable natural gas" supply and carbon offsets – with the instant proceeding.¹

In accordance with the Commission's April 14, 2022 Order, the matter was assigned to Deputy Chief Administrative Law Judge Christopher P. Pell. On April 20,

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¹ Company's Mot. to Consolidate (Apr. 26, 2022).

2022, the Judge Pell issued an order setting a prehearing conference for April 29, 2022, requesting the prehearing memoranda from participating parties on or before April 27, 2022. NRDC files the instant memorandum in accordance with that order.

II. Issues to be Addressed

NRDC is continuing to review the Company's rate increase filings, but presently anticipates addressing the following:

- Green Path Rider tariff NRDC intends to address whether the Company's proposed pilot program adequately accounts for climate goals and the need for a just and timely transition from fossil fuels.
- Climate considerations in system maintenance and expansion proposals: The Company's stated primary rationale for seeking a rate increase is the need to upgrade dated infrastructure on the company's existing distribution system.² NRDC intends to examine whether the requested rate increase adequately balances the need to deliver safe and reliable service against the need for a timely, equitable and just transition from fossil fuels. Additionally, NRDC intends to examine whether climate goals are adequately included in the company's decision-making processes for expanding its system.

NRDC reserves the right to address other issues of concern related the Company's rate filings, including but not limited to the justness and reasonableness of the proposed general rate increase, the Company's proposed Revenue Normalization Adjustment's adherence to principles and best practices of alternative rate, the Company's proposal for

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² Columbia Stmnt. No. 1, 7-8.

energy efficiency incentivization programs, and/or the design of low-income customer

assistance programs.

III. Witnesses

NRDC is working to identify witnesses to provide written testimony in this matter

and will disclose them in due course and in accordance with the to-be established case

management schedule.

IV. **Discovery**

At the present stage, NRDC has not had any discussion with other parties regarding

anticipated or necessary modifications to the Commission's discovery regulations. While

NRDC does not currently anticipate the need to depart from the Commission's ordinary

discovery protocols, NRDC is open to having discussions with other parties if doing so

would better allow for the efficient and orderly disposition of this case.

V. Settlement

NRDC is committed to working with the Company and the other parties to this

matter in the interest of reaching a full or partial settlement of the litigated issues.

VI. **Service on NRDC**

Service on NRDC may be made as follows:

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3

Attorneys Szybist and Karas both have e-filing accounts, and NRDC consents to

the service of documents exclusively by electronic mail to the addresses for the above-

listed counsel, as provided in 52 Pa. Code 1.54(b)(3).

VII. Litigation schedule

NRDC is committed to working cooperatively with the other parties to establish

mutually acceptable dates for the preparation and service of written direct, rebuttal, and

surrebuttal testimony, as well as the holding of public input hearings. NRDC is supportive

of the proposed hearing and briefing schedule outlined in the Commission's April 20, 2022

order, and believes that the amount of hearing time proposed therein will be adequate for

the presentation of any anticipated cross-examination and oral testimony.

VIII. Public Input Hearing

NRDC strongly supports holding one or more public input hearings in this

proceeding to help inform the Commission's decision. The Commission's regulations and

favor holding at least one public input hearings in cases requesting general rate increases

where substantial concerns of public interest are raised.³ Prior commission practice favors

scheduling public input hearings in all general rate increase cases.⁴ Public input hearings

pragmatically advance rate increase proceedings in a myriad of ways, allowing

³ 52 Pa. Code § 69.321(b).

⁴ James H. Cawley and Norman J. Kennard, A Guide to Utility Ratemaking, 45 (Feb. 2018) ("The

Commission regularly sets 'Public Input' hearings during a rate case").

4

Administrative Law Judges to hear concerns directly from impacted customers, and helping to drive the parties' settlement discussions.⁵

IX. Representation at Prehearing Conference

NRDC will be represented at the telephonic Prehearing Conference by Andrew Karas, Esq.

X. Conclusion

NRDC appreciates the opportunity to submit this Prehearing Conference

Memorandum and looks forward to further discussion to resolve the issues discussed

Respectfully submitted this 27th day of April, 2022

/s/ Andrew J. Karas
Andrew J. Karas

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⁵ Id. at 56 ("Rate cases often settle following public input hearings").

CERTIFICATE OF SERVICE

Columbia Gas of Pennslyvania

Supplement No. 337 to Tariff Gas – Pa. P.U.C. No. 9

Docket No. R-2022-3031211

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I hereby certify that this day I served a copy of the foregoing upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code § 1.54.

Via Electronic Mail only:

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