

COMMONWEALTH OF PENNSYLVANIA



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June 14, 2023

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

Re: Petition of Pike County Light and Power Company  
for Approval of Default Service Plan and Waiver  
of Commission Regulations for the Period June 1,  
2024 through May 31, 2027  
Docket No. P-2023-3039927

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Gina L. Miller  
Gina L. Miller  
Assistant Consumer Advocate  
PA Attorney I.D. # 313863  
GMiller@paoca.org

Enclosures:

cc: The Honorable Mark A. Hoyer (**email only**)  
Certificate of Service

\*347520

CERTIFICATE OF SERVICE

Petition of Pike County Light and Power Company :  
for Approval of Default Service Plan and Waiver : Docket No. P-2023-3039927  
of Commission Regulations for the Period June 1, :  
2024 through May 31, 2027 :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Prehearing Memorandum, 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 14<sup>th</sup> day of June 2023.

**SERVICE BY E-MAIL ONLY**

Whitney E. Snyder, Esquire  
Thomas J. Sniscak, Esquire  
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Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Dated: June 14, 2023  
\*347519

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Pike County Light and Power Company :  
for Approval of Default Service Plan (DSP) and : Docket No. P-2023-3039927  
Waiver of Commission Regulations for the Period :  
June 1, 2024 through May 31, 2027 :

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PREHEARING MEMORANDUM  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. § 333, and in response to the Prehearing Conference Order issued on May 16, 2023 in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

**I. INTRODUCTION**

On April 13, 2023, Pike County Light & Power Company (Pike or Company) filed a Default Service Plan (DSP) with the Pennsylvania Public Utility Commission (Commission) designed to provide generation service to the Company’s default service customers for the period beginning June 1, 2024 and ending May 31, 2027. Pursuant to Pennsylvania law, Pike must acquire generation resources for customers who do not receive service from an electric generation supplier or whose generation supplier fails to deliver supply. 66 Pa. C.S. § 2807(e).

Pike’s Petition was assigned to the Office of Administrative Law Judge and was further assigned to Deputy Chief Administrative Law Judge (ALJ) Mark Hoyer for investigation and the scheduling of hearings. The OCA filed an Answer to the Company’s Petition and a Notice of Intervention and Public Statement on May 25, 2023. Additionally, the Office of Small Business Advocate (OSBA) filed a Notice of Appearance, Notice of Intervention, Answer, and Public

Statement on May 3, 2023. The OCA submits this Prehearing Memorandum in compliance with ALJ Hoyer's Prehearing Conference Order.

## II. ISSUES

Based upon a preliminary analysis of Pike's Petition, the OCA has compiled a list of issues that it anticipates including in its investigation of the DSP. The OCA may pursue other issues that may arise as discovery proceeds. The OCA has initially identified the following issues that may require further review:

- A. Supply Procurement: The OCA intends to examine the details of Pike's financial hedging strategy to determine whether what is proposed is reasonable, in accord with the hedging strategies employed by other Pennsylvania electric distribution companies (EDCs), and suited to provide the price stability the Company seeks. The OCA further intends to review the proportion of the load to be hedged along with the structure of hedging procurements to examine them for reasonableness.
- B. Rate Design: Pike proposes to continue using the default service rate mechanism currently in place. The OCA submits that this mechanism should be reviewed to ensure that it provides a reasonable degree of stability for default service customers and that it collects only those costs reasonably attributed to default service. In particular, the mechanism must be examined to ascertain whether it is properly accounting for the costs and revenues associated with Pike's hedging program.
- C. Alternative Energy Portfolio Standards Act (AEP)SA Compliance: Pike proposes to continue to meet its AEP)SA requirements by utilizing a competitive solicitation process dictated by market conditions. The OCA submits that the AEP)SA procurement process should be reviewed to ensure that it is meeting all compliance standards at reasonable prices.
- D. Pike's Requested Waivers: The OCA will examine Pike's requested waivers of certain Commission regulations, including 52 Pa. Code § 54.185(e), to determine whether the Commission would have adequate oversight in Pike's procurement if the waivers were granted.

### **III. WITNESSES**

The OCA intends to issue the discovery and present testimony as may be necessary, of Dr. Serhan Ogur in this proceeding. Dr. Ogur will present testimony in written form and will also attach various exhibits, documents, and explanatory information, as necessary, to assist in the presentation of the OCA's case. The OCA requests that instead of hard-copy mail, the parties send responses to Mr. Ogur by e-mail as indicated below:

Dr. Serhan Ogur  
Exeter Associates, Inc.  
10480 Little Patuxent Parkway, Suite 300  
Columbia, MD 21044  
[sogur@exeterassociates.com](mailto:sogur@exeterassociates.com)

The OCA specifically reserves the right to call additional witnesses, as necessary. All parties of record will be notified as soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case.

### **IV. DISCOVERY**

The OCA proposes the following modifications to the Commission's discovery regulations. It is the OCA's understanding that Pike and the OSBA do not oppose these modifications:

- A. Answers to interrogatories and responses to requests for document production, entry for inspection, or other purposes shall be served in-hand within ten (10) calendar days of service of the interrogatories or requests for production.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within three (3) calendar days of service; unresolved objections shall be served in writing to the propounding party within five (5) calendar days of service of the interrogatories and/or requests for production.

- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) calendar days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) calendar days of service of such motions.
- E. Requests for admission be deemed admitted unless answered within ten (10) days or objected to within five (5) days of service.
- F. Discovery requests and discovery related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 12:00 p.m. on a Friday or the day preceding a holiday shall be deemed to have been served on the next business day.
- G. On the Record Data requests will be provided within five (5) calendar days.

## **V. PROPOSED SCHEDULE**

The OCA has attached the proposed schedule as Appendix A. It is the OCA's understanding that this schedule is agreed to by Pike and the OSBA.

## **VI. SERVICE ON OCA**

The OCA will be represented in this case by Senior Assistant Consumer Advocate Aron J. Beatty and Assistant Consumer Advocate Gina L. Miller. A copy of all documents should be served on the OCA by e-mail only:

Gina L. Miller  
Assistant Consumer Advocate  
Aron J. Beatty  
Senior Assistant Consumer Advocate  
E-mail: [GMiller@paoca.org](mailto:GMiller@paoca.org)  
[ABeatty@paoca.org](mailto:ABeatty@paoca.org)

## VII. SETTLEMENT

The OCA is willing to participate in settlement discussions.

## VIII. PUBLIC INPUT HEARINGS

At present, the OCA has not received a request for a public input hearing. The OCA will make prompt notification and request a public input hearing should circumstances warrant. If such hearings are requested, the OCA asks they be held in person in Pike's service territory.

Respectfully Submitted,

/s/ Gina L. Miller

Gina L. Miller

Assistant Consumer Advocate

PA Attorney I.D. # 313863

Aron J. Beatty

Senior Assistant Consumer Advocate

PA Attorney I.D. # 86625

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Dated: June 14, 2023

347377

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Pike County Light and Power Company :  
for Approval of Default Service Plan (DSP) and : Docket No. P-2023-3039927  
Waiver of Commission Regulations for the Period :  
June 1, 2024 through May 31, 2027 :

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PROPOSED PROCEDURAL SCHEDULE  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pike's Direct Testimony	May 30, 2023
Prehearing Conference	June 15, 2023
Other Party Direct Testimony	July 21, 2023
Rebuttal Testimony	August 4, 2023
Surrebuttal Testimony	August 17, 2023
Written Rejoinder	August 29, 2023
Evidentiary Hearings	August 30, 2023
Main Briefs	September 12, 2023
Reply Briefs	September 22, 2023