

**ORDER NO. 90001**

Columbia Gas of Maryland, Inc.'s  
Application for Authority to Increase  
Rates and Charges

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BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF MARYLAND

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CASE NO. 9664

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**Issue Date: December 3, 2021**

**ORDER ON APPEAL OF PROPOSED ORDER**

1. The Office of People's Counsel ("OPC") filed a limited appeal of the Proposed Order of the Public Utility Law Judge ("PULJ"), setting new rates for Columbia Gas of Maryland, Inc.'s ("Columbia") customers. For the reasons and in the manner outlined below, OPC's limited appeal is granted and the Proposed Order is adopted with modifications.

**Background**

2. On May 14, 2021, Columbia filed an Application for Authority to Increase its Existing Rates and Charges.<sup>1</sup> On May 17, 2021, the Commission delegated the matter to the PULJ Division to conduct evidentiary proceedings. On October 29, 2021, the PULJ issued her Proposed Order.<sup>2</sup> On November 12, 2021, OPC filed an appeal from that Proposed Order.<sup>3</sup>

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<sup>1</sup> Maillog No. 235275.

<sup>2</sup> Maillog No. 237619, with an errata the same day, Maillog No. 237632.

<sup>3</sup> Maillog No. 237792 ("OPC Appeal").

3. On appeal, OPC states that it is not challenging the reasoning or decisions in the Proposed Order. Nonetheless, OPC argues that there are inconsistencies in two areas within the Proposed Order between the decisions reached and the resulting numerical calculations contained in the Proposed Order and its attached appendices, relating to incentive compensation.

4. First, OPC states that, although the Proposed Order adopted<sup>4</sup> two revenue requirement adjustments proposed by OPC witness Lafayette Morgan to Columbia's requested \$130,687 in short-term incentive ("STI") compensation from Columbia directly and \$369,830 in STI from NiSource Corporate Services Company ("NCSC"), the Proposed Order and its Appendix do not correctly calculate the amount of those adjustments.<sup>5</sup>

5. The Proposed Order provided for a total adjustment for all STI of \$84,090, while Appendix A to the Proposed Order provided adjustments of \$47,973 and \$102,112 for Columbia STI and NCSC STI, respectively.<sup>6</sup> OPC presents its own calculation of those values and argues that the correct adjustments should have been \$72,938 and \$173,259, respectively.<sup>7</sup> OPC requests that the Commission correct the amounts of STI adjustments within the body of the Proposed Order and Appendix A.

6. Second, OPC states that, although the Proposed Order adopted a Staff and OPC recommendation to exclude from the revenue requirement Columbia's requested long-term incentive ("LTI") compensation based on achieving financial goals, the Proposed

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<sup>4</sup> The Proposed Order agreed with those adjustments, finding that 77% of Columbia's STI compensation should be disallowed. Proposed Order at 10.

<sup>5</sup> OPC Appeal at 2.

<sup>6</sup> Proposed Order at 10; Appendix A.

<sup>7</sup> OPC Appeal at 4.

Order erroneously provided for an adjustment of \$56,647 (a number OPC disputes) while providing for a conflicting adjustment of \$111,012 in Appendix A (a number OPC agrees with).<sup>8</sup> OPC requests that the Commission correct the text of the Proposed Order to consistently reflect an adjustment amount of \$111,012.

7. On November 19, 2021, Columbia filed a Response to OPC's Appeal. In its Response, Columbia states that OPC's proposed adjustments are reasonable and accurately calculated and that Columbia does not oppose OPC's request to amend the Proposed Order and Appendix A, as described above.<sup>9</sup>

### **Commission Decision**

8. The Commission finds that the unopposed request of OPC is reasonable and supported by the record. OPC's requests are granted. The Proposed Order is adopted with the requested modifications to the STI and LTI adjustments.

**IT IS THEREFORE**, this 3<sup>rd</sup> day of December, in the year of Two Thousand Twenty One, by the Public Service Commission of Maryland,

**ORDERED:** (1) The Proposed Order of the Public Utility Law Judge Division is hereby adopted, as modified herein; and

(2) Columbia Gas is hereby authorized, pursuant to § 4-204 of the Public Utilities Article, Annotated Code of Maryland, to file tariffs that shall increase natural gas distribution rates for service rendered on or after December 3, 2021, subject to

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<sup>8</sup> *Id.* at 5.

<sup>9</sup> Maillog No. 237911.

acceptance by the Commission, and which shall otherwise be consistent with the findings in the Proposed Order and Appendix A, as modified herein.

*/s/ Jason M. Stanek* \_\_\_\_\_

*/s/ Michael T. Richard* \_\_\_\_\_

*/s/ Anthony J. O'Donnell* \_\_\_\_\_

*/s/ Odogwu Obi Linton* \_\_\_\_\_

*/s/ Mindy L. Herman* \_\_\_\_\_

Commissioners