

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
v. : Docket No. R-2022-3031211
Columbia Gas of Pennsylvania, Inc. :

**DIRECT TESTIMONY (CORRECTED)
OF ANTHONY CUSATI, III
ON BEHALF OF THE RETAIL ENERGY SUPPLY ASSOCIATION,
SHIPLEY CHOICE, LLC AND NRG ENERGY, INC.**

RESA/NGS Parties' Statement No. 1
Corrected
June 7, 2022

1 **Q. Please state your name and business address for the record.**

2 A. My name is Anthony Cusati, III, and my business address is 1379 Butter Churn Drive,
3 Herndon, VA 20170-2051.

4
5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Interstate Gas Supply, Inc., dba IGS Energy ("IGS") as the Director of
7 Regulatory Affairs-Eastern Division. I am also the State Representative for the Retail
8 Energy Supply Association ("RESA"), a trade association of competitive energy suppliers.

9
10 **Q. For whom are you appearing in this proceeding?**

11 A. I am appearing here today on behalf of The Retail Energy Supply Association, Shipley
12 Choice, LLC, and NRG Energy, Inc., collectively known as RESA/NGS Parties.

13
14 **Q. Briefly describe your educational experience and relevant qualifications.**

15 A. I attended Roger Williams College in Bristol, Rhode Island and studied Business
16 Administration with a major in accounting. I have been employed by IGS Energy since
17 January 2008 as the Director of Regulatory Affairs-Eastern Division and in that capacity,
18 I am responsible for regulatory affair matters in markets on the East Coast, which includes
19 existing markets as well as new market development. Prior to this, I was employed by two
20 competitive energy supply companies, Commerce Energy, Inc. and ACN Energy, Inc. in
21 similar capacities from 2000 through the end of 2007. Prior to my employment in the
22 competitive energy supply arena, I was employed in the for-profit sector of healthcare,
23 holding various financial management positions ranging from Controller to Chief Financial

1 Officer. I have considerable experience testifying in many states covering customer choice
2 related issues.

3

4 **Q. What is the purpose of your direct testimony in this matter?**

5 A. To address an item of importance to suppliers. I will explain the hardship and harm caused
6 by the current billing methodology (rate ready billing) used by Columbia Gas of
7 Pennsylvania ("Company") to bill natural gas supply charges for suppliers and the factors
8 that make this system unreasonable. I will propose a solution for the current deficient
9 billing method.

10

11 **I. Rate Ready Billing**

12 **Q. Can you please explain how Columbia's current rate ready billing system works at a
13 very high level?**

14 A. Natural Gas Suppliers ("NGSs") who are licensed by the Commonwealth and serve
15 customers on Columbia's system have two options for billing customers who have elected
16 an NGS as their supply service. Billing Option 1, which is referred to as NGS Billing
17 Service allows the NGS to bill their customers directly for natural gas supply service.
18 Billing Option 2, which is referred to as Company Billing Service allows the Company to
19 bill customers for the NGS supply service. When an NGS elects Billing Option 2, they are
20 assigned 50 billing/rate codes by the company that they can use to establish the rates that
21 customers will be charged for the NGS supply service. Each unique rate charged requires
22 a billing code. (See Columbia Gas of Pennsylvania Tariff Gas, Section 4.13.3, and CPA
23 response to RESA/NGS Parties' Set I, No. 1, attached hereto as **Exhibit TC-1**).

1 **Q. Why does the limitation on rate codes cause a problem for suppliers?**

2 A. Since each rate code is associated with a unique rate, when a supplier has reached the
3 maximum number of rate codes allotted to them, the supplier has no ability to consummate
4 additional contracts because it cannot assign additional rates for the newly acquired
5 customers, unless those customers can be assigned to existing rate codes, which is not
6 always possible.

7

8 **Q. Does the current system impede you from making timely and competitive offers to**
9 **customers?**

10 A. Yes, but the impedance is not limited only to timely and competitive offers. For example,
11 I am aware of one NGS who has recently acquired the customer book of another supplier
12 doing business in the Columbia territory. When those customers are migrated onto the
13 acquiring supplier's system, there simply are not enough rate codes available to that
14 supplier to bill the newly acquired customers. That issue, coupled with the wide
15 fluctuations of supply pricing being experienced in the current market makes it difficult to
16 develop competitive offers to newly acquired customers.

17

18 **Q. Do other NGDC's in the region use Rate Ready Billing, and if so, how many rate codes**
19 **per supplier do they make available?**

20 A. The table below depicts what billing method NGDCs in PA use. The only NGDC that
21 limits the number of rate codes assigned is Columbia Gas of Pennsylvania. I am aware
22 that suppliers are assigned 100 rate codes in Ohio.

23

<u>NGDC</u>	<u>Name</u>	<u>LOB</u>	<u>Bill Method</u>
PNG	Peoples Natural Gas	GAS	Rate Ready
UGI	UGI Utilities, Inc	GAS	Rate Ready
CPA	Columbia Gas of Pennsylvania	GAS	Rate Ready
PECO	PECO	GAS	Bill Ready
NFP	National Fuel - PA	GAS	Rate Ready

1

2 **Q. Do you think Columbia's current Rate Ready system is reasonable?**

3 A. No, I do not. First, there is the initial limitation on the initial number of rate codes that an

4 NGS is allotted, the limitation being that once a supplier has used the maximum allotted

5 rate codes reserved for them, there are no more rate codes available to use for new

6 customers. Second, because NGSs are assigned so few codes -- they are allotted only 50 -

7 - there are only "limited" opportunities to "recycle" older and inactive rate codes. Third,

8 while we have been advised that NGSs may request that the company provide additional

9 rate codes -- by giving a 45-day advance notice request, we also have been told that the

10 company would take the NGS request "under consideration on a case-by-case basis." I

11 find this to be troubling, since it is a matter of Columbia's discretion whether to provide a

12 supplier with additional codes. Finally, and more problematic is the fact that Columbia

13 typically assigns only 5 or 6 additional codes when requested to do so by a supplier. (*See*14 CPA response to RESA/NGS Parties' Set I, No.2, attached as **Exhibit TC-2**). This

15 piecemeal process of assigning new codes, coupled with a 45-day advance notice

16 requirement, only temporarily relieves the supplier of the shortage of codes, but also as

17 previously stated, hinders a supplier's ability to make timely offers to customers, only to

18 find out that we cannot bill the customer the contractual obligation we have entered in to.

19 This is not an efficient or sophisticated way of conducting business. Additionally, when it

20 comes to contracting with a commercial or industrial customer, those contractual

1 arrangements are typically set at different pricing methodologies due to the sophistication
2 of the deals. It is non-sensical to expect to have one rate code for each pricing scheme, and
3 to do so would limit a supplier to only 50 deals.
4

5 **Q. Is there a better alternative to simply increasing the number of available rate codes?**
6 **Please explain.**

7 A. Yes, there is a better alternative. Columbia should institute Bill Ready Billing, similar to
8 what was introduced in Columbia of Ohio.¹ Under a Bill Ready scenario, suppliers are
9 provided meter usage data for each customer for each billing period, and then through their
10 own systems calculate the customer's bill by applying the usage to the contracted rate. The
11 supplier then provides Columbia with the total amount of the bill, which Columbia in turn
12 prints on the customer's monthly utility bill. This is an acceptable industry practice,
13 already used by Columbia and used by electric utilities and other natural gas utilities across
14 the Country.
15

16 **Q. Would such a change require Columbia to incur additional costs?**

17 A. It is possible that there could be some cost associated with implementing Bill Ready Billing
18 in Pennsylvania. Because Columbia already provides Bill Ready as an option in at least
19 one other state, however, and because Columbia uses the same billing system across its
20 entire footprint, it would seem to me that the initial cost to implement Bill Ready Billing
21 in Pennsylvania should be minimal. (See CPA Response to RESA/NGS Parties' Set I,
22 No. 5, attached as **Exhibit TC-3**). I also believe that any such cost would be

_____ outweighed by _____

¹ See Columbia Gas of Ohio, Inc., Tariff, Section VII, Fifth Revised Sheet No.12, page 1a; Columbia's response to RESA/NGS Parties' Set IV, No. 1, attached as **Exhibit TC-4**).

1 the long-term cost savings of providing and maintaining the Rate Ready Billing system.

2
3 **Q. Do other utilities already use Bill Ready Billing?**

4 A. Yes, as stated above, this is an industry standard process that is practiced by many electric
5 utilities and PECO Gas in the Commonwealth. The following electric distribution
6 companies use the Bill Ready method in Pennsylvania:

<u>EDC</u>	<u>Name</u>	<u>LOB</u>	<u>Bill Method</u>
DQE	Duquesne Light Company	Electric	Bill Ready
ME	Met-ED	Electric	Bill Ready
PP	Penn Power	Electric	Bill Ready
PN	Penelec	Electric	Bill Ready
WPP	West Penn Power	Electric	Bill Ready
PPL	Pennsylvania Power & Light Co.	Electric	Bill Ready
PECO	PECO	Electric	Bill Ready

7
8 **Q. Are there problems inherent with Bill Ready Billing; that is, is there an operational
9 reason why Columbia might not prefer Bill Ready?**

10 A. I have not seen, nor am I aware of any problems that are inherent with Bill Ready Billing.
11 Columbia already offers Bill Ready Billing in Ohio as an option for suppliers, and this
12 process is used widely across the utility territories in the Commonwealth and appears to
13 work seamlessly, once instituted. I recognize that some suppliers may not currently possess
14 the ability to do Bill Ready Billing, which is why Columbia should offer both options for
15 the foreseeable future.

16
17 **Q. Why don't suppliers just bill customers themselves?**

18 A. There are several reasons, which may or may not apply in every case. First, some suppliers
19 choose Billing Option 2 because it is the only way suppliers can participate in purchase of

1 receivables, also known as POR. For other suppliers, it may be because they know that the
2 vast majority of customers prefer to receive a single bill for gas service and, since suppliers
3 are not permitted to offer supplier consolidated billing, the only way to provide the
4 convenience of a single bill is the use the utility's billing service.

5
6 **Q. What exactly do you recommend for Columbia to address the issue of too few rate
7 codes?**

8 A. At a minimum, Columbia must eliminate the restriction that limits suppliers to 50 rate
9 codes. As part of discovery, Columbia was asked why it imposed a limitation on rate codes.
10 Their response revolved around the fact that their "billing system does not have unlimited
11 storage capacity." (*See* CPA Response to RESA/NGS Parties' Set I, No. 4, **attached as
12 Exhibit TC-5**). This may have been true 20+ years ago when the Choice program first got
13 under way, but it would seem to me with the advances in technology since that time, and
14 the ability to store huge amounts of data on and offsite, this response appears to be outdated.

15
16 **Q. What is your recommendation on this issue?**

17 A. Find that Columbia's current rate code allotment process to be unreasonable for the reasons
18 I stated and require Columbia to develop a Bill Ready option in Pennsylvania, as a means
19 to address the deficiency on a longer-term basis. As a temporary measure, Columbia
20 should be required to implement a more timely and transparent process for assigning
21 additional rate codes and eliminate the constraint of 50 rate codes; until it can implement
22 Bill Ready Billing.

23

1 **Q. Do you have anything further to add at this time?**

2 A. No, and this concludes my Direct Testimony.

EXHIBIT TC-1

Columbia Gas of Pennsylvania, Inc.

COLUMBIA GAS OF PENNSYLVANIA, INC.
2022 RATE CASE PROCEEDING

Docket No. R-2022-3031211

Data Requests

NGS Parties INTERROGATORIES
Set 1

Question No. NGS Parties 1-001:

How many rate codes does Columbia allocate to each NGS operating on its system? Are all NGS customers billed through the rate-ready rate codes? If not, explain which customers are not billed in that manner and provide the quantities of customers billed via the rate-ready system and any other system(s).

Response:

There is a maximum of 50 Rate Codes allocated to each NGS operating on our system. Yes, customers are billed through the rate-ready rate codes under Billing Options 1 or 2 as referenced in the Columbia Gas of Pennsylvania Tariff Section 4.13.3.

EXHIBIT TC-2

Columbia Gas of Pennsylvania, Inc.

COLUMBIA GAS OF PENNSYLVANIA, INC.
2022 RATE CASE PROCEEDING

Docket No. R-2022-3031211

Data Requests

NGS Parties INTERROGATORIES
Set 1

Question No. NGS Parties 1-002:

Once the limit provided in Response to No. 1, above, is reached, is there any mechanism for a supplier to gain access to additional rate codes? If not, why not? If yes, explain the process (including costs and timing requirements) and any limitations.

Response:

Yes, requests for additional rate codes are taken under consideration on a case-by-case basis. Requests should be made a minimum of 45 days prior to the flow month (e.g., requested by 5/15 available 7/1).

EXHIBIT TC-3

Columbia Gas of Pennsylvania, Inc.

COLUMBIA GAS OF PENNSYLVANIA, INC.
2022 RATE CASE PROCEEDING

Docket No. R-2022-3031211

Data Requests

NGS Parties INTERROGATORIES
Set 1

Question No. NGS Parties 1-005:

Does Columbia use the same billing system (i.e., rate-ready) for all its natural gas service territories? If not, explain how the system used in Pennsylvania differs from the others.

Response:

Yes, Columbia uses the same billing system for all its natural gas service territories.

EXHIBIT TC-4

Columbia Gas of Pennsylvania, Inc.

COLUMBIA GAS OF PENNSYLVANIA, INC.
2022 RATE CASE PROCEEDING

Docket No. R-2022-3031211

Data Requests

NGS Parties INTERROGATORIES
Set 4

Question No. NGS Parties 4-001:

Refer to Columbia's response to NGS Parties' Set I, No. 5:

- a. Does Columbia currently provide an option for bill ready billing in any service territory?
- b. Is Columbia planning to provide or is it in the process of testing bill ready billing in any service territory?
- c. If the answer to either subpart a) or b) is yes, identify the service territory, the date upon which Columbia began to provide bill ready billing or the date upon which bill ready billing will become operational in any state identified, and provide any tariff provisions and/or orders of state utility regulators approving bill ready billing.

Response:

- a. Columbia Gas of Ohio currently provides an option for bill ready billing in its service territory.
- b. Columbia Gas of Pennsylvania is not aware of any plans by other affiliates to implement bill ready billing.
- c. Bill ready billing was implemented in Ohio as of April 1, 2017, per Amended Joint Stipulation Case No. 12-2637-GA-EXM.

EXHIBIT TC-5

Columbia Gas of Pennsylvania, Inc.

COLUMBIA GAS OF PENNSYLVANIA, INC.
2022 RATE CASE PROCEEDING

Docket No. R-2022-3031211

Data Requests

NGS Parties INTERROGATORIES
Set 1

Question No. NGS Parties 1-004:

Explain in detail all reasons why Columbia limits the number of available rate codes to the number it does?

Response:

As with many systems, Columbia's billing system does not have unlimited storage capacity. Therefore, Columbia maintains thresholds for rate code assignments to meet the needs of new and actively participating NGSs.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
v. : Docket No. R-2022-3031211
Columbia Gas of Pennsylvania, Inc. :

**VERIFICATION OF
ANTHONY CUSATI, III**

I, Anthony Cusati, III, hereby verify the following facts:

- 1) I am the Director of Regulatory Affairs-Eastern Division for Interstate Gas Supply, Inc., dba IGS Energy ("IGS") and I am also the State Chair, for Pennsylvania for the Retail Energy Supply Association ("RESA");
- 2) I have been duly authorized by RESA, Shipley Choice, LLC and NRG Energy, Inc., to testify on their behalf in the above-captioned matter;
- 3) I prepared RESA/NGS Parties' Statement No. 1, along with Exhibits TC-1 through TC-5, which is my Direct Testimony;
- 4) I prepared RESA/NGS Parties' Statement No. 1-SR, which is my Surrebuttal Testimony; and,
- 5) I have a single correction to RESA/NGS Parties' Statement No. 1. On page 5, line 22, where I introduce Exhibit TC-3, it is mistakenly identified as Columbia's response to RESA/NGS Parties, Set I, No. 4, when in fact it is the response to Set I, No. 5. The attached chart

shows the correct exhibit number and the copy of the testimony submitted for the record also will reflect the correction.

6) Otherwise, RESA/NGS Parties' Statement Nos. 1, and 1-SR, and the accompanying Exhibits, are true and correct to the best of my knowledge, information, and belief, and if a hearing were held today and I were asked the same questions, my answers would be the same as contained in each of my Statements. I understand that my statements are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).



Anthony Cusati, III
Director of Regulatory Affairs, Eastern
Division, IGS
State Chair for Pennsylvania, RESA

DATED: July 28, 2022

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2022-3031211
	:	
Columbia Gas of Pennsylvania, Inc.	:	

**DIRECT TESTIMONY
OF DAN CARAVETTA
ON BEHALF OF THE RETAIL ENERGY SUPPLY ASSOCIATION,
SHIPLEY CHOICE, LLC AND NRG ENERGY, INC.**

1 **Q. Please state your name, title, and employer for the record.**

2 A. Dan Caravetta, Director of Gas Supply, Shipley Energy.

3

4 **Q. What is your business address?**

5 A. 415 Norway Street, York, PA 17403.

6

7 **Q. Can you briefly describe your duties as Director of Gas Supply?**

8 A. I manage the supply of natural gas to residential, commercial, and industrial customers in
9 Pennsylvania, Ohio, and Maryland.

10

11 **Q. On whose behalf are you testifying?**

12 A. I am testifying on behalf of Shipley Energy, NRG Energy, Inc. and The Retail Energy
13 Supply Association, collectively known as RESA/NGS Parties.

14

15 **Q. How long have you been the Director of Gas Supply and what is your work history?**

16 A. I was hired by Shipley in May of 2019 and in July of 2021 my responsibilities expanded
17 as Director of Gas Supply within Shipley Choice. Prior to Shipley, I spent 14 years at NRG
18 Energy, initially as a regulatory reporting accountant but soon transitioned to the natural
19 gas desk as a scheduler. I quickly gained responsibilities as a cash trader as the company
20 acquired assets. In 2011, I was promoted to senior trader where my responsibilities
21 included managing gas supply for northeast power assets as well as proprietary trading.
22 Before NRG, I spent six years at Merrill Lynch working in fixed income, foreign exchange,
23 and securities lending.

1 **Q. Does Shipley serve customers on the Columbia system?**

2 A. Yes, I am very familiar with their processes and procedures and the costs of the service
3 from a supplier's perspective.

4

5 **Q. What is the purpose of your testimony today?**

6 A. To discuss operational concerns around Columbia's failure to provide scheduling
7 confirmations for all cycles. This is a concern we share with other suppliers on the
8 Columbia system. I also propose a solution for that concern.

9

10 **Schedule Confirmations for All Cycles**

11 **Q. Please explain your concern with schedule confirmations. To start with, please**
12 **explain how scheduling works and define a cycle, a schedule and a confirmation.**

13 A. Natural gas is purchased based on customer demands on a day-ahead basis. The gas is then
14 scheduled on the utility's (in this case Columbia's) electronic bulletin board (EBB) and the
15 pipeline EBB in accordance with the time schedules/deadlines set by the North American
16 Energy Standards Board ("NAESB"). There are two "Day Ahead" cycles: Timely (2:00
17 PM EST) and Evening (7:00 PM EST), which, as the names suggest, are scheduled the day
18 prior to the date the gas will flow. There are also three "Intraday" (day of flow) cycles:
19 Intraday 1 (11:00AM EST), Intraday 2 (3:30PM EST), and Intraday 3 (8:00PM). There is
20 also a Post cycle at 11:00AM EST following the gas day allowing for retroactive
21 nominations. Some of these cycles have an associated confirmation schedule where either
22 the confirmation of scheduled gas, or a cut is communicated. A cut can happen when the
23 schedule is rejected, in whole or in part because the nomination on the pipeline EBB does

1 not exactly match the nomination on Columbia's Aviator system, or for operational
2 reasons. (See CPA Responses to RESA/NGS Parties Set II, Nos 3 and 4, attached as
3 **Exhibits DC-1 and DC-2** respectively). If there is a cut, the scheduler will then act to
4 remedy the situation.

5
6 **Q. Do suppliers receive confirmation for every schedule submitted?**

7 A. No. Columbia only provides confirmations for Timely and Intraday-2 cycles. (See CPA
8 Response to RESA/NGS Parties' Set II, No. 5, attached as **Exhibit DC-3**).

9
10 **Q. Do problems occur when suppliers do not have confirmations?**

11 A. Yes. Because Columbia only provides confirmations for two cycles (Timely and Intraday
12 2), supply cuts are not communicated for the other cycles. This lack of actionable
13 information can lead to penalties for suppliers. For example, Supplier A purchases gas to
14 be delivered to the Columbia city gate from Supplier B. If Supplier B has a transportation
15 cut on the pipeline at the Intraday-3 cycle, Supplier A will not be notified in a timely
16 manner by Columbia, since it does not provide an Intraday 3 confirmation. So, if Supplier
17 A does not know about the cut it cannot remedy the situation and it would likely end up
18 short, which could subject it to a penalty. Our goal as a supplier is to get our customers
19 the gas they need. Not notifying us of cuts during all cycles reduces the likelihood of a
20 supplier remedying the cut in time. It is important that cuts are communicated during all
21 confirmation windows, especially in winter when pipeline constraints and OFOs
22 ("Operational Flow Orders", which are requirements that suppliers flow specified amounts

1 of gas) are typically imposed and can impact the ability of gas to flow. Failure to adjust
2 deliveries to address cuts can lead to penalties which can increase costs to customers.

3
4 **Q. Has Columbia explained why it does not provide schedule confirmations for all**
5 **cycles?**

6 A. Yes. Columbia stated that they believe confirming Timely and Intraday-2 cycles are
7 adequate. (See **Exhibit DC-3**).

8
9 **Q. If Columbia does not communicate a confirmation, is a supplier able to actively see if**
10 **a nomination is cut using Columbia's electronic bulletin board?**

11 A. No. The status of a nomination does not change until the Timely and Intraday-2 cycles. In
12 a case where a cut is communicated at Timely cycle, verification of the remedy is not
13 known until Intraday-2 cycle confirmation. When an Intraday-2 cut is repaired, a supplier
14 cannot see any verification in Columbia's EBB. (See **Exhibit DC-1**).

15
16 **Q. Has Columbia provided a technical reason why it cannot provide confirmations for**
17 **all cycles?**

18 A. No.

19
20 **Q. Do other utilities provide confirmations for all cycles?**

21 A. Shipley does business on other PA natural gas utility systems that do confirm all cycles.
22 These cycle confirmations are either communicated with an automated email, visible in the
23 utility's EBB, or a utility representative will reach out, usually via email.

1 **Q. What do you propose as a solution for this problem?**

2 A. I propose that Columbia be required to provide the same confirmations for the Evening,
3 Intraday-1 and Intraday-3 cycles as they do for Timely and Intraday-2 cycles.

4

5 **Q. Would this solution increase the cost for Columbia?**

6 A. Columbia did not list cost as a reason for not issuing additional confirmations, only that
7 there would be an additional labor cost, that they did not quantify. (See CPA Response to
8 RESA/NGS Parties' Set II, No. 6, attached as **Exhibit DC-4**). I would estimate that any
9 incremental cost would be minimal since Columbia would use the same automated method
10 that is currently used for Timely and Intraday-2 confirmations.

11

12 **Q To the best of your knowledge would this change be technically difficult for Columbia
13 to implement?**

14 A. No. The process already exists for Timely and Intraday-2.

15

16 **Q. Would providing confirmations for all cycles harm or help customers?**

17 A. Providing confirmations for all cycles would help customers because it would potentially
18 reduce penalties and ensure more efficient supply, thus reducing costs for customers.

19

20 **Q. Do you have anything further to add on this subject?**

21 A. No, not at this time, and this concludes my Direct Testimony.

EXHIBIT DC-1

Columbia Gas of Pennsylvania, Inc.

COLUMBIA GAS OF PENNSYLVANIA, INC.
2022 RATE CASE PROCEEDING

Docket No. R-2022-3031211

Data Requests

NGS Parties INTERROGATORIES
Set 2

Question No. NGS Parties 2-003:

Explain in detail Columbia's process for confirming a supplier's nominations as entered into Columbia's Aviator system.

Response:

Columbia compares upstream pipeline nominations entered into interstate pipeline Electronic Bulletin Boards (EBBs) to the nominations entered into the Aviator system by the supplier. The purpose of this process is to identify any variances between the nominations and to "confirm" matching nominations or "cut" nominations either on the EBBs or Aviator that do not match. The comparison process is done by downloading a nominations allocation file from the EBB, then importing this file into the Aviator system. Aviator automatically compares the nominated volume at the Pipeline Scheduling Point (PSP) and interstate pipeline contract level, with the Aviator nominations referencing the pipeline contract at the same PSP.

Reports are run from Aviator identifying the variances. If the volumes nominated on the pipeline are greater than the Aviator nomination, or there is not an Aviator nomination, then the pipeline nominations are reduced via the pipeline EBB confirmation screen. If the volumes nominated on the pipeline are less than the Aviator nomination, or there is not a pipeline nomination in place, then the Aviator nominations are reduced.

Most Pipeline EBBs have an email notification functionality where the pipeline shipper can receive automated emails when nominations are reduced or cut on the pipelines; it is the shipper's responsibility to make sure they are set up to receive these automated notifications. In a similar fashion, there is email notification functionality in Aviator where the supplier can receive automated emails when nominations are reduced or cut on Aviator.

Nominations are compared for Aviator Cycle 1 (which corresponds to NAESB Timely Cycle) and Aviator Cycle 2 (which corresponds to NAESB Intraday-2 Cycle)

EXHIBIT DC-2

Columbia Gas of Pennsylvania, Inc.

COLUMBIA GAS OF PENNSYLVANIA, INC.
2022 RATE CASE PROCEEDING

Docket No. R-2022-3031211

Data Requests

NGS Parties INTERROGATORIES
Set 2

Question No. NGS Parties 2-004:

Please confirm that Columbia does not presently provide confirmation for schedules for evening and intra-day cycles 1 and 3.

Response:

Correct. Columbia does not actively confirm NAESB cycles for evening, intraday-1 and intraday-3 schedules.

EXHIBIT DC-3

Columbia Gas of Pennsylvania, Inc.

COLUMBIA GAS OF PENNSYLVANIA, INC.
2022 RATE CASE PROCEEDING

Docket No. R-2022-3031211

Data Requests

NGS Parties INTERROGATORIES
Set 2

Question No. NGS Parties 2-005:

Please explain in detail why Columbia does not provide confirmation for NAESB standard evening and intra-day cycles 1 & 3.

Response:

Columbia does not confirm evening, intraday-1 and intraday-3 cycles. Columbia believes the confirmation of timely and intraday-2 cycles during the afternoon of each workday adequately addresses supplier nomination changes.

It should be noted Columbia does not prevent suppliers from nominating and flowing gas on the Electronic Bulletin Boards (EBBs) for any of these remaining NAESB cycles. Similarly, Aviator nominations can be made in Aviator throughout the day for these cycles.

For Columbia's citygate locations (also known as Pipeline Scheduling Points) nominations on the pipeline EBBs are automatically confirmed and scheduled for each NAESB cycle.

Columbia also reviews all prior gas days for any discrepancies between the pipeline EBB and Aviator. Columbia will work to match the pipeline scheduled nominations in Aviator, and notify the supplier of any differences.

EXHIBIT DC-4

Columbia Gas of Pennsylvania, Inc.

COLUMBIA GAS OF PENNSYLVANIA, INC.
2022 RATE CASE PROCEEDING

Docket No. R-2022-3031211

Data Requests

NGS Parties INTERROGATORIES
Set 2

Question No. NGS Parties 2-006:

If any part of the rationale for not providing confirmations for NAESB standard evening and intra-day cycles 1 & 3 includes cost, provide a detailed accounting of all costs of providing said schedule confirmations.

Response:

Please see response to NGS Parties 2-005 for the rationale. The rationale does not include cost. However, Columbia anticipates that there would be increased costs associated with employee labor to confirm standard evening and intra-day cycles 1 & 3, which Columbia has not quantified.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission

v.

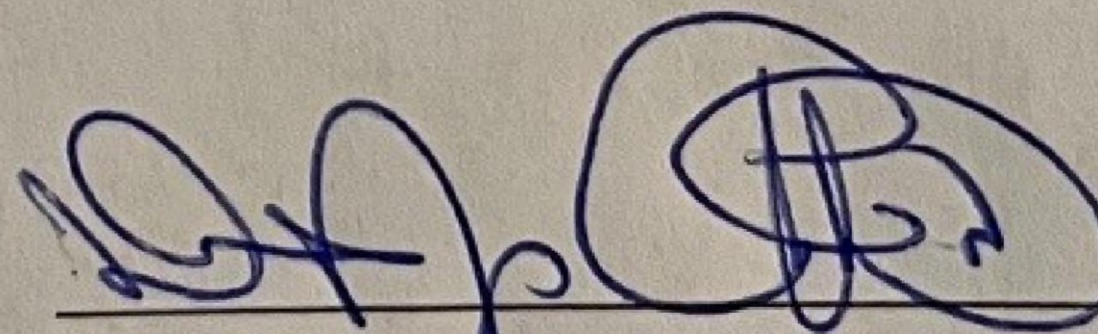
Columbia Gas of Pennsylvania, Inc.

Docket No. R-2022-3031211

**VERIFICATION OF
DAN CARAVETTA**

I, Dan Caravetta, hereby verify the following facts:

- 1) I am the Director of Gas Supply of Shipley Choice LLC d/b/a Shipley Energy;
- 2) I have been duly authorized RESA, Shipley Choice, LLC and NRG Energy, Inc., to testify on their behalf in the above-captioned matter;
- 3) I prepared RESA/NGS Parties' Statement No. 2, along with Exhibits DC-1 through DC-4, which is my Direct Testimony;
- 4) I prepared RESA/NGS Parties' Statement No. 2-SR, along with Exhibit DC-5, which is my Surrebuttal Testimony; and,
- 5) RESA/NGS Parties' Statement Nos. 1, and 1-SR, and the accompanying Exhibits, are true and correct to the best of my knowledge, information, and belief, and if a hearing were held today and I were asked the same questions, my answers would be the same as contained in each of my Statements. I understand that my statements are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).



Dan Caravetta
Director of Gas Supply, Shipley Choice, LLC.

DATED: 7/28/22