Columbia Gas of Pennsylvania, Inc.

2013-14 Winter Gas Supply

To ensure that it can meet its firm service obligations (includes: Sales customers, Choice customers and GDS customers that have subscribed to the Company's Standby and Elective Balancing Services), Columbia Gas of Pennsylvania, Inc. has longstanding daily and winter season "Design Criteria" to serve as the basis for the structure and management of its supply/capacity portfolio. Columbia's Design Day Temperature has a 6.67% probability of occurrence and Columbia's Design Winter Season is based on colder temperatures having a 10% probability. More specifically, there is a 1 in 15 chance that actual temperatures could exceed Columbia's Design Day Temperature of -5 degrees, and a 1 in 10 chance that the weather could exceed Columbia's Design Winter Season criteria which has approximately 11% more degrees days than a Normal Winter Season. These criteria serve as the basis for the design of Columbia's supply and capacity portfolio and Columbia's management of its assets to ensure its ability to reliably fulfill it firm service obligations.

Columbia is well positioned to provide such reliable service. This occurs because Columbia secures its winter supplies primarily in two ways. First, Columbia contracts for firm supplies equal to its expected purchase needs for the three coldest months of December thru February, prior to the start of the winter season. Secondly, Columbia fills its firm pipeline storage services to a level of approximately 98 percent by November 1. Columbia manages its storage and supply purchasing activity in a manner that ensures reliable service to its firm service obligations under the aforementioned "Design Criteria". For the 2013-14 Winter Season, assuming Normal Weather, Columbia's expects to serve Firm Sales Markets with approximately a 50/50 split between Firm Purchases and Storage Withdrawals. On a Design Day, at -5 degrees, Storage Withdrawals will make up an even greater portion of Columbia's service to Firm Sales Markets, approaching 75%.

Winter Gas Operations

Frost Patrols

Leak surveys based on frost potential will continue on our remaining and declining population of cast iron pipe until this pipe is entirely replaced. Once frost has penetrated the ground in Columbia's service territory, Columbia will conduct weekly surveys of our remaining cast iron systems until the frost has receded.

Winter Operations Preparedness

Columbia's 2013- 2014 Winter Operations Plan includes an assessment of all distribution facilities to ensure that adequate capacity and pressures are available to serve projected peak day demand. Considered in the assessment are facility performance under last year's peak demand, system improvements, upgrades, and reconfigurations over the past year along with changes in customer demand. This assessment determines the appropriate monitoring activities to be performed throughout the winter season.

Winter Operations Monitoring

Winter Operations Monitoring involves the recording of distribution system pressures at particular intervals of winter ambient temperatures and/or assessing Gas Quality at pre-determined locations when changes in pipeline storage field operations could negatively impact gas quality or negatively impact M&R facilities operations. Collecting and compiling winter operations information enables Technical Operations and M&R personnel to proactively address operational issues and provides a platform for system planning and modeling.

Emergency Dispatch
Columbia operates a fully-automated call-out process for emergency response with Service personnel on an Emergency Response Rotation. This means that Columbia emergency response personnel are available on rotation 24 hours a day, 7 days a week, 365 days a year to emergencies on its distribution system.

Winter Emergency/Outage Customer Communications and Outreach

Columbia's Call Center will always have up-to-date information to respond to customer inquiries in the event of any emergency or outage. As service interruptions can vary in nature and range, and therefore require different levels of customer outreach, Columbia will take the following additional steps to communicate to impacted customers as appropriate:

1. Web Page Customer Alert – "Customer Alert" posted on the Pennsylvania web site. This includes both a "what's new" box on the home page and an "outage/incident center" page.
    a. Post regular updates on the Columbia web site.
    b. Push major update information out to news media.
    c. Provide updates to assignment desks or assigned reporters directly.
    d. Be aware of news cycle times in order to prepare updated information.

2. Local Public Official Notification – Notify appropriate local public officials (i.e. Legislators, town manager, public/safety works director, emergency response officials, etc.) as well as the PUC to ensure all critical external stakeholders are identified and response is coordinated.

3. News Release – Issue a targeted news release with incident details. For example, an outage release would include the location of outage, number of customers impacted, estimated date and time for service restoration, and the location of potential warming centers.

4. Warming Center Coordination – If needed, partner with local VFD, Emergency Management and Red Cross organizations to establish a warming center for impacted customers while their service is interrupted. If shelters are open, utilize news media and CPA web site to disseminate information (location, hours and resources available).

Universal Service and Customer Programs

In addition to the above, Columbia maintains an array of Universal Service and Customer programs that are designed to assist the most vulnerable customers. Examples include:

- Low Income Home Energy Assistance Program (LIHEAP) and "Partners for Warmth"
- Hardship Funds
- Security Deposit Assistance Program
- Cold Weather Survey
- Budget Billing and Payment Options
- Emergency Repair Program
- Efficient Delivery of Customer Programs
- WarmWise - a series of energy saving programs that help identify where a customer's home is losing energy and provide solutions to start saving energy and money.