

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

Columbia Gas of Pennsylvania

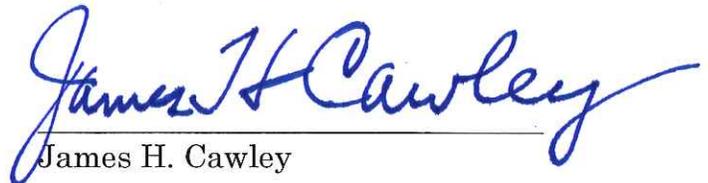
Public Meeting: October 23, 2014
2407345-OSA
Docket Number: R-2014-2407345

Statement of Commissioner James H. Cawley

Before us is Columbia Gas of Pennsylvania, Inc. (Columbia) Tariff Supplement containing a proposed Pilot Rider New Area Service (Pilot Rider). The Pilot Rider program aims to expand natural gas service by serving as an additional option for customers to pay the deposit for the uneconomic portion of a line extension. The Pilot Rider provides for a portion of the lump sum deposit to be paid through a monthly surcharge over a twenty-year period.

While I support Columbia's proposal, I have a concern relating to the notice requirements for purchasers of properties who have entered into agreements pursuant to this program and are subject to the Rider, as well as situations where a developer has entered into an agreement with Columbia and subsequently sells the property. The Order rejects as impractical the ALJ's recommendation requiring developers to place a note about the Pilot Rider on any subdivision plan. Instead, we adopt Columbia's proposal that, before a developer can participate in the pilot, Columbia and the developer must enter into an agreement that requires the developer to notify the initial purchaser about the Pilot Rider surcharge. I find this unsatisfactory.

Such an agreement raises questions regarding who bears responsibility for the Rider if notice is not provided. Further, it fails to provide a method of notification for subsequent purchasers. This Rider is tantamount to a lien. Thus, I urge Columbia and the entire industry to develop a notice methodology for line extension financing that can be ascertained through a title search. I recognize that my suggestion ventures into an area over which the Commission arguably lacks jurisdiction, but failure to provide notice to unsuspecting consumers will only lead to serious disputes later and potentially undermine what could be a significant and beneficial program.


James H. Cawley

Dated: October 23, 2014