

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

**Pennsylvania Public Utility Commission, Office of
Consumer Advocate, Office of Small Business Advocate
v. Columbia Gas of Pennsylvania, Inc.**

**Public Meeting - October 23, 2014
2407345 - OSA
Doc Nos. R-2014-2407345
C-2014-2410197
C-2014-2415136**

STATEMENT OF
COMMISSIONER PAMELA A. WITMER

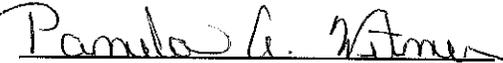
Before the Public Utility Commission today are the Exceptions of Columbia Gas of Pennsylvania, Inc. (Columbia) and the Office of Consumer Advocate to the Recommended Decision (R.D.) of Administrative Law Judge Mark A. Hoyer. The R.D. and the Exceptions relate to Columbia's filing of a tariff supplement containing a proposed Pilot Rider New Area Service (Pilot Rider NAS).

The Pilot Rider NAS, as proposed, is a four year pilot designed to provide an alternative payment option for customers requesting distribution line extensions in areas that currently do not have Columbia gas distribution facilities. Under Columbia's proposal, instead of a large up-front payment to fund an extension, customers would be able to pay a surcharge per meter over a twenty year period. The monthly surcharge would be capped at \$35 and customers would pay interest at the weighted cost of capital. Columbia also proposed a maximum of \$1 million per year in total costs covered by the surcharges across its service territory, calculated in part by looking at the average number of customer deposits received per year for the past five years. Among other things, the R.D. and Order today include these parameters as acceptable for the pilot.

It is well known that I have been a staunch proponent of innovative programs to encourage the extension of natural gas into underserved and unserved areas of the Commonwealth. Pennsylvania sits on top of one of the largest natural gas reserves in the world. The ability to economically extract Marcellus Shale gas has made Pennsylvania the second largest producer of natural gas in the country. As a result, Pennsylvania consumers, residential and very importantly, industrial consumers, should have every reasonable opportunity to take advantage of this efficient and clean burning natural resource. I am voting to support Columbia's proposal because it represents an effort to expand natural gas service, however, I am underwhelmed and am of the opinion that it falls short of these goals.

Specifically, upon review of Columbia's proposal and the Order before us today, I find the total funding amounts and the payback parameters of Columbia's pilot Rider NAS to be underwhelming. To that end, as pilot Rider NAS is put into place, I strongly encourage the Company to review these aspects of the program and, when opportunities arise, propose mid-course corrections in order to create a more expansive, dynamic and effective program that can truly encourage the extension of natural gas throughout Columbia's service territory.

DATE: October 23, 2014


PAMELA A. WITMER
COMMISSIONER