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File #: 2271/141049

April 7, 2010

James J. McNulty
Secretary
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
PO Box 3265
Harrisburg, PA 17105-3265

RE: Pennsylvania Public Utility Commission v. Columbia Gas of Pennsylvania, Inc.
Docket No. R-2009-2149262

Dear Secretary McNulty:

Enclosed please find the Prehearing Memorandum of Columbia Gas of Pennsylvania, Inc. in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully Submitted,

Andrew S. Tubbs

AST/skr

Enclosure

cc: Certificate of Service
Honorable Wayne L. Weismandel

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST CLASS MAIL

Charles Daniel Shields
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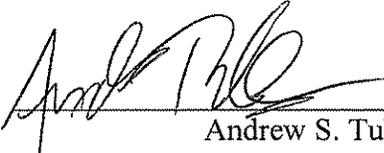
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AND VIA FIRST CLASS MAIL:

Ban Bazzoui
708 Chambers Rdg.
York, PA 17402

Betty M. Rogers
P. O. Box 65
Emigsville, PA 17318

Date: April 7, 2010


Andrew S. Tubbs

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2009-2149262
	:	
Columbia Gas of Pennsylvania, Inc.	:	
	:	
William R. Lloyd, Jr., Small Business Advocate	:	
	:	
v.	:	Docket No. C-2010-2157870
	:	
Columbia Gas of Pennsylvania, Inc.	:	
	:	
Irwin A. Popowsky, Consumer Advocate	:	
	:	
v.	:	Docket No. C-2010-2156929
	:	
Columbia Gas of Pennsylvania, Inc.	:	
	:	
Ban Bazzoui	:	
	:	
v.	:	Docket No. C-2010-2160920
	:	
Columbia Gas of Pennsylvania, Inc.	:	
	:	
Betty M. Rogers	:	
	:	
v.	:	Docket No. C-2010-2164559
	:	
Columbia Gas of Pennsylvania, Inc.	:	

**PREHEARING MEMORANDUM OF
COLUMBIA GAS OF PENNSYLVANIA, INC.**

TO ADMINISTRATIVE LAW JUDGE WAYNE L. WEISMANDEL:

This Memorandum is in response to a Notice of Prehearing Conference, dated March 26, 2010, advising that a Prehearing Conference was scheduled for April 9, 2010.

On January 28, 2010, Columbia Gas of Pennsylvania, Inc. ("Columbia") filed with the Pennsylvania Public Utility Commission ("Commission") Supplement No. 144 to its Tariff Gas – Pa. P.U.C. No. 9 ("Supplement No. 144"). Supplement 144, issued January 28, 2010 and to be effective March 29, 2010, proposes changes to Columbia's base distribution rates designed to produce an increase in revenues of approximately \$32.3 million, based upon data for a pro forma future test year ending September 30, 2010. Supplement No. 144 also proposes to remove, revise and add various tariff provisions. The filing was made in compliance with the Commission's regulations, and contains all supporting data and testimony required to be submitted in conjunction with a tariff change seeking a general rate increase.

Columbia's counsel in this proceeding are Theodore J. Gallagher, Esquire, Kimberly S. Cuccia, Esquire, Michael W. Gang, Esquire, Michael W. Hassell, Esquire and Andrew S. Tubbs, Esquire. Pursuant to Paragraph 2 of the ALJ's Prehearing Conference Order, Columbia requests that Michael W. Hassell be listed as the recipient for service. Mr. Hassell's contact information is provided below:

Michael W. Hassell (ID # 34851)
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
Phone: 717-612-6029
Fax: 717-731-1985
E-mail: mhassell@postschell.com

Columbia also requests that Mr. Gallagher, Ms. Cuccia and Mr. Tubbs be added to any informal e-mail distribution lists in this proceeding. Mr. Gallagher's e-mail address is tjgallagher@nisource.com, Ms. Cuccia's e-mail address is kscuccia@nisource.com, and Mr. Tubbs' e-mail address is atubbs@postschell.com.

Below is a list of the witnesses and the areas of their testimony comprising Columbia's initial direct case in this proceeding. The subject matters listed below represent as complete a statement of issues that Columbia can provide at this stage of the proceeding. Further definition of contested issues by the parties will develop within the scope of the subject matters listed below during the course of the proceeding.

Columbia presently intends to offer the following witnesses to testify in this proceeding on the following subject matters:

Statement
Number

- | | | |
|---|--|---|
| 1 | <p>M. Carol Fox
President
Columbia Gas of PA and Columbia Gas of Maryland, Inc.
Southpointe Industrial Park
501 Technology Drive
Canonsburg, PA 15317
Phone: 724-416-6331
Fax: 724-416-6383</p> | <p>a) Overview of the Company filing.
b) Quality of service.</p> |
| 2 | <p>Mark R. Kempic
Director of Rates and Regulatory Policy
Columbia Gas of Pennsylvania, Inc.
Southpointe Industrial Park
501 Technology Drive
Canonsburg, PA 15317
Phone: 724-416-6328
Fax: 724-416-6384</p> | <p>a) Columbia's cast iron and bare steel replacement program and its funding mechanism.
b) Home Energy Efficiency Program.
c) Customer charge.
d) Emergency Repair Fund.
e) GTI funding.</p> |
| 3 | <p>Amy L. Efland
Senior Forecast Analyst
NiSource Corporate Services Company
200 Civic Center Drive
Columbus, OH 43215
Phone: 614-460-6000</p> | <p>a) Residential and commercial sales normalization.
b) Customer usage forecasts for the future test year.</p> |

- 4 Chandra N. Canterbury Revenues.
Senior Regulatory Analyst
NiSource Corporate Services
Company
200 Civic Center Drive
Columbus, OH 43215
Phone: 614-460-4220
- 5 P. David Haddad a) Operation, maintenance and certain tax
Director of Regulatory Strategy and expenses.
Support b) Gas stored underground.
NiSource Corporate Services
Company
200 Civic Center Drive
Columbus, OH 43215
Phone: 614-460-4813
Fax: 614-460-4833
- 6 John J. Spanos a) Depreciation study.
Vice President, Valuation and Rate b) Annual and accrued depreciation.
Division
Gannett Fleming, Inc.
207 Senate Avenue
Camp Hill, PA 17011-2316
Phone: 717-763-7211
Fax: 717-763-8150
- 7 Marianne L. Schuster Rate base and lead-lag study.
Lead Regulatory Analyst
NiSource Corporate Services
Company
200 Civic Center Drive
Columbus, OH 43215
Phone: 614-460-6000
- 8 Danny G. Cote a) Columbia's distribution system.
General Manager of Operations b) Company's infrastructure replacement
NiSource, Inc. program and projected plan additions.
Southpointe Industrial Park
501 Technology Drive
Canonsburg, PA 15317

- 9 Paul R. Moul
 Managing Consultant
 P. Moul & Associates
 251 Hopkins Road
 Haddonfield, NJ 08033
 Phone: 856-428-7515
 Fax: 856-428-0026
- a) Cost of capital.
 b) Fair rate of return.
- 10 John M. O'Brien
 Assistant Controller of Taxes
 NiSource Corporate Services
 Company
 200 Civic Center Drive
 Columbus, OH 43215
 Phone: 614-460-6000
- a) Income tax expense.
 b) Deferred income tax.
- 11 Robert P. Crossin
 Senior Regulatory Analyst
 NiSource Corporate Services
 Company
 200 Civic Center Drive
 Columbus, OH 43215
 Phone: 614-460-6000
- a) Cost of Service Study.
 b) Cost analysis supporting minimum
 customer charges for all rate schedules.
- 12 Paula A. Strauss
 Manager of Regulatory Strategy and
 Support
 NiSource Corporate Services
 Company
 200 Civic Center Drive
 Columbus, OH 43215
 Phone: 614-460-4689
- Rate design, proposed rates and bill impacts.
- 13 Susanne M. Taylor
 Segment Controller
 NiSource Corporate Services
 Company
 200 Civic Center Drive
 Columbus, OH 43215
 Phone: 614-460-6000
 Fax: 614-460-6986
- Corporate Services charges.

- 14 Shirley Bardes Hasson Tariffs.
Manager, Regulatory Policy
Columbia Gas of Pennsylvania, Inc.
Southpointe Industrial Park
501 Technology Drive
Canonsburg, PA 15317
Phone: 724-416-6310
Fax: 724-416-6383
- 15 Michael D. Anderson Fuel procurement.
Director of Supply Planning
NiSource Corporate Services
200 Civic Center Drive
Columbus, OH 43215
Phone: 614-460-4890
Fax: 614-460-6442
- 16 Michael S. Blasnik Home Energy Efficiency Program.
Principal
Michael Blasnik & Associates
150 Poplar Street
Boston, MA 02131-3614
- 17 June M. Konold Accounting issues.
Project Manager, Accounting Dept.
NiSource Corporate Services
Company
200 Civic Center Drive
Columbus, OH 43215
Phone: 614-460-6000

The testimony and exhibits fully support Columbia's proposed rate increase, and the design of rates to recover that increase from customers.

Columbia reserves the right to present testimony on additional issues and subject matters that may arise during the course of the proceeding.

The parties have discussed witness availability for scheduling purposes. Columbia proposes the following schedule¹:

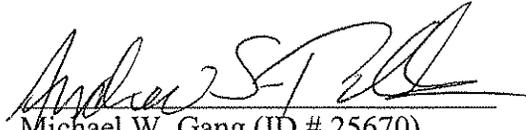
Prehearing Conference	April 9, 2010
Other Parties' Direct Testimony	May 7, 2010 (Noon)*
Rebuttal Testimony	June 2, 2010*
Surrebuttal Testimony	June 10, 2010*
Oral Rejoinder Outlines	June 14, 2010 (Noon)*
Hearings	June 15-18, 2010
Main Brief	July 7, 2010*
Reply Brief	July 16, 2010*

To date, Columbia has been served with over 460 interrogatories by the parties. Columbia is in the process of answering the interrogatories. Columbia also has filed responses to standard data requests, in accordance with the Commission's Policy Statement concerning settlements. Columbia is not aware of any discovery difficulty, or any need to enter any special order regarding discovery. Columbia also encourages the use of informal discovery to expedite the discovery process.

As of this time, no settlement discussions have been held, although informal meetings have been held with major parties to discuss aspects of the filing. Columbia encourages other parties to begin settlement discussions at the earliest possible date.

¹ Each date marked with a * is a date on which documents are due. For parties accepting electronic service, the documents are to be served electronically on the date indicated, by 4:00 p.m. unless otherwise indicated. Hard copies will follow by first class mail or by express service. For parties not accepting electronic service and not located in Harrisburg, documents are due in hand on the following business day.

Respectfully submitted,



Michael W. Gang (ID # 25670)

Michael W. Hassell (ID # 34851)

Andrew S. Tubbs (ID #80310)

Post & Schell, P.C.

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E-mail: mhassell@postschell.com

E-mail: atubbs@postschell.com

Theodore J. Gallagher (ID #90842)

Kimberly S. Cuccia

Columbia Gas of Pennsylvania, Inc.

Southpointe Industrial Park

501 Technology Drive

Canonsburg, PA 15317

Phone: 724-416-6328

Fax: 724-416-6384

E-mail: tjgallagher@nisource.com

E-mail: kscuccia@nisource.com

Of Counsel:

Post & Schell, P.C.

Date: April 7, 2010

Attorneys for Columbia Gas of Pennsylvania, Inc.