



Kimberly S. Cuccia  
Counsel  
Legal Department

121 Champion Way, Suite 100  
Canonsburg, PA 15317  
Office: 724.416.6347  
Fax: 724.416.6384  
kscuccia@nisource.com

February 3, 2012

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
P.O. Box 3265  
Harrisburg, Pennsylvania 17105-3265

**RE: Application for Approval of Abandonment of Service by  
Columbia Gas of Pennsylvania, Inc. to One (1) Natural Gas  
Service Customer Located in Greene County, Pennsylvania;  
Docket No. A-2011-2276780**

**Joseph Lucey v. Columbia Gas of Pennsylvania, Inc.; Docket No.  
C-2011-2248370**

Dear Secretary Chiavetta:

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

Respectfully Submitted,

  
Kimberly S. Cuccia

Enclosures

Cc: Honorable Katrina L. Dunderdale (via e-mail and First Class Mail)  
Certificate of Service

## 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 party).

### VIA FIRST CLASS MAIL

Joseph T. Lucey  
107 W. Roy Furman Highway  
Wind Ridge, PA 15380

David C. Hook, Esquire  
Law Offices of Hook and Hook  
189 W. High Street  
Post Office Box 792  
Waynesburg, PA 15370

Date: February 3, 2012



Kimberly S. Cuccia

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joseph Lucey	:	
	:	
v.	:	Docket No. C-2011-2248370
	:	
Columbia Gas of Pennsylvania, Inc.	:	
	:	
Application for Approval of	:	
Abandonment of Service by Columbia	:	
Gas of Pennsylvania, Inc. to One (1)	:	Docket No. A-2011-2276780
Natural Gas Service Customer Located	:	
in Greene County, Pennsylvania	:	
	:	

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

**TO ADMINISTRATIVE LAW JUDGE KATRINA L. DUNDERDALE:**

Columbia Gas of Pennsylvania, Inc. (“CPA” or the “Company”) hereby submits this Prehearing Conference Memorandum in compliance with the Prehearing Conference Order issued by Administrative Law Judge Katrina L. Dunderdale (“the ALJ”) on January 6, 2012.

**I. BACKGROUND**

On June 24, 2011, CPA was served with a Formal Complaint filed against the Company by Mr. Joseph Lucey (“Formal Complaint”), Docket No. C-2011-2248370. The Formal Complaint contains a number of allegations—namely that CPA terminated service to Mr. Lucey’s residence (“Lucey Residence”) unlawfully.

On July 14, 2011, CPA filed an Answer and New Matter to the Formal Complaint. wherein CPA states that service to the Lucey Residence was terminated in accordance with 52 Pa. Code § 56.98 due to an occurrence endangering the safety of the Lucey

Residence.<sup>1</sup> Specifically, the Lucey Residence is served off a 100 year-old bare steel interstate transmission line owned and operated by Columbia Gas Transmission, LLC (“TCO”), an interstate pipeline, or a “natural gas company,” as defined in the Natural Gas Act (“NGA”).<sup>2</sup> CPA owns only the gas meter used for the purpose of measuring consumption.

On November 16, 2011, the Commission issued a Hearing Notice scheduling an initial telephonic hearing on the Formal Complaint to take place on December 19, 2011. Also on November 16, 2011, the ALJ issued a Prehearing Order.

On December 5, 2011, CPA filed an *Application for Approval of Abandonment of Service by Columbia Gas of Pennsylvania, Inc. to One (1) Natural Gas Service Customer Located in Greene County, Pennsylvania* (“Application”). By its Application, CPA requests approval to abandon gas service to the same Lucey Residence identified in the Formal Complaint. In its Application, CPA states that TCO intends to abandon the 100 year old bare steel interstate transmission pipeline serving the Lucey Residence because longwall mining and other factors have rendered the transmission line perpetually unsafe. Further, CPA explained that for CPA to continue to provide retail service to the Lucey Residence, CPA would need to extend over four miles of mainline from its current distribution system because it does not have a distribution system in the immediate vicinity. The estimated cost to extend CPA’s existing facilities would require a net plant investment that far exceeds the revenue generated by the delivery of

---

<sup>1</sup> CPA notes that 52 Pa. Code § 56.98 was amended pursuant to a rulemaking that became effective on October 8, 2011. The authority which CPA relied on in section 56.98 in June 2011, when CPA terminated service, and also in July 2011, when CPA filed its Answer to the Formal Complaint, is no longer a part of 56.98, but now exists in substance at 56.71 as a result of the same rulemaking (interruption of service without prior notice).

<sup>2</sup> See 15 U.S.C. § 717(b) (2006).

gas to the affected residential customer. Therefore, CPA determined that it was in the public interest to file the instant Application.

In conjunction with CPA's Application, on December 5, 2011, CPA also filed a Motion to Consolidate the Formal Complaint with the Application. Per the request of Mr. Lucey's counsel for a continuance, on December 15, 2011, the ALJ issued a First Interim Order cancelling the initial telephonic hearing in the Formal Complaint.

On January 4, 2012, the ALJ issued a Second Interim Order granting CPA's Motion to Consolidate the Application with the Formal Complaint. On January 5, 2012, the Commission issued a Hearing Notice scheduling an initial Prehearing Conference by telephone on February 10, 2012. On January 6, 2012, the Commission issued a Prehearing Conference Order.

On January 19, 2012, Joseph Lucey filed an Answer to CPA's Application.

Pursuant to the Prehearing Conference Order Issued on January 6, 2012, CPA hereby submits its Prehearing Memorandum.

## **II. COUNSEL**

CPA's counsel in this proceeding are Kimberly S. Cuccia, Esquire, and Theodore J. Gallagher, Esquire. CPA requests that Kimberly S. Cuccia be listed as the recipient for service. Ms. Cuccia's contact information is provided below:

Kimberly S. Cuccia (ID # 308216)  
NiSource Corporate Services Co.  
121 Champion Way, Suite 100  
Canonsburg, PA 15317  
Phone: 724-416-6347  
Fax: 724-416-6384  
E-mail: kscuccia@nisource.com

CPA also requests that Mr. Gallagher be added to any informal e-mail distribution lists in this proceeding. Mr. Gallagher's e-mail address is tjgallagher@nisource.com.

### **III. SETTLEMENT**

CPA and Mr. Lucey have actively engaged in settlement discussions. CPA remains interested in pursuing a settlement with Mr. Lucey in order to achieve an amicable resolution to this proceeding.

### **IV. DISCOVERY**

CPA does not propose any discovery rules that are different than those provided in the Commission's regulations. CPA is currently participating in informal discovery with Mr. Lucey.

### **V. PROCEDURAL SCHEDULE**

CPA proposes the following schedule<sup>3</sup>:

Prehearing Conference	February 10, 2012
Direct Testimony	March 9, 2012*
Rebuttal Testimony	April 3, 2012*
Hearings	April 23-24, 2012
Main Brief	May 11, 2012*
Reply Brief	May 22, 2012*

---

<sup>3</sup> 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.

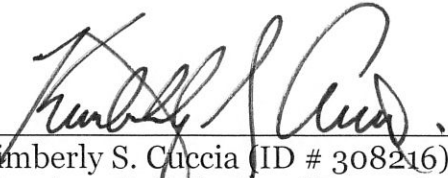
**VI. WITNESSES AND ISSUES**

As addressed fully in CPA’s Application, CPA has determined that it is in the public interest of CPA and its customers to abandon and discontinue service to the one (1) affected property owner. CPA anticipates submitting testimony consistent with the facts set forth in its Application. In addition, CPA will respond to any other issues raised in this proceeding. CPA proposes to file direct testimony and expects to present the following witnesses at the evidentiary hearings:

<p>Mark R. Kempic Director of Rates and Regulatory Policy Columbia Gas of Pennsylvania, Inc. Southpointe Industrial Park 121 Champion Way, Suite 100 Canonsburg, PA 15317 Phone: 724-416-6328 Fax: 724-416-6384</p>	<p>Mr. Kempic’s testimony will describe CPA’s current retail service to the affected customer, describe CPA’s termination of service to the affected customer, support the economic and reliability reasons supporting CPA’s decision to request to abandon service to the affected property owner and support CPA’s proposal for the appropriate level of conversion costs to be paid the affected property owner for an alternate fuel source.</p>
<p>Christopher Davis Manager, Asset Management NiSource Gas Transmission &amp; Storage 48 Columbia Gas Road. Sandyville, WV 25275 Phone: 304-373-2409 Fax: 304-373-2427</p>	<p>The TCO witness’ testimony will describe TCO, its operations that are subject to regulation by the FERC, and its decision to remove Line 954 from service.</p>

CPA reserves the right to substitute witnesses or add witnesses, as appropriate, depending upon how the proceeding develops and what issues are raised by the other parties.

Respectfully submitted,



---

Kimberly S. Cuccia (ID # 308216)  
Theodore J. Gallagher (ID# 90842)  
NiSource Corporate Services Co.  
121 Champion Way, Suite 100  
Canonsburg, PA 15317  
Phone: 724-416-6347  
Fax: 724-416-6384  
E-mail: kscuccia@nisource.com  
E-mail: tjgallagher@nisource.com

Date: February 3, 2012

*Attorneys for Columbia Gas of Pennsylvania, Inc.*