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November 30, 2012

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**VIA HAND DELIVERY**

**RE: Columbia Industrial Intervenors v. Columbia Gas of Pennsylvania, Inc.;**  
**Docket Nos. R-2012-2321748 and C-2012-2334026**

Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Prehearing Memorandum of Columbia Industrial Intervenors ("CII"), in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to the proceeding are being served with a copy of this document. Please date stamp the extra copy of this transmittal letter and Prehearing Memorandum, and kindly return them to our messenger for our filing purposes.

Sincerely,

McNEES WALLACE & NURICK LLC

By 

Elizabeth P. Trinkle

Counsel to Columbia Industrial Intervenors

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Enclosures

- c: Administrative Law Judge Mark A. Hoyer (via E-mail and First-Class Mail)
- Administrative Law Judge Jeffrey Watson (via E-mail and First-Class Mail)
- Certificate of Service

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2012-2321748
	:	C-2012-2334026
Columbia Gas of Pennsylvania, Inc.	:	

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**PREHEARING MEMORANDUM OF  
COLUMBIA INDUSTRIAL INTERVENORS**

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The Columbia Industrial Intervenors ("CII") hereby submit this Prehearing Memorandum in the above-captioned proceeding.

**I. HISTORY OF THE PROCEEDING**

On September 28, 2012, Columbia Gas of Pennsylvania, Inc. ("Columbia" or "Company"), filed Supplement No. 190 to Tariff Gas- Pa. P.U.C. No. 9 ("Supplement No. 190") with the Pennsylvania Public Utility Commission ("PUC" or "Commission"). Supplement No. 190 requested a general rate increase of approximately \$77.3 million over the Company's present annual revenues. Columbia supplemented this request with the Direct Testimony of several witnesses, responses to filing requirements, and documentation regarding the Company's proposals.

On November 8, 2012, CII filed a Complaint in this proceeding. A description of CII is set forth in Paragraph 5 of CII's Complaint. This proceeding has been assigned to Administrative Law Judges ("ALJs") Mark A. Hoyer and Jeffrey Watson, and a Prehearing Conference has been scheduled in this proceeding for December 3, 2012.

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## II. SERVICE LIST

For purposes of this proceeding, CII will be represented by the following counsel:

Charis Mincavage (Pa. I.D. 82039)  
Elizabeth P. Trinkle (Pa. I.D. 313763)  
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Please direct all correspondence to the attention of Charis Mincavage; however, for purposes of electronic service lists, CII requests that both Ms. Mincavage and Ms. Trinkle be included on any correspondence.

## III. ANTICIPATED ISSUES AND SUB-ISSUES

CII's preliminary review of the Company's filing indicates the need for Commission investigation into at least the following issues:

- (a) Whether the size of the requested rate increase is appropriate;
- (b) Whether the expenses claimed by Columbia are prudently incurred;
- (c) Whether the allocation of the proposed increase among customer classes is just, reasonable and non-discriminatory in light of the cost of service study results;
- (d) Whether the return on equity proposed by Columbia results in a fair rate of return;
- (e) Whether Columbia's claimed cost of service is accurate, legitimate, and appropriately allocated; and
- (f) Whether Columbia's proposed Tariff changes, including Columbia's proposal for the creation of a BTU content adjustment, result in unjust and unreasonable service for customers.

CII reserves the right to raise and address other issues of concern during the course of the proceeding.

#### **IV. PROPOSED WITNESSES**

CII is in the process of evaluating whether it will sponsor testimony in this proceeding. In the event that CII decides to sponsor testimony, it will immediately inform the parties and the ALJs of any intended witnesses and topics of testimony. CII also intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions and reply exceptions, if necessary.

#### **V. PROPOSED SCHEDULE AND DISCOVERY RULES**


CII will cooperate with the ALJs and the parties at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any ALJ directives.

**VI. POSSIBILITY OF SETTLEMENT**

CII is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By   
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Counsel to Columbia Industrial Intervenor

Dated: November 30, 2012

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## CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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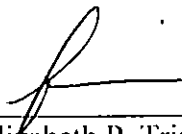
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Counsel to Columbia Industrial Intervenors

Dated this 30<sup>th</sup> day of November, 2012, at Harrisburg, Pennsylvania.

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