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Secretary
Pa. Public Utility Commission
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Exceptions to the Initial Decision C-2012-2292780 dated 18 January 2013
and transmitted February 1, 2013

The Findings of Fact (Page 3 and following) do not include:

- A. The Commonwealth of Pennsylvania has established a billing procedure for natural gas supply with the purpose of allowing each consumer to intelligently contract for the supply of natural gas to Columbia Gas of Pennsylvania from any of several sources for the individual consumer.

It is the responsibility of the PUC to assure that each natural gas customer enjoy the same privilege in selecting his supplier of natural gas as, for example, a purchaser of gasoline has when he selects among the multiple gasoline suppliers along the roadway clearly advertising their prices, qualities and quantities. It is recognized that the energy source, measuring instruments, and billing differ, but the economic principles must be defended. In this case by the PUC, when there is a major change in the mechanism for measuring and billing. The previously existing system used a complex, communal delivery system and inexpensive measuring devices to apportion the charges to each customer. Its efficiencies and limitations were understood by both parties and it is reasonable that a fairer, more accurate system be sought. But it is the basis of this complaint that the Columbia Gas billing system does not meet these requirements. Thus it must be corrected or returned to the previous contractual arrangement.

The Finding of Fact numbered 12 (Page 4) is an assertion by Columbia and no evidence was ever presented. In fact, every Therm multiplier appearing in every bill has been greater than 1.0 and has claimed significant figures unsupported by the accuracy of the measuring procedures.

The Finding of Fact numbered 14 (Page 4) is interesting but none of the bills distributed by Columbia indicated in which of the service areas the consumers were located. None of the bills indicated any relationship between the correction factor to the meter reading and the service area.

The Findings of Fact numbered 27 (Page 5) and 28 (Page 6) are consistent with all other pricing by Direct Energy and Columbia in that the nature of the error and the calculations to correct are not divulged. The tables of values are not calculations. See Findings of Fact A. above.

DISCUSSION (Page 6)

As stated above the former billing system based on the individual usage reported by an inexpensive volumetric meter has some limitations. But the "Therm system" as employed by Columbia has some significant flaws.

1. It is agreed that all of the gas entering the vast collection of distribution piping must be paid for by the consumers. However, under the revised billing system all of the consumers are charged for all of the gas as though it were delivered to their house for use. This is not true.
2. The volumetric meters give a reliable indication of the consumers liability and this is improved by dividing the consumers and their suppliers into areas. This would appear to be true, but the gas company conducts the calculations in secret and needs 8 pages of legal language to justify its privilege. For example, if one of the areas contains old, leaky piping or if another has had an identified failure (as actually occurred), the accuracy of the proposed billing system is suspect. The accuracy of the revised measurements need to be examined. The PUC is the agency authorized to perform this evaluation. Subsequently, Columbia has requested a rate increase to replace the defective piping which has been partly prepaid by the way the new "Therm" billing is calculated.
3. Scientifically, when one has a new theory of distribution over a vast and diverse terrain and when the entry points are geographically separated in different states, when one spends significant funds to determine what enters the system every 15 minutes, then a scientist might also take a few samples at the remote locations differing in route and altitude to determine if the theory is indeed correct. Periodic checks to determine the correlation by area to the "Therm multiplier" used in billing is requested. The PUC might witness or conduct such tests to protect the consumer from the economic consequences of an inadequately proven revision of the theory of measurement. The PUC is the sole protection of the consumer from the erroneous adjustment by Columbia of the readings measured in each home.

Therefore, without the pages of legal precedent cited in the "Initial Decision", the Conclusions of Law should be revised to state that it is within the authority of the PUC to declare that the measurements in toto used by Columbia Gas do not improve the accuracy of the billing system used. That the bills do not identify sufficiently the area assigned to each customer and the data used for each area to determine the correction factor applied to each meter reading (called Therm multiplier). Thus each consumer has not received billings containing the calculations to which he is entitled. The Columbia Gas "Rights and Responsibilities" flyer states that the user is entitled to know how his bill is calculated.

It is respectfully requested that the ORDER (Page 17) be revised to include the assigning of designated technically qualified members of the PUC to evaluate:

- (a) whether the new "Therm" billing really does improve the accuracy of the cost assigned to each customer.
- (b) whether reasonable sampling within each consumer area is mathematically required to achieve the accuracy claimed for the new "Therm" billing system.
- (c) whether the maintenance related costs have been redistributed correctly by the new monthly billing system.

Further, that the presentation of required data on the bill be reviewed to assure that each customer receives the data that is necessary to assure that the billing is correct and consistent with an informed purchase decision from the available gas suppliers. If not, then a revised billing be issued for each deficient bill format for which Columbia has collected payment.

End of requested exceptions.

Respectfully submitted,



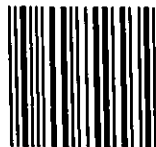
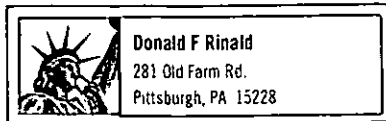
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