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February 28, 2013

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

**Re: Donald Rinald v. Columbia Gas of Pennsylvania, Inc.,
and Direct Energy Services, LLC
Complaint Docket No. C-2012-2292780**

Dear Ms. Chiavetta:

Enclosed is Columbia Gas of Pennsylvania, Inc.'s electronically filed Reply to Complainant's Exceptions to Initial Decision in the above-referenced Formal Complaint. A copy of the document has been served on the Complainant.

Sincerely,



Larry R. Crayne

cc: Donald Rinald
281 Old Farm Road
Pittsburgh, PA 15228

Carl R. Shultz
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 15228

Office of Special Assistants
ra-OSA@pa.gov

Commonwealth of Pennsylvania

Before the Pennsylvania Public Utility Commission

In the Matter of:

Donald Rinald,
Complainant,

Complaint Docket
No. C-2012-2292780

VS.

Columbia Gas of Pa., Inc., and Direct Energy Services, LLC,
Respondent.

Reply of Columbia Gas to Complainant's Exceptions to Initial Decision

AND NOW comes Respondent, Columbia Gas of Pa., Inc., (Columbia Gas), and replies to Exceptions filed by Complainant in the above proceeding. Complainant has filed general exceptions to the Initial Decision by Administrative Law Judge Susan D. Colwell dated January 18, 2012.

The Exceptions by Complainant are undated, but were received by Columbia Gas in the US Mail on February 13, 2013. The Exceptions employ a confusing numbered system and contain extensive dialogue with no record citations and largely fail to cite relevant pages of the Initial Decision. Therefore, Columbia Gas cannot reply *seriatim* to the Exceptions, but instead will reply to the Exceptions using Complainant's numbering system as follows:

"The Findings of Fact (Page3 and following)"

Complainant raises no new issues in this Exception to the Initial Decision. Complainant simply continues to argue that the therm billing procedure established by the Commission after a fully litigated rate case proceeding before the Commission at Docket No. R-2010-2215623, *et al*, does not meet Complainant's amorphous and subjective requirements for billing customers. Complainant continues to ignore the extensive record evidence regarding operation of the therm billing process by Columbia Gas Witness Evans and continues to ignore the extensive explanatory material provided to Complainant and customers as explained by Columbia Gas Witness Sexton. See Respondent's Exhibits 2, 3, 4, 5 and 6.

"The Finding of Fact Numbered 12"

Finding of Fact No. 12 is a factual statement by the Administrative Law Judge. The statement is supported and explained by Columbia Gas Exhibit 6. Also, Columbia Gas Exhibits 4 and 5 provide further support to Finding of Fact 12 and should provide Complainant with further understanding. Contrary to Complainant's assertion that "...no evidence was ever presented...", Witness Evans explained on the record that the conversion to therm billing was not designed to be an increase in rates and that Columbia Gas adjusted rates to reflect the

conversion to therm billing. Complainant apparently does not grasp the concept that therm billing is a mathematical process based upon the measured volumes and thermal value of gas delivered and consumed.

“The Finding of Fact numbered 14”

This matter is now being raised for the first time by Complainant. Nevertheless, the answer to Complainant’s concern was extensively discussed by Witness Evans. Complainant is obviously being billed for service in his “market area”. The statement that none of the bills indicate any relationship between the correction factor and the meter reading is simply incorrect. Each customer’s monthly bill shows the CCF’s consumed and the correction factor employed to convert CCFs consumed to billing in therms.

“The Findings of Fact numbered 27”

Columbia Gas cannot respond to this Exception because the calculations were prepared by Direct Energy and is unaware as to whether the calculations were ever provided to Complainant.

“DISCUSSION (Page 6)

Before responding *seriatim* to Complainant’s numbered points, Columbia Gas wishes to note that the dialogue provided by Complainant under Discussion is really a continuation of his arguments previously made regarding therm billing. Apparently Complainant does not understand, or is unwilling to accept, the need for and the fairness of a reasonable basis of billing based on measured consumption and thermal value and is arguing for a wholly unrealistic, prohibitively expensive and unnecessary billing system for which he and other customers surely would not be willing to pay. Nevertheless, Columbia Gas will respond to each point to the extent possible.

1. Columbia Gas is simply unable to understand the logic of the point that Complainant is trying to convey. In any event, Point 1 is a conclusion by Complainant that has no record support.

2. Apparently Complainant does not understand that all utility companies experience losses and that a reasonable expectation of losses is built into rates. Complainant apparently also does not understand that losses by utilities are monitored by the Commission and that if a utility’s losses are excessive, the utility will be penalized. The conclusion by Complainant that the therm billing process has “partly paid” for such losses is of no consequence and is another indication that Complainant does not understand rate making principles and the recent filing by Columbia Gas with the Commission for a Distribution System Improvement Charge, public notice of such filing having been provided to Complainant and customers in January 2013.

3. The methodology for testing the therm value of gas delivered to customers and Complainant was explained by Columbia Gas Witness Evans. Witness Evans also explained that the delivery of natural gas in interstate commerce is regulated by the Federal Energy Regulatory Commission, Natural Gas Industry Standards and ultimately regulated intrastate for sale at retail

by the Pennsylvania Public Utility Commission. Witness Evans also advised Complainant that billing based on thermal value is not unique to Pennsylvania and is used by many other state jurisdictions. Therefore, Columbia Gas is unable to understand why Complainant believes that thermal billing is a "...new theory of distribution...."

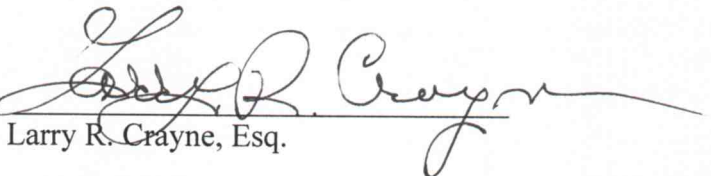
Regarding the balance of Complainant's Exceptions, consisting of the last paragraph on page 2 and page 3, which is in the nature of a prayer for relief, Columbia Gas again reiterates that the methodology for thermal billing about which Complainant is concerned was considered by the Commission in a fully litigated rate case proceeding at Docket No. R-2010-2215623, *et al*, that Complainant was provided with notice of the proceeding and that Complainant, having voluntarily failed to participate in the proceeding, should not be heard to complain regarding the thermal billing methodology. Therefore, Complainant's concerns have been fully addressed, both in the 2010 rate case proceeding and in this proceeding, and provisions are in place to ensure that Complainant is correctly billed for accurately measured consumption in accordance with duly filed and approved tariff rates.

In conclusion, Complainant's Exceptions provide no basis for any modification of Administrative Law Judge Susan D. Colwell's Initial Decision. Complainant's Exceptions ignore the facts established not only on the record in this proceeding, but also in the record established in the Columbia Gas 2010 rate case proceeding and applicable law and simply refuses to accept the objective evidence that thermal billing is a reasonable and fair standard for billing customers. There was no objective evidence presented by Complainant to the contrary.

Wherefore, Columbia Gas requests that Complainant's Exceptions be denied and that the Commission affirm without modification the Initial Decision of Administrative Law Judge Colwell dismissing the complaint. .

Respectfully submitted,

Columbia Gas of Pa., Inc.

By: 
Larry R. Crayne, Esq.

Certificate of Service

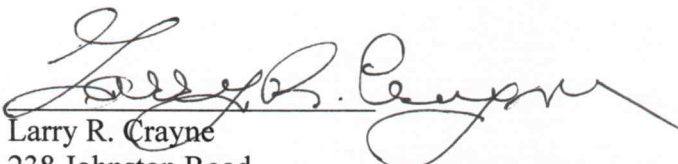
I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals, listed below, in accordance with the requirements of Sec. 1.54 (relating to service by a participant).

Donald Rinald
281 Old Farm Road
Pittsburgh, PA 15228

Carl R. Shultz
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Harrisburg, PA 15228

Office of Special Assistants
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Dated this 28th day of Feb, 2013


Larry R. Crayne
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Pittsburgh, PA 15241

Counsel for
Columbia Gas of Pennsylvania, Inc.