

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 6, 2014

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

RE: Supplement No. 210 to Tariff Gas Pa.
P.U.C. No. 9 of Columbia Gas of
Pennsylvania, Inc.
Docket No. R-2014-2407345

Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Amy E. Hidakis".

Amy E. Hidakis
Assistant Consumer Advocate
PA Attorney I.D. # 310094

Enclosures

cc: Honorable Mark M. Hoyer
Certificate of Service

*180543

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Supplement No. 210 to Tariff Gas :
Pa. P.U.C. No. 9 of Columbia Gas : Docket No. R-2014-2407345
Of Pennsylvania, Inc. :

PREHEARING MEMORANDUM OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to the Prehearing Conference Order of Administrative Law Judge Mark A. Hoyer dated April 28, 2014, Section 333 of the Public Utility Code, 66 Pa. C.S. § 333, and in anticipation of the Prehearing Conference scheduled for Friday, May 9, 2014, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION

On February 26, 2014, Columbia Gas of Pennsylvania, Inc. (Columbia or Company) filed Supplement No. 210 with the Pennsylvania Public Utility Commission seeking approval to implement a Rider New Area Service (NAS) pilot program, which would extend natural gas service to unserved customers within Columbia's service territories. The Rider NAS pilot program will be available to residential customers and developers of residential properties who seek natural gas service. The Rider NAS will be an alternative to the Company's current main extension tariff.

As proposed, customers who receive a natural gas main extension through Rider NAS may not be required to pay an upfront contribution in aid of construction (CIAC), as is the usual practice in Pennsylvania. Instead, Columbia will apply a monthly surcharge to the new customers' bills to be paid for not more than a period of 20 years. The monthly surcharge will be capped at \$35.00. The Rider NAS monthly surcharges will vary by project, but all customers within a project will have the same surcharge. The surcharge amount will be based on the amount of the "uneconomic" portion of each main extension project. If a customer's "uneconomic" portion will exceed the surcharge limitations in the program, an upfront CIAC will be required for the project to proceed. Columbia is proposing that the Rider NAS pilot program continue for a period of four years, over which the Company will spend \$1 million per year.

The OCA filed a Formal Complaint and Public Statement in this proceeding on March 13, 2014, to help ensure that the proposed Rider NAS contains adequate consumer protections and does not result in rates and charges that are excessive, unjust or unreasonable, discriminatory, or otherwise contrary to Commission regulation or policy. The Office of Small Business Advocate filed Formal Complaint and Public Statement on March 19, 2014. The Bureau of Investigation & Enforcement (I&E) filed a Notice of Appearance on March 28, 2014. A Notice of Intervention was filed by Columbia Industrial Intervenors on March 21, 2014.

The Commission assigned the case to Administrative Law Judge (ALJ) Mark A. Hoyer for scheduling of hearings. On April 28, 2014, ALJ Hoyer issued a Prehearing Conference Order indicating that an Initial Prehearing Conference is scheduled for May 9, 2014. The OCA submits this Prehearing Memorandum in accordance with the Prehearing Conference Order in this matter.

II. ISSUES AND SUB-ISSUES

Based upon a preliminary analysis of the Company's proposed Rider NAS, the OCA has compiled a list of issues and sub-issues, which it anticipates will be included in its investigation of the Company's proposed Rider NAS program. The OCA anticipates that other issues may arise and may be pursued as responses to interrogatories are received and analyzed.

The following list sets forth issues the OCA anticipates it may raise:

- (1) Reasonableness of the economic test under which main extension requests will be analyzed;
- (2) Compliance of the Company's calculations and supporting data with the Public Utility Code, Commission regulations and general ratemaking principles; and
- (3) The inclusion of adequate customer protections for both new and existing customers.

The OCA reserves the right to raise additional issues as discovery proceeds.

III. WITNESSES

The OCA intends to present the direct, rebuttal, and surrebuttal testimonies, as may be necessary, of Glenn A. Watkins in this proceeding. Mr. Watkins will present testimony in written form and will also attach various exhibits, documents, and explanatory information that will assist in the presentation of the OCA's case. In order to expedite the resolution of this proceeding, the OCA requests that hard copies of all interrogatories, testimony, and answers to interrogatories be mailed directly to Mr. Watkins at the below address, as well as mailing a copy to counsel for the OCA.

Glenn A. Watkins
Technical Associates, Inc.
9030 Stony Point Parkway, Suite 580
Richmond, Virginia 23235
Telephone: 804-272-5363
E-mail: watkinsg@tai-econ.com

IV. SERVICE ON THE OCA

The OCA will be represented in this case by Assistant Consumer Advocates Candis A. Tunilo and Amy E. Hirakis. Two copies of all documents should be served on the OCA as follows:

Candis A. Tunilo
Amy E. Hirakis
Assistant Consumer Advocates
Office of Consumer Advocate
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Telephone: (717) 783-5048
Facsimile: (717) 783-7152
E-mail: ctunilo@paoca.org
ahirakis@paoca.org

V. PROPOSED SCHEDULE

The OCA is working with the parties to develop an acceptable procedural schedule.

VI. PUBLIC INPUT HEARINGS

At present, the OCA has not received any requests for a public input hearing in this proceeding. If consumer interest arises, the OCA will make prompt notification to the ALJ and other parties to this proceeding.

VII. DISCOVERY

The OCA proposes that the following modifications to the rules of discovery be adopted:

1. The response period for replying to written interrogatories, requests for production and requests for admissions is ten (10) calendar days of receipt, unless otherwise indicated. Responses may be served electronically but hard copies must follow by first-class mail.
2. Objections to interrogatories, requests for production and requests for admissions are to be communicated orally to the propounder within three (3) calendar days of


receipt and in writing within five (5) calendar day of receipt. The parties are directed to confer, by telephone or email, and attempt to resolve the objections.

3. Motions to dismiss objections and compel responses shall be filed and served on the ALJ and other parties within three (3) calendar days of receipt of the written objections. Answers to such motions shall be filed and served within three (3) calendar days after filing of the motion.
4. If the objections are not resolved, counsel will alert the ALJ by email of the need for a ruling, and a conference call will be scheduled.
5. Interrogatories, requests for production and requests for admissions which are objected to but which are not made the subject of a motion to compel will be deemed withdrawn.
6. Pursuant to 52 Pa. Code § 5.341(b), neither interrogatories nor responses are to be served on the Commission or the ALJ, although a certificate of service may be filed with the Commission's Secretary.
7. Interrogatories, motions to compel and responses are to be served electronically as well as on paper.
8. Responses to requests for document production, entry for inspection or other purposes shall be served in-hand within ten (10) calendar days.
9. Any discovery, objection or motion served after 12:00 p.m. on a Friday or the day before a holiday recognized by the Commission will be deemed to have been served on the following business day for purposes of tracking due dates.

VIII. SETTLEMENT

The OCA will participate fully in all settlement discussions.

Respectfully submitted,



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Counsel for:
Tanya J. McCloskey
Acting Consumer Advocate

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DATED: May 6, 2014

182689

CERTIFICATE OF SERVICE

Re: Supplement No. 210 to Tariff Gas Pa. P.U.C. No. 9 of Columbia Gas of Pennsylvania, Inc.
Docket No. R-2014-2407345

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 6th day of May 2014.

SERVICE BY E-MAIL & INTER-OFFICE MAIL

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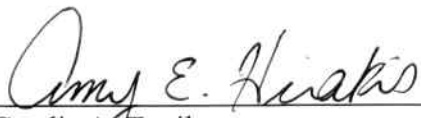
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