



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

April 15, 2015

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

Re: Pennsylvania Public Utility Commission v.  
Columbia Gas of Pennsylvania, Inc.  
Docket No. R-2015-2468056

Dear Secretary Chiavetta:

Enclosed please find the Bureau of Investigation and Enforcement's (I&E) **Prehearing Memorandum** in the above-captioned proceeding.

Copies are being served on parties as identified in the attached certificate of service. If you have any questions, please contact me at (717) 425-7593.

Sincerely,

Scott B. Granger  
Prosecutor

Bureau of Investigation and Enforcement  
PA Attorney I.D. #63641

Enclosure  
SBG/snc

cc: Certificate of Service  
ALJ Mary D. Long

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :  
 :  
 v. : Docket No. R-2015-2468056  
 :  
 Columbia Gas of Pennsylvania, Inc. :

**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated April 15, 2015, in the manner and upon the persons listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

**Served via Electronic Mail**

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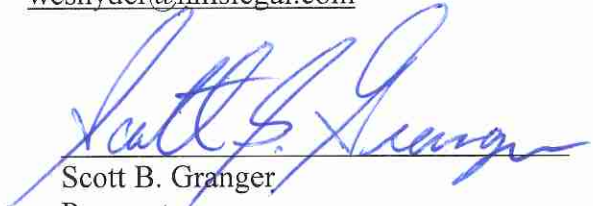
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Scott B. Granger  
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## **I. INTRODUCTION**

On March 19, 2015, Columbia Gas of Pennsylvania, Inc. (“Columbia” or “Company”) filed Supplement No. 226 to Tariff Gas Pa. P.U.C. No. 9 to become effective May 18, 2015, containing proposed changes in rates, rules, and regulations calculated to produce \$46.2 million (8.63%) in additional annual revenues. According to Columbia’s calculations, its proposal would increase the total bill for an average residential customer from \$90.04 to \$97.82 per month.

On April 9, 2014, the Commission entered an order suspending the implementation of Supplement No. 226 by operation of law until December 18, 2015, and opening an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in the proposed Supplement No. 226.

The Office of Consumer Advocate (“OCA”) filed a Formal Complaint on March 25, 2015.

I&E filed its Notice of Appearance in this proceeding on April 7, 2015.

The Office of Small Business Advocate (“OSBA”) filed a Formal Complaint on April 10, 2015.

Petitions to Intervene have been filed by several natural gas suppliers.

A telephonic Prehearing Conference is scheduled for Thursday, April 16, 2015, at 10:00 am, with Administrative Law Judge Mary D. Long.

## II. ISSUES

The following list represents I&E's preliminary determination of the potential issues in these proceedings. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues, as it deems appropriate if any such relevant issues arise. The issues are as follows:

1. Plant in Service
2. Depreciation Reserve
3. Annual Depreciation Expense
4. Pipeline Replacement
5. Restoration Costs
6. Cost of Service
7. Customer Charges / Customer Cost Analysis
8. Customer Count Projections
9. Usage Per Customer Projections
10. Competitive Discounts to Other LDC's.
11. Rate of Return
12. Overall Rate of Return
13. Cost of Short-term Debt
14. Cost of Long-term Debt
15. Cost of Common Equity
16. Capital Structure
17. Use of Fully Projected Future Test Year
18. Officers, Directors Salaries Expense
19. Purchased Power Expense
20. Accounting and Tax Return Preparation Expense
21. Legal - General Regulatory Non-Rate Case Expense
22. Rate Case Expense
23. Operations Management Expense
24. Contracted Administrative Services Expense
25. Grounds Maintenance Expense
26. Offices Expenses
27. Bad Debt Expense
28. Other Taxes – Real Estate Taxes Expense
29. Taxes

### **III. WITNESSES**

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

Jeremy Hubert, Fixed Utility Valuation Engineer  
Rachel A. Maurer, Fixed Utility Financial Analyst  
Christopher Keller, Fixed Utility Financial Analyst

For scheduling purposes, I&E witnesses are unavailable July 24, 2015 and July 31, 2015.

The I&E witnesses may be contacted through the information listed above for Prosecutor Granger. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

### **IV. EVIDENCE**

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

## V. DISCOVERY

Discovery in these proceedings will be conducting according to 52 Pa. Code §§5.321 et. seq. No modifications to the rules of discovery have been proposed by the parties. Also, pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing.

## VI. SCHEDULE

I&E is working with the parties to develop a schedule in this proceeding. As of this date, I&E understands that the parties have tentatively agreed to the following schedule.

Filing	March 29, 2015
Other Parties Direct	June 19, 2015
Rebuttal Testimony	July 16, 2015
Surrebuttal Testimony	July 28, 2015
Oral Rejoinder Outlines	July 31, 2015 (4:00 pm)
Hearings (including Oral Rejoinder)	August 4-5 & 10, 2015
Main Brief	August 27, 2015
Reply Brief	September 11, 2015

## VII. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs, I&E will accept electronic delivery of documents with a follow-up hard copy provided by regular first class mail.

## VIII. SETTLEMENT

I&E is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully Submitted,



Scott B. Granger

Prosecutor

PA Attorney I.D. # 63641

Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
Post Office Box 3265  
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(717) 787-1976

Dated: April 15, 2015