

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**PREHEARING MEMORANDUM OF
COLUMBIA GAS OF PENNSYLVANIA, INC.**

TO ADMINISTRATIVE LAW JUDGE MARY D. LONG:

I. PROCEDURAL HISTORY

This Memorandum is in response to the Prehearing Conference Order, dated April 9, 2015, advising that a Prehearing Conference is scheduled for April 16, 2015 in the above-referenced matter.

On March 19, 2015, Columbia Gas of Pennsylvania, Inc. (“Columbia”) filed with the Pennsylvania Public Utility Commission (“Commission”) Supplement No. 226 to its Tariff Gas – Pa. P.U.C. No. 9 (“Supplement No. 226” or “base rate filing”). Supplement No. 226, issued March 19, 2015 and to be effective May 18, 2015, proposes an increase in revenues of approximately \$46.2 million which represents an 8.63% increase in operating revenues based upon a pro forma fully forecasted future test year ending December 31, 2016. The filing was made in compliance with the Commission’s regulations, and contains all supporting data and testimony required to be submitted in conjunction with a tariff change seeking a general rate increase.

On April 9, 2015, the Commission issued an Order suspending Columbia’s Supplement No. 226 until December 18, 2015, unless otherwise directed by Order of the Commission.

Formal Complaints were filed on behalf of the Office of Small Business Advocate, the Office of Consumer Advocate, Columbia Industrial Intervenors and The Pennsylvania State University. Further, the Commission's Bureau of Investigation and Enforcement has filed a Notice of Appearance.

In addition, on March 27, 2015, a Petition to Intervene was filed by Shipley Energy, Interstate Gas Supply, Inc., and Dominion Retail, Inc. A Petition to Intervene was filed by the Coalition for Affordable Utility Services and Energy-Efficiency in Pennsylvania on April 8, 2015.

II. SERVICE OF DOCUMENTS

Columbia's counsel in this proceeding are Theodore J. Gallagher, Esquire, Andrew S. Tubbs, Esquire, Michael W. Hassell, Esquire, and Lindsay A. Berkstresser, Esquire. Columbia requests that Michael W. Hassell be listed as the recipient for service. Mr. Hassell's contact information is provided below:

Michael W. Hassell (ID # 34851)
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Columbia also requests that Mr. Gallagher, Mr. Tubbs and Ms. Berkstresser be added to any e-mail distribution lists in this proceeding. Mr. Gallagher's e-mail address is tjgallagher@nisource.com, Mr. Tubbs' e-mail address is astubbs@nisource.com, and Ms. Berkstresser's e-mail address is lberkstresser@postschell.com.

III. WITNESSES AND ISSUES

Below is a list of the witnesses and the areas of their testimony comprising Columbia's initial direct case in this proceeding. The subject matters listed below represent as complete a statement of issues that Columbia can provide at this stage of the proceeding. Further definition of contested issues by the parties will develop within the scope of the subject matters listed below during the course of the proceeding.

Columbia presently intends to offer the following witnesses to testify in the base rate filing proceeding on the following subject matters:

<u>Statement Number(s)</u>		
1	Mark R. Kempic President Columbia Gas of Pennsylvania, Inc. 121 Champion Way, Suite 100 Canonsburg, PA 15317 Phone: 724-416-6328	a) Overview of the Company filing; and b) Columbia's quality of service.
2	Amy L. Efland Senior Forecast Analyst NiSource Corporate Services Company 290 W. Nationwide Blvd. Columbus, OH 43215 Phone: 614-460-5465	a) Residential and commercial sales volumes normalization; and b) Customer usage forecasts for the future and fully forecasted test years.
3	Chun-Yi Lai Lead Regulatory Analyst NiSource Corporate Services Company 290 W. Nationwide Blvd. Columbus, OH 43215 Phone: 614-460-5998	Pro Forma Operating Revenues.
4	Kelley K. Miller Lead Regulatory Analyst NiSource Corporate Services Company 290 W. Nationwide Blvd. Columbus, OH 43215 Phone: 614-460-4740	a) Revenue deficiency; and b) Adjustments to operation and maintenance expenses.

5	John J. Spanos Senior Vice President, Valuation and Rate Division Gannett Fleming, Inc. 207 Senate Avenue Camp Hill, PA 17011-2316 Phone: 717-763-7211	a) Depreciation study and service lives; and b) Annual and accrued depreciation.
6	Nicole M. Paloney Director of Rates and Regulatory Affairs 121 Champion Way, Suite 100 Canonsburg, PA 15317 Phone: 724-416-6388	Rate Base.
7	Brian E. Elliott Manager for Regulatory Strategy and Support NiSource Corporate Services Company 290 W. Nationwide Blvd. Columbus, OH 43215 Phone: 614-460-4841	Allocated Cost of Service Studies.
8	Paul R. Moul Managing Consultant P. Moul & Associates 251 Hopkins Road Haddonfield, NJ 08033 Phone: 856-428-7515	a) Cost of capital; and b) Fair rate of return.
9	Matthew T. Hanson Director of Financial Planning NiSource Corporate Services Company 290 W. Nationwide Blvd. Columbus, OH 43215 Phone: 614-460-6947	Budgeted Operations and Maintenance Expenses for the Fully Forecasted Rate Year.
10	Panpilas W. Fischer Manager of Income Taxes NiSource Corporate Services Company 290 W. Nationwide Blvd. Columbus, OH 43215 Phone: 614-460-6352	a) Income tax expense; b) Deferred income tax; and c) Other taxes.
11	Mark Balmert Director of Regulatory Strategy & Support NiSource Corporate Services Company 290 W. Nationwide Blvd. Columbus, OH 43215 Phone: 614-460-4224	Revenue Allocation and Rate Design.

12	Nancy J.D. Krajovic Director of Regulatory Affairs Columbia Gas of Pennsylvania, Inc. 121 Champion Way Canonsburg, PA 15317 Phone: 724-416-6370	a) Rider Customer Choice adjustment; b) Gas Procurement Charge; c) Choice Administration Charge; and d) Universal Service Programs.
13	Shirley Bardes Hasson Manager, Regulatory Policy Columbia Gas of Pennsylvania, Inc. 121 Champion Way, Suite 100 Canonsburg, PA 15317 Phone: 724-416-6310	Tariffs.
14	Robert C. Waruszewski Senior Regulatory Analyst 121 Champion Way, Suite 100 Canonsburg, PA 15317 Phone: 724-416-6325	Proposals to expand service availability.
15	Michael J. Davidson General Manager and Vice President 121 Champion Way, Suite 100 Canonsburg, PA 15317 Phone: 724-416-6308	a) Pipeline distribution system; b) Pipeline replacement efforts; c) Historic operating performance; d) Distribution Integrity Management Program Plan; and e) Strategic O&M Initiatives.

The testimony and exhibits fully support Columbia's proposed rate increase in Supplement No. 226, and fully support the design of rates to recover that increase from customers.

Columbia reserves the right to present testimony, sponsored either by the witnesses listed above or by further witnesses, as may be needed, regarding additional issues and subject matters that may arise during the course of the proceeding.

IV. PROCEDURAL SCHEDULE

Columbia proposes the following schedule:¹

Other Parties' Direct Testimony	June 19, 2015
Rebuttal Testimony	July 16, 2015
Surrebuttal Testimony	July 28, 2015
Rejoinder Testimony	July 31, 2015
Hearings	August 4-5 and 10, 2015
Main Brief	August 27, 2015
Reply Brief	September 11, 2015

V. DISCOVERY

To date, Columbia has been served with numerous interrogatories by the parties. Columbia is in the process of answering the interrogatories. Columbia also has filed responses to standard data requests, in accordance with the Commission's Policy Statement concerning settlements. Columbia encourages the use of informal discovery to expedite the discovery process.

VI. PUBLIC INPUT HEARINGS

Columbia is not aware of any substantial consumer interest with respect to the proposed rate change. Columbia does not propose that any public input hearings be held absent substantial public interest in the filing.

VII. PROTECTION OF CONFIDENTIAL INFORMATION

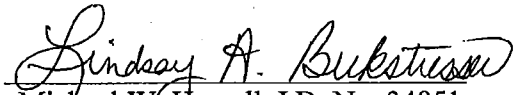
If necessary and should the case proceed to hearing, Columbia will timely submit an appropriate Motion for Protective Order.

¹ For parties accepting electronic service, the documents are to be served electronically on the date indicated, by 4:00 p.m. unless otherwise indicated. Hard copies will follow by first class mail or by express service. For parties not accepting electronic service and not located in Harrisburg, documents are due in hand on the following business day.

VIII. SETTLEMENT DISCUSSIONS

As of this time, no settlement discussions have been held. However, Columbia will be working with the parties in an effort to resolve these proceedings through settlement.

Respectfully submitted,



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Dated: April 15, 2015

Attorneys for Columbia Gas of Pennsylvania, Inc.