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Director
Rates & Regulatory Affairs

June 1, 2017

VIA: E-FILING ONLY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v. Columbia Gas of
Pennsylvania, Inc.
Docket No. R-2014-2407345**

Dear Ms. Chiavetta:

On October 23, 2014, the Pennsylvania Public Utility Commission ("Commission") approved Columbia Gas of Pennsylvania, Inc.'s ("Columbia") Pilot Rider New Area Service ("Rider NAS") at Docket R-2014-2407345. Consistent with the Commission's Order, enclosed is Columbia's annual report for the period from January 1, 2016 through December 31, 2016. Specifically, the enclosed annual report provides information relative to the number of customers that elected to use Rider NAS, the amount of money that Columbia has invested in the program and the revenues received from these customers.

Thank you for your kind attention to this matter. Should you have any questions, please do not hesitate to contact the undersigned.

Very truly yours,



Nicole M. Paloney

Enclosures

Cc: Office of Consumer Advocate (w/enc.)
Bureau of Investigation and Enforcement (w/enc.)
Office of Small Business Advocate (w/enc.)

a) Investment per project including the economic model results and surcharge calculation details

Project Name	Required Deposit	Minimum Total Plant Investment	NASR Amount	NASR Number of Sites	NASR Monthly Amount
146 Chopp St	\$981.64	\$11,810.00	\$981.64	1	\$8.16

b) Total Distance of NAS Main Installed

513 feet

c) Number of customers connected by project and number of subsequent connections to NAS extensions

As of 12/31/2016, 40 residential customers have been connected. There have been 15 subsequent connections to NAS extensions.

d) NAS revenues received by principal and interest

Revenue Type	Amount
Principal	\$1,033.04
Interest	\$3,546.42
Base Rate	\$13,223.70
Total	\$17,803.16

e) Annual NAS participant average use per customer

The average customer has used 45 therms per month since connecting to Columbia's system through Pilot Rider NAS.

f) Average NAS participant investment cost per customer

<u>\$11,810</u>	Plant Investment
	1 customers

\$11,810.00 Investment per customer

g) Direct Program Expenses

The labor costs below reflect the New Business department's costs related to rider NAS.

However, other employees outside of the New Business team have worked on Rider NAS. Since these employees do not allocate their time to Rider NAS, the costs of their labor is not shown below.

Costs

<u>Labor</u>	<u>\$37,820</u>
Total	\$37,820

h) Data on collections, including efforts for unpaid surcharge amounts

The Company currently does not have any accounts in collections, though the Company has 20 accounts that are delinquent on their NAS payment. Columbia is contacting the customers by telephone and mail in an effort to obtain the unpaid amounts.

i) The number of applicants turned down for insufficient credit

Zero

j) Investment per project by rate class, including the economic model results and surcharge calculation details

Please see part a.

k) Total distance and cost of NAS project mains and service lines installed, by pipe diameter

Main Costs

Diameter	Material	Install Quantity	Prorated Cost
2"	Plastic	425'	\$24,321
Total		0	24,321

Service Line Estimated Costs

Columbia is unable to track costs associated with individual blanket service line installations. The unit costs below were taken from the 2016 average service line cost calculations and were used to determine the total estimated service line expenditures.

Service Line	Quantity	Cost	Total
	1	\$3,066	\$3,066
Total	1	\$3,066	\$3,066

l) Number of customers originally and subsequently connected, by rate class

Please see part c.

m) Annual load by rate class, segregated between customers initially and subsequently connected.

The residential customers consumed approximately 16,106 therms between January 2016 and December 2016.

n) Base rate and Rider NAS revenues received by NAS project by rate class, with Rider NAS revenues segregated between "principal and interest"

Please see part d.

o) Direct Program Expenses

Please see part g.

p) Identify the number of projects evaluated for Pilot Rider NAS service that did not elect to go forward under Pilot Rider NAS.

There were three projects evaluated for NAS that did not go forward in the period of January 2016 through December 2016.