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File #: 171942

April 6, 2018

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
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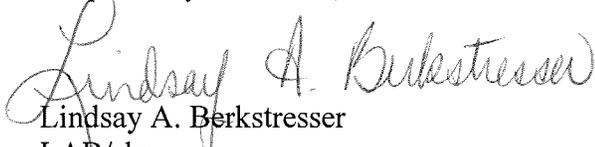
**Re: Petition of Columbia Gas of Pennsylvania, Inc. For Application to Defer, For Accounting Purposes, Certain Costs Associated With Prepayment to the NiSource, Inc. Petition Trust
Docket No. P-2018-2641257**

**Pennsylvania Public Utility Commission v. Columbia Gas of Pennsylvania, Inc.
Docket No. R-2018-2647577**

Dear Secretary Chiavetta:

Enclosed for filing is the Motion To Consolidate The Petition of Columbia Gas Of Pennsylvania, Inc. For Authorization To Defer, For Accounting Purposes, Certain Costs Associated With a Prepayment To The NiSource, Inc. Pension Trust With The Base Rate Increase Filed Pursuant to 66 Pa. C.S. § 1308 at Docket No. R-2018-2647577 in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,


Lindsay A. Berkstresser
LAB/skr
Enclosure

cc: Honorable Katrina L. Dunderdale
Honorable Jeffrey Watson
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL AND REGULAR MAIL

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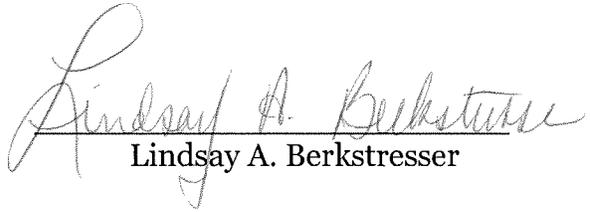
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Date: April 6, 2018


Lindsay A. Berkstesser

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Columbia Gas of Pennsylvania, Inc. For Authorization to Defer, For Accounting Purposes, Certain Costs Associated With A Prepayment to the NiSource, Inc. Pension Trust	:	
	:	Docket No. P-2018-2641257
	:	
	:	
Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2018-2647577
	:	
	:	
Columbia Gas of Pennsylvania, Inc.	:	

MOTION TO CONSOLIDATE THE PETITION OF COLUMBIA GAS OF PENNSYLVANIA, INC. FOR AUTHORIZATION TO DEFER, FOR ACCOUNTING PURPOSES, CERTAIN COSTS ASSOCIATED WITH A PREPAYMENT TO THE NISOURCE, INC. PENSION TRUST WITH THE BASE RATE INCREASE FILED PURSUANT TO 66 Pa. C.S. § 1308 AT DOCKET NO. R-2018-2647577

TO ADMINISTRATIVE LAW JUDGE JEFFREY WATSON:

Pursuant to 52 Pa. Code § 5.103, Columbia Gas of Pennsylvania, Inc. (“Columbia” or the “Company”), by and through its attorneys, Post & Schell, P.C., hereby files this Motion to Consolidate the Petition of Columbia Gas of Pennsylvania, Inc. For Authorization to Defer, For Accounting Purposes, Certain Costs Associated With A Prepayment to the NiSource, Inc. Pension Trust (“Accounting Deferral Petition”) with the base rate increase filed at Docket No. R-2018-2647577 (“base rate proceeding”). In support of its Motion, Columbia represents as follows:

I. BACKGROUND

On January 5, 2018, Columbia filed the Accounting Deferral Petition, requesting the Pennsylvania Public Utility Commission’s (“Commission”) approval to defer, for accounting and

financial reporting purposes only, the Company's prepayment of \$8.45 Million to the NiSource, Inc. Pension Plan, which was made on January 5, 2017.

The Commission's Bureau of Investigation and Enforcement ("I&E") and the Office of Consumer Advocate ("OCA") filed Answers to Columbia's Petition. On January 30, 2018, Columbia submitted a letter in response to I&E's Answer.

On February 14, 2018, Columbia filed a notice of its intent to file a general rate increase pursuant to 52 Pa. Code § 53.45. On March 16, 2018, Columbia filed a tariff supplement seeking a general base rate increase along with supporting exhibits, standard data responses, and testimony at Docket No. R-2018-2647577.

On March 22, 2018, Administrative Law Judge Katrina L. Dunderdale (the "ALJ") issued a notice scheduling a prehearing conference in the Accounting Deferral Petition for March 28, 2018.

Columbia, I&E and OCA submitted prehearing memoranda on March 27, 2018. In its prehearing memorandum, Columbia requested that the Accounting Deferral Petition be consolidated with the base rate proceeding. I&E and the OCA indicated that they did not oppose Columbia's request for consolidation. However, as a procedural matter, I&E suggested that Columbia should consider withdrawing its Accounting Deferral Petition rather than requesting that it be consolidated with the base rate proceeding.

The ALJ canceled the scheduled prehearing conference pending a decision on Columbia's request for consolidation. On March 29, 2018, the ALJ directed Columbia to submit a motion in support of its request for consolidation by April 4, 2018 and established April 6, 2018 as the deadline for OCA and I&E to respond.

II. CONSOLIDATION OF THE ACCOUNTING DEFERRAL PETITION WITH THE BASE RATE PROCEEDING IS APPROPRIATE

In its Accounting Deferral Petition, Columbia sought permission to defer the pension prepayment on its books of account pending a determination of recoverability in Columbia's next base rate case. Columbia sought only permission to defer the prepayment for accounting purposes and did not seek a determination as to rate recovery of the prepayment in the Accounting Deferral Petition. Columbia has filed similar petitions for accounting deferral in the past when it sought to amortize certain experienced costs in base rate cases. *See, e.g., Petition of Columbia Gas of Pennsylvania, Inc. For Authorization To Defer, For Accounting Purposes, Certain Unanticipated Expenses Relating to Storm Damage*, Docket No. P-2011-249757; *Petition of Columbia Gas of Pennsylvania, Inc. For Authorization to Defer, For Accounting Purposes, Certain Start Up Expenses Associated With A Regulatory Asset Related to the Redesign and Upgrade of Financial Processes and Information Systems*, Docket No. P-2012-2319920.

On March 16, 2018, Columbia filed its Supplement No. 267 to Tariff Gas Pa PUC No. 9, seeking an increase of \$46.9 Million in base rates, based upon a Fully Projected Future Test Year ending December 31, 2019. In the base rate filing, Columbia presented a claim to recover the \$8.45 Million pension prepayment over a period of three (3) years, as shown on its Exhibit 104, Schedule No. 1, Page 4 of 6, Line 4. The claim for recovery of the pension prepayment is also addressed on pages 16-22 of the direct testimony of Columbia's witness Nancy J.D. Krajovic (Columbia Statement No. 10). Because the claim for recovery and amortization of the pension prepayment is included in the now pending base rate case, Columbia requests that the Deferred Accounting Petition be consolidated with that base rate proceeding. As Columbia noted in its

Accounting Deferral Petition, the substantive issues of recovery were always intended to be addressed in the rate case.

Consolidation of the Accounting Deferral Petition with the base rate proceeding is appropriate because deciding both the request for deferred accounting treatment and cost recovery of the prepayment in a single proceeding is the most efficient use of the Commission's and the parties' resources. Consolidation will allow all issues related to Columbia's request for deferred accounting treatment of the pension prepayment to be addressed as part of the Company's claim for cost recovery of the prepayment in its base rate proceeding.

Columbia seeks to consolidate the Accounting Deferral Petition with the base rate proceeding, rather than withdraw the Accounting Deferral Petition, to preserve Columbia's right to claim cost recovery of the prepayment in the base rate proceeding. The Commission has held that claims to recover costs incurred in prior periods may be disallowed where the utility did not previously seek deferred accounting treatment. See *Application of Pennsylvania Electric Company For Approval of Restructuring Plan*, Docket No. R-00974009 (Recommended Decision May 1, 1998) at 138-144; Order entered June 30, 1998 at p. 89.

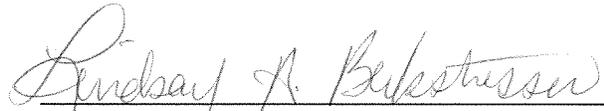
Parties have intervened, and are expected to intervene, in Columbia's base rate proceeding who are not participating in the proceeding to address the Accounting Deferral Petition. If Columbia withdraws the Accounting Deferral Petition, these parties might contend that Columbia's claim for amortization is invalid without a pending request for accounting deferral of the expense. Although Columbia would oppose such an assertion, the Company cannot predict the outcome. Therefore, Columbia requests to consolidate the Accounting Deferral Petition with the base rate proceeding to preserve its right to seek cost recovery of the prepayment in the base rate proceeding. Consolidation would maintain Columbia's request for

deferred accounting treatment while allowing both the accounting treatment and cost recovery issues to be resolved in a single proceeding.

III. CONCLUSION

WHEREFORE, Columbia Gas of Pennsylvania, Inc. respectfully requests that its Petition of Columbia Gas of Pennsylvania, Inc. For Authorization to Defer, For Accounting Purposes, Certain Costs Associated With A Prepayment to the NiSource, Inc. Pension Trust be consolidated with the base rate proceeding at Docket No. P-2018-2641257.

Respectfully submitted,



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Date: April 6, 2018

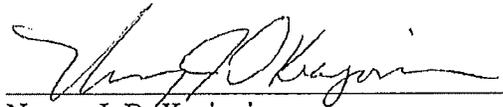
*Counsel for Columbia Gas of Pennsylvania,
Inc.*

VERIFICATION

I, Nancy J. D. Krajovic, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date:

4/4/18



Nancy J. D. Krajovic
State Finance Director
Columbia Gas of Pennsylvania, Inc.