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File #: 171942

April 17, 2018

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

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

Dear Secretary Chiavetta:

Enclosed for filing is the Pre-Hearing Conference Memorandum to be filed on behalf of Columbia Gas Of Pennsylvania, Inc. in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

Lindsay A. Berkstresser

LAB/sme
Enclosure

cc: 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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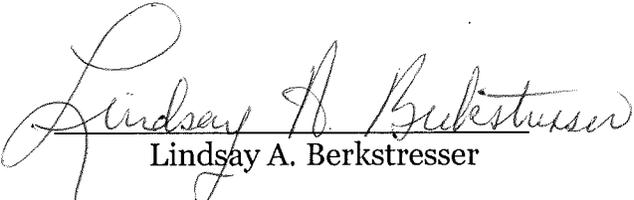
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Date: April 17, 2018


Lindsay A. Berkstresser

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket No.	R-2018-2647577
Office of Small Business Advocate	:		C-2018-3000073
Office of Consumer Advocate	:		C-2018-2000582
Patricia Southorn	:		C-2018-3000779
	:		
v.	:		
	:		
Columbia Gas of Pennsylvania, Inc.	:		

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

TO ADMINISTRATIVE LAW JUDGE JEFFREY A. WATSON :

I. PROCEDURAL HISTORY

This Memorandum is in response to the Prehearing Conference Order, dated April 10, 2018, advising that a Prehearing Conference is scheduled for April 18, 2018 in the above-referenced matter.

On March 16, 2018, Columbia Gas of Pennsylvania, Inc. (“Columbia”) filed with the Pennsylvania Public Utility Commission (“Commission”) Supplement No. 267 to its Tariff Gas – Pa. P.U.C. No. 9 (“Supplement No. 267” or “base rate filing”). Supplement No. 267, issued March 16, 2018 and to be effective May 15, 2018, proposes an increase in revenues of approximately \$46.9 million which represents an 8.16% increase in operating revenues based upon a pro forma fully projected future test year ending December 31, 2019. 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 5, 2018, the Commission issued an Order suspending Columbia’s Supplement No. 267 until December 15, 2018, 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, the Pennsylvania State University and Patricia Southorn. Direct Energy Business, LLC, Direct Energy Services, LLC and Direct Energy Business Marketing, LLC (“Direct Energy”), the Coalition for Affordable Utility Services and Energy-Efficiency in Pennsylvania (“CAUSE-PA”), the Community Action Association of Pennsylvania (“CAAP”), and Shipley Energy, Interstate Gas Supply, Inc., and Dominion Retail, Inc. (the “NGS Parties”) filed Petitions to Intervene. The Commission’s Bureau of Investigation and Enforcement has filed a Notice of Appearance.

II. SERVICE OF DOCUMENTS

Columbia’s counsel in this proceeding are Theodore J. Gallagher, Esquire, Meagan Bielanin Moore, Esquire, Michael W. Hassell, Esquire, Lillian Harris, Esquire, and Lindsay 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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Phone: 717-612-6029
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Columbia also requests that Mr. Gallagher, Ms. Moore, Ms. Harris and Ms. Berkstresser be added to any e-mail distribution lists in this proceeding. Mr. Gallagher’s e-mail address is tjgallagher@nisource.com. Ms. Moore’s e-mail address is mbmoore@nisource.com. Ms. Harris’s email address is lharris@postschell.com. Ms. Berkstresser’s e-mail address is lberkstresser@postschell.com. Columbia further requests that Nicole Paloney be removed from the Commission’s service list, and from any distribution lists in this proceeding. Ms. Paloney

signed the March 16, 2018 filing cover letter on behalf of the Company in her capacity as Director of Rates and Regulatory Affairs only, not as counsel to Columbia.

III. WITNESSES AND ISSUES

Below is a list of the witnesses and the areas of their testimony comprising Columbia’s 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 proceeding on the following subject matters:

<u>Statement Number(s)</u>		
1	Michael Huwar President and Chief Operating Officer Columbia Gas of Pennsylvania, Inc. 121 Champion Way, Suite 100 Canonsburg, PA 15317	a) Overview of the Company filing; and b) Columbia’s quality of service; c) Management effectiveness
2	Chun-Hung Chen Senior Forecast Analyst NiSource Corporate Services Company 290 W. Nationwide Blvd. Columbus, OH 43215	a) Residential and commercial sales volumes normalization; and b) Customer usage forecasts for the future and fully projected future test years.
3	David Joseph Mays Manager of Regulatory Studies NiSource Corporate Services Company 801 E. 86 th Avenue Merrillville, IN 46410	Pro Forma operating revenues.
4	Kelley K. Miller Lead Regulatory Analyst NiSource Corporate Services Company 290 W. Nationwide Blvd. Columbus, OH 43215	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	a) Depreciation study and service lives; and b) Annual and accrued depreciation.
6	Julie E. Covert Lead Regulatory Analyst 290 W. Nationwide Blvd. Columbus, OH 43215	Rate Base.
7	Michael J. Davidson General Manager and Vice President Columbia Gas of Pennsylvania, Inc. 121 Champion Way, Suite 100 Canonsburg, PA 15317	a) Pipeline distribution system; b) Pipeline replacement efforts; c) Historic operating performance; d) Distribution Integrity Management Program Plan; and e) Strategic O&M initiatives.
8	Paul R. Moul Managing Consultant P. Moul & Associates 251 Hopkins Road Haddonfield, NJ 08033	a) Cost of capital; and b) Fair rate of return.
9	Panpilas W. Fischer Tax Director NiSource Corporate Services Company 290 W. Nationwide Blvd. Columbus, OH 43215	a) Income tax expense; b) Deferred income tax; c) Other taxes.
10	Nancy J.D. Krajovic State Finance Director Columbia Gas of Pennsylvania, Inc. 121 Champion Way, Suite 100 Canonsburg, PA 15317	a) Budgeted Operations and Maintenance; b) Expenses for the FPFTY; c) Tax Cut and Jobs Act of 2017.
11	Mark Balmert Director of Regulatory Strategy & Support NiSource Corporate Services Company 290 W. Nationwide Blvd. Columbus, OH 43215	Revenue Allocation and Rate Design.

12	Paula A. Strauss Director of Regulatory NiSource Corporate Services Company 290 West Nationwide Blvd. Columbus, OH 43215	a) Residential Rate Structure; b) Revenue Allocation and Rate Design; c) Revenue Proof and Bill Impacts
13	Shirley Bardes Hasson Manager, Regulatory Policy Columbia Gas of Pennsylvania, Inc. 121 Champion Way, Suite 100 Canonsburg, PA 15317	Tariffs.
14	Deborah A. Davis Manager, Universal Services Columbia Gas of Pennsylvania, Inc. 121 Champion Way, Suite 100 Canonsburg, PA 15317	a) Columbia's efforts to increase voluntary contributions to the Hardship Fund; b) Proposal to continue using Pipeline Refunds and Supplier Credits for the Hardship Fund.

The testimony and exhibits fully support Columbia's proposed rate increase in Supplement No. 267, and fully support the design of rates to recover that increase from customers.

Columbia also intends to submit supplement direct testimony on or around April 20, 2018 concerning the 2018 effects of the Tax Cuts and Jobs Act of 2017's and Columbia's proposed treatment of those effects.

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 procedural schedule:

Other Parties' Direct Testimony - June 5

Rebuttal Testimony - July 3

Surrebuttal Testimony- July 17

Rejoinder Outline - July 20

Hearings - July 25-27

Main Briefs - August 16

Reply briefs - August 31

V. DISCOVERY

To date, Columbia has been served with and has answered numerous 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

The OCA has suggested a possible need for public input hearings. Columbia is not aware of any substantial consumer interest with respect to the proposed rate change. However, Columbia does not oppose public input hearings commensurate with public interest in the filing.

VII. PROTECTION OF CONFIDENTIAL INFORMATION

Columbia intends to submit timely an appropriate Motion for Protective Order.

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,



Michael W. Hassell, I.D. No. 34851

Lillian Harris, I.D. No. 50888

Lindsay A. Berkstresser, I.D. No. 318370

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Dated: April 17, 2018

Attorneys for Columbia Gas of Pennsylvania, Inc.