



1 **Q. Please state your name and business address.**

2 A. Nicole Paloney, 121 Champion Way, Suite 100, Canonsburg, PA 15317.

3 **Q. By whom are you employed and in what capacity?**

4 A. I am employed by NiSource Corporate Services Company as Director of Rates and  
5 Regulatory Affairs.

6 **Q. Are you the same Nicole Paloney who submitted Rebuttal Testimony in  
7 this proceeding?**

8 A. Yes.

9 **Q. What is the purpose of your surrebuttal testimony?**

10 A. I will be addressing the positions of the Office of the Consumer Advocate's ("OCA")  
11 Witness Barbara Alexander regarding Columbia's billing of non-commodity services  
12 provided to CSP and Nicor. I will also be addressing the concerns of CAUSE PA  
13 Witness Mitchell Miller and Direct Energy Witness Orlando Magnani.

14 **Q. Please summarize Witness Alexander, Miller and Magnani's concerns  
15 regarding Columbia's practice for billing non-commodity services.**

16 A. Witness Alexander has several concerns. She expresses concerns regarding  
17 Columbia's authority to bill non-commodity service charges absent inclusion of such  
18 a provision in the tariff or a Commission order, how the charges are presented on  
19 Columbia's bills and discrimination in Columbia's practice of billing non-commodity  
20 charges for CSP and Nicor only. Further, Ms. Alexander expresses concern regarding  
21 the manner in which non-commodity services are being marketed to customers.

1 Witness Miller's concerns center around affordability and privacy, while Mr.  
2 Magnani supports the NGS Parties' Witness Custati's position that natural gas  
3 suppliers should be permitted to bill for non-commodity services on Columbia's bills.  
4

5 **Authority to Bill Non-Commodity Charges**

6 **Q. Why does Columbia's tariff not include billing terms for the non-**  
7 **commodity services billed by Columbia on behalf of CSP and Nicor?**

8 A. Columbia's Tariff does not include a provision regarding non-commodity billing  
9 services. I am advised that CSP and Nicor's services are not regulated by the  
10 Pennsylvania Public Utility Commission ("Commission") and therefore, no tariff  
11 provision is necessary. Moreover, CSP and Nicor are not licensed as Natural Gas  
12 Suppliers ("NGSs"), nor do they do not provide natural gas supply services or  
13 distribution services under the Public Utility Code.

14 **Non-Commodity Charges Bill Presentation**

15 **Q. What concerns does Ms. Alexander express regarding how non-**  
16 **commodity charges are presented on Columbia's bill?**

17 A. Ms. Alexander is concerned that customers will make the assumption that such  
18 charges are regulated because they show up on Columbia's bill and that charges for  
19 non-commodity services are included in a single total on the bill.

20 **Q. What is Columbia's response to Ms. Alexander's concerns that**

1           **customers may assume that non-commodity charges are regulated**  
2           **because they show up on Columbia's bills?**

3       A.     As answered in Columbia's response to CAUSE PA 5-007, attached as Exhibit NP-  
4           3SR, non-commodity products and services are marketed to Columbia's customers  
5           by AGL/Nicor Energy Services Company and Columbia Service Partners, Inc.  
6           Columbia does not market or promote non-commodity products or services to its  
7           customers. Any and all marketing related to these products is done by the vendors,  
8           not Columbia.

9           In addition, outreach materials from CSP and Nicor include disclosures stating that  
10          the vendors are independent from Columbia and that the services being provided are  
11          not regulated. Attachment A of Columbia's response to CAUSE PA 5-007, attached  
12          as Confidential Exhibit NP-4SR, provides examples of the letters Nicor and CSP  
13          provide to Columbia's customers. The letters clearly state that there is no  
14          relationship between the vendors and Columbia and that the services provided are  
15          not regulated.

16       **Q.     What is Columbia's response to Ms. Alexander's concerns that non-**  
17           **commodity charges are included in a single total on Columbia's bills?**

18       A.     First, Columbia is not permitted to disconnect a customer for non-payment of non-  
19           commodity charges. In Columbia's response to NGS Parties 3-004, included as  
20           Exhibit NP-1-SR to my surrebuttal testimony, the Company explained that the  
21           termination of service for non-payment of non-commodity charges is prohibited

1 by 52 Pa. Code § 56.83(3). Columbia adheres to that regulation and has/will not  
2 interrupt or discontinue a customer's utility service for non-payment of non-  
3 commodity charges. Second, as Columbia answered in response to NGS Parties 3-  
4 002, included as Exhibit NP-2-SR, partial payments are applied to the customer's  
5 utility service balance (including distribution and commodity charges). Non-  
6 commodity products and services are paid after the utility service balance is fully  
7 satisfied.

8 **Q. What information is communicated to customers who make inquiries**  
9 **about non-commodity charges on their Columbia bill?**

10 A. As shown in Confidential Exhibit NP-4-SR, call scripts communicate that "These  
11 vendors sell warranty service plans that are not affiliated with Columbia Gas in any  
12 way. Columbia Gas simply bills for them. Non-payment of these optional service  
13 bills will not result in any delinquent fees/late charges by Columbia Gas and will  
14 never result in shutoff of the natural gas service to their home for that reason."

15 **Q. Is it feasible for Columbia to separate non-commodity charges on the**  
16 **bill?**

17 A. The non-commodity charges are listed separately on a page of the bill. However, any  
18 further changes would require a bill redesign, which would result in significant  
19 expense to Columbia's customers for design and testing. Undertaking this type of  
20 effort would require significant expenditures, from both a resource and financial  
21 perspective. This type of expenditure for charges that cannot result in a customer

1 being terminated would not be prudent.

2 **Discrimination**

3 **Q. What is the relationship between Columbia Gas of Pennsylvania, Inc.,**  
4 **CSP and Nicor?**

5 A. As stated in my rebuttal testimony, both Nicor and CSP are former Columbia  
6 affiliates. Before Columbia sold CSP in 2003, CSP provided various service plans  
7 for the repair and maintenance of customer-owned facilities (e.g., piping) to  
8 Columbia customers for 7 years. NiSource Retail Services, Inc., a Columbia  
9 affiliate, sold its retail services business assets in 2013 to Nicor. Prior to the sale,  
10 NiSource Retail Services, Inc. provided various service plans for the repair and  
11 maintenance of customer-owned heating and cooling systems, water heaters,  
12 appliances, pipes and wires to Columbia customers for 9 years. Prior to the sale of  
13 CSP and the NiSource Retail Services, Inc. assets, Columbia provided billing  
14 services on its bills to these affiliates.

15 **Q. Why does Columbia bill non-commodity charges for CSP and Nicor?**

16 A. As stated in my rebuttal testimony, the Billing Agreements for CSP and Nicor provide  
17 them with access to Columbia utility bills for the purpose of billing of various Covered  
18 Products and Services. CSP and Nicor are permitted to have the charges appear on  
19 Columbia's monthly billing statements because they each purchased various retail  
20 service businesses that a Columbia affiliate provided to Columbia customers. These

1 billing arrangements were entered into with CSP and Nicor in order to maintain, for  
2 the convenience of Columbia customers who wished to subscribe to various Covered  
3 Products and Services, the ability to continue to have those charges appear on their  
4 monthly gas bill.

5 **Q. So, are Columbia non-commodity billing charges for CSP and Nicor part**  
6 **of the terms of sale with independent third parties?**

7 A. Yes.

8 **Q. What is your response to Ms. Alexander's assertion that Columbia's**  
9 **billing of non-commodity charges for CSP and Nicor is a discriminatory**  
10 **practice?**

11 A. I disagree. Columbia is not engaged in a discriminatory practice because Columbia  
12 has the right to negotiate with any third parties it wishes with respect to non-utility  
13 products, subject to the Commission's regulations for billing and no termination for  
14 non-basic charges, as set forth at 52 Pa. Code §§ 56.13 and 56.83. The non-  
15 commodity billing charges for CSP and Nicor are the result of unique business  
16 transactions between Columbia, Nicor and CSP, who are independent third parties.  
17 Moreover, billing for non-commodity service providers is not required under the  
18 Pennsylvania Public Utility Code and therefore, Columbia has opted not to provide  
19 this service to other parties.

1 **Q. Do you agree with Direct Energy Witness Magnani and NGS Parties'**  
2 **Witness Cusati that NGS's should be allowed to bill for non-commodity**  
3 **services on Columbia's bills?**

4 **A.** No, for the reasons stated above.

5 **Marketing For Non-Commodity Services And Privacy Issues**

6 **Q. Do you agree with Ms. Alexander's statement on page 7, line 6 of her**  
7 **rebuttal testimony that it is not clear how non-commodity services are**  
8 **marketed and sold to customers?**

9 **A.** No. The manner in which non-commodity services are marketed are clearly defined  
10 by Columbia's response to CAUSE PA 5-007, attached as Confidential Exhibit NP-  
11 4SR and reiterated in my Surrebuttal Testimony.

12 **Q. Do you agree with Mr. Miller's conclusion on page 8 of his rebuttal**  
13 **testimony that the addition of non-commodity services to the customer's**  
14 **bill will cause customers to fall behind on their basic service charges and**  
15 **ultimately face termination?**

16 **A.** No. Columbia has made it clear that customers cannot be terminated for non-  
17 payment of non-commodity services.

18 **Q. Does Columbia give account number information to CSP and Nicor?**

19 **A.** No. Only customers can give their account numbers to CSP and Nicor.

20 **Q. Do customers have the chance to opt out of having their information**  
21 **shred with third parties?**



Question No. NGS Parties 3-004  
Respondent: N. Paloney  
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COLUMBIA GAS OF PENNSYLVANIA INC.

R-2018-2647577

Data Requests

NGS Parties – Set 3

Question No. NGS Parties 3-004:

Has Columbia Gas of Pennsylvania ever disconnected a customer for non-payment of non-commodity charges that have remained unpaid?

Response:

Termination of service for non-payment of non-commodity charges is prohibited by 52 Pa. Code § 56.83(3). Columbia adheres to that regulation and has/will not interrupt or discontinue a customer's utility service for non-payment of non-commodity charges.

Question No. NGS Parties 3-002  
Respondent: N. Paloney  
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COLUMBIA GAS OF PENNSYLVANIA INC.

R-2018-2647577

Data Requests

NGS Parties – Set 3

Question No. NGS Parties 3-002:

When customers who take advantage of the non-commodity products billing on the Columbia natural gas distribution service bills make a partial payment, please describe in detail the payment application hierarchy. In other words, how are the partial payments applied to which service that has been billed?

Response:

Partial payments would be applied to the customer's utility service balance (including distribution and commodity charges). Non-commodity products and services are paid after the utility service balance is fully satisfied.

Question No. CAUSE-PA 5-007  
Respondent: D. Davis  
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COLUMBIA GAS OF PENNSYLVANIA INC.

R-2018-2647577

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency  
in Pennsylvania (CAUSE-PA) – Set 5

Question No. CAUSE-PA 5-007:

How are the non-commodity products and services that are billed directly on Columbia's bill (as described in response to NGS Parties 1-014) marketed to Columbia's customers? Please provide a copy of any scripting used to discuss non-commodity products or services with customers, as well as any marketing materials used by Columbia to promote the products to its customers.

Response:

Non-commodity products and services are marketed to Columbia's customers by AGL/Nicor Energy Services Company and Columbia Service Partners, Inc. Columbia does not market or promote non-commodity products or services to its customers.

Please see CONFIDENTIAL Attachment to this response A for excerpts from the Company's Call Aid related to Optional Services for call scripting. In addition, we are including sample solicitation letters from Columbia Service Partners, which have been provided to the Company by Columbia Service Partners to assist the Company with answering customers' questions.

CONFIDENTIAL Exhibit NP-4-SR

No Public Version Available

### Right to Restrict Customer Account Information

You have the right to restrict your customer account information. If you do not specifically notify Columbia Gas of Pennsylvania, Inc. ("Columbia") that you do not want your customer account information shared, much of your customer account information, except your telephone number, may be shared with third parties including natural gas supply companies licensed in Pennsylvania.

### Customer List

Natural gas suppliers have access to a monthly updated list of residential and small commercial customer account information. If you did not instruct Columbia to remove or limit your customer account information, you are currently on the list.

Information provided on the list includes:

1. The customer account number.
2. The customer name on the account.
3. The customer service address.
4. The customer mailing address.
5. The type of service, i.e. residential or commercial.
6. The rate schedule used to bill the account.
7. Whether or not you use natural gas for heating.
8. When Columbia reads your gas meter and bills your account.
9. Whether or not you are currently purchasing your natural gas from a supplier other than Columbia.
10. A 12-month history of your natural gas usage.

Your telephone number is not provided on the customer list.

### How to Restrict Your Customer Account Information

Notify Columbia that you want some or all of your customer account information removed from the list.

The three ways to notify Columbia are:

1. **By phone** – call **1-888-460-4332** to speak with a customer service representative who will code your account according to your preference.
2. **By mail** – notify Columbia by filling out the form on the back of this notice and mailing it to:  
  
**Columbia Gas of Pennsylvania, Inc.  
P.O. Box 2318  
Columbus, Ohio 43216-2318**
3. **Online** – visit **ColumbiaGasPA.com**. Click on either "Residential" or "Business" at the top of the screen. On the left side of the screen click on "Release of Customer Information" and follow the instructions.

**Account Profile**

Customer Name: John Doe  
Account Number: 12345678 9012345  
Your Contact Information: 123 Main St., Anytown, PA 12345-6789  
Type of Customer: Residential

\* If your contact information correct? Make all changes on the reverse side.

**Account Summary**

Previous Amount Due on 06/07/2016	
Payments Received by 06/10/2016 Thank you	\$136.66
Balance on 06/13/2016	-136.66
Charges for Gas Service This Period	\$0.00
<b>Current Charges Due by 07/07/2016</b>	<b>\$39.24</b>

\* If paid after 07/07/16, a late payment charge of 1.25% may be applied.  
\* For more information regarding these charges, see the Detail Charges section.

**Budget Payment Plan**  
Pay \$87.00 instead of the amount due this month for your utility service, plus any charges for a specialty deposit, Optional Services, or Dollar Energy Fund contribution, and you'll be enrolled in the Budget Payment Plan automatically. Or log in to your account at our website to enroll anytime if your account is current. The Budget Payment Plan is your best option to manage your winter heating bills.



- I do not wish to have my account information included on customer lists provided to third parties.  
*(Note: No action is required if you submitted a removal request in the past.)*
- I would like to exclude only my historical billing data from lists provided to third parties.
- I previously requested my customer account information be excluded from the list and now changed my mind. Please remove the exclusion from my account and include my account information on future third party lists.

Name on Account: \_\_\_\_\_

Service Address: \_\_\_\_\_

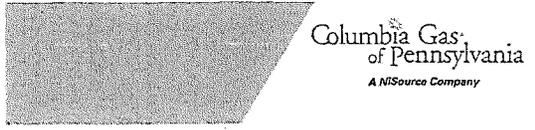
City, State, and Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Account Number: - - - - -

PA01182



**Opt In or Opt Out**

**Important Notice**  
Concerning the Release of  
Your Customer Information

For more information, visit  
[ColumbiaGasPA.com](http://ColumbiaGasPA.com)

**Columbia Gas of Pennsylvania**  
A NiSource Company

6/18