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January 9, 2025

***VIA ELECTRONIC FILING***

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

**RE: Technical Conference on Resource Adequacy in Pennsylvania  
Docket No. M-2024-3051988**

Dear Secretary Chiavetta:

Please be advised that Columbia Gas of Pennsylvania, Inc. (“Columbia”) supports the Comments filed on this date by the Energy Association of Pennsylvania in this docket and provides the following information for consideration relative to a certain recommendation made at the Technical Conference on November 25, 2024, regarding the need for the Public Utility Commission (“Commission”) to look into the feasibility of Natural Gas Distribution Company (“NGDC”) capacity releases to gas generators in the context of improving resource adequacy. Columbia appreciates the opportunity to provide comments on this topic and provides this letter identifying concerns regarding the recommendation.

First, NGDCs are obligated to provide safe, reliable service to their gas customers utilizing a least cost fuel strategy. Columbia’s system supply plans are developed based on the needs of customers. Supply is procured to meet these needs, and rates are developed to recover supply costs. Release of capacity has the potential to for gas customers to be subsidizing electric customers. Capacity needed for generation should be secured by the generator, not release of capacity from an NGDC.

Second, NGDCs pay for firm pipeline capacity to ensure reliable service to customers, while optimizing the portfolio to offset the expense of holding firm capacity that may not be used year-round. Procurement of firm service for generation is a generator responsibility, and NGDCs should not be obligated to plan system supply requirements to subsidize generation.

Third, the ability to for an NGDC to deliver to a generator’s location is dependent on availability of pipeline capacity. There is no guarantee the location of potential available

capacity is near the generator that may be seeking the capacity and no guarantee that there is an opportunity to deliver by displacement.

Fourth, in the evaluation of the level of capacity to release as part of its supply plan, Columbia considers the requirements of its retail customers, including storage injection requirements and determines the “optimum” time-dependent levels of pipeline transportation service and storage service to be utilized to meet Columbia’s prospective demand under various weather-related scenarios. Further, Columbia recognizes specific demand regions within its service territory and the pipeline capacity and supply sources that are available to each region. Volume and terms of a release are based on expected firm demands during the term, with Columbia’s primary concern being serving its firm customers. Also, Columbia is already incentivized to maximize the releases based on its sharing mechanism in the off-system sales program. Thus, there is no need for a different program requiring capacity releases to other parties.

Fifth, non-NGDC parties, such as producers and marketers, hold capacity on pipelines. The electric generator has the opportunity to enter into supply deals or capacity release deals with such parties to obtain supply for generation.

Sixth, currently, Columbia is only permitted to contract for firm service at 103% of design day demand. It is critical that Columbia to have enough firm capacity to serve its firm customers across its system to provide reliable service. Releases outside of the Company’s supply plan increase the risk that capacity may not be available to serve firm customers across the Company’s service territory on colder-than-normal winter days. Further, such releases may impact the balancing of the system as a whole. Opportunities for capacity release will be limited under extremely cold weather conditions.

Seventh, gas is scheduled the prior day based on the weather forecast. Because weather forecasts are not 100% accurate, NGDCs need to reserve capacity to serve their customers in the event actual weather conditions are different from the forecasted weather conditions.

Eighth, NGDCs are required to pursue a least cost fuel procurement strategy in connection with supplying safe, adequate and reliable service. *See* 66 Pa. C.S. § 1317(a). If colder than forecasted weather conditions occur, and Columbia did not have enough gas available via storage or pipeline capacity to serve customers, supply would be purchased at the delivery point at premium market prices. Such market prices are typically higher than storage or contracted prices. If Columbia was in this position due to capacity releases to generators, the result would be firm customers subsidizing electric customers. Further, such result would frustrate the pursuit of a least cost fuel procurement strategy.

Finally, if electric generators are relying on excess capacity from NGDCs, a pipeline will not have the right market signals to identify the need for the buildout of new capacity. Use of released capacity presents a risk to the electric generator of capacity not being available in periods of extreme weather, resulting in the pipeline not being able to service the market’s true needs, which would include the demand of the electric generator.

Columbia appreciates the opportunity to comment on this topic and looks forward to working with the Commission and stakeholders on this matter. Should you have any questions, please do not hesitate to contact the undersigned at (223) 488-0794.

Very truly yours,

A rectangular box containing a handwritten signature in blue ink that reads "Candis A. Tunilo".

Candis A. Tunilo