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November 7, 2025

**VIA ELECTRONIC FILING**

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

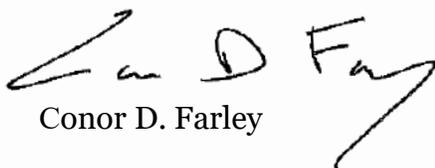
**Re: Pennsylvania Public Utility Commission v.  
Columbia Gas of Pennsylvania, Inc.  
Affiliate Interest Filing  
Docket No. G-2025-3056022**

Dear Secretary Homsher:

Enclosed for filing in the referenced docket is Columbia Gas of Pennsylvania, Inc.'s Prehearing Memorandum. As indicated on the attached Certificate of Service, copies have been served in the manner indicated.

Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely,



Conor D. Farley

/kak  
Enclosure

cc: Administrative Law Judge Jeffrey A. Watson (via e-mail: jeffwatson@pa.gov)  
Administrative Law Judge Chad L. Allensworth (via e-mail: callenswor@pa.gov)  
Certificate of Service (w/enc.)

## CERTIFICATE OF SERVICE

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

### VIA ELECTRONIC MAIL ONLY

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Dated: 11-7-2025

A handwritten signature in black ink, appearing to read "Conor D. Farley", written over a horizontal line.

Conor D. Farley  
Counsel for Columbia Gas of  
Pennsylvania, Inc.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

|  |   |                            |
|--|---|----------------------------|
| Pennsylvania Public Utility Commission | : |                            |
|  | : | Docket Nos. G-2025-3056022 |
| v.                                     | : | R-2018-2647577             |
|  | : |                            |
| Columbia Gas of Pennsylvania, Inc.     | : |                            |

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

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TO ADMINISTRATIVE LAW JUDGES JEFFERY WATSON & CHAD ALLENSWORTH:

Pursuant to 52 Pa. Code § 5.222(d), Columbia Gas of Pennsylvania, Inc. (“Columbia” or the “Company”) hereby submits this Prehearing Conference Memorandum in advance of the prehearing conference scheduled for November 12, 2025.

**I. HISTORY OF THIS PROCEEDING**

On June 30, 2025, Columbia filed a verified summary of an Affiliated Interest Arrangement (“AIA”) between the Company and its affiliate, NiSource Development Company, Inc. (“NDC”), for Pennsylvania Public Utility Commission (“Commission”) review and approval under Section 2102 of the Pennsylvania Public Utility Code (66 Pa.C.S. § 2102) in Docket No. G-2025-3056022 (“AIA Proceeding”). Through the AIA Proceeding, Columbia is seeking Commission approval of an unwritten arrangement with its affiliate, NDC, whereby the Company will provide and be compensated for certain billing services related to NDC’s Marketing and Licensing Agreement (“M&L Agreement”) with Pivotal Home Solutions, LLC (“Pivotal”), a non-affiliated third party. Under the M&L Agreement between NDC and Pivotal, Pivotal will offer warranty service plans

and products and services (“Covered Products”) to Columbia customers, and NDC will grant a non-exclusive right and license for service marks to be used to market the Covered Products, thereby allowing NDC to receive a revenue share percentage from the purchase of the Covered Products by Columbia customers. Columbia will provide billing services for the Covered Products via NiSource Corporate Services Company (“NCSC”), in exchange for Pivotal’s payment of certain fees, including annual and monthly service fees, consistent with a standard Billing Agreement between Columbia and Pivotal.<sup>1</sup>

Also on June 30, 2025, Columbia filed a Notice of Compliance (“Notice”) in Docket No. R-2018-2647577, the 2018 base rate proceeding that included matters regarding Columbia’s then billing practices for non-commodity services offered by third parties. Docket No. R-2018-2647577 will be referred to hereinafter as (“2018 Rate Case Proceeding”). The Notice was intended to alert the Commission and all parties to the 2018 Rate Case Proceeding of the Company’s intent to permit on-bill billing for non-basic services consistent with the requirements set forth in the Commission’s December 6, 2018 Order in the 2018 Rate Case Proceeding.

On July 1, 2025, the Commission ordered the 30-day deadline for disposition of the AIA to be extended until further Order of the Commission pursuant to 66 Pa.C.S. § 2102(b).

On July 24, 2025, to assist in the Bureau of Technical Utility Services’ (“TUS”) review of the AIA, Columbia submitted a supplemental filing in the AIA Proceeding. Also on July 24, 2025, at TUS’s request, Columbia provided notice to the parties in the 2018 Rate Case Proceeding that the Company filed a verified summary of an affiliated interest arrangement related to on-bill billing of non-basic service charges.

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<sup>1</sup> While the M&L Agreement and the Billing Agreement are not affiliate interest arrangements that require Commission approval, they are described in the AIA Proceeding to provide context for the unwritten arrangement between Columbia and NDC for which the Company does seek approval.

The Office of Consumer Advocate (“OCA”) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) filed Formal Protests to the AIA on August 4, 2025, and August 29, 2025, respectively. Columbia timely filed Answers<sup>2</sup> in Response to both Formal Protests. The OCA served discovery requests to Columbia on September 11, 2025, consisting of 28 Interrogatories seeking both responses to the questions presented and document production. On October 3, 2025, Columbia responded to the questions and produced the requested documents, where available, to all parties to this matter (and consultants) under the terms of Stipulated Protective Agreements protecting certain confidential information and proprietary information.

On October 8, 2025, the Prehearing Conference Order setting the telephonic Prehearing Conference for 1:30 p.m. on November 12, 2025.

On October 20, 2025, the Retail Energy Supply Association filed a Petition to Intervene in this matter.

The OCA served a second and third set of discovery requests to Columbia on November 4, 2025, consisting of 14 Interrogatories seeking more data and information with questions presented and requesting additional document production from Columbia.

Despite the ongoing discovery by OCA, on November 6, 2025, the OCA and CAUSE-PA filed a Joint Motion for Judgment on the Pleadings.

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<sup>2</sup>The Commission’s regulations provide that Protests can only be filed as to Applications. *See* 52 Pa. Code Section 5.1. Pleadings Allowed. Columbia did not file an Application, therefore, the “Protest” field by both OCA and CAUSE-PA are improper filings that are not permitted by the Commission’s regulations. Accordingly, Columbia treated the filings as Complaints to which it filed Answers, pursuant to Section 5.61 of the Commission’s regulations, 52 Pa. Code § 5.61.

## II. SERVICE OF DOCUMENTS

Counsel for Columbia in this proceeding are:

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Columbia requests that Conor Farley<sup>3</sup> be listed as the recipient for service and that Emily Farah, Anthony Kanagy, and Megan Rulli be added to any e-mail distribution lists in this proceeding. Columbia agrees to receive service of documents electronically in this matter.

## III. ISSUES / PROCEDURE

As described in Section I., above, the proposed AIA between Columbia and NDC contemplates an arrangement whereby the Company would ultimately offer customers an opportunity to voluntarily enroll in on-bill billing for purchased Covered Products offered by Pivotal, or any other third-party who complies with the Company's standard terms and conditions for on-bill billing services. Columbia will apply the same fees and fee structures to Pivotal as it will to any other third party seeking to offer similar warranty plans, products, and services. In short, this arrangement does not provide any unreasonable preference or advantage to Pivotal or any other third-party service provider utilizing on-bill billing services.

The objections raised in the Formal Protests filed by OCA and CAUSE-PA are both procedural and substantive, as set forth, below. Columbia reserves the right to address any and all

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<sup>3</sup> Conor Farley will serve as lead representative for the purposes of the Prehearing Conference and will be using telephone number (412) 519-6981 to call into the Prehearing Conference.

relevant issues as may be necessary and appropriate throughout this proceeding.

A. PROCEDURAL ISSUES

OCA's position is that Columbia's AIA filing pursuant to 66 Pa.C.S. § 2102 should be rejected and argues that the proper procedural mechanism for approval is a petition under 52 Pa.C.S. § 5.41 with answers due in accordance with 52 Pa. Code § 5.61. CAUSE-PA's position is that Columbia's AIA filing pursuant to 66 Pa.C.S. § 2102 should have been raised in its currently pending rate case, at *Pa. PUC v. Columbia Gas of Pa. Inc.*, Docket No. R-2025-30534599, or Columbia should file a separate petition requesting permission to institute the proposed on-bill billing program. Columbia denies that the AIA filing pursuant to 66 Pa.C.S. § 2102 was procedurally improper. Rather, Section 2102 specifically controls the scope and process for Commission review of arrangements between a public utility and affiliated interests. Because Columbia is now proposing a new AIA, the Section 2102 filing is the appropriate procedural mechanism to seek Commission approval of that arrangement.<sup>4</sup>

Moreover, the objecting parties filed Formal Protests that have initiated litigation in this proceeding that has allowed informal discovery and may include an evidentiary hearing. Any due process considerations of interested parties are fully protected, and the proposed AIA is subject to

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<sup>4</sup>The Pennsylvania Supreme Court has recently held that on-bill billing for non-commodity goods and services is not a "service" as defined by 66 Pa.C.S. § 102 and therefore is not subject to the provisions of 66 Pa.C.S. § 1502. *See Interstate Gas Supply, Inc. v. PUC*, No. 10 MAP 2024, 2025 LEXIS 1491, at \*13-22 ( Pa. Sep. 25, 2025). While that holding involved on-bill billing by electric distribution companies pursuant to 66 Pa.C.S. § 2807(c), the analysis for natural gas distribution companies pursuant to 66 Pa.C.S. § 2205(c) is the same. Therefore, on-bill billing service itself does not require Commission approval. This is particularly clear here where the associated agreements and arrangements do not provide any unreasonable preference or advantage to Pivotal or any other third-party service provider utilizing on-bill billing services. Columbia recognizes that the AIA does require Commission approval and is seeking such approval in this proceeding.

sufficient review to establish that it is reasonable and consistent with the public interest in accordance with 66 Pa.C.S. § 2102(b).

B. SUBSTANTIVE ISSUES

OCA and CAUSE-PA have also identified “areas that require further consideration” and/or a “set of issues” that should be resolved prior to Commission approval of the AIA.<sup>5</sup> The Formal Protests filed by OCA and CAUSE-PA both request the full scope of litigation to include formal discovery, expert witnesses, hearings, and briefing to address these concerns.

Columbia agrees that the Commission shall approve the AIA only if it is established upon investigation to be reasonable and consistent with the public interest. *See* 66 Pa.C.S. § 2102(b). Columbia maintains that its proposed practices as outlined in the AIA and the Notice are consistent with Commission rules, regulations, and orders. To the extent an evidentiary hearing is determined to be necessary, Columbia is prepared to provide testimonial and record evidence to further demonstrate that the AIA should be approved pursuant to 66 Pa.C.S. § 2102.

In short, the plan to implement a new on-bill billing program through the AIA is lawful, reasonable, and entirely consistent with the public interest. To the extent the Formal Protests imply that the December 6, 2018 Order and/or August 8, 2019 Order in the 2018 Rate Case Proceeding precludes on-bill billing in perpetuity because Columbia did not modify its on-bill billing practices within 60 days of December 6, 2018 (and instead discontinued the then existing practice), that position is without merit. There is nothing in the Public Utility Code or the Commission’s regulations or orders that prohibit Columbia from providing on-bill billing for non-commodity

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<sup>5</sup>OCA has identified eleven “areas that require further consideration.” *OCA Formal Protest*, at ¶¶ 18A-K. CAUSE-PA has identified a “set of issues” that includes nine categories (with subparts) and joins in the issues stated by OCA in its Formal Protest. *CAUSE-PA Formal Protest*, at ¶¶ 33-40.

services. Columbia has now provided notice to all interested parties in the 2018 Rate Case Proceeding and appropriately submitted the proposed AIA for Commission approval .

**IV. WITNESSES**

Columbia anticipates it will introduce testimony of:

| Witness  | Expected Scope of Testimony                     |
|--|---|
| Kevin Kirkham<br>Director, Products and Services<br>NiSource Corporate Services Company<br>801 E. 86th Avenue<br>Merrillville, IN 46410                | Proposed third party on-bill billing practices. |
| Sylvia Sapp<br>Team Leader, Program and Account Management<br>NiSource Corporate Services Company<br>290 W. Nationwide Boulevard<br>Columbus, OH 43216 | Exchange of customer information.               |

Columbia reserves the right to call different and/or additional witnesses, if necessary, to address any issues that may arise during the course of this proceeding, including all matters raised by other parties. Columbia may also amend this disclosure information, as appropriate, during the course of this proceeding as additional or revised information becomes available.

**V. PROPOSED SCHEDULE**

The parties have not reached agreement on a litigation schedule. Columbia’s position is that the available evidentiary hearing dates proposed in the Prehearing Conference Order are appropriate based on the matters in dispute and the length of time this matter has been pending. There is also no indication that the dates proposed by the objecting and intervening parties are available for an evidentiary hearing, so it is entirely speculative to use those dates for a schedule.

Counsel and witnesses for Columbia are available for two of the proposed evidentiary hearing dates proposed in the Prehearing Conference Order and would prefer to move forward at the earlier of those dates to expedite resolution:

|                     |                           |
|---------------------|---------------------------|
| Discovery Deadline  | January 5, 2026           |
| Evidentiary Hearing | <b>February 3-6, 2026</b> |
| Main Briefs         | March 9, 2026             |
| Reply Briefs        | March 23, 2026            |

|                     |                             |
|---------------------|-----------------------------|
| Discovery Deadline  | January 19, 2026            |
| Evidentiary Hearing | <b>February 17-19, 2026</b> |
| Main Briefs         | March 23, 2026              |
| Reply Briefs        | April 13, 2026 <sup>6</sup> |

Columbia does not expect the need for public input hearings in this matter. Should public input hearings be required, Columbia proposes two telephonic public input hearings in December 2025. Columbia has no objection to the evidentiary hearing being held in Harrisburg or Pittsburgh.

## VI. DISCOVERY

Columbia does not propose any modifications to the Commission’s procedural rules and regulations regarding service, timing, and scope of discovery.

## VII. SETTLEMENT

Columbia is open to settlement discussions in this matter.

Respectfully submitted,



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Date: November 7, 2025

*Counsel for Columbia Gas of Pennsylvania, Inc.*

<sup>6</sup>An additional week on the briefing schedule has been added for this proposed discovery schedule due to the travel schedule of undersigned counsel during this period.