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October 30, 2012

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, Pennsylvania 17105-3265

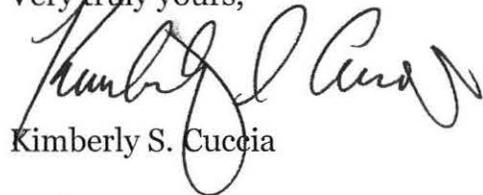
**Re: Interim Guidelines For Natural Gas Distribution Company
Eligible Customer Lists;
Docket No. M-2012-2324075**

Dear Ms. Chiavetta:

Enclosed for filing please find the Comments of Columbia Gas of Pennsylvania, Inc. in the above-referenced docket.

If you have any questions, please call me at 724.416.6347 or e-mail me at kscuccia@nisource.com. I thank you for your assistance.

Very truly yours,



Kimberly S. Cuccia

enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Interim Guidelines For Natural
Gas Distribution Company Eligible
Customer Lists

Docket No. M-2012-2324075

COMMENTS OF COLUMBIA GAS OF PENNSYLVANIA

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

Columbia Gas of Pennsylvania, Inc. (“Columbia” or the “Company”) submits its comments in response to the Pennsylvania Public Utility Commission’s (“Commission’s”) invitation for comments concerning Eligible Customer Lists (“ECLs”) as discussed in the Tentative Order entered by the Commission on September 27, 2012 (“Tentative Order”).

On March 6, 2012, Dominion Retail, Inc., Interstate Gas Supply, Inc., and Shipley Choice, LLC, petitioned the Commission at Docket No. P-2012-2291983 for a declaratory order stating that Natural Gas Distribution Companies (“NGDCs”) were under a continuing obligation to provide complete customer lists to Natural Gas Suppliers (“NGSs”) operating in their service territories without the imposition of fees on the NGSs. The Commission declined to grant the requested relief in its Order dated September 27, 2012. Specifically, the Commission noted in its Order that this information was not required by the Tentative and Final Orders at Docket No. M-00991249F0009 or Section 62.78 of the Commission’s regulations.

In its Tentative Order, the Commission proposed interim guidelines designed to produce more uniformity in the type of customer information provided by NGDCs in their ECLs. The Commission requested comments and reply comments on the various ECL

issues identified in the Tentative Order. Comments are due within 30 days of entry of the Tentative Order, and reply comments are due 15 days thereafter.

Columbia is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania. Columbia is engaged in the business of selling and distributing natural gas to retail customers within the Commonwealth, and is therefore a “public utility” within the meaning of Section 102 of the Public Utility Code, 66 Pa.C.S. § 102, subject to the regulatory jurisdiction of the Commission. Columbia provides natural gas service to approximately 415,000 customers in 26 counties of Pennsylvania, pursuant to certificates of public convenience granted by the Commission.

II. DISCUSSION

Columbia appreciates this opportunity to submit comments on the proposed ECL interim guidelines, as provided in the Tentative Order. Columbia will address the topics considered by the Commission in the same order as the Commission raised them. Columbia discusses the four topics below.

A. DATA POINTS

The Commission has provided a list of 10 data points to be included by NGDCs in the ECL. *Tentative Order* at 3. The Commission also determined that NGDCs may not withhold part of any data point in order to check on the veracity of an NGS’ claim to serve a customer. *Id.* Customer telephone numbers are not one of the data points. *Id.*

Prior to the issuance of the Tentative Order, Columbia provided, for a fee, the following data points: the customer’s name, service and mailing addresses, historic usage, and rate class information. In addition, the Company provides the customer’s account number, excluding a single check digit. The check digit has been used by Columbia to verify the accuracy of the account number. However, consistent with the

recommendation in the Tentative Order, Columbia intends to provide the complete account number, including the check digit, following issuance of a final order in this docket.

After the issuance of the Tentative Order, Columbia is now providing, free of charge, one ECL to each NGS upon request containing the data points it has historically provided to NGSs. Upon a final determination in this docket, Columbia proposes to make its ECL available online via a secured website accessible to suppliers licensed by the Commission and approved by Columbia to provide gas in Columbia's service territory. Consistent with the recommendation in the Tentative Order, Columbia intends to provide the complete account number, along with the other 9 recommended data points following issuance of a final order, and as soon as such programming can be implemented. Columbia also plans to include a process in its tariff for requesting and issuing customer lists and may include a cost recovery mechanism to cover the costs associated with producing the 10 data point customer list. For Columbia, time and costs will be incurred in order to program its system to provide the specific information to be included in the ECLs. There is not currently in place any mechanism, other than a base rate proceeding, for NGDCs to recover the incremental costs to program and reprogram computer systems. Operating and capital budgets are not unlimited, and further requests to change data development and collection for the ECLs can result in postponing other programming projects to assure and improve customer information and billing system functionality. Columbia anticipates that it will take 60 days to program its system to accommodate the data points proposed in Appendix A to the Tentative Order, and therefore requests that the Commission delay the implementation

of the new data points in the ECL until 60 days after the entry of a final order in this docket.

B. SOLICITATION OF CUSTOMERS

The Commission determined that NGDCs should use an opt out process to solicit customers. *Id.* at 4. Customers must be offered the choice to prohibit the release of all of their account data or just historical data. *Id.* An NGDC that has not solicited its customers within 12 months prior to the effective date of the Final Order will have 90 days in which to complete a solicitation. *Id.* For NGDCs that have conducted a solicitation within the prior 12 months, they are expected to solicit customers again within one year after the initial solicitation. *Id.* The Commission also proposes in its Tentative Order that customers will be required to renew their opt out selections once every three years. *Id.*

Columbia has in place an ongoing process whereby two times per year it notifies its customers of their ability to restrict all or part of their information from the ECL in the manner described by the Commission in its Order. The Company has used bill inserts to notify its customers that they may opt out of the ECL semi-annually, the last of these being conducted in May 2012. The Company's next bill insert solicitation is scheduled for November 2012. Currently, a customer can opt out of the ECL by mail, telephone, or via the Company's website. Columbia, therefore, believes that it does not need to conduct a separate solicitation outside of its normal process for informing customers regarding the ECL.

Columbia uses an opt out process for the ECL whereby customers can request restrictions on the release of their account information consistent with Section 62.78 of the Commission's regulations. Based on the Company's experience, a customer who is

indifferent will not take any action with regard to a bill insert or other notice, whether it is to opt in or to opt out. Therefore, if the Company uses an opt in process, many customers who have no concern with having their information released will not be included on the ECL. Use of the opt out process, however, should continue to provide a significant amount of customer data and, thereby, continue to support retail competition. The opt out process strikes an appropriate balance between privacy concerns and the Commission's goal of informing the public and encouraging retail competition.

In addition, Columbia finds that customers who "opt out" tend to feel strongly about keeping their information private, and do not want to keep renewing that selection. Columbia submits that once a customer "opts out" that customer should not have to renew the "opt out" selection, and that requiring customers to renew such selection is likely to spur customer complaints and confusion. Columbia proposes to continue notifying its customers by bill inserts two times per year—in May and November. Columbia has no record of customer complaints concerning the manner in which the Company solicits customers regarding the release of their information to third parties. The Company submits that such treatment of customer information benefits customers, regulated utilities and NGSS. Moreover, customers are able to change their privacy settings anytime by telephone, written letter, or by contacting Columbia through its website. New customers are also notified of their privacy options through information provided to new customers.

C. FREQUENCY OF FUTURE SOLICITATIONS

The Commission found that NGDCs should solicit customers annually, however consideration would be given to on-going activities in place of the annual solicitation.

Id. These activities include notifying customers of their withholding options in new customer welcome packages, customer bill inserts, e-mails, or other forms of announcement. *Id.* These announcements would include information on how to make the selection. *Id.* at 5.

If the Company were to conduct a separate mailing for an opt out solicitation, such a mailing would cost the Company in excess of \$250,000 per solicitation. Columbia, therefore, requests that the Commission allow alternative mechanisms for notifying customers of their ability to opt out of the ECL, particularly because Columbia has been using these methods successfully for many years. Columbia proposes to continue its semi-annual bill insert notifications at which time the Company provides guidance on how to make the selection through a company-provided form. The information in these communications provides guidance to customers on how to make their selections. In addition to the company-provided form, customers may make their information private by written letter, by telephone or through the Company's website. There would be no incremental cost to providing these types of notices, as they are already incorporated in Columbia's current cost structure.

After the system-wide solicitation in November 2012 is complete, new customers will be presented with their customer information withholding options in the information provided to new customers. This is the current process used by Columbia. Customers can partially or completely opt out of the available ECL elements by responding to semi-annual bill inserts, telephone, written letter, or via the Company's website. The customer's ECL information is then updated on the next ECL prepared

after Columbia receives and processes the form.¹ Columbia proposes to make its ECL available at all times to suppliers via its secured website as updated per the Company's most recent semi-annual solicitation, or twice per year. Any more frequent updates will require additional programming² and administrative costs for which the Company may propose a cost recovery mechanism to cover the costs associated with such modifications.

The Company believes that the continued communications described above will provide customers with adequate alternatives for changing their ECL withholding selections without causing the Company to incur a substantial and unnecessary additional expense. The continued communications will provide customers with an ongoing opportunity to update their ECL information in a better and more efficient manner than single solicitations. Therefore, Columbia supports the Commission's determination to consider alternative on-going activities in place of an annual solicitation.

D. EXPENSE OF SOLICITATIONS

The Commission's Tentative Order provided for the recovery of the expenses incurred in conducting solicitations through base rates as opposed to a fee or surcharge levied on a single group of customers or the NGSs. *Id.*

Columbia requests clarification that the Company may seek deferred accounting for the costs associated with an additional solicitation and with reprogramming to accommodate the new ECL guidelines, if deferred accounting treatment is necessary in

¹ NGSs should have an obligation to use the most recent version of the ECL, and to discard prior versions, in order to ensure proper recognition of each customer's current election regarding release of personal information.

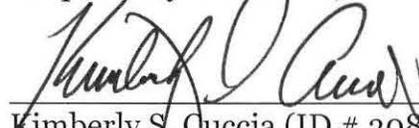
² Additional programming will include implementation time in addition to the 60 days referenced earlier in Columbia's Comments with respect to data points.

order for the Company to recover its costs. Columbia has pending before the Commission at Docket No. R-2012-2321748 a general base rate case. Depending on the timing of the Commission's Final Order in this proceeding, Columbia may not be able to include the expenses associated with a separate solicitation or reprogramming in the pending rate case. Therefore, in order to protect its ability to recover the costs associated with the ECL that will result from the Commission's Final Order, the Company requests that the Commission clarify that deferred accounting treatment may be appropriate for the recovery of these expenses.

III. CONCLUSION

As stated above, Columbia supports the efforts of the Commission in this proceeding to improve and make more uniform the types of information provided in ECLs. As discussed in the foregoing comments, the Company recommends just a small number of modifications and one clarification. Accordingly, Columbia respectfully requests that the Commission's Final Order contain provisions consistent with the Company's comments.

Respectfully submitted,



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DATED: October 30, 2012

Columbia Gas of Pennsylvania, Inc.