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November 13, 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 Reply 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,

A handwritten signature in black ink, appearing to read "Kimberly S. Cuccia". The signature is written in a cursive, flowing style.

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

REPLY COMMENTS OF COLUMBIA GAS OF PENNSYLVANIA

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

Now comes Columbia Gas of Pennsylvania, Inc. (“Columbia” or the “Company”), by and through its attorneys, and hereby submits its Reply Comments in response to the initial Comments filed 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”). Columbia filed initial Comments on October 30, 2012, and now submits these Reply Comments in order to address some of the issues raised by other parties participating in this proceeding.

II. DISCUSSION

Specifically, Columbia focuses its Reply Comments on two topics raised by other participating parties—(1) the customer groups to be included on Eligible Customer Lists (“ECLs”), and (2) the data points to be included as part of ECLs.

A. ECLS SHOULD BE LIMITED ONLY TO CHOICE-ELIGIBLE CUSTOMERS

Columbia has a long-standing history of providing transportation service on its system. The Company's CHOICESM program,¹ which provides an opportunity for its residential and small commercial customers to buy their natural gas from a variety of competitive Suppliers, became a permanent program following the adoption of Pennsylvania's Natural Gas Choice and Competition Act, 66 Pa.C.S. §§ 2201-2212.² While Columbia's CHOICESM program has only been in place since 1996 (becoming permanent in 1999), it is since 1984 that Columbia has been providing General Distribution Service ("GDS") to its larger commercial and industrial customers. As a result of this historical framework, and due to the inherent differences between the two types of customers served, there are minimal similarities in the programming, administration and design of the two programs. Columbia submits its GDS market is mature and efficient.

Moreover, the Commission previously decided the issue of information sharing with respect to large commercial and industrial customers, and in its Final Order governing the *Procedures Applicable To Natural Gas Distribution Companies And Natural Gas Suppliers During the Transition to Full Retail Choice*, Docket No. M-00991247FO009 (Order entered May 12, 2000) stated that:

Since industrial and large commercial customers have long enjoyed the opportunity to shop for alternative suppliers, we are satisfied that this information sharing mechanism does not need to be employed for those customers. Therefore, the NGDCs shall furnish the specified information to NGSs only for residential and small business customers.

¹ Customer CHOICESM is a service mark of Columbia Gas of Ohio, Inc., and its use has been licensed by Columbia Gas of Pennsylvania, Inc. Choice® is a registered mark of Columbia Gas of Ohio, Inc. and its use has also been licensed by Columbia Gas of Pennsylvania, Inc.

² See Re: *Columbia Gas of Pennsylvania, Inc.*, Docket No. R-00994781, 93 P.U.C. 375 (Order entered October 18, 1999).

Order at 9.

Importantly, there is no current regulatory process or procedure for notifying larger customers of how to restrict their private information. This is because while some of the natural gas choice regulations governing Customer Information Disclosure apply to all customers, including large commercial and industrial customers, the regulations specific to privacy of customer information at 52 Pa. Code § 62.78 are in fact limited to only residential and small business customers—CHOICESSM program customers—by 52 Pa. Code § 62.71(b).

Including GDS as part of the ECL guidelines would be counterproductive and likely do more harm than good. Large customers have the wherewithal to assess market information and make marketwise decisions regarding shopping for service, and as noted earlier in these Reply Comments have done so on Columbia's system since 1984. According to the October 2012 Monthly PA Gas Switch Update as published by the Commission, 75% and 99.1% of Columbia's commercial and industrial loads, respectively, are supplied by an NGS.³ Further, the Industrial Energy Consumers of Pennsylvania ("IECPA")—the market base most immediately affected—continues to support the exemption for large commercial and industrial customers for the same reasons articulated in the May 2000 Final Order.⁴ IECPA submits that there is no need to revisit the customer classes included in the ECL because the Commission explicitly excluded large commercial and industrial customers from the disclosure requirements in the May 2000 Final Order.⁵ As further noted by IECPA, monthly consumption data is

³ http://www.puc.pa.gov/naturalgas/pdf/GasSwitch/GasSwitch_ShoppingNumbers_103112.pdf

⁴ See *Comments of the Industrial Energy Consumers of Pennsylvania*, Docket No. M-2012-2324075, filed October 31, 2012.

⁵ *Id.*

completely sensitive information that could lead to competitive harm and unfair competition if released, and Columbia submits that causing economic harm to large customers is at odds with fostering a vibrant and robust energy industry. In addition, unlike residential or small business customers, larger commercial and industrial customers often times have their bills directed to a general department such as “accounts payable.” This increases the chances that the proper person within the customer’s company would not be notified of the ability to opt off the ECL.

B. THE DATA POINTS SHOULD REMAIN AS PROPOSED IN APPENDIX A TO THE TENTATIVE ORDER

Columbia disagrees with some of the participating natural gas suppliers’ (“NGSS”) positions that additional data points are necessary, and that peak demand information should be required even if not available. Specifically, Columbia offers an average day CHOICESSM program where suppliers deliver 1/365th of their annual demand each day rather than having to manage daily demand fluctuations. As a result of an average day program, monthly peak demand information is not relevant or useful to an NGS participating in Columbia’s CHOICESSM program. In part, due to the operational nature of an average day program, Columbia does not have or maintain monthly peak demand information because it is not useful in the CHOICESSM program Columbia offers. The Commission recognizes the need for flexibility in providing information by indicating in its list of ten data points that monthly peak demand information should be provided *if available*. Monthly peak demand information is not available in Columbia’s customer information system, and implementing the programming needed to maintain that information would come at significant cost.

Columbia's average day CHOICESM program has proven to be very successful in attracting NGSs. Columbia's system is somewhat complex with many points of delivery (approximately 350) from six different interstate pipelines. The average day CHOICESM program is a simplified approach providing NGSs' with a single pipeline on which to schedule; a single nomination for the entire month at limited delivery points and similar balancing for all customers across the state. This approach leaves little if any barriers to entry for new NGSs. Along with several of its affiliated natural gas distribution companies ("NGDCs"), Columbia has long-term experience operating successful CHOICESM programs in several states, and as of the drafting of these Reply Comments, Columbia has over a dozen NGSs participating in its CHOICESM program. This exceeds the number of NGSs participating in any of the other NGDC choice programs in Pennsylvania. Columbia requests that the Commission consider the success of Columbia's CHOICESM program when considering increasing the scope of the ECL to include additional data points than currently included in the Tentative Order, which in and of itself has already expanded the data points historically provided by Columbia.

The documented success of Columbia's CHOICESM program reflects Columbia's contribution to a competitive natural gas supply environment in Pennsylvania. As noted in its Initial Comments, Columbia intends to fully comply with the Commission's request to provide ECLs to CHOICESM NGSs operating on its system.

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 disagrees with expanding the ECL beyond CHOICE-eligible customers, and submits that the data points as

proposed in Appendix A to the Tentative Order are more than sufficient. 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: November 13, 2012

Columbia Gas of Pennsylvania, Inc.