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May 26, 2015

Via E-filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**RE: Natural Gas Distribution Company Customer Account Number Access
Mechanism for Natural Gas Suppliers
Docket No. M-2015-2468991**

Dear Ms. Chiavetta:

Enclosed for filing, please find Comments of Columbia Gas of Pennsylvania, Inc.'s ("Columbia"), in accordance with the Pennsylvania Public Utility Commission's Tentative Order dated April 9, 2015, regarding the above-referenced docket.

Please direct any questions with regard to this filing to the undersigned by calling (717) 238-0463.

Sincerely,

A handwritten signature in black ink that reads "Andrew S. Tubbs". The signature is written in a cursive, flowing style.

Andrew S. Tubbs

AST/kak
Enclosure

cc: Megan Good (megagood@pa.gov)
Ken Stark (kenstark@pa.gov)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Natural Gas Distribution Company :
Customer Account Number Access :
Mechanism for Natural Gas Suppliers : Docket No. M-2015-2468991
:
:

COMMENTS OF COLUMBIA GAS OF PENNSYLVANIA, INC.

I. INTRODUCTION

On April 9, 2015, the Pennsylvania Public Utility Commission (“Commission”) entered a Tentative Order at the above-captioned docket relative to proposed procedures to facilitate natural gas suppliers (“NGSs”) access to natural gas distribution company (“NGDC”) customer account numbers when the customer’s account number is not available from the customer or the Eligible Customer List (“ECL”). In its Tentative Order, the Commission determined that the development of an account number access mechanism, similar to the model used in Pennsylvania’s retail electric market, be developed as a tool to spur competition in the retail natural gas supply market.

Columbia Gas of Pennsylvania, Inc. (“Columbia” or the “Company”) appreciates the opportunity to comment on the prudence of an Account Number Access Mechanism (“ANAM”) for the natural gas supply market in Pennsylvania, the customer data inputs required, customer protection measures, and the costs and the need for appropriate cost recovery mechanisms to develop and implement ANAMs by NGDCs. Below, the Company will address each of the items identified by the Commission and will do so following the manner in which the issues appear in the Tentative Order.

II. COMMENTS

A. Comment on the Need for and Scope of the Proposed Account

Number Access Mechanism

Columbia recognizes the Commission's desire to provide Choice NGSs every opportunity to obtain customer information necessary to facilitate the enrollment of customers. Further, Columbia appreciates and supports the Commission's stated intent to provide customer protections when implementing the ANAM, particularly the proposed restriction on the use of the ANAM in public venues and the requirement that NGSs obtain and retain a Letter of Authorization ("LOA") signed by the customer of record prior to using the ANAM. However, Columbia does have concerns about the proposed ANAM.

First, the data provided to the Commission by Pennsylvania's electric distribution companies ("EDCs") indicates minimal Electric Generation Suppliers ("EGSs") use of the account number access mechanism, suggesting that an account number access mechanism is not a necessary component for furthering Choice participation. The proposed ANAM for the NGSs mimics that created for the EGSs. Therefore, Columbia is concerned that it may be required to incur the costs to develop, implement and maintain an ANAM, but that the tool will be rarely used by NGSs and will not contribute to increased Choice participation. This is of particular concern when the costs associated with the ANAM will be recovered from Columbia's ratepayers. There are larger, more substantial Natural Gas Retail Market Investigation ("RMI") proposals pending, which will require significant time and cost to implement and that will likely have a larger impact on Choice participation. Columbia questions the value of the ANAM when other

RMI proposals may have a greater impact on improving competition in the retail natural gas supply market in Pennsylvania.

Second, as proposed, the ANAM will include access to accounts of NGDC large commercial and industrial customers (“Large C&I”). In Pennsylvania, retail electric competition did not exist until legislation was enacted, resulting in one set of rules, terms and conditions applying to all customer classes. By contrast, the natural gas retail market evolved differently among customer classes. Specifically, gas transportation for commercial and industrial customers evolved organically over 25 years ago, with much success realized from interruptible service, flexibility and multiple competitive suppliers in the marketplace. In recognition of this historic difference, the retail electric and natural gas markets in Pennsylvania are not identical. Columbia notes the Large C&I market is well established and extremely successful with significant participation on all NGDC systems in Pennsylvania. Further, Columbia’s Large C&I customers (using more than 64,400 therms annually) are not eligible for its Choice program. In addition, the Company notes that its Large C&I customers generally have employees whose specific responsibility is obtaining and maintaining natural gas service, and therefore do not shop for natural gas supply in public venues.

As set forth above, Columbia requests that the Commission carefully consider the appropriateness of requiring NGDCs to develop an ANAM, when the mechanism has not been actively used by EGSS in Pennsylvania’s retail electric supply market. However, should the Commission continue to support NGDC development of an ANAM, Columbia requests that the Commission place limitations on the customer classes that will be included in the ANAM.

B. Comment on the Account Number Access Mechanism

Below are Columbia's comments relative to the Commission's proposed outline of the ANAM, as identified in the Commission's Tentative Order:

a. Secure Portal

Columbia agrees with the Commission that the appropriate location for the ANAM is within the username and password protected secure portion of its website. Columbia currently maintains a website specifically for NGSs (www.columbiachoice.com), which includes general information about transportation on its system as well as a password protected area used by NGSs currently serving customers. Columbia notes that this website is available on a 24/7 basis for NGS access. However, there are times when Columbia's customer billing database, which will be used to verify the submitted customer information and obtain the appropriate account number, will be in update mode and inaccessible. This "dark window" occurs during the early morning hours and should not impact public venue, customer-initiated conversations with NGSs.

b. Customer Information Inputs

Columbia agrees with the Commission that the customer name, street address and zip code are pieces of information sufficient to assure a search resulting in a specific customer account number. Columbia acknowledges the additional benefit of a "wildcard" and/or drop-down box when entering customer information in the ANAM, particularly in the street prefix and suffix fields. In preparing its initial estimate to implement the ANAM, Columbia has included both a cost with and without a "wild

card”. However, considering the additional cost to implement a “wild card” function, Columbia believes it is appropriate to implement the ANAM without wild cards and determine the need and value at a later date after the ANAM is available for at least twelve (12) months.

c. Customer Protections

i. Letters of Authorization

Columbia strongly supports the Commission’s requirement for Letters of Authorization (“LOA”) as proof that a customer previously opting-out of the ECL now has an interest in shopping for natural gas and as a customer privacy protection tool. However, Columbia is concerned with the proposal to provide non-residential, or business account numbers using the ANAM. That concern arises because: 1) non-residential customers have an employee authorized to transact business, including the responsibility of obtaining and maintaining natural gas service; and 2) business accounts do not normally shop for natural gas supply in public venues but instead prefer to conduct business in a private setting in which all options may be evaluated. It is unclear how an NGS could ensure that it is in fact getting the signature and photo identification of a person employed by and authorized to grant permission for accessing the business account number, especially since the ultimate intent of obtaining the account number is to enroll the business account in Choice. Therefore, Columbia encourages the Commission to further consider the customer protections afforded non-residential customers in the LOA requirements.

Another concern is the ability for an NGS to obtain a telephonic LOA. While the Tentative Order provides for this option it does not describe how a “telephonic” LOA

enables the NGS to comply with the requirement to obtain and verify photo identification and to obtain a customer signature before submitting customer information using the ANAM.

ii. Photo Identification

As proposed in the Commission's Tentative Order, photo identification is required prior to submitting customer information and viewing that identification must be attested to when using the ANAM. As addressed previously, Columbia questions the ability for an NGS to obtain LOAs and to verify photo identification provided for a business customer.

iii. Public Venues

Columbia strongly supports the Commission's proposal to limit the use of the ANAM exclusively to public venues only, and that the use be limited to those transactions which are "customer initiated." In support of this position the Tentative Order states that a customer would not likely have his account number available in a public environment and it is very possible that a residential customer may lose interest or forget to follow up with an NGS if required to look up his account number and contact the NGS when he returned home. Columbia suggests that the NGS be required to attest that it has verified that the customer account number does not appear on the ECL prior to requesting the account number using the ANAM to ensure this additional NGS marketing tool is used as intended by the Commission.

iv. Record Retention

Columbia is prepared to retain records relating to the identity of the party that accessed the ANAM, when the ANAM was accessed, the output obtained by the party, and has included these requirements in its implementation cost estimate.

v. Zero Tolerance Policy

Columbia supports the Zero Tolerance Policy included in the Tentative Order and has no further comments regarding this topic.

d. Mechanism Outputs

Columbia proposes to use the following outputs when an NGS submits a request for a customer account number using the ANAM:

- The customer account number; or
- Multiple Hits; or
- No Hit; or
- Account found not eligible for Choice.

Those accounts receiving a failure message of “Multiple Hits” or “No Hit” will have the ability to immediately resubmit revised customer information. Those submissions receiving the “Account found not eligible for Choice” will represent accounts with arrears more than 60 days old, and Columbia’s CAP customers. “Account found not eligible for Choice” will also apply to business accounts with consumption in excess of 64,400 therms annually, as these customers are not eligible for Columbia’s Choice program.

C. Comment on Costs and Cost Recovery

a. Cost Estimates

Columbia’s cost estimate for implementation of the ANAM and on-going administrative and maintenance costs has been developed using two scenarios. One scenario reflects the ANAM without wild cards (Table 1) and the second includes development of wild cards (Table 2) as reflected in the tables below.

Table 1

<u>Without Wild Card</u>	Estimates	
	Low	High
Implementation	\$319,760	\$408,980
Annual administrative and maintenance	\$1,840	\$2,760

Table 2

<u>With Wild Card</u>	Estimates	
	Low	High
Implementation	\$347,360	\$445,780
Annual administrative and maintenance	\$1,840	\$2,760

As stated above, Columbia does not object to including wild cards, it suggests postponing a decision regarding wild cards until there is some history of the ANAM use by NGSs that will determine the number of times an NGS received a “No Hit” response as a result of submission of an incorrect street prefix or suffix.

b. Cost Recovery Mechanisms

Columbia proposes to use its existing Rider Customer Choice (“Rider CC”) to recover the costs associated with developing, implementing and maintaining its ANAM if the Commission determines that customers will pay for the implementation and on-going administrative and maintenance costs of the ANAM. Currently Rider CC is billed to all Choice eligible customers and reflects recovery of 33% of the estimated cost to issue a triennial ECL letter.

D. Comment on Timeline

Columbia appreciates the Commission recognizing the significant amount of work that is required to implement the ANAM by its August 31, 2016 deadline. However this implementation schedule will only continue to be sufficient if: 1) the Commission issues a Final Order in a timely manner; and 2) if future RMI orders, which will require significant additional IT resources, are not “pancaked” together with a required implementation date before, after or on August 31, 2016. Therefore, at the present time, Columbia supports the August 31, 2016 for the ANAM, with the understanding that as future Commission-ordered implementation dates associated with the RMI are issued, Columbia may be forced to file a request: 1) for a waiver allowing an ANAM implementation date after August 31, 2016; or 2) seeking Commission guidance on the priority of pending RMI initiatives.

E. Comment on Small NGD Company Exemption

Columbia has no comment on this proposal.

III. Conclusion

Columbia Gas of Pennsylvania, Inc. appreciates the opportunity to provide these comments to the Tentative Order. For the reasons set forth above, Columbia Gas of Pennsylvania, Inc. respectfully requests that the Commission enter a Final Order incorporating the Company's comments.

Respectfully submitted,



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