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September 12, 2017

Via E-filing

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

**RE: Rulemaking to Amend the Provisions of 52 Pa. Code,
Chapter 56 to Comply with the Amended Provisions
of 66 Pa. C.S. Chapter 14
Additional Comments
Docket No. L-2015-2508421**

Dear Ms. Chiavetta:

Enclosed for filing, please find Columbia Gas of Pennsylvania, Inc.'s Additional Comments in accordance with the Pennsylvania Public Utility Commission's Notice of Proposed Rulemaking Order dated July 12, 2017, regarding the above-referenced docket.

Please direct any questions with regard to this filing to the undersigned by calling (724)416-6347.

Sincerely,

A handwritten signature in blue ink that reads "Meagan Bielanin Moore". The signature is written in a cursive, flowing style.

Meagan Bielanin Moore

/kak
Enclosure

e-mail cc: Tanya J. McCloskey, Esquire
Mr. John R. Evans
R. Kanaskie, Esquire
Daniel Mumford
Matthew Hrivnak
Patricia T. Wiedt

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Rulemaking to Amend the Provisions of 52 :
Pa. Code, Chapter 56 to Comply with the : Docket No. L-2015-2508421
Amended Provisions of 66 Pa. C.S. Chapter :
14 :

ADDITIONAL COMMENTS OF COLUMBIA GAS OF PENNSYLVANIA, INC.

I. Introduction

Columbia Gas of Pennsylvania Inc. (“Columbia” or “the Company”), by and through counsel, hereby submits its additional comments to the Pennsylvania Public Utility Commission’s (“Commission”) Notice of Proposed Rulemaking (“NOPR”) Order Seeking Additional Comments issued on July 12, 2017 (“July 12 Order”) in the captioned proceeding.

By this rulemaking, the Commission proposes to amend provisions of 52 Pa. Code Chapter 56, to comply with re-authorized and amended Chapter 14 of the Public Utility Code (66 Pa. C.S. §§ 1401-1419) (“Responsible Utility Customer Protection Act”). Chapter 14 supersedes a number of Chapter 56 regulations. In addition to this proceeding, Columbia previously submitted comments on a number of issues regarding the implementation of Chapter 14 at Docket No. M-2014-2448824. These additional comments are in response to issues raised in the initial comments¹ by interested stakeholders, as well as to address the two new issues introduced by the Commission

¹ Issues relating to: privacy guidelines, data on the usage of medical certificates, cost and impact of regulatory changes, etc.

regarding third-party notification of supplier switching, and customer retention of utility service pending formal appeal.

Columbia appreciates the opportunity to provide additional comments on the important issues identified in the Commission's NOPR, and looks forward to working with the Commission and other interested parties in implementing the new regulations. In addition to these additional comments, Columbia directs the Commission's attention to the comments submitted by the Energy Association of Pennsylvania ("EAP"), which the Company endorses.

II. Additional Comments

A. Privacy Guidelines at 66 Pa. C.S. 1406(b)(1)(ii)(D)

The Commission previously asked for comments related to the content of the Commission's privacy guidelines as being applicable to emails, text messages and other electronic messages sent between utilities and their customers in its NOPR dated July 21, 2016. A number of commenters addressed this issue in the comments submitted on April 19, 2017². The EAP's comments recommended that further stakeholder discussion take place in order to draft Commission privacy guidelines to include electronic messaging. Further, Columbia supports the EAP's suggestion regarding privacy guidelines and the need for such guidelines not to be overly prescriptive or detailed, as technology is ever-changing.

In its July 12 Order, the Commission proposed to address the privacy guidelines in a separate, but related, proceeding. Some parties suggested that these

² Docket Number L-2015-2508421.

privacy guidelines should be codified in regulation. Columbia respectfully disagrees that these guidelines should become regulation. Instead, Columbia supports the Commission's proposal to address privacy guidelines, as opposed to regulations, in a separate proceeding wherein the Commission can ratify such guidelines by a Commission Order. Columbia looks forward to working with the Commission to develop appropriate privacy guidelines for emails, text messages and other electronic messages.

B. Data on the Usage of Medical Certificates

In its July 12 Order, the Commission invited additional commentary and documentation from affected utilities regarding the impact of the fraudulent use of medical certificates. Specifically, the Commission solicited comments regarding 1) utility experience with the use of medical certificates to avoid termination; 2) the fraudulent use of medical certificates; 3) how the use of medical certificates impacts uncollectible accounts; and 4) what proportion of a utility's overall revenue is affected by the use of fraudulent medical certificates³.

The Commission's regulations do not require utilities to track fraudulent medical certificates. Columbia submits that tracking fraudulent medical certificates is not necessary, as the occurrences of customers attempting to use false medical certificates to avoid termination is rare on Columbia's system. Further, because of the Commission's proposed changes to Section 56.113⁴, utilities will have additional protections in place to

³ July 12 Order at pg. 6.

⁴ In its NOPR dated July 21, 2016, the Commission proposed language to 56.113 stating that medical certificates must be in writing and must be signed by either the physician, physician's assistant or a nurse practitioner.

prevent the fraudulent use of medical certificates. With those changes, Columbia anticipates that there will be no need to track the fraudulent usage of medical certificates, as such abuses should end, or at least dramatically decrease.

At Columbia, when a customer requests a medical certificate in order to avoid termination pursuant to 52 Pa. Code Section 56.111, as long as the certificate is issued to Columbia by a licensed physician, physician's assistant or nurse practitioner, Columbia accepts the medical certification and documents the verification on the customer's account. When Columbia receives the customer request for a medical certificate, Columbia calls the doctor's office to fax the medical certificate form. Once the completed form is returned to the Company, the customer account is then removed from further collection activity for that collection cycle and/or if the customer's account was shut off, the customer's natural gas service is restored.

Because the Company has little to no issue with fraudulent medical certificates, and because the Company does not already track or record the impact of fraudulent medical certificates on uncollectible accounts, Columbia submits that fraudulent medical certificates are not an issue of consequence and do not need to be tracked. Moreover, the Company does not currently track the percentage of the Company's overall revenue that is impacted by fraudulent medical certificates. However, Columbia does track high balance accounts and notes the correlation between high balance accounts and the use of medical certificates. Consequently, Columbia does not support any changes to Chapter 56 to include the tracking of fraudulent medical certificates.

C. Cost and Impact of Regulatory Changes

In its July 12 Order, the Commission invited interested stakeholders to submit cost estimates and/or savings associated with compliance with the proposed changes to Chapter 56, including any legal, accounting or consulting procedures. Columbia submits that when regulations change, the Company will incur costs in order to achieve compliance with such a change.

For example, as further detailed below, the Company has estimated that the programming costs to implement an additional third-party notification for supplier switching will be anywhere from \$4850 to \$9700. In addition to the costs, the Company will also need adequate time for testing prior to implementation.

Columbia requests that as Chapter 56 regulations change that the Commission allow the affected utilities the necessary time and flexibility to adapt to such regulatory changes, as each affected utility possesses its own unique systems and internal processes.

D. Third-Party Notification of Supplier Switching

As suggested by the Public Utility Commission's Office of Competitive Market Oversight, the Commission proposes to add supplier switch confirmation notices to the list of notices that a utility will provide under Sections 56.131 and 56.361. The July 12 Order also proposes specific language to use in providing the notice to customers. For example, the July 12 Order proposes to add the following underlined language regarding supplier switching to existing third-party notifications impacting affected electric and natural gas distribution utilities:

Once in a while, for one reason or another, a customer fails to pay his or her <UTILITY> bill. Under the Third-Party Notification program, <UTILITY> will notify you and another

person you choose to receive copies of shut-off notices. The third-party can be a trusted relative, friend, clergy member, or social service agency. The Third-Party Notification program is voluntary and can help you if you are hospitalized, away from home for extended periods of time or homebound. The third party is not responsible for paying your bills and this program will not stop <UTILITY> from shutting off your <UTILITY> service if you do not pay your bills. When a third party contacts <UTILITY> about the shut off notice, we will tell them what you can do to stop the shut off. The third party does not have the right to make a payment agreement for you.

We will also notify you anytime the customer switches their competitive supply service to a new supplier. You will receive a copy of the supplier change confirmation notice that we send to the customer whenever they enroll with a new supplier or return to the default service. This notice identifies the new supplier, how to contact them, the effective date of the change, and what to do if there is a problem or concern.

To sign up, both you and the third party must complete and sign the form below. Do not return this with your bill, return it to:

<UTILITY NAME>

<UTILITY ADDRESS>

<CITY, STATE, POSTAL CODE>

IMPORTANT THINGS TO REMEMBER:

- * Notify us immediately if you want to change or drop your third-party.
- * Notify us if your third-party moves.
- * Notify us if you move and you want the third party transferred to your new address.

Please sign me up for the third-party Notification program. By completing this form and returning it to <UTILITY>, I request that a copy of any shut off notice and supplier change confirmation notices be given to the person or agency named below.

CUSTOMER NAME:

<UTILITY> ACCOUNT/CUSTOMER NUMBER:

CUSTOMER ADDRESS:

CUSTOMER SIGNATURE:

DATE:

Receipt of a copy of a shut off notice by the third-party does not place any obligation on that party to pay the <UTILITY> bill for the customer named above nor will it necessarily stop shut off if payment is not made. The notice simply reminds the third-party of a chance to help the customer solve the problem.

THIRD-PARTY NAME:

THIRD-PARTY ADDRESS:

THIRD-PARTY SIGNATURE:

DATE:

(July 12 Order at p. 8-9).

Columbia submits that, although it is possible for the Company to revise its current procedures regarding third-party notifications to add supplier switch notifications, it will incur costs in order to do so, and therefore, Columbia does not support the addition of this third-party supplier switch notice. Further, as of September 6, 2017, less than 1% of Columbia's active residential customers maintain third-party notifications. Therefore, the benefits to a small percentage of the Company's customers to implement additional notifications to third-parties would be greatly outweighed by the costs to add such notifications. Moreover, the Company is not aware of any instance in which a customer or third-party has requested such notice for a supplier switch circumstance.

The Company's third-party notifications come from its credit/collections database. If the Company is required to send supplier switch confirmation notifications, those notices would come from its Choice program database, which is separate and distinct from its credit/collections database. The Company sends a post card to customers when they enroll in Choice and also to customers who switch suppliers. The Company would need to adjust its programming in order to send out a supplier switch

notice to third-party designees via postcard. Columbia has estimated the programming cost to implement that additional notice to be anywhere from \$4850 to \$9700. In sum, Columbia will incur costs in order to send out third-party notifications for supplier switching and therefore, does not support amending Sections 56.131 and 56.361 to add an additional notice requirement.

E. Customer Retaining Utility Service Pending Formal Appeal

In order to clarify the expectations upon utilities to provide utility service to a complainant who has formally appealed an informal decision by the Commission's Bureau of Consumer Services ("BCS"), the Commission proposes revised language to Sections 56.172 and 56.402. (July 12 Order at p. 13). Columbia agrees with the Commission that revisions to these sections are necessary in order to alleviate confusion between and among utilities and the BCS.

Columbia supports the Commission's suggested additions to both Sections 56.172 and 56.402, but also suggests that the Commission add further language to these sections in order to clarify that a customer with a pending appeal is still responsible to pay for any undisputed amount on the customer bill. Columbia proposes that an additional sentence be added to the proposed changes to Sections 56.172(d) and 56.402. Columbia's suggested language can be found below in bold:

Upon the filing of a formal complaint by a customer within the 30-day period and not thereafter except for good cause shown, there will be an automatic stay of the informal complaint decision. Informal complaint decisions directing the restoration of utility service are not subject to an automatic stay, and utility service must be restored and maintained while the issues remain in dispute. **The customer shall be responsible for current bill amounts during the dispute, as well as any undisputed payments owed to the subject utility.**

With the additional proposed sentence, Columbia supports the Commission's proposed changes to Sections 56.172(d) and 56.402.

III. Conclusion

Columbia respectfully requests that the Commission consider the additional comments provided herein and in the Comments submitted by the EAP as the Commission develops a Final Order regarding its proposed Chapter 56 amendments.

Respectfully submitted,



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