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VIA OVERNIGHT DELIVERY SERVICE

December 14, 2011

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

**RE: Interim Guidelines Regarding Standards
For Changing a Customer's Electricity
Generation Supplier
Docket No. M-2011-2270442**

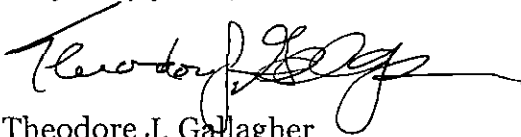
Dear Ms. Chiavetta:

I enclosed for filing the original and 6 (6) copies of Columbia Gas of Pennsylvania, Inc.'s Comments in the referenced matter.

Please file the original and five (5) copies and return the extra copy to me, file stamped, in the in the enclosed self-addressed, stamped envelope. Should you have any questions regarding this matter, please call me at 724.416.6355 or e-mail me at tjgallagher@nisource.com.

I thank you for your assistance.

Very truly yours,



Theodore J. Gallagher

enclosures

cc: Office of Competitive Market Oversight (via e-mail)

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

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BEFORE THE

PA PUBLIC UTILITY COMMISSION PENNSYLVANIA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Interim Guidelines Regarding Standards : M-2011-2270442
For Changing a Customer's Electricity :
Generation Supplier :

**COMMENTS OF COLUMBIA GAS OF PENNSYLVANIA, INC.
TO TENTATIVE ORDER ENTERED NOVEMBER 14, 2011**

A. INTRODUCTION

By way of a Tentative Order entered on November 14, 2011 in the captioned matter, the Commission has proposed to establish "Interim Guidelines Regarding Standards for Changing a Customers' Electricity Generation Supplier." As noted in the Tentative Order, the proposed Interim Guidelines were developed by the Commission's Office of Competitive Market Oversight as a result of meetings with CHARGE¹ working groups and the Commission's *Investigation into Pennsylvania's Retail Electricity Market*, Docket No. I-2011-2237952. In the Tentative Order, the Commission requested comments on the feasibility of applying its proposed Interim Guidelines to natural gas distribution companies (NGDCs) and natural gas suppliers (NGSs). Comments are due on December 14, 2011.

Columbia Gas of Pennsylvania, Inc. (Columbia), by and through its attorneys, hereby submits its comments in response to the Commission's Tentative Order. At the outset, Columbia commends to the Commission's attention and consideration the comments submitted by the Energy Association of Pennsylvania ("EAPA"), particularly EAPA's discussion of its concerns regarding procedural aspects of the Tentative Order

¹ Committee Handling Activities for Retail Growth in Electricity

and the Interim Guidelines. In addition to EPA's Comments on those issues, Columbia submits its own Comments in order to discuss factors that weigh against applying the proposed Interim Guidelines to NGDCs and NGSS.

B. BACKGROUND

Columbia is a certificated NGDC, providing sales and transportation services to approximately 414,000 customers in 26 counties in western, central, and south-central Pennsylvania, subject to the Commission's regulatory jurisdiction. Columbia has developed a CHOICE program,² which provides an opportunity for its residential and small commercial customers to buy their natural gas from a variety of competitive NGSS. Columbia's CHOICE program became a permanent program following the adoption of Pennsylvania's Natural Gas Choice and Competition Act, 66 Pa.C.S. §§ 2201-2212 (the "Choice Act").³ As of October 2011, 27% of Columbia's residential customers and 21% of its commercial customers are taking service from alternative NGSS.

C. COMMENTS

While significant discussion regarding a reduction in the time line for switching to a competitive supplier in context of the electric industry has occurred among CHARGE participants, a similar discussion has not occurred within the context of the natural gas industry. To be sure, there are physical and operational differences between

² 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.

³ See Re: *Columbia Gas of Pennsylvania, Inc.*, Docket No. R-00994781, 93 PA. P.U.C. 375 (Order entered October 18, 1999).

the industries that may necessitate longer switching periods for natural gas supply, such as a requirement for an NGS to take mandatory upstream capacity assignment from an NGDC and to deliver gas into the NGDC's system. Moving, storing, and delivering gas is a process that can affect the timing of a change in natural gas suppliers, and is different than generating and delivering electricity. Because of differences between the electric and natural gas industries, the Interim Guidelines, related orders, or regulations should not be applied to the natural gas industry until a need to change the status quo is evaluated, and until a rulemaking process is undertaken. To that end, Columbia suggests that any revisions or guidelines regarding enrollment for gas Choice be a subject of discussion among SEARCH⁴ participants or within the Rulemaking regarding NGDC business practices and standards that the Commission recently directed OCMO to undertake⁵, so that a general understanding of each utility's current process can be understood and, if necessary, built upon. Columbia respectfully submits that standardization is not advisable where it does not make operational sense to do so.

With specific reference to Columbia, the application of the Interim Guidelines would not be desirable because Columbia's current procedures for switching customers result in the customer beginning service with the new NGS more quickly than what would be provided by adhering to the proposed Interim Guidelines. Based on Columbia's established procedures, switching a customer from Columbia supply to an NGS, and switching a customer from one NGS to another NGS are both more advantageous and less confusing for the customer and the NGS than the process that is proposed in the Interim Guidelines. For example, while the Interim Guidelines would

⁴ Stakeholders Exploring Avenues for Removing Competition Hurdles.

⁵ Docket L-2009-2069117, Order Withdrawing Rulemaking entered December 1, 2011 (Ordering Paragraph No. 6).

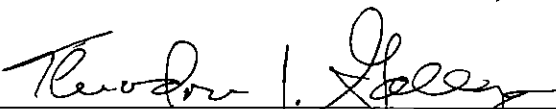
require an NGS to obtain the meter reading date of each enrolled customer to determine when the customer will begin receiving NGS service, Columbia's process is simpler because the NGS only needs to inform the customer that the following month's bill will reflect NGS gas supply charges. Columbia notes that other NDGCs' processes may differ from Columbia's and may not be a good fit for them, their customers, or the NGSs on their systems. Until such issues can be adequately explored, Columbia submits that it is not advisable to apply new rules to the customer switching process in the natural gas industry.

D. CONCLUSION

As discussed above, Columbia endorses and commends to the Commission's attention the Comments submitted in this matter by the Energy Association of Pennsylvania. Moreover, for the reasons discussed above, Columbia submits that it is not feasible to apply the Interim Guidelines to the natural gas industry.

Respectfully submitted,

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: 

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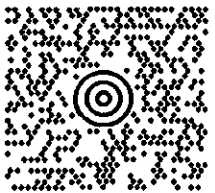

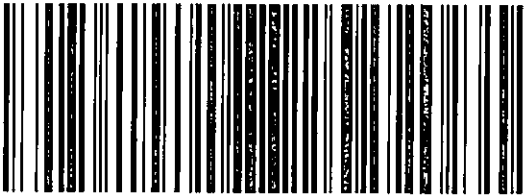
Dated: December 14, 2011

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