

**Columbia Gas of Pennsylvania  
Report Supporting Capacity  
Contract Years 2015-16 Through 2018-19**

**February 20, 2015**

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**PURPOSE OF THE REPORT SUPPORTING CAPACITY**<sup>1</sup>

In Columbia Gas of Pennsylvania, Inc.'s ("Columbia" or the "Company") 2013 Rate Investigation Pursuant to 66 Pa.C.S. §1307(f), Columbia filed a Joint Petition for Settlement ("Settlement") which was executed by Columbia, the Bureau of Investigation and Enforcement ("I&E") of the Pennsylvania Public Utility Commission ("Commission"), the Office of Consumer Advocate ("OCA"), and the Office of Small Business Advocate ("OSBA"). On July 12, 2013, the ALJ issued a Recommended Decision recommending approval of the Settlement. On August 15, 2013, the Commission adopted the Recommended Decision approving the Settlement ("Order"). As part of the Settlement, Columbia agreed in future 1307(f) filings to file and provide to all parties a report related to the level of peak day capacity retained.

The relevant Settlement Terms as delineated in the Recommended Decision and approved in the Order are as follows:

**D. Peak Day Capacity**

**c.** Columbia will continue its policy to have sufficient capacity to be within a range of up to 103% of the highest of its projected design day firm requirements for the five-year period of its Peak Demand Forecast. If the results of Columbia's Peak Day Forecast indicate that Columbia has peak day capacity in excess of this policy, Columbia agrees to reduce its peak day capacity portfolio as appropriate to the extent that any components of its portfolio are not operationally required and can contractually be reduced.

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<sup>1</sup> The terms Peak Day and Design Day are used interchangeably herein.

d. In future 1307(f) pre-filings, Columbia will file and provide to all parties a report identifying: (1) the level of peak day capacity retained consistent with its policy and this Stipulation and the results of the Peak Day Forecast; and (2) any adjustment to capacity taken pursuant to Columbia's policy and available contractual opportunities. If Columbia retains or renews any capacity in excess of its policy because it deems that capacity "operationally required" as the term is used in paragraph "c" above, the report will include an explanation of the reason(s) Columbia considers such retained capacity to be operationally required.

Recommended Decision at p. 17.

The following report fulfills Columbia's commitment related to capacity as set forth in the Commission-approved Settlement resolving its 2013 1307(f) proceeding.

### **ANALYSIS AND CONCLUSION**

Columbia's policy is to have sufficient capacity to be within a range of up to 103% of the highest of its projected design day firm requirements for the five year period of its Peak Day Forecast. Based on Columbia's 2014 Design Day Forecast, spanning the winter seasons of 2014-2015 through 2018-2019, Columbia's existing peak day capacity is within this policy. Modest growth in Columbia's firm demand is expected over the term of this forecast such that Columbia's existing available capacity equals 100.8 percent of projected firm demand for contract year 2018-19, the highest projected design day firm requirements in Columbia's 2014 Design Day Forecast as reflected in the table below. As a result, no reductions in Columbia's existing capacity portfolio are required pursuant to the aforementioned agreement. Because no capacity was renewed in excess of policy, no discussion of operationally required capacity is included. For further discussion of Columbia's peak day capacity and demand projections, please see Exhibit No. 5, Sheet XX.

Firm Design Day Capacity vs. Highest Demand Day Per 2014 Design Day Forecast  
MDth/Day

1	Design Day Firm Demand (Winter 2018-19)	649.6
2	Existing Columbia Design Day Capacity	654.9
3	Maximum Capacity per Columbia Policy (Line 1 x 103%)	669.1