



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

April 6, 2015

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

Re: Pennsylvania Public Utility Commission v.
Columbia Gas of Pennsylvania, Inc. 1307(f)
Docket No. R-2015-2469665

Dear Secretary Chiavetta:

Enclosed please find the Bureau of Investigation and Enforcement's (I&E) **Prehearing Memorandum** for the above-captioned proceeding.

Copies are being served on parties as identified in the attached certificate of service. If you have any questions, please contact me at (717) 425-7593.

Sincerely,

Scott B. Granger

Prosecutor

Bureau of Investigation and Enforcement

PA Attorney I.D. No. 63641

SBG/sea
Enclosure

cc: Certificate of Service
ALJ Mark A. Hoyer

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2015-2469665
 :
 Columbia Gas of Pennsylvania, Inc. :
 1307(f) :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated April 6, 2015, in the manner and upon the persons listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

Via Electronic and First Class Mail

Theodore J. Gallagher, Esquire
Nancy Krajovic
Nisource Corporate Services
Company
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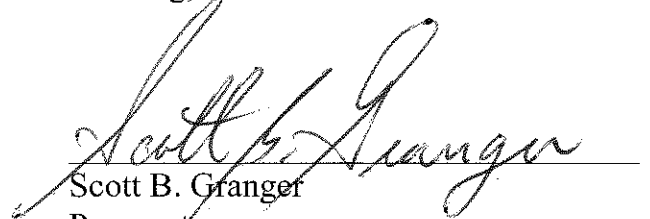
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Scott B. Granger
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney I.D. No. 63641

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	R-2015-2469665
	:	
Columbia Gas of Pennsylvania, Inc.	:	
1307(f)	:	

PREHEARING MEMORANDUM
OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT

TO ADMINISTRATIVE LAW JUDGE MARK A. HOYER:

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Prehearing Memorandum in the above-captioned consolidated proceedings.

The Bureau of Investigation and Enforcement Prosecutor in these proceedings will be Scott B. Granger. Contact information is as follows:

By mail:	Scott B. Granger Pennsylvania Public Utility Commission P.O. Box 3265 Harrisburg, PA 17105-3265
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By e-mail:	sgranger@pa.gov
By telephone:	(717) 425-7593
By fax:	(717) 772-2677

I. INTRODUCTION

On February 27, 2015, Columbia Gas of Pennsylvania, Inc. (“Columbia” or “Company”) submitted its pre-filing information in support of its annual purchased gas cost (“PGC”) filing pursuant to 52 Pa. Code §§53.64 and 53.65. The Company followed that with its definitive PGC filing on April 1, 2015.

On April 1, 2015, Columbia filed Supplement No. 230 to Tariff Gas – Pa. PUC No. 9 (“Supplement No. 230”) with a proposed effective date of October 1, 2015. Supplement No. 230 was filed pursuant to Section 1307(f) of the Public Utility Code, 66 Pa. C.S.A. §1307(f). Supplement No. 230 provides for the Company’s annual adjustment and reconciliation of its gas cost recovery rates. The Company, through Supplement No. 230, proposes a decrease in gas cost recovery rates of \$0.14050/Therm.

I&E filed its Notice of Appearance regarding this proceeding on March 12, 2015. The Office of Consumer Advocate (“OCA”) filed its Notice of Appearance in this proceeding on March 30, 2015; and, the OCA also filed a Formal Complaint at Docket No. C-2015-2474515.

A Prehearing Conference is scheduled for Tuesday, April 7, 2015, with Administrative Law Judge Mark A. Hoyer.

II. ISSUES

The following list represents I&E’s preliminary determination of the potential issues in these proceedings. The listing is as complete as can be made at this time. I&E

specifically reserves the right to address other issues, as it deems appropriate if any such relevant issues arise. The issues are as follows:

1. Incentive Mechanisms
2. Unaccounted for Gas
3. Retaining Rate
4. Spot Market Purchases
5. Capacity Requirements
6. Peak Day Forecasts
7. Compliance with Prior Commission Orders
8. Hedging Practices
9. E-Factor
10. Over/Under Collections
11. Interest Rate Calculations for Over/Under Collections
12. Supplier Refunds.

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

Jeremy Hubert, Fixed Utility Valuation Engineer
Rachel A. Maurer, Fixed Utility Financial Analyst

The I&E witnesses may be contacted through the information listed above for Prosecutor Granger. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the

Company's filing, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

V. DISCOVERY

Discovery in these proceedings will be conducted according to 52 Pa. Code §§5.321 et. seq. No modifications to the rules of discovery have been proposed by the parties. Also, pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing.

VI. SCHEDULE

I&E is working with the parties to develop a schedule in this proceeding. As of this date, I&E understands that the parties have agreed to the following schedule.

Filing	April 1, 2015
Other Parties Direct	May 5, 2015
Rebuttal Testimony	May 22, 2015
Surrebuttal Testimony	May 28, 2015
Oral Rejoinder Outlines	June 1, 2015
Hearings (including Oral Rejoinder)	June 3-4, 2015
Main Brief	June 16, 2015
Reply Brief	June 24, 2015

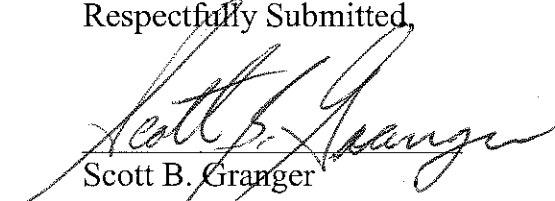
VII. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs, I&E will accept electronic delivery of documents with a follow-up hard copy provided by regular first class mail.

VIII. SETTLEMENT

I&E is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully Submitted,



Scott B. Granger
Prosecutor

PA Attorney I.D. # 63641

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, Pennsylvania 17105-3265
(717) 787-1976

Dated: April 6, 2015