

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

12
RECEIVED-DOCKETING DIV

2008 FEB -1 AM 10:15

In the Matter of the Application of Columbia Gas)
of Ohio, Inc. for Authority to Amend its Filed)
Tariffs to Increase the Rates and Charges for Gas)
Services and Related Matters)

PUCO

Case No. 08-0072-GA-AIR

In the Matter of the Application of Columbia Gas)
of Ohio, Inc. for Approval of an Alternative Form)
of Regulation and for a Change in its Rates and)
Charges)

Case No. 08-0073-GA-ALT

In the Matter of the Application of Columbia Gas)
of Ohio, Inc. for Approval to Change Accounting)
Methods)

Case No. 08-0074-GA-AAM

In the Matter of the Application of Columbia)
Gas of Ohio, Inc. for Authority to Revise its)
Depreciation Accrual Rates)

Case No. 08-0075-GA-AAM

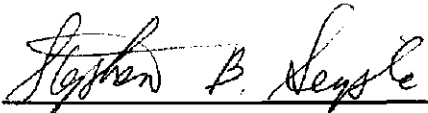
**MOTION OF COLUMBIA GAS OF OHIO, INC.
FOR WAIVERS OF STANDARD FILING REQUIREMENTS
AND MEMORANDUM IN SUPPORT**

Now comes Columbia Gas of Ohio, Inc. ("Columbia"), Applicant herein, and states that it plans to file during the month of March, 2008, an application with the Public Utilities Commission of Ohio ("Commission") to seek an increase in Columbia's gas rates. At that same time, Columbia will also be filing an application to seek approval of an alternative regulation plan, pursuant to R.C. Chapter 4929. In connection with such applications, Columbia moves that the Commission grant, pursuant to Rule 4901-7-01, Appendix A, Chapter II (A)(4) and Rules 4901:1-19-03 and 4901:1-19-05(A)(2), Ohio Administrative Code, certain waivers of the Stan-

This is to certify that the images appearing are an
accurate and complete reproduction of a case file
document delivered in the regular course of business
Technician Sm Date Processed 2/1/08

standard Filing Requirements as described in the attached Memorandum in Support. This motion should be granted for the reasons set forth in the attached Memorandum in Support.

Respectfully submitted,
COLUMBIA GAS OF OHIO, INC.



Stephen B. Seiple (Trial Attorney)

Mark R. Kempic, Assistant General Counsel
Kenneth W. Christman, Associate General Counsel
Stephen B. Seiple, Lead Counsel
Daniel A. Creekmur, Attorney
200 Civic Center Drive
P.O. Box 117
Columbus, OH 43216-0117
Telephone: (614) 460-4648
Fax: (614) 460-6986
Email: sseiple@nisource.com

Attorneys for
COLUMBIA GAS OF OHIO, INC.

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Columbia Gas of Ohio, Inc. for Authority to Amend its Filed Tariffs to Increase the Rates and Charges for Gas Services and Related Matters)	Case No. 08-0072-GA-AIR
In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of an Alternative Form of Regulation and for a Change in its Rates and Charges)	Case No. 08-0073-GA-ALT
In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval to Change Accounting Methods)	Case No. 08-0074-GA-AAM
In the Matter of the Application of Columbia Gas of Ohio, Inc. for Authority to Revise its Depreciation Accrual Rates)	Case No. 08-0075-GA-AAM

MEMORANDUM IN SUPPORT

Columbia Gas of Ohio, Inc. ("Columbia") plans to file during the month of March, 2008 an application for an increase in its gas rates. At that same time, Columbia will also be filing an application to seek approval of an alternative regulation plan, pursuant to R.C. Chapter 4929.

BASE RATE CASE WAIVERS

The Standard Filing Requirements for an application for an increase in rates are set out in Rule 4901-7-01, Appendix A, Ohio Administrative Code. Rule 4901-7-01, Appendix A, Chapter II, (A)(4)(c), Ohio Administrative Code, provides that the Commission shall grant a utility waivers from the standard filing requirements upon a showing of good cause. In determining whether

good cause exists to support a request for waiver, the Commission is required to consider the following factors:

- (i) Whether other information, which the utility would provide if the waiver is granted, is sufficient so that the Commission Staff can effectively and efficiently review the rate application.
- (ii) Whether the information, which is the subject of the waiver request, is normally maintained by the utility or reasonably available to it from the information it maintains.
- (iii) The expense to the utility in providing the information, which is the subject of the waiver request.

Rule 4901-7-01, Appendix A, Chapter II, (A)(4)(c), Ohio Administrative Code.

Columbia requests waivers of the following standard filing requirements, all of which are found in the specified subsection of Rule 4901-07-01, Appendix A, Chapter II, Ohio Administrative Code. These circumstances specifically establish good cause for waivers consistent with numbers (i) and (ii) of the factors specified in Rule 4901-7-01, Appendix A, Chapter II, (A)(4)(c), Ohio Administrative Code.

1. Chapter II (B)(1) requires Columbia to provide the “[m]ost recent five-year capital expenditures budget to be identified as Schedule S-1” for major construction projects over \$100,000. Columbia’s capital expenditure budgeting process includes a five-year projection of capital expenditures, but this five-year projection does not provide for identification of specific projects included therein of less than \$250,000; and limits the identification of specific budgets for major construction projects over \$250,000 to the first three years of the budgeting process. Columbia intends to file Schedule S-1 using the aforementioned criteria because the requested information is not available.

2. Chapter II (C)(37) requires Columbia to file “[c]urrent federal income tax returns or the utility company’s portions of the consolidated returns.” Chapter II (C)(44) requires the fil-

ing of a “[c]opy of state income tax returns” These returns include confidential information. Columbia’s only concern is the means by which these documents are reviewed by Staff and other parties. Columbia will make these income tax returns available during normal business hours, subject to an appropriate confidentiality agreement where necessary.

Pursuant to Chapter II (A)(4)(c)(i), the Commission should grant the requested waiver of Chapter II (C)(37) and Chapter II (C)(44). An identical waiver request was recently granted to Duke Energy Ohio and Dominion East Ohio in recently filed rate cases. *See In the Matter of the Application of Duke Energy Ohio, Inc. for an Increase in Gas Rates*, Case No. 07-589-GA-AIR, Entry ¶7 (July 11, 2007) and *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Services*, Case No. 07-829-GA-AIR, Entry ¶6 (August 15, 2007). Waiver of these requirements is equally appropriate here.

3. Chapter II (C)(48) requires Columbia to provide information regarding transactions with affiliated companies, which affect the operating income statement, plant in service accounts, and inventories. Columbia does not separately identify all affiliate transactions in its budgeting process. Columbia does, however, identify affiliate transactions for its affiliate, NiSource Corporate Service Company, which consists of the majority of the non-gas cost affiliate transactions. Columbia intends to file information related to NiSource Corporate Service Company transactions, all historical affiliate information requested and actual data for the test year as it becomes available. Columbia respectfully requests the Commission grant a waiver of the filing information related to all other affiliate transactions because that information is not available.

4. Chapter II (C)(48)(a) requires Columbia to provide all contracts between the utility and any affiliated company. Columbia currently has two contracts with affiliated companies

that include confidential information. Columbia's only concern is the means by which these documents are reviewed by Staff and other parties. Columbia requests that Staff and other parties review these documents at its offices during normal business hours, subject to a confidentiality agreement, where appropriate.

5. Chapter II, Section C (B)(3) requires Columbia to provide "a detailed operating income statement by FERC account ... as specified on Schedule C-2.1." Columbia's budget process does not provide for the preparation of its operating income statements by FERC account. However, Columbia intends to provide FERC account information based on historical data and all variance explanations will be provided on a cost element/activity basis. Detailed definitions of all cost elements and activities used by Columbia for development of its operating budgets and accounting will be provided Staff at the time it commences its audit process.

6. Chapter II, Section C (D)(5) requires Columbia to provide information regarding rate case expense, including details of the most recent prior case actual expenses. Columbia has been unable to locate detailed records of actual rate case expenses for its most recent case, Case No. 94-987-GA-AIR, which was filed over 13 years ago. Columbia has searched legal and rate department records to attempt to find what information it can about actual rate case expense in Case No. 94-987-GA-AIR. As a result, Columbia will provide total actual rate case expense from its most recent rate cases, but Columbia regrets that it has been unable to locate more detailed information. Columbia believes that the information contained therein from 13 years ago would provide the Commission with minimal value given its vintage. Accordingly, Columbia respectfully requests a waiver of the requirement in Section C (D)(5) to disclose actual rate case expense incurred in Columbia's most recent rate case. A similar waiver request was recently granted to Dominion East Ohio in its recently filed rate case. *See In the Matter of the Application*

of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Services, Case No. 07-829-GA-AIR, Entry ¶6 (August 15, 2007). Waiver of these requirements is equally appropriate here.

7. Chapter II, Section C (F)(4) requires Columbia to “[p]rovide a total company analysis of uncollectibles for the three most recent calendar years and the test year in the format specified on Schedule C-13.” In Case No. 03-1127-GA-UNC and 03-2572-GA-ATA, the Commission approved Columbia’s proposed tariff revisions to recover uncollectible expenses through an Uncollectible Expense Rider. The Commission’s approval of this Rider eliminates the need for Columbia’s development of uncollectible reserve levels due to the true-up provision of the tracker. Accordingly, Columbia requests waiver of this requirement to the extent it requires the provision of test year information because Columbia’s budget process does not provide for projection of uncollectible reserve levels. Columbia will, however, file historical uncollectible reserve levels.

8. Chapter II, Section D (C) requires Columbia to “[p]rovide a comparison of financial data for the test year and the ten most recent fiscal years ... as illustrated in Schedule D-5.” In November 2000 Columbia’s parent corporation, Columbia Energy Group, was purchased by NiSource Inc. As a result, Columbia does not have available historical information for the period prior to the merger with NiSource. Columbia requests waiver of this requirement to the extent it be permitted to substitute financial documents for the Columbia Energy Group for the years 1998 – 2001 in place of NiSource Inc. in compliance with this requirement.

9. Chapter II, Section E (B)(1) requires Columbia to “[p]rovide a copy of all proposed tariff schedules which have all proposed changes underscored and designate in the margin the type of proposed change.” Chapter II, Section E (B)(2) requires Columbia to “[p]rovide a

copy of all current tariff schedules to which changes are proposed and designate in the margin the type of proposed change.” Columbia believes it is confusing to indicate both additions and deletions by the use of underscoring. Columbia would instead like to indicate additions by the use of underscores, and indicate the use of deletions by strikethroughs. Therefore, Columbia requests waiver of these requirements to the extent it be permitted to file: (1) a clean copy of its proposed tariffs; (2) a clean copy of its current tariffs to which changes are being proposed; and (3) a copy of all proposed tariff sheets that set forth all changes through the use of strikethroughs and underscores with the type of proposed change being identified in the margins through the use of the following designations:

- (C) - To signify changed regulations;
- (D) - To signify discontinued rate or regulation;
- (I) - To signify increased rate;
- (N) - To signify new rate;
- (R) - To signify reduced rate;
- (S) - To signify reissued matter; and
- (T) - To signify a change in text, but no change in rate or regulation.

10. Chapter II, Section F (B) requires the filing of Schedule F-1, entitled “Projected Income Statement (Total Company – Current Rates)” and Schedule F-1A, entitled “Projected Income Statement (Total Company – Projected Rates).” For gas utilities, the projected income statement “must follow the FERC chart of accounts.” Columbia, however, does not budget by FERC account. Columbia intends to file the appropriate financial statements, but requests a waiver of the specific requirement that such statements be prepared in accordance with the FERC chart of accounts.

Pursuant to Chapter II (A)(4)(c)(i) and (ii), the Commission should grant the requested waiver of Section F(B). An identical waiver request was granted to Vectren Energy Delivery of Ohio, Inc. and Dominion East Ohio in recently filed rate cases. *See In the Matter of the Applica-*

tion of Vectren Energy Delivery of Ohio, Inc. for Authority to Amend its Filed Tariffs to Increase Rates and Charges for Gas Service and Related Matters, Case No. 04-571-GA-AIR, Entry ¶ 5 (May 12, 2004) and *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Services*, Case No. 07-829-GA-AIR, Entry ¶9 (August 15, 2007). Waiver of this requirement is equally appropriate here.

ALTERNATIVE REGULATION CASE WAIVERS

In connection with Columbia's base rate case application, Columbia will also file an application for approval of an alternative rate plan as provided for in R.C. Chapter 4929. Rule 4901:1-19-03, Ohio Administrative Code provides that the Commission may waive any provision in the alternative regulation rules upon a motion for good cause shown or upon its own motion. In determining whether good cause has been shown, the following factors, among other things, may be taken into consideration.

- (1) Whether other information, which the utility would provide if the waiver is granted, is sufficient so that the Commission Staff can effectively and efficiently review the rate application.
- (2) Whether the information required to be filed, by these rules, absent a waiver, is relevant to the commission's consideration of whether the application is reasonable and in the public interest.
- (3) Whether the information, which is the subject of the waiver request, is normally maintained by the utility or reasonably available to it from the information it maintains or is reasonably obtainable by the applicant.
- (4) The expense to the applicant in providing the information, which is the subject of the waiver request.
- (5) Whether granting the waiver is in the public interest.

Rule 4901:1-19-05(C)(2)(h), Ohio Administrative Code requires the applicant to provide the projected financial data required in Section F of chapter II of appendix A to Rule 4901-7-

01, Ohio Administrative Code, through the term of the proposed plan and which reflects the effects of the proposed plan including the effects of any and all assumptions regarding changes in proposed indices. Rule 4901:1-19-05(C)(2)(i), Ohio Administrative Code requires the applicant to provide the projected financial data through the term of the proposed plan under the assumption that the proposed plan is not adopted. Columbia requests the waiver of these two requirements to the extent this information is not available beyond Columbia's five-year planning process. Columbia will submit other information sufficient to allow the Commission Staff to evaluate Columbia's Application for Approval of an Alternative Rate Plan, which includes, but is not limited to:

- (1) Section F of chapter II of Appendix A to Rule 4901-701 Ohio Administrative Code through which Columbia will provide projected financial data for the purposes of projecting revenue and expenses, rate base and capital structure for a one year period beginning nine months subsequent to the application filing date or a maximum of twenty-one months with financial statements being prepared assuming no rate increase and 100 percent of the rate increase is granted. Columbia will further provide an additional version of these schedules that have been adjusted to reflect the impact of proposed Rider IRP.
- (2) Columbia's operating and construction budgets for the five-year planning period which show the impact of Rider IRP.
- (3) Columbia's supplemental exhibits S-1 and S-2 filed in support of its application for an increase in rates. These schedules set forth Columbia's most recent five-year capital budget and most recent financial forecast providing for each forecast year an income statement; balance sheet and statement of changes in financial po-

sition. These schedules will be provided with and without the impact of Rider IRP for the five-year planning period.

- (4) The projected impact of Columbia's proposed Rider IRP and DSM Tracker will be provided by year through attachments to the direct testimony of Columbia's witnesses.

Columbia further submits that the development of budgets beyond the five-year planning period would be an expensive and non-productive process due to the extreme number of assumptions and time required to complete budgets for the twenty-five year term of the alternative regulation plan.

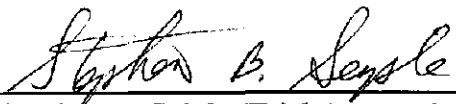
Finally, Columbia submits that these waivers should be granted since they are in the public interest. Columbia's alternative rate plan will benefit customers through the further development of a safe and reliable distribution system through: (1) the establishment of an Accelerated Mains Replacement Program; (2) the replacement of risers prone to failure; and, (3) Columbia's assumption of financial responsibility for the repair or replacement of customer service lines. In addition, Columbia's alternative rate plan will benefit customers through: (1) elimination of the need to enter customers' premises to read inside meters; and, (2) establishment of a Demand Side Management program designed to reduce individual customer bills through conservation methods to be developed by representatives of a broad stakeholder group, as provided in the Joint Stipulation and Recommendation filed in Case No. 04-221-GA-GCR et al.

These circumstances specifically establish good cause for waivers consistent with Rule 4901-7-01, Appendix A, Chapter II, (A)(4)(c), Ohio Administrative Code and those specified in Rule 4901:1-19-03, Ohio Administrative Code. Columbia submits that the granting of the above-mentioned waivers of the Commission's Standard Filing Requirements will facilitate the prepa-

ration and consideration of these cases by all parties involved and will not be detrimental to the Commission's consideration of these proceedings.

WHEREFORE, Columbia requests the Commission grant this Motion requesting waivers of the above-specified portion of the Commission's standard filing requirements and of the alternative regulation plan requirements.

Respectfully submitted,
COLUMBIA GAS OF OHIO, INC.



Stephen B. Seiple (Trial Attorney)

Mark R. Kempic, Assistant General Counsel
Kenneth W. Christman, Associate General Counsel
Stephen B. Seiple, Lead Counsel
Daniel A. Creekmur, Attorney
200 Civic Center Drive
P.O. Box 117
Columbus, OH 43216-0117
Telephone: (614) 460-4648
Fax: (614) 460-6986
Email: sseiple@nisource.com

Attorneys for
COLUMBIA GAS OF OHIO, INC.