

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Columbia Gas)	
of Ohio, Inc. for Approval of Tariffs to Recover)	
Through an Automatic Adjustment Clause Costs)	
Associated with the Establishment of an)	Case No. 07-478-GA-UNC
Infrastructure Replacement Program and for)	
Approval of Certain Accounting Treatment)	

**COLUMBIA GAS OF OHIO, INC.'S RESPONSE TO
THE OBJECTION OF UTILITY SERVICE PARTNERS, INC.**

Pursuant to Paragraph 21 of the Amended Stipulation and Recommendation, Columbia Gas of Ohio, Inc. ("Columbia") agreed to submit the Riser Material Plan ("RMP") to Staff of the Public Utilities Commission of Ohio, the Office of the Ohio Consumers' Counsel ("OCC") and Ohio Partners for Affordable Energy ("OPAE") on February 1, 2008. Columbia fulfilled that requirement by sending an electronic version of the RMP to those parties on that date. Counsel for Utility Service Partners, Inc. ("USP") is correct that Paragraph 21 of the Amended Stipulation and Recommendation also provided that any signatory party, or party already granted intervention by the Commission in the 07-478-GA-UNC docket, may file an objection relating to the costs or materials selected by Columbia as part of the RMP, on or before February 15, 2008.

More specifically, Columbia stipulated in the Agreement filed on February 4, 2008 in this docket in Paragraph 11 that the intent of Paragraph 21 of the Amended Stipulation and Recommendation is to allow any party the *right to review* and file an objection to the RMP. Columbia has never entered into an agreement, nor can the aforementioned language be interpreted to give Columbia the obligation to submit the RMP to Utility Service Partners.

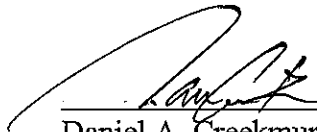
Rather, Columbia has been and *is* willing to submit the RMP to any party who requests it. No intervenor has requested the RMP. Counsel for USP's objection is a frivolous tactic to delay the instant proceeding as evidenced by the fact that Counsel never contacted Columbia to resolve this matter and then filed this Objection on the very last day of a fourteen day period. If USP was truly interested in obtaining a copy of the RMP the prudent action would have been to contact Columbia immediately upon its lack of receipt of the RMP on February 1, 2008. Such a phone call would have easily resolved any confusion, yet USP sat silent even though parties were in constant contact up until February 4, 2008 to file the aforementioned Agreement.

Further, a telephone conversation with Counsel for USP today revealed that USP was not interested in obtaining a copy of the RMP. Columbia immediately contacted Counsel for USP after notice of the filing of this Objection to clarify that Columbia is willing to submit the RMP to USP upon its request. Counsel for USP still did not request a copy of the RMP during this conversation. As of the drafting of this response, USP has not requested a copy of the RMP even though Columbia took it upon itself to reach out to USP and offer to instantly send an electronic version. This unequivocally demonstrates that USP's motivation in filing this Objection was a frivolous tactic to delay the proceeding and not a sincere desire to obtain a copy of the RMP. Such unethical tactics should not be entertained at the Commission or at any other level within the legal profession.

Notwithstanding USP's frivolous Objection and failure to request the RMP, Columbia has attached the RMP herein (see Attachment A) so that USP may avail itself of the opportunity to review the RMP. Columbia is also willing to discuss the possibility of a short extension to the period in which parties may object to the RMP should the Commission find it necessary.

Respectfully submitted,

COLUMBIA GAS OF OHIO, INC.

A handwritten signature in black ink, appearing to read "Daniel A. Creekmur", is written over a horizontal line.

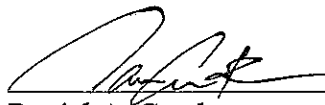
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Response of Columbia Gas of Ohio, Inc. to the Objection of Utility Service Partners, Inc. was served upon all parties of record by electronic mail this 15th day of February 2007.



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ATTACHMENT A

**RISER MATERIAL PLAN
CASE NO. 07-478-GA-UNC**

BACKGROUND

The Perfection ServiSert is a radial seal transition fitting used to replace the existing transition fitting at the top of a service line riser. This fitting provides for the transition from polyethylene below ground to metallic pipe above ground. The ServiSert is typically used to replace a compression fitting riser head without the need for excavation.

Columbia Gas of Ohio, Inc. ("Columbia") evaluated the Perfection ServiSert interchange head based on a video provided by Perfection prior to its decision to only use a complete factory-assembled riser. This video demonstrated field technicians using a dremel tool to manually cut the casing around the pipe in order to achieve proper installation of the stab fitting. In particular, this installation method created considerable safety concerns within Columbia around field assembly and the ServiSert fitting was deemed to be an inferior solution to the prone to fail riser problem in Columbia's service territory. Columbia determined the most prudent decision was to uphold its engineering standard and the industry standard for new and replaced risers by only installing complete factory-assembled risers.

Columbia has since learned that a major Local Distribution Company ("LDC") in Ohio has been installing ServiSert fittings for approximately five years. The LDC and a contractor for that LDC reported satisfactory experiences with the ServiSert fitting. In late 2007, Columbia visited the contractor's operation center to observe the ServiSert installation and to discuss field operations, experiences and concerns surrounding this product.

RATIONALE

The November 24, 2006 Staff Report¹ concluded that riser leak failures were more likely to result within Design-A risers, or field-assembled risers.² This conclusion coupled with Columbia's initial safety concerns surrounding field assembly of the ServiSert prompted Columbia to support a complete factory-assembled riser. As noted above, Columbia's engineering standard and the industry standard for new and replaced risers called for the installation of complete factory-assembled risers. Complete factory-assembled risers are the best cost solution from a material standpoint and provide necessary safety features as well as operational flexibility. Where excavation is required a full riser replacement is the appropriate solution.

¹ See *In the Matter of the Investigation of the Installation, Use, and Performance of Natural Gas Service Risers Throughout the State of Ohio and Related Matters*, A Report by the Staff of the Ohio Public Utilities Commission of Ohio (Nov. 24, 2006).

² *Id.* at 7.

However, after further research and discussions with the aforementioned LDC, Contractor and Perfection, Columbia has concluded that although the term “field assembled” as defined by the November 24, 2006 Staff Report³ applies to the ServiSert fitting, this fitting does not have the inherent problems associated with improper assembly, such as the ability to apply an incorrect amount of torque. Further, the ServiSert fitting is installed as a unit and not assembled in the field, which alleviates concerns regarding incorrect assembly of components. In fact, a dremel tool is not necessary and installation appears to be relatively straightforward.

Columbia has identified other safety benefits involving the use of ServiSert fittings. The ServiSert fitting does not require excavation to replace the riser head. Thus, dangers associated with excavation, such as squeezing off the gas line, the requirement of oxygen monitors and fire extinguishers and related training are eliminated. Potential damage to underground facilities during excavation is also eliminated. And the foundation backfill has already settled so additional stress to pipe should not occur.

The ServiSert fitting is also designed with a vent hole so that the riser head can be checked for leakage. Windows have also been cut into the internal stiffener, which allows for visual verification of proper stab depth.

Columbia has also recognized that the use of the ServiSert fitting provides its customers with some cost savings as compared to the full riser replacement. Since the ServiSert fitting does not require excavation, installation of the fitting is less time consuming than a full replacement and remediation of landscaping, paving and lawns are not necessary, all of which results in labor savings. Customer service is also interrupted for a shorter period time.

Columbia currently estimates that a full riser replacement will cost on average \$385 per riser and \$330 on average per riser repair using the ServiSert fitting. While the ServiSert fitting has tangible benefits, it is important to note that it can only be used when certain criteria are met as described below. The ServiSert materials cost approximately 50% more than materials for a complete factory-assembled riser. ServiSert fittings are, therefore, only appropriate where excavation can be avoided, which results in labor savings. Columbia must use a full riser replacement when any one criterion listed below is not met. Accordingly, Columbia will use the ServiSert fitting as often as possible, but only where appropriate.

Regardless of the riser replacement used, Columbia has effectuated significant cost savings as a result of central management of the riser replacement program, economies of scale and its competitive bidding process. For example, Columbia has saved approximately 10% in material costs due to economies of scale.

³ *Id.* at 4.

Columbia previously estimated a total program cost upwards of \$160,000,000 to \$200,000,000. The current estimates demonstrate that if Columbia uses full riser replacements for every prone to fail riser the total program cost will be approximately \$121,500,000⁴. If Columbia uses the ServiSert fitting for one out of every five prone to fail riser the total program cost will be approximately \$118,000,000.

CRITERIA

The ServiSert fitting will be used when all of the following criteria are met. When any one criterion is not met Columbia will use the full riser replacement. However, each and every situation cannot be anticipated and the discretion of Columbia's field personnel will ultimately dictate the most appropriate solution given individual circumstances.

1. Field personnel must be able to conduct a pressure test of the ServiSert.
2. Risers must have a one-quarter inch spiral-flex casing that matches the thread pitch of the ServiSert. The fitting may not properly mate to risers with flex casing of other configurations.
3. The carrier pipe surface cannot have damage resulting in a 10% or more reduction of the wall thickness.
4. The bottom surface of the meter valve must be at least six inches above grade prior to installation and the finished assembly must leave at least one inch of exterior protective sleeve above grade. This allows the riser bracket to be installed at the proper height to clamp the ServiSert fitting.
5. The carrier pipe will be cut at least one-half inch below the point of compression. The exact length to be removed may vary from fitting to fitting depending on the design parameters of the removed riser head.
6. Corrosion or separation must not be evident on the flex casing after removal of the required amount for installation of the ServiSert fitting.
7. The carrier pipe must be one inch in diameter.
8. The meter setting and ServiSert fitting must be properly aligned and supported after installation.

⁴ Please note the total program cost of the riser replacement program assumes a three year timeline and includes costs for riser replacements and repairs or replacements of hazardous leaking service lines associated with a prone to fail riser.

1. MATERIALS

The following materials will be used where necessary in accordance with the aforementioned analysis:

- Complete factory-assembled riser
- Perfection ServiSert fitting
- Prefabricated meter settings with regulators
- Prefabricated meter settings without regulators
- Radial seal (stab-type) couplings
- Miscellaneous materials, including, but not limited to, pipe fittings (e.g. pipe nipples, ells, unions, collars), pipe thread compound, paint, leak-seek solution and riser brackets.

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Case No(s). 07-0478-GA-UNC

Summary: Response Columbia Gas of Ohio, Inc.'s Response to USP's Objection
electronically filed by Mr. Daniel A Creekmur on behalf of Columbia Gas of Ohio, Inc.