

FILE

June 2, 2008

Phillip L. Gerwig
3685 Pleasant Valley Road
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Mr. Paul J. Duffy, Esq.
Legal Director, Public Utilities Commission of Ohio (PUCO)
180 E. Broad Street
Columbus, OH 43215

Dear Mr. Duffy,

I am following up on our telephone conversation of May 30, 2008 in regard to my objection to the Columbia Gas of Ohio (CGO) proposal for various rate changes currently pending approval by PUCO. The posted PUCO case numbers are 008-0072-GA-AIR, 08-0073-GA-ALT, 08-0074-GA-AAM, & 08-0075-GA-AAM.

The specific clause for my objection is the "Rider IRP" for recovery of costs to be passed onto CGO customers for "future maintenance, repair, and replacement of customer owned service lines". I will attempt to present the history of my objection.

My residence listed above is sited on the Weaver Gas Storage field of Columbia Gas Transmission (CGT) and there is a lease contract (#2147173) for my property. This makes me considered a "free gas" customer even though the free amount is only 10,000 cubic feet (100ccf) annually, and all of the gas consumed beyond that amount (overburn), which on average is about 110,000 cubic feet (1100ccf), is billed monthly through CGT's agent CGO at retail rates and with all of CGO's rate inclusions and riders.

My gas originates from well number SLW-8627 situated approximately 700 feet from my property on Ohio Dept. of Natural Resources (ODNR) property, known as Malabar Farm State Park. There are three gas consumers on this single line. ODNR's Malabar Restaurant, is tapped into this "service" line approximately 300 feet prior to termination of this line as a gas riser to my property, and this riser is split, dual metered and shared by one CGO "pay gas" customer after my property.

My CGT lease states "Transmission Company shall furnish and install, at its own cost and expense, a company service line not exceeding 20 feet in length from the wellhead tap or pipeline to the meter valve measuring the gas delivered hereunder". I assume this language is common in most "free gas" leases.

Since my CGT lease contract binds me to be responsible for any service line beyond 20 feet from the gas source, I maintain that I and all CGT leaseholders paying for overburn gas either be exempt from any Rider IRP charge since legally it appears we will receive no benefit from such charge, or preferably, CGO negotiate through CGT and their common corporate parent NiSource to add a clause to all free gas leases that CGO will assume responsibility for maintenance, repair, and replacement of all leaseholder service lines for any CGT leaseholder paying CGO for overburn gas and the Rider IRP. This issue affects all CGT "free gas" leaseholders paying CGO for overburn gas.

As you are aware from our conversation, I recently contacted the Consumers' Counsel of Ohio (OCC) to determine if CGT free gas leaseholders would be required to pay CGO for the proposed Rider IRP line maintenance charges for overburn gas, and the subsequent benefit. The reply from CGO was we would, even though CGO doesn't appear to be willing to put this in a binding agreement which "trumps" language in existing CGT lease contracts that CGO will assume responsibility for maintenance of leaseholder service lines.

I would appreciate to be kept informed of any future PUCO and/or OCC hearings on this proposal, & if you or anyone wants to discuss this matter for clarification, please feel free to contact me at the above address or telephone number. Thank you for your consideration in moving toward a resolution of this issue.

Sincerely,


Phillip L. Gerwig

cc: Ohio Consumers' Counsel
Ohio Rep. Jay Goyal

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