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FILE

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October 6, 2008

Ms. Betty McCauley, Docketing Chief
Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street, 13th Floor
Columbus, OH 43215

RECEIVED-DOCKETING DIV
2008 OCT -7 AM 9:38
PUCO


RE: Case No. 08-72-GA-AIR, et.al.

To Whom It May Concern:

Please find enclosed an original and the appropriate number of copies of the *Memorandum Contra Columbia Gas of Ohio's Motion to Strike Objections to the Staff Report of Appalachian Peoples Action Coalition and Ohio Partners for Affordable Energy* in the above-referenced dockets. We do not require a stamped copy.

If you have any questions regarding this document, please feel free to contact me.

Sincerely,



David C. Rinebolt
Counsel

Encl -- 21

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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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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 Service and Related Matters.)	Case No. 08-72-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. 08-73-GA-ALT
In the Matter of the Application of Columbia Gas of Ohio, Inc., for Authority to Approval to Change Accounting Methods.)	Case No. 08-74-GA-AAM
In the Matter of the Application of Columbia Gas of Ohio, Inc., for Authority to Revise its Depreciation Accrual Rates.)	Case No. 08-75-GA-AAM

**MEMORANDUM CONTRA COLUMBIA GAS OF OHIO'S
MOTION TO STRIKE OBJECTIONS TO THE STAFF REPORT OF
APPALACHIAN PEOPLES ACTION COALITION AND OHIO
PARTNERS FOR AFFORDABLE ENERGY**

Introduction

On October 1, 2008, Columbia Gas of Ohio ("COH" or "the Company") filed a Motion to Strike Objections to the Staff Report. Among the objections COH moved to strike were three objections filed by Ohio Partners for Affordable Energy ("OPAE") and the Appalachian Peoples Action Coalition ("APAC") on September 22, 2008. OPAE and APAC hereby file this Memorandum Contra to the motion filed by COH.

Argument

COH moved that three objections filed by APAC/OPAE to the Staff Report should be stricken. The Company argues that because all three objections are also at issue in the five year rule review of the credit and disconnection rules in Case No. 08-723-AU-ORD, they should be stricken in this case. COH indicates it understands the motivations of APAC/OPAE, an assertion we question for a variety of reasons, and comes to the brilliant conclusion that we want to "raise the standards for all utilities." COH Motion to Strike at 5.

Raising the standards of all utilities, whether individually or collectively, is more than adequate motivation and justification for the objections. Leaving that aside, however, the mere fact that issues raised by APAC/OPAE in this case are also relevant to another docket is not, in and of itself, justification to strike the objections. COH never argues that the objection is inappropriate. It simply argues that because rules related to the issue are being reviewed, these issues should be ignored in this case. OPAE has raised similar objections in three previous natural gas rate cases this year. The issue of service quality is inextricably linked to rate issues because satisfying service quality requirements has implications for the cost-of-service. No party has opposed the objections in those cases. The objections are relevant and should not be struck simply because similar issues are being considered in another docket.

Taking the objections individually, APAC/OPAE protests the failure of the Staff Report to forbid the collection of deposits from PIPP customers. As explained in the pleading, COH is immune from losses from PIPP customers as it recovers lost revenue through the PIPP Rider. If the Company is not at risk, charging a deposit only creates an additional financial hardship for a PIPP

customer and advantages no one. The objection is appropriate regardless of whether or not a rule review is ongoing.

Another APAC/OPAE objection deals with the types of payment plans offered by COH. We are well aware that the current credit and disconnection rules and the changes proposed in Case No. 08-723-AU-ORD provide for several payment plans. However, current rules permit utilities to offer other payment plans, a feature retained in the Staff proposed rule revisions. The APAC/OPAE objection seeks to put flesh on the bones of current and future rules by objecting to the failure of the Staff Report to require the Company to consider a customer's energy burden when establishing a repayment plan. This would advantage customers and the Company by increasing the likelihood that a payment-troubled customer pays his or her bill current. *Affordable payment plans make that outcome more likely.* The failure of the Staff Report to require this is a legitimate objection.

The third APAC/OPAE objection COH seeks to strike simply seeks to require the Company to undertake a customer education program to ensure its customers know which payment centers are authorized and will post payments quickly as opposed to unauthorized payment centers which forward collected payments in whenever the envelope is full. Timely payments are important and unauthorized payment centers do not ensure timely payments. At the time COH last filed a rate case, it had hundreds of local customer service offices where customers could pay their bills and receive an immediate credit. Since that case, COH has closed all its customer service offices. The failure of the Staff Report to ensure that COH's new payment centers provide the same level of service by ensuring that customers understand that not all stores that take utility payments are equal in the eyes of the Company is important in this case because COH

chose to close its customer service offices. The fact that this is a generic problem with the industry does not relieve COH from its responsibility to do something about it. The Staff Report failed to require the Company take any action and that is the reason for APAC/OPAE's objection.

Conclusion


APAC/OPAE does not seek a "second bite at the apple" as COH alleges. This is the first rate case the Company has filed since 1993; it has been a long time since we had a bite at all. The three objections COH seeks to strike are consumer protection concerns that were not addressed in the Staff Report. Based on the COH argument, absent the parallel five-year rule review, these objections would be legitimate. APAC/OPAE believes that the objections are legitimate regardless and requests that the Motion to Strike be denied.

Respectfully submitted,



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**On Behalf of Ohio Partners for
Affordable Energy**

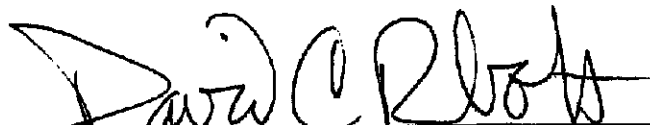


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**Counsel for Appalachian Peoples
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Memorandum Contra to Columbia Gas of Ohio's Motion to Strike Objections to the Staff Report of Investigation of Ohio Partners for Affordable Energy* was served by regular U.S. Mail upon the parties of record identified below in this case on this 6th day of October, 2008.



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