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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Review of the Rules Concerning Long-Term Forecast Reports Contained in Chapters 4901:5-1; 4901:5-3; 4901:5-5 and 4901:5-7, Ohio Administrative Code	)	**Case No. 10-2912-GE-ORD**

REPLY COMMENTS OF COLUMBIA GAS OF OHIO, INC.

On December 15, 2010, the Public Utilities Commission of Ohio ("Commission") issued its initial Entry in this proceeding ("Entry"). Attached to the Entry were the Staff's proposed revisions to the Commission's Rules concerning Long-Term Forecast Reports ("LTFR"). The Entry invited interested parties to comment on the proposed rule changes, and required that comments be filed by January 18, 2011. Columbia Gas of Ohio, Inc. ("Columbia") filed its initial Comments on January 18, 2011.

On January 18, 2011, the Office of the Ohio Consumers' Counsel ("OCC") filed a Motion to Intervene and Comments. In its Comments, the OCC proposes language to the LTFR rules which would require gas utilities to include in the annual reports an analysis on the "economic optimization of energy conservation resources and supply resources" in order to "ensure that gas utilities are utilizing least cost options to meet the customer demand." *Memorandum in Support of Motion to Intervene and Comments*, January 18, 2011 at 1. According to the OCC, imposing additional reporting requirements to the LTFR will assist the PUCO in "quantifying the benefits" of energy efficiency programs. *Id.* at 8. Columbia hereby files the following reply comments.

Administrative rules are meant to amplify the corresponding statute. Here, the administrative rules pertaining to the LTFR amplify section 4935.04 of the Revised Code. Nothing in that statute requires, or even relates to, the evaluation of energy efficiency measures as proposed by the OCC. The OCC's proposed language does not amplify the LTFR statute and therefore, should not be adopted.

The OCC's proposed language to the LTFR rules adds no value to customers. As noted in Columbia's Comments filed on January 18, 2011, utilities that acquire their gas supply through a wholesale or retail auction process are exempt from participating in GCR audits and from filing LTFR. The language proposed by Columbia reflects the terms of the stipulation entered into by all parties of record in Case No. 08-1344-GA-EXM. Given that Columbia and most of the other large distribution companies are no longer filing LTFR as a result of the auction settlements, the information generated by OCC's proposal would be minimal.

The OCC attempts to justify the additional reporting requirements by tying the proposal to the Straight Fixed Variable ("SFV") rate design, however, the OCC fails in its attempt to make the necessary link. The OCC argues that prior to the adoption of a SFV rate design, gas utilities had a disincentive to promote conservation. *Id.* at 5, 7-8. The OCC admits that Ohio's method of allowing a decoupling mechanism only when paired with an energy efficiency program eliminates this "disincentive." *Id.* Columbia, like most other large distribution companies, has an expansive energy efficiency portfolio that was created in collaboration with numerous stakeholders including Commission Staff and the OCC. Columbia collaborates with stakeholders and program implementers in enhancing energy efficiency programs and uses external contractors to evaluate them. The OCC has failed to adequately justify how its proposed additional reporting requirement would enhance economic efficiency. If anything, the additional reporting requirements may act as a barrier to companies increasing energy efficiency efforts.

For the reasons stated above, Columbia respectfully requests that the Commission not adopt the changes to the LTFR rules as proposed by the OCC.

Respectfully submitted by,
COLUMBIA GAS OF OHIO, INC.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Reply Comments of Columbia Gas of Ohio, Inc. was served upon all parties of record by regular U.S. Mail this 1st day of February 2011.

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