

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Columbia Gas of Ohio, Inc. for)	
Approval of a General Exemption of)	
Certain Natural Gas Commodity Sales)	
Services or Ancillary Services from)	Case No. 08-1344-GA-EXM
Chapters 4905, 4909, and 4935 except)	
Sections 4905.10, 4935.01, and 4935.03,)	
and from specified sections of Chapter)	
4933 of the Revised Code.)	

**SUPPLEMENTAL TARIFF REVISIONS
OF COLUMBIA GAS OF OHIO, INC.**

On April 15, 2011, Columbia Gas of Ohio, Inc. ("Columbia") filed a Revised Program Outline in this docket. The revisions reflected Columbia's planned transition from a Standard Service Offer ("SSO") auction to a Standard Choice Offer ("SCO") auction, effective with the first SCO auction to be held on February 14, 2012. Several parties expressed concerns about, or objected to, the transition to an SCO auction. After hearing, the Commission approved Columbia's transition to an SCO auction by Second Opinion and Order issued on September 7, 2011. In accordance with the September 7, 2011 Order Columbia filed its revised tariffs on October 14, 2011. By Entry issued on November 22, 2011 the Commission approved Columbia's revised tariffs.

In preparing for its initial SCO auction Columbia has determined that four tariff sheets are in need of additional revision. The revisions cover two topics. First, clarifications are needed with regard to the applicability of the Percentage of Income Payment Plan ("PIPP") Rider. Second, clarifications are needed with regard to the responsibility for the collection of sales tax exemption certificates and the payment of sales taxes.

PIPP RIDER

As part of the settlement of Columbia's 1994 rate case¹ it was decided that while Columbia's PIPP rider should be generally applicable to most rate schedules, it would be appropriate to exempt from payment of the PIPP Rider those customers who had been transportation service customers prior to the 1994 rate case. Thus, since 1994 Columbia's tariff has provided that those transportation service customers that were transportation service customers prior to June 3, 1994, are exempt from payment of the PIPP Rider. This is currently reflected in Columbia's tariff sheet number 24.

As part of the transition to an SCO auction, the annual throughput requirements for transportation customers will change, effective April 1, 2012. Prior to April 1, 2012, a customer had to use at least 2,000 Mcf per year in order to be eligible to take service under Columbia's General Transportation Service schedule without also subscribing to Backup Service. However, effective April 1, 2012, a customer will have to use at least 6,000 Mcf per year in order to be eligible to take service under Columbia's General Transportation Service schedule without also subscribing to Backup Service. As a result, there will be a number of customers who formerly qualified for service under the General Transportation Service rate schedule that may no longer be able to do so. Because these customers will no longer be transportation service customers they would become subject to the PIPP Rider under the current tariffs. However, the intent of Columbia's stakeholders was that any customer that was a transportation customer prior to April 1, 2012, and who was exempt from payment of the PIPP Rider, should remain exempt from the PIPP Rider after April 1, 2012, regardless of whether or not the customer must subsequently take service under a different rate schedule because of the change in transportation eligibility requirements in Columbia's tariff.

In order to clarify the intent of the stakeholders, a revision to Columbia's tariff tariff sheet number 24 and Section VII tariff sheet number 29 page 1 of 11 is necessary. Clean copies of the proposed tariffs are included in Attachment A, along with a scored copy of the same tariff sheets which highlight the changes.

¹ See PUCO Case No. 94-987-GA-AIR, Opinion and Order (September 29, 1994).

SALES TAX

Prior to the advent of gas transportation programs and CHOICE programs, Columbia sold gas to all of its customers and was responsible for the payment of any taxes associated with the revenues it collected. Columbia, however, is exempt from payment of the sales tax on its revenues, but is instead subject to the payment of the gross receipts tax.

With the advent of the self-help gas transportation program in the 1970s large customers began purchasing their own commodity and Columbia provided only a transportation service. As transportation service evolved and gas marketers became active on Columbia's system marketers often relied upon Columbia to bill their commodity on Columbia's bill. The marketers are not exempt from the payment of sales tax, and the amounts billed by Columbia on behalf of marketers included the marketers' sales tax.

Some of Columbia's transportation customers -- e.g., charitable organizations and government entities -- are exempt from the payment of sales tax. Historically, Columbia has maintained the tax exemption certificates supplied by those transportation customers who claim an exemption from the sales tax because Columbia was doing the billing. As transportation programs expanded, including the initiation of the CHOICE program, Columbia continued to maintain the tax exemption certificates. However, tracking these tax exemption certificates is a cumbersome process and has gotten more cumbersome over time.

SCO customers will be subject to sales tax rather than gross receipts tax on the gas purchased through the SCO auction. With the transition to an SCO auction, the large majority of Columbia's customers will be purchasing their gas from a CHOICE or SCO supplier. It is the CHOICE and SCO suppliers who are ultimately responsible for the payment of the sales tax to the State of Ohio, and they should be responsible for the maintenance of tax exemption certificates for their customers.

With the transition to the SCO auction, now is the appropriate time to ensure that all parties understand that CHOICE and SCO suppliers should be responsible for maintaining the tax exemption certificates for their customers. This

should not be unduly burdensome for the CHOICE and SCO suppliers, because Vectren Energy Delivery Ohio and Dominion East Ohio both already impose this requirement upon CHOICE and SCO suppliers.

Columbia's Revised Program Outline also provides that each SCO Supplier shall be responsible for filing any and all sales tax returns with the appropriate taxing authority(ies).² Additional tariff language is also needed to clarify this responsibility.

The tariff revisions needed to address these sales tax matters are set forth on Section VII tariff sheet number 5 page 3 of 3, and Section VIII tariff sheet number 9 page 1 of 1. Clean copies of the proposed tariffs are included in Attachment A, along with a scored copy of Section VII tariff sheet number 5 page 3 of 3 which highlight the changes. Section VIII tariff sheet number 9 page 1 of 1 is an entirely new tariff sheet.

WHEREFORE, for the reasons stated herein Columbia respectfully requests that the Commission approve the revised tariffs proposed herein.

² See e.g., Revised Program Outline at p. 9.

Respectfully submitted,
COLUMBIA GAS OF OHIO, INC.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Supplemental Tariff Revisions was served upon all parties of record by U.S. mail this 9th day of February, 2012.

/s/ Stephen B. Seiple

Stephen B. Seiple

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ATTACHMENT A

P.U.C.O. No. 2

COLUMBIA GAS OF OHIO, INC.

Eighth Revised Sheet No. 24
Cancels
Seventh Revised Sheet No. 24

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
AND SALE OF GAS**

PIP PLAN TARIFF SCHEDULE RIDER

APPLICABLE:

To all volumes delivered under rate schedules SGS, SGSS, GS, GSS and LGS except for those volumes delivered to Customers taking service under these rate schedules that were Transportation Service Customers prior to April 1, 2012 and were not subject to payment of the PIPP Rider prior to April 1, 2012.

RATE RIDER:

All gas consumed per account per month \$ 0.1274 per Mcf

Filed in accordance with Public Utilities Commission of Ohio Entry dated .

Issued:

Effective:

Issued By
J. W. Partridge Jr., President

~~Eighth~~Seventh Revised Sheet No. 24

Cancels

COLUMBIA GAS OF OHIO, INC.

~~Seventh~~Sixth Revised Sheet No. 24

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
AND SALE OF GAS**

PIP PLAN TARIFF SCHEDULE RIDER

APPLICABLE:

To all volumes delivered under rate schedules SGS, SGSS, GS, GSS and LGS except for those volumes delivered to Customers taking service under these rate schedules that were Transportation Service Customers prior to April 1, 2012 and were not subject to payment of the PIPP Rider prior to April 1, 2012.
~~All Customers accounts save for Customer Accounts established before June 3, 1994 which were exempt from the PIPP rider.~~

RATE RIDER:

All gas consumed per account per month

\$ 0.1274 per Mcf

Filed in accordance with Public Utilities Commission of Ohio Entry dated December 2, 1993 in Case No. 93-1060-BL-POR.

Issued: October 11, 2011

Effective: With bills rendered on or after October 27, 2011

Issued By
J. W. Partridge Jr., President

SECTION VII
PART 5 - RETAIL NATURAL GAS SUPPLIER REQUIREMENTS

5.13 Record Retention

Retail Natural Gas Supplier shall comply with all applicable laws, Commission and Federal Energy Regulatory Commission rules and regulations for record retention.

5.14 Marketing and Solicitation

Each Retail Natural Gas Supplier participating in the Company's CHOICE® Program shall follow the Commission's Rules for Competitive Retail Natural Gas Service unless the Retail Natural Gas Supplier Aggregation Pool is comprised entirely of Mercantile Customers.

5.15 Responsibility for Sales Tax Status of Customers

Each Retail Natural Gas Supplier participating in Company's CHOICE Program has the responsibility for identification of the sales tax status of its customers including, but not limited to: 1) the collection and maintenance of certificates of exemption; 2) the identification of governmental customers exempt from sales tax, but not required to submit certificates of exemption; 3) the submission to the Company via electronic means (as defined by the Company) of information related to the customers' sales tax exemption status; 4) the installation and maintenance of equipment and software required to code customers as being exempt from sales tax for submission to the Company's electronic data file system; and, 5) the processing of retroactive adjustments of bills and pass back of refunds where customers were exempt from the payment of sales tax, but exemptions were not timely recognized. The Company assumes no responsibility or liability for any misapplication of tax-exempt status to a customer. The Retail Natural Gas Supplier shall release, waive and hold the Company harmless for any assessments, penalties, liabilities or claims of any kind whatsoever, related to any misapplication of tax-exempt status to any customer.

5.16 Responsibility for Payment of Sales Tax to State of Ohio

Each Retail Natural Gas Supplier participating in the Company's CHOICE Program is responsible for the payment to the State of Ohio of all sales taxes on gas costs billed by the Company on behalf of the Retail Natural Gas Supplier for the sale of volumes by that Supplier through the Company's CHOICE Program. The Retail Natural Gas Supplier shall release, waive and hold the Company harmless for any assessments, penalties, liabilities or claims of any kind whatsoever, related to the proper and timely reporting and remitting of sales tax collections to the State of Ohio.

Filed in accordance with Public Utilities Commission of Ohio Order dated

Issued:

Effective:

Issued By
J. W. Partridge Jr., President

Columbia Gas of Ohio, Inc.

SECTION VII

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Each Retail Natural Gas Supplier participating in the Company's CHOICE Program is responsible for the payment to the State of Ohio of all sales taxes on gas costs billed by the Company on behalf of the Retail Natural Gas Supplier for the sale of volumes by that Supplier through the Company's CHOICE Program. The Retail Natural Gas Supplier shall release, waive and hold the Company harmless for any assessments, penalties, liabilities or claims of any kind whatsoever, related to the proper and timely reporting and remitting of sales tax collections to the State of Ohio.

Filed in accordance with Public Utilities Commission of Ohio Order dated January 13, 2010 in Case No. 08-1344-GA-EXM

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J. W. Partridge Jr., President

Columbia Gas of Ohio, Inc.

SECTION VII
PART 29 - BILLING ADJUSTMENTS

INTERIM, EMERGENCY AND TEMPORARY
PIP PLAN TARIFF SCHEDULE RIDER

29.1 Applicability

To all volumes delivered under rate schedules FRSGTS, FRGTS and FRLGTS except for those volumes delivered to Customers taking service under these rate schedules that were Transportation Service customers prior to April 1, 2012 and were not subject to payment of the PIPP Rider prior to April 1, 2012.

29.2 Rate

All gas consumed per account per month \$0.1274 per Mcf

Filed in accordance with Public Utilities Commission of Ohio Order dated .

Issued:

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J. W. Partridge Jr., President

Columbia Gas of Ohio, Inc.

SECTION VII
PART 29 - BILLING ADJUSTMENTS

INTERIM, EMERGENCY AND TEMPORARY
PIP PLAN TARIFF SCHEDULE RIDER

29.1 Applicability

To all volumes delivered under rate schedules FRSGTS, FRGTS and FRLGTS except for those volumes delivered to Customers taking service under these rate schedules that were Transportation Service customers prior to April 1, 2012 and were not subject to payment of the PIPP Rider prior to April 1, 2012.

29.2 Rate

All gas consumed per account per month	\$0.1274 per Mcf
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Filed in accordance with Public Utilities Commission of Ohio Order dated December 2, 1993 in Case No. 93-1000-EL-FGR.

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Issued By
J. W. Partridge Jr., President

Columbia Gas of Ohio, Inc.

SECTION VIII
PART 9—RETAIL NATURAL GAS SUPPLIERS SALES TAX RESPONSIBILITIES

9.1 Responsibility for Sales Tax Status of Customers

Each Retail Natural Gas Supplier participating in Company's SCO Program has the responsibility for identification of the sales tax status of its customers including, but not limited to: 1) the collection and maintenance of certificates of exemption; 2) the identification of governmental customers exempt from sales tax, but not required to submit certificates of exemption; 3) the submission to Columbia via electronic means (as defined by the Company) of information related to the customers' sales tax exemption status; 4) the installation and maintenance of equipment and software required to code customers as being exempt from sales tax for submission to Columbia's electronic data file system; and, 5) the processing of retroactive adjustments of bills and pass back of refunds where customers were exempt from the payment of sales tax, but exemptions were not timely recognized. The Company assumes no responsibility or liability for the Retail Natural Gas Supplier's misapplication of tax-exempt status to a customer. The Retail Natural Gas Supplier shall release, waive and hold the Company harmless for any assessments, penalties, liabilities or claims of any kind whatsoever, related to the Retail Natural Gas Supplier's misapplication of tax-exempt status to any customer.

9.2 Responsibility for Payment of Sales Tax to State of Ohio

Each Retail Natural Gas Supplier participating in the Company's SCO Program is responsible for the payment to the State of Ohio of all sales taxes on gas costs billed by Columbia on behalf of the Retail Natural Gas Supplier for the sale of volumes by that Supplier through the Company's SCO Program. The Retail Natural Gas Supplier shall release, waive and hold the Company harmless for any assessments, penalties, liabilities or claims of any kind whatsoever, related to the Retail Natural Gas Supplier's proper and timely reporting and remitting of sales tax collections to the State of Ohio.

Filed in accordance with Public Utilities Commission of Ohio Order dated November 22, 2011 in Case No. 08-1344-GA-EXM.

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Effective: January 1, 2012

Issued By
J. W. Partridge Jr., President

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