

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the)	
Application of the Ohio)	
School Consortium for a)	Case No. 11-6011-GA-WVR
Requested Clarification or)	
Waiver)	

**REPLY COMMENTS OF
COLUMBIA GAS OF OHIO, INC.**

INTRODUCTION

On December 21, 2011, the Ohio School Consortium ("OSC") filed with the Public Utilities Commission of Ohio ("Commission") a Request for Clarification or in the Alternative Waiver Permitting Participating Parochial and Private Schools and Public Libraries to Continue General Transportation Service. On January 5, 2012, Columbia Gas of Ohio, Inc. ("Columbia"), filed a Memorandum Contra to OSC's request. The Staff of Commission ("Staff") filed comments in the above captioned matter on January 12, 2012 which recommended that OSC's request for clarification be denied and the request for Waiver be granted. On that same day, the Office of the Ohio Consumers' Counsel ("OCC") filed a Motion to Intervene. On January 30, 2012, the Commission, by Entry, set forth a procedural schedule requiring interested parties to file for intervention by February 10, 2012 with comments due on February 16, 2012 and reply comments due February 22, 2012. While no additional parties moved to intervene, the OCC filed its comments on February 16, 2012.

Pursuant to the January 30, 2012 Entry of the Commission, Columbia hereby submits the following Reply Comments in response OSC's request for a waiver and to the Staff comments filed on January 12, 2012.

OSC'S REQUEST FOR WAIVER SHOULD BE DENIED

In its comments, Staff recommends that the OSC's request for waiver be granted simply because the OSC has a long history of purchasing natural gas as a single entity. (Staff Comments at 3). Based upon this historical observation, OSC and Staff believe that OSC should continue to be able to purchase gas supplies as

if all of its member schools were public schools, despite the fact that the OSC purchasing group contains both public and parochial schools, not to mention non-school entities (e.g., libraries). This argument, however, is unpersuasive for several reasons.

First, allowing such change this late in the process would require Columbia to go back and make numerous manual adjustments and modify elections that have already been made, placing an additional burden on Columbia and its customers. Neither the Staff nor OSC articulate a valid argument as to why these adjustments and modifications are justifiable.

Second, the language of the Stipulation is clear, and it does not allow for parochial schools and libraries to circumvent the tariff. This Stipulation has been in place since 2009. This has allowed OSC three years to question the definition of "Public School." OSC now wants a waiver of the 100% standby requirement, on the eve of its enforcement. While the OSC's business practice may have been in place for 17 years, the regulatory rules governing those practices have changed. The OSC has acquiesced to the changes for the past three years, and new requirements now govern its consortium of schools and other entities. Historical practice alone is not a sufficient reason to continue that practice in light of contradictory regulatory requirements, especially when the result will have a negative on impact Columbia's operations, and perhaps on other customers. *Further, nothing in the tariff or in the new requirements prohibits the OSC from continuing to purchase supplies as a group.* Therefore, Staff's and OSC's argument that OSC has been purchasing gas supplies as a single group for 17 years is not a sufficient reason for waiving the regulatory agreement that has been in place since 2009.

Additionally, the OSC's argument that "the single bidder pays all of the Columbia Gas of Ohio transportation fees so that the participants in the Ohio School Consortium only pay a single invoice for natural gas service" is an unfounded attempt to imply that each participant enjoys "similar situation" status which obviously they do not recognizing the significant differences between public and private entities, schools and libraries, etc.

Third, allowing the OSC a waiver would create a dangerous precedent with unpredictable and perhaps unlimited results. Columbia lacks reliable information as to the members of the OSC. The group may include other members that do not fit into the public or parochial school categories, such as universities and county offices. These customers are not addressed in the OSC's waiver request, even though they are part of the purchasing group.

Further, Columbia can assume that the OSC has not remained completely static over the years. Institutions have almost certainly been added and removed from the collective group. No doubt that practice will continue during the course of the current Settlement. Allowing OSC to have a waiver for all members of its consortium has implications that any member added to the consortium would receive the same benefits of the waiver. Additionally, such a waiver could encourage parochial schools, other non-public schools, libraries and perhaps other entities to join the OSC. Therefore, allowing such a waiver could cause unpredictable and perhaps unintended results.

Finally, allowing the OSC a waiver would give its members preferential treatment over other similarly situated customers throughout the state. No doubt there are plenty of other private institutions throughout the state that would like a waiver of the standby requirement; however, that is not the way the regulatory agreement was written or approved. Allowing private schools that are part of the OSC to have this waiver would create a great inequity between those schools and the other private schools throughout the state. Moreover, it could potentially encourage other private schools and libraries to join OSC for this reason. Columbia believes this inequity should be avoided. Just because a customer has previously been included in the OSC, or may be included in the future, it does not mean it should receive preferential treatment over other customer schools and libraries that are similarly situated throughout the state.

For the foregoing reasons, Columbia respectfully requests that the OSC Request filed on December 21, 2011 be denied. Columbia is willing to discuss varying options with the OSC regarding private and parochial schools and libraries at the expiration of the 2009 Stipulation.

Respectfully submitted,
COLUMBIA GAS OF OHIO, INC.

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing document was served via electronic mail on the following persons this 22nd day of February, 2012.

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Summary: Reply Reply Comments of Columbia Gas of Ohio, Inc. electronically filed by B. Scott on behalf of Columbia Gas of Ohio