BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Review of Chapter 4901:1-13 of the Ohio Administrative Code, Regarding Minimum Gas Service Standards.	))))	Case No. 13-2225-GA-ORD

COMMENTS OF
THE EAST OHIO GAS COMPANY D/B/A DOMINION EAST OHIO, VECTREN ENERGY DELIVERY OF OHIO, INC. AND COLUMBIA GAS OF OHIO, INC.

I. INTRODUCTION

In accordance with the Commission's February 26, 2014 Entry in this case, The East Ohio Gas Company d/b/a Dominion East Ohio (DEO), Vectren Energy Delivery of Ohio, Inc. (VEDO), and Columbia Gas of Ohio, Inc. (Columbia), together "Companies," jointly file their initial comments to Staff's proposed revisions of Ohio Adm. Code Chapter 4901:1-13.

II. GENERAL COMMENT

The statute applicable to this proceeding, R.C. 119.032(C), instructs the Commission to consider several factors when reviewing its administrative rules, including the following:

> (1) Whether the rule should be continued without amendment . . . ;
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> * * *
>
> (3) Whether the rule needs amendment or rescission to eliminate unnecessary paperwork . . . . ;
>
> (4) Whether the rule duplicates, overlaps with, or conflicts with other rules;
>
> (5) Whether the rule has an adverse impact on businesses . . . , and whether any such adverse impact has been eliminated or reduced.

R.C. 119.032(C); *see* Entry at 1 (Feb. 26, 2014). Similarly, as the Commission recognized in the Entry proposing these rules, the Common Sense Initiative requires the Commission to "attempt to balance the critical objectives of regulation and the cost of compliance by the regulated parties" and to "amend or rescind rules that are unnecessary, ineffective, contradictory, redundant, inefficient, or needlessly burdensome." *Id*. at 2.

It *is* common sense to avoid needlessly burdensome regulation; unfortunately, however, certain proposed revisions to the service standards fail to heed the statutory guidance. As the Commission itself recognized, there has been *no* outcry for revisions to the service standards. The workshop regarding these rules was literally silent. Consumer representatives, all the major gas utilities, and a competitive supplier attended the workshop, but in the Commission's own words, it "received *no significant stakeholder input*" save for a single comment that "pertained more to retail natural gas suppliers . . . than service provided by a gas or natural gas company." *Id*. Att. B at 5 (emphasis added). Nor did Staff give any indication that substantial changes were intended to the rules.

The only objective cited by the Commission underlying the significant changes is "consistency with . . . electric service and safety standards." *Id*. Att. B at 2. Consistency makes sense in some cases, but in many others one size does *not* fit all. As explained in detail below, different utility sectors present different issues, and regulation should be tailored to those differences. In particular, because natural gas is predominantly used for heating (in contrast with electricity and water, which are required year-round), the natural gas industry experiences seasonal swings in service demands that do not apply to other utilities.

In the comments below, the Companies identify the rules and revisions below that run afoul of these principles. The Commission should avoid the needless imposition of costs and burdens and either reject or modify these revisions as requested below.

III. COMMENTS TO PROPOSED RULES

A. Ohio Adm. Code 4901:1-13-02 – Purpose and scope.

Paragraph (J): New paragraph (J) prohibits tariffs from containing certain clauses that either establish or eliminate liability. The paragraph addresses two kinds of clauses:

1. Those that "purport to limit or eliminate liability on the part of the gas or natural gas company to its customers or others as a result of its own negligence when providing a regulated service."
2. Those that "purport to establish liability on the part of the gas or natural gas company's customers for acts or failures to act involving a gas or natural gas company's facilities, which are beyond the control of the customer."

The Companies are not opposed to the thrust of the first sentence, which prohibits general exculpatory clauses applicable to a utility's negligent acts. But its scope is not entirely clear, and the ambiguity of the second sentence raises some serious concerns.

1. The intent and language of the second sentence of the new rule is ambiguous.

First, the intent of the second sentence—which prohibits clauses establishing customer liability for certain acts—is ambiguous. It is not clear to the Companies whether this paragraph is intended to actually *affect* substantive liability issues (*e.g.*, does the rule mean a customer cannot be held liable for certain acts?) or merely to state that certain provisions addressing liability should not be included in tariffs. The Commission's clarification of that point is needed.

Second, the language of the second sentence is ambiguous. It is not clear to the Companies whether the clause "beyond the control of the customer" modifies "acts or failures to act" or "natural gas company facilities." In other words, is it the "act" or the "facility" that must be "beyond the control of the customer" to be governed by the rule? Although the Companies believe that the phrase "beyond the control of the customer" is intended to modify the former ("acts"), the last antecedent is "facilities," which suggests that the phrase modifies "facilities." *See, e.g.*, *Hedges v. Nationwide Mut. Ins. Co.*, 109 Ohio St.3d 70, 2006-Ohio-1926, ¶ 24 ("The rules of grammar are clear that referential and qualifying words and phrases, where no contrary intention appears, refer solely to the last antecedent") (internal brackets, quotations, and ellipses omitted).

If it is the latter construction, the new rule would seem to prohibit reasonable tariff provisions, such as those regarding tampering and damage to service lines. For example, DEO's tariffs make a customer responsible for certain payments and damages in the event of tampering with the company's meter. *See* Rules & Regs. 4th Rev. Sheet K4, ¶ 10. Similarly, DEO's tariffs state that if "a service line must be repaired or replaced as the result of damage to the service line caused by the property owner, customer or another party," the work is "at the expense of the property owner, customer or other party." *Id*. ¶ 24. Columbia also holds customers liable for the cost of repairs for damage done to a customer service line "due to negligence or misuse by the Customer or Customer's agent on the Customer's premise." *See* Columbia Tariff Section III, First Revised Sheet No. 6a. The Companies fail to see how such tariff clauses could be considered unreasonable: they merely make the party who caused damaged responsible for that damage.

But depending on how it is construed, paragraph (J) could arguably be read to prohibit such tariff provisions. If utility-owned facilities are involved, these tariffs arguably make the customer liable for an act involving a facility beyond the customer's control. This also strikes the Companies as an unintended outcome. The Commission should amend the rule as requested below to clarify that these outcomes are not what it had in mind.

2. It is unclear how the rule regarding exculpatory clauses would impact numerous clauses within the Companies' tariffs.

In addition to these ambiguities, it is not clear to the Companies how the new rule regarding exculpatory clauses will impact numerous clauses within their tariffs, particularly provisions that apply only to sophisticated commercial entities like transportation customers or Choice suppliers.

For example, transportation customers and suppliers must warrant title to their gas and hold DEO harmless from any actions arising out of claims to the title of such gas. *See* Gen. Terms & Cond. of Transp. Serv. (GTCTS) ¶ 14.2; Terms & Cond. of Energy Choice Pooling Serv. (ECPS) ¶ 28.2. Likewise, Columbia's tariff requires transportation customers to "indemnify and hold Company harmless" from any suits that arise as a result of the customer's gas failing to meet Columbia's gas quality standards. *See* Columbia Tariff Section VI, First Revised Sheet No. 37. These provisions only apply to sophisticated commercial entities like transportation customers or Choice suppliers. Since gas costs typically dwarf distribution charges for such large customers, denying a utility the right to limit liability from such claims could impose liabilities that far exceed distribution revenues for a substantial portion of a natural gas company's jurisdictional service. Although it may be defensible to prohibit a utility from allocating certain risks to residential customers, the same concerns do not apply when sophisticated commercial counterparties are involved.

Additionally, while an LDC may be held liable for direct damages arising out of negligent acts outside the scope of responsibilities in its tariffs, the same standards should not apply to provisions that seek to limit consequential, incidental, and punitive damage claims. Such provisions are commonly used to prevent such costs from being socialized over the entire customer base. These types of damages are potentially unlimited and very unpredictable. Limiting the service provider's liability in this narrow context does not violate public policy and is justified by the ability of the service provider to provide a reasonable cost of service to the public that would not include the sizeable damages that might otherwise be included in test year cost of service.

To address these concerns, the Companies request that the Commission amend the rule as requested below:

> No tariff of a gas or natural gas company shall incorporate exculpatory clauses that purport to limit or eliminate liability for direct damages on the part of the gas or natural gas company to its residential customers ~~or others~~ as a result of its own negligence when providing a regulated service. No gas or natural gas company tariff shall incorporate provisions which purport to establish liability on the part of the gas or natural gas company's customers for acts or failures to act that are beyond the control of the customer and that involve~~ing~~ a gas or natural gas company's facilities~~, which are beyond the control of the customer~~. Any contrary provisions in a gas or natural gas company's tariff now on file with the commission shall be eliminated.

B. Ohio Adm. Code 4901:1-13-03, Retention of records and access to records and business activities.

Paragraph (E): The proposed rules incorporate records-retention provisions from Rule 4901:1-29-04. Under current Rule 4901:1-29-04(B), natural gas companies and CRNG suppliers are obligated to retain records for *two* years. Under newly revised Rule 4901:1-13-03(E), the retention period for natural gas companies is extended to *three* years. Unless the Commission intends to modify Rule 4901:1-29-04, the rules now create differing retention periods for the same records depending on who holds them (three years for an LDC; only two for a CRNG supplier). This would also be inconsistent with R.C. 119.032(C)(4), which requires the Commission to review "[w]hether the rule duplicates, overlaps with, or conflicts with other rules."

It is not clear whether the differing retention periods are intended, but it seems reasonable that records pertaining to the same customer's service should be subject to the same retention period.

C. Ohio Adm. Code 4901:1-13-04, Metering.

Paragraph (G)(1)(a): The Companies support the revision to this paragraph that would only require a submission regarding meter-reading plans if the plans are being revised, instead of every three years.

D. Ohio Adm. Code 4901:1-13-05, Minimum customer service levels.

Paragraphs (A)(1): The proposed revisions lessen the number of business days in which the Companies may complete a request for new service from five business days to three business days. If this proposal is adopted, it will require substantial increases in the cost of service—this, even though the utilities are aware of no need (or even desire) on the part of customers for the accelerated deadlines, particularly when those deadlines would increase the cost of service that customers would ultimately have to bear. Even the CSI analysis notes the lack of comments regarding the current rules.

The Companies are aware that the electric service rules impose requirements based on three business days, but this is not sufficient reason to impose the same requirement on LDCs. First, as a practical matter, customers must establish electric service before gas service may be turned on. A natural gas furnace cannot operate without electricity, so electric service needs to be established first. The natural gas industry is also subject to seasonal swings in demand that differ from other industries. Unlike electricity, many customers do not require natural gas during warm-weather months, using the commodity only for heating. Indeed, a substantial number of customers voluntarily disconnect service during the summer. The Companies also experience an increase in new service requests in the fall from college students moving and establishing new accounts. Perhaps most notably, the Winter Reconnect Order (WRO) imposes a major drain on the Companies' field resources when cold weather sets in. The WRO not only causes a drastic uptick in reconnection orders, but many customers also change service locations when they use the WRO—and these are the sorts of new service requests that will be subject to the accelerated deadline.

All of these factors lead the Companies to experience a major influx of new service requests in the fall and winter months. In the initial MGSS rulemaking, the Commission recognized this precisely by stating that "peak periods may cause an unintended strain on gas company resources when coupled with the winter reconnect provisions." Case No. 05-602-GA-ORD, 2006 Ohio PUC LEXIS 405, Entry on Rehg. at *7–8 (July 12, 2006).

Unless the Companies substantially increase their staffing, fleet, and other resources, they do not expect that they will be able to comply with the accelerated deadlines during peak times. Increased costs will also be incurred for substantial reprogramming, as the Companies have already programmed and automated their scheduling systems to ensure compliance with the current five-day period. So reducing the number of days that LDCs have to complete new service requests will force the Companies into a dilemma: choose between major cost-of-service increases to satisfy stringent peak-time requirements or simply fail to satisfy the rule.

If the proposed rule change is accepted, it will certainly increase costs. So what is the case for the rule change? The Companies are not aware of it. They are not aware of any substantial issues arising with customers regarding this issue under the existing rules, and their review of online legal databases of formal complaints did not disclose a single complaint regarding the timing of new service orders.

In short, there is no need for the proposed rule change. Without any demonstration of need, the new rule will impose costly burdens on LDCs that will ultimately be borne by customers. Contrary to the Common Sense Initiative, this rule increases "the cost of compliance by the regulated parties," with no showing that "the critical objectives of regulation" are not being met. Entry at 1 (Feb. 26, 2014). Ordering a major, substantive change to the rules makes no sense in this case.

Paragraph (A)(4): The Companies disagree with the rule's implicit reduction of the rescheduling deadline from five business days to three business days for the reasons stated above with respect to paragraph (A)(1).

The Companies also recommend a slight revision to the new language stating that an LDC must notify a customer of a rescheduled completion date "either in writing *or in a manner agreed upon by the parties*." (Emphasis added.) The Companies believe that more flexible language would make more sense, such as permitting a rescheduling notice "in writing or in another manner reasonable under the circumstances." An "agreed upon" method would certainly be reasonable, but the formal steps potentially needed to show compliance with this rule may be unreasonably difficult. If an LDC needed to take steps to secure an express "agreement" regarding the form of a notice, this could actually prove annoying to the customer. A more flexible requirement of "reasonable notice" would make more sense: it would avoid unnecessary formalities while providing the same level of protection to the customer.

Paragraph (C)(3)(c): This new paragraph applies to customers who fail to respond to company notifications and thus have an appointment cancelled. The rule requires LDCs to offer such customers a rescheduled appointment within 48 hours of the call. This rule presents multiple problems. To begin with, fitting in these rescheduled appointments during peak periods will be very difficult and tend to impact LDC compliance with the scheduling rules. And the Companies question why customers who fail to make themselves properly available for an initial appointment should receive *favored* treatment and priority rescheduling. Depending on the volume of appointments, such customers will be permitted to jump ahead of other customers who have called in and scheduled an appointment three to four days in advance.

Such a rescheduling rule could make sense for customers who affirmatively call to reschedule *before* the appointment. But when the Companies have already rolled a truck and begun incurring costs to meet the customer's initial request, and the customer fails to respond, then that customer should not receive special treatment, but simply be required to make a new appointment. Again, the Commission's rules should set proper incentives; this proposal does not.

<u>Paragraph (E)(1)</u>: This paragraph increases the reporting requirements applicable to compliance with minimum service levels from a calendar-year basis to "any two months within any twelve-month period." The Companies strongly oppose this revision.

Such a Proposal Was Rejected When the Rules Were Established. When it first established the service standards, the Commission rejected an identical proposal. *See* Case No. 05-602-GA-ORD, 2006 Ohio PUC LEXIS 405, Entry on Rehg. at *7–8 (July 12, 2006). The Commission rejected a "rolling monthly" reporting requirement in favor of "an average monthly performance level over a 12-month calendar year." *Id*. at *8. It noted several factors in doing so. It recognized that there were many new rules going into effect at that time. *Id*. But it also recognized that "peak periods may cause an unintended strain on gas company resources when coupled with the winter reconnect provisions." *Id*. And it noted that a calendar-year rule "does not prevent its staff from seeking out the performance numbers for any particular month or season" or affect "[t]he statutory authority to review the records of utilities." *Id*.

Things have not substantially changed since the Commission rejected this proposal. LDCs are still subject to the same seasonal strain—and perhaps an even greater strain, if the substantial acceleration of new service completion deadlines (from five to three business days) is adopted. The Staff can still seek monthly data; the Commission's ability to review records remains the same. And while the rules are no longer new, that does not favor Staff's revision: if the calendar-year reporting requirement were posing any issues for Staff's review of LDC performance, one would expect it to have been mentioned it in some form or fashion, including in the informal workshop preceding issuance of the revised rules. But the Companies have received no indication that reporting under the current rules has been ineffective.

The Rule Could Generate Constant Reporting. Given the peak-period issues faced by natural gas companies, the proposed rule could easily generate near-constant reporting. The reporting obligation is not limited to non-compliance in two *consecutive* months, but "*any* two months" in "any twelve-month period." So once a utility misses a standard, constant monthly reporting could follow. For example, if the rule requiring accelerated deadlines for new service requests is adopted, LDCs will struggle to satisfy it in the fall and winter months. If an LDC fails to meet that standard in October 2014, and then again in November 2014, it would be required to notify the Commission monthly of that failure every month until the next October. The Companies fail to see the sense in requiring such reporting month after month after month.

The Rule Is Inconsistent with and Duplicative of Other Rules. The rule is also both inconsistent with *and* duplicative of another proposed addition to the rules.

New paragraph (E)(3) requires an annual report "setting forth the company's actual monthly customer service performance data during the previous calendar year." The Companies are not opposed to this requirement, but the 2-out-of-12 month reporting requirement duplicates it. The annual report under (E)(3) requires the LDC to set forth "actual *monthly* service performance" that year. So monthly data will be available under (E)(3)'s annual report, regardless of any rolling monthly reporting.

But in another way, this requirement is inconsistent with other rules: it requires the Companies to report actual monthly performance throughout a rolling 12-month period. In contrast, Rule 4901:1-13-05(A) and (E)(3) tie reporting to calendar-year measures. The net outcome of the rules is an overabundance of reporting requirements—some rolling, some annual, some at fixed times, some indefinitely repeating—all without any showing of need.

Tighter Reporting Could Be Ordered for Individual Companies. If a given company *does* manifest customer-service problems (as may be detected through biannual audits, annual reports, or other means, such as complaint cases), a more stringent and frequent reporting requirement could make sense for that company. But to require all companies to satisfy increased reporting requirements, with no showing of a history (or even single incident) of non-compliance, is once again a solution in search of a problem. For example, DEO has been through three bi-annual audits since the rules were originally instituted, with no findings of non-compliance.

The only argument offered in the entry is consistency with the electric company rules, but again, the electric industry does not present the same issues of seasonal demand that the natural gas industry does. Contrary to the Common Sense Initiative, these rule changes again increase compliance costs without any showing that the objectives of regulation have been hampered. And contrary to R.C. 119.032(C), these rules will not "eliminate unnecessary paperwork" but generate it. If these rule changes are adopted, and if the Commission expects compliance with them, the undoubted impact will again be substantial increases in the cost of service. Given the absence of any complaint or other data suggesting a need for such an increase in underlying service standards and the frequency of reporting requirements, such cost increases would simply be unjustified.

E. Ohio Adm. Code 4901:1-13-06, Provision of customer rights and obligations.

The Companies disagree with the proposed rule change to require LDCs to provide a summary of rights and obligations anytime a customer opens a new account and "has not received the current version of the summary information." The current rule provides that the summary must be mailed if the summary has not been received "within the preceding year."

While the Companies appreciate the option not to resend the summary if no changes have occurred, adopting this change will require reprogramming of its information systems. The Companies' systems will need to track both: (1) the various versions of the summary that have been in existence; and (2) which version was sent to each customer. The Companies recommend that the rule, to the extent it is maintained, continue the current requirement of providing the summary if it has been more than a year. The rule could be modified to allow those utilities that do track which version has been sent *not* to resend the summary if it has not changed. This could be effected by adding the following language to the end of the rule:

> For purposes of this rule, "new customer" means a customer who opens a new account and has not received such summary information within the preceding year <u>unless the utility is aware that the customer has received the current version of the summary information</u>.

Frankly, in the Companies' view, the most reasonable requirement would be to require provision of the summary *only on request*. The summary is already available on the Companies' respective websites, and it strikes the Companies as doubtful that many customers actually review it. Requiring LDCs to print and mail the summary to new customers, regardless of whether the customer has requested it, strikes the Companies as a needless cost and waste of paper. *See* R.C. 119.032(C)(3) (requiring Commission to consider whether the rule "needs amendment or rescission to eliminate unnecessary paperwork").

F. Ohio Adm. Code 4901:1-13-08, Standards specific to the provision of small commercial gas service.

Paragraph (D)(3)(h): This new paragraph requires disconnection notices to provide "[a] specific description of the reasons for disconnection of service." It is not clear to the Companies what this is intended to require. The existing rules, paragraphs (D)(1)(a)–(c), already require LDCs to state whether certain "conditions exist" that justify disconnection, such as non-compliance with tariffs, the customer's prevention of access to facilities or equipment, or non-payment. A notice that provides this information *already* provides a "specific description of the reasons for disconnection of service."

So if new paragraph (H) is merely restating paragraph (D)(1), the Companies question whether the new rule is even necessary. But if the rule is intended to require expanded narrative detail on disconnection notices, the proposal must be rejected as "needlessly burdensome." *See* Entry at 1 (quoting Common Sense Initiative). Crafting such detailed notices on a case-by-case basis would be very labor intensive and costly, and fitting such expanded detail in an already crowded document would require substantial reprogramming and likely cause customer confusion.

Before the Companies can properly comment on this proposed rule, the Commission should clarify what is intended by it.

G. Ohio Adm. Code 4901:1-13-11, Gas or natural gas company customer billing and payments.

Paragraph (A): This paragraph moves the dual and consolidated billing requirements from O.A.C. 4901:1-29-12. The Companies would like to confirm that the consolidated billing requirement of this paragraph refers to *utility* consolidated billing.

Paragraph (C): A proposed addition to this paragraph requires, "For residential bills being issued from outside the state of Ohio, the due date shall be no less than twenty-one days from the date on the actual bill." While the Companies can appreciate the spirit of this proposal, it will cause major problems if accepted in its current form. Staff is likely concerned about situations in which processing and transit times consume a substantial portion of the customer's time to pay. But the proposed remedy presents major problems and should be rejected.

For example, DEO's current, least-cost bill-print vendor is located outside of Ohio. DEO engaged this vendor in 2013, and the use of the least-cost vendor benefits customers. DEO has proactively addressed any concerns tied to use of an out-of-state vendor. To ensure that its customers receive the bills in a timely manner, DEO specifically negotiated a contract requirement that its vendor deliver all bills overnight to a local post office, which then delivers the bills to customers. Reaching an Ohio postal processing facility within 24 hours is *identical* timing to what would occur if the bills were printed in Ohio. This timing ensures that customers timely receive their bills and have ample time to pay—and no less time, again, than if the bills were printed in Ohio.

So it is unnecessary to add an entire week to the due date, which has major financial impacts on LDCs. It would have a major impact on cash flow, and all things equal such impacts would be reflected in rates through increased working capital requirements. It may also increase the uncollectible expense riders that are collectible from customers by extending the payment period, which will likely drive up arrearages. This is even more likely during times when the winter reconnect order is in effect and an additional ten-day notice is required after the due date before accounts can be terminated. Finally, given the large financial impacts imposed on utilities by a delayed due date, the rule creates a needless incentive to locate printing in-state—even if in-state printing does not represent the least-cost method.

This requirement would also create disparate treatment for ratepayers. Ratepayers who receive electronic bills will not receive the additional seven days, meaning they would have less actual time to pay their bills. Such disparate treatment creates the wrong incentives: by allowing a major extension of due date for paper-billing customers (if the LDC uses an out-of-state vendor), the proposed rule would encourage customers to choose paper over electronic billing. But electronic billing is far and away the least-cost billing option and should be encouraged, not discouraged. The Commission's rules should set incentives to save costs, not needlessly increase them.

Finally, and once again, the Companies are aware of no outcry or complaints justifying such a major change. For example, from their own experience and their review of databases of formal complaints, the Companies are not aware of any complaints regarding a customer's inability to make a payment by the due date on a bill. And again, DEO's own practice shows that the rule is unnecessary: DEO uses an out-of-state vendor and does so without *any* timing impact on its customers.

There are better and less costly ways to address Staff's apparent concern than the proposed remedy. The Companies recommend that paragraph (C) merely conclude: "If an LDC issues bills from outside the state of Ohio, the LDC shall take reasonable steps to ensure timely delivery to customers." This would provide Staff with ample basis to ensure that unreasonable delays do not occur, but would avoid the substantial and unwarranted costs imposed by a seven-day extension of the due date for certain customers.

Paragraph (G)(2): New paragraph (G)(2) changes the payment priority of partial payments on consolidated bills. Under current Rule 4901:1-29-12(F), LDC charges are credited before CRNG charges:

> Partial payments applied towards any past due amount on a bill or the balance due on a disconnection notice must be apportioned [*1*] to past due natural gas company service and delivery charges, [*2*] then to any current natural gas company service and delivery charges, [*3*] before being applied to any retail natural gas supplier or governmental aggregator charges . . . .

The new rule, in contrast, makes past-due CRNG charges first.

Given that all the major LDCs in Ohio purchase the receivables of CRNG suppliers, it is not clear why this change is even being proposed at this time. While there may be issues in the electric markets that necessitate this order of payment posting, the Companies are not aware of any issues in the natural gas market warranting such a change.

If a time comes in which natural gas companies are offering Choice programs but not purchasing CRNG receivables, it may make sense then to consider such a rule change. There is no point to considering it now, however, and the proposed revision should be rejected.

Paragraph J: This paragraph requires LDCs to notify switched customers of "the date after which the billing party will no longer remit payments to the previous retail natural gas supplier and include any outstanding balance due the previous retail natural gas supplier."

Once again, given that all the LDCs who have Choice programs purchase CRNG receivables, this is another rule that seems unnecessary. If the rule did apply, it would require the Companies to create a number of new policies, such as determining and accounting for end dates of remittance and determining how to split payments three ways, which would require substantial reprogramming of its systems. Given that there is no present need for this rule, the Companies do not believe that it should be considered or adopted at this time. If a time comes in which gas LDCs are sponsoring Choice programs and not purchasing receivables, such a rule could be considered. At this time, however, the revision should be rejected.

IV. CONCLUSION

DEO, VEDO, and Columbia appreciate the opportunity to comment on the proposed rules. For the foregoing reasons, the Companies respectfully request that the Commission act in accordance with their comments.

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Respectfully submitted,

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