

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION  
OF COLUMBIA GAS OF OHIO, INC. FOR A  
WAIVER OF OHIO ADM.CODE 4901:1-  
13-11(B)(9).

CASE NO. 16-653-GA-WVR

### SECOND ENTRY ON REHEARING

Entered in the Journal on November 30, 2016

#### I. SUMMARY

{¶ 1} The Commission finds that the application for rehearing filed by the Office of the Ohio Consumers' Counsel should be denied.

#### II. DISCUSSION

{¶ 2} Columbia Gas of Ohio, Inc. (Columbia) is a public utility and natural gas company as defined in R.C. 4905.02 and 4905.03, respectively. Therefore, Columbia is subject to the Commission's jurisdiction.

{¶ 3} R.C. 4909.18 provides, in part, that a public utility may file an application to establish any rate, charge, regulation, or practice. If the Commission determines that the application is not for an increase in any rate and does not appear to be unjust or unreasonable, the Commission may approve the application without the need for a hearing.

##### A. *Procedural Background*

{¶ 4} On January 9, 2013, in Case No. 12-2637-GA-EXM, the Commission approved a stipulation between Columbia, Staff, and other stakeholders to implement billing enhancements for competitive retail natural gas service (CRNGS) suppliers participating in Columbia's CHOICE program. Two of the enhancements, Bill Ready and CHOICE Prepay, require Columbia to bill customers a charge, rather than a rate,

provided by CRNGS suppliers. *In re Columbia Gas of Ohio, Inc.*, Case No. 12-2637-GA-EXM (*Columbia Exemption Case*), Opinion and Order (Jan. 9, 2013).

{¶ 5} On March 25, 2016, in the above-captioned case, Columbia filed an application for a waiver from Ohio Adm.Code 4901:1-13-11(B)(9), which requires that bills issued by or for the gas or natural gas company display the rate for purchase of the gas or natural gas commodity, expressed in dollars and cents per thousand cubic feet or hundred cubic feet (Ccf), reflecting either the gas cost recovery rate or the rate for the commodity service, if the company has been granted an exemption under R.C. 4929.04.

{¶ 6} The Ohio Consumers' Counsel (OCC) filed a motion to intervene and comments in opposition to Columbia's waiver application on April 20, 2016, and May 6, 2016, respectively.

{¶ 7} In an Entry issued on July 20, 2016, the Commission granted Columbia's application for a waiver from Ohio Adm.Code 4901:1-13-11(B)(9). The Commission found that Columbia's proposal to provide a bill message displaying an average rate per Ccf is reasonable for customers with Bill Ready or CHOICE Prepay service. The Commission also ordered that the waiver will end after a temporary, two-year period or sooner, if possible, upon Columbia's completion of billing system changes. Finally, the Commission granted OCC's motion for intervention.

{¶ 8} R.C. 4903.10 states that any party who has entered an appearance in a Commission proceeding may apply for a rehearing with respect to any matters determined therein by filing an application within 30 days after the entry of the order upon the Commission's journal.

{¶ 9} On August 19, 2016, OCC filed an application for rehearing of the Commission's July 20, 2016 Entry.

{¶ 10} On August 29, 2016, Columbia filed a memorandum contra the application for rehearing.

{¶ 11} In an Entry on Rehearing dated September 14, 2016, the Commission granted rehearing for further consideration of the matters specified in OCC's application for rehearing.

{¶ 12} The Commission has reviewed and considered all of the arguments raised in OCC's application for rehearing. Any argument raised on rehearing that is not specifically discussed herein has been thoroughly and adequately considered by the Commission and should be denied.

**B. *Consideration of the Application for Rehearing***

{¶ 13} As its first assignment of error in the application for rehearing, OCC contends that the Commission allowed Columbia's noncompliance with R.C. 4929.22(C)(2), which requires that bills include, "[t]o the maximum extent practicable, separate listing of each service component to enable a customer to recalculate its bill for accuracy." OCC asserts that a customer cannot recalculate a bill for accuracy based only on the number of Ccfs consumed and the total supplier charge; rather, the bill should also include the marketer's rate. Further, OCC argues that a price-to-compare identifying the standard choice offer (SCO) should be included on the bill, so that a consumer can compare the SCO to offers made by marketers. OCC states that the Commission erred when it concluded that by providing the average rate, Columbia has enabled consumers to recalculate bills as required by R.C. 4929.22.

{¶ 14} In its memorandum contra, Columbia observes that OCC's comments opposing the waiver request already asserted that the marketer's rate and SCO must be included on Columbia's bills. Columbia contends that, because these are not new arguments, the Commission should reject the assignment of error. Columbia asserts that the Commission correctly concluded that it would not be practicable for Columbia to

immediately provide CRNGS rate information for Bill Ready and CHOICE Prepay, and that at least a year is needed to implement the required billing changes.

{¶ 15} The Commission concurs with Columbia that OCC has raised the same arguments previously, which have already been considered and rejected by the Commission. In response to OCC's prior arguments, the Commission concluded that Columbia's proposal to provide, on Bill Ready or CHOICE Prepay customer bills, the average price paid for the natural gas commodity per Ccf, along with the customer's usage information, is not inconsistent with the statute and will enable the customer to recalculate the bill for accuracy, as required by R.C. 4929.22(C)(2). July 20, 2016 Entry at 6. Further, given Columbia's estimate that it will need at least a year to implement the billing revisions, we reiterate that a maximum two-year waiver is suitable for the necessary software changes, and for Columbia to obtain and determine how to provide rate information from CRNGS suppliers that is appropriate for Bill Ready and CHOICE Prepay service. Finally, we reemphasize that a waiver case is not the appropriate forum for requesting that the SCO price be included on customer bills; rather, such a request should be made during the Commission's next review of Ohio Adm.Code Chapter 4901:1-13 or any other applicable chapter of the Commission's rules. July 20, 2016 Entry at 6. Therefore, OCC's first assignment of error should be denied.

{¶ 16} As its second assignment of error, OCC contends that the Commission did not, as required by R.C. 4903.09, have a complete record or explain the reasons supporting its decision to grant a two-year waiver. OCC notes that neither Columbia nor any other party submitted evidence demonstrating how long it should reasonably take to reprogram Columbia's billing system. OCC asserts that the Commission should reopen the record and require Columbia to show good cause for the waiver and to establish a reasonable time period to comply with Ohio Adm.Code 4901:1-13-11(B)(9). Further, citing Case Nos. 16-650-GA-UNC and 16-1444-GA-UNC, OCC argues that Columbia has demonstrated that it has the ability to modify its bills and implement those modifications

in far less than two years. OCC contends that, because Columbia has previously requested that bill formatting updates take effect on the 46th day after the application is filed, Columbia has the ability to reprogram its billing system “in a matter of weeks or months, not years.”

{¶ 17} In response, Columbia emphasizes that the stipulation in the *Columbia Exemption Case* “never contemplated that Columbia would reprogram its billing system to include \* \* \* CRNGS rate information,” so no evidence was submitted concerning how much time would be needed for such reprogramming. Columbia observes that, in the July 20, 2016 Entry, the Commission recognized that time is needed for Columbia to implement necessary software changes, and to obtain and determine how to provide rate information from CRNGS suppliers for Bill Ready and CHOICE Prepay customers. Columbia reasserts that it needs at least a year to fully implement the billing system changes required by the Entry.

{¶ 18} The Commission finds no merit in OCC’s second assignment of error. Consistent with R.C. 4903.09, the basis for our decision was fully set forth in the July 20, 2016 Entry. July 20, 2016 Entry at 5-6. We emphasize that the Commission granted the waiver for “two years from the date of \* \* \* [the] Entry, or upon implementation of the necessary billing system changes, *whichever is sooner*,” and we directed Columbia to file correspondence confirming that the implementation has occurred. July 20, 2016 Entry at 1, 6, 7. Thus, we emphasized, throughout the Entry, that Columbia should implement the billing system changes as soon as possible, but no later than two years from the date of the Entry. Regarding OCC’s arguments concerning Case Nos. 16-650-GA-UNC and 16-1444-GA-UNC, we note that, in those cases, Columbia applied for Commission approval of revisions to make Columbia’s bill format more understandable and to revise the language in its termination notice. Columbia specifically requested that the changes take effect subject to the 45-day auto-approval process in Ohio Adm.Code 4901:1-13-11(D). However, Columbia’s display of the rate for purchase of the gas or natural gas

commodity on its bill is a different matter, and, according to Columbia, could take at least a year to implement the necessary software changes. In sum, OCC's second assignment of error should be denied.

{¶ 19} As its third assignment of error, OCC argues that the Commission erred by granting the waiver request when Columbia did not, as required by Ohio Adm.Code 4901:1-29-02(C), show good cause for the waiver. OCC contends that Columbia failed to provide evidence that it cannot currently, or for two more years, comply with Ohio Adm.Code 4901:1-13-11(B)(9). Furthermore, OCC asserts that Columbia has provided marketer rate information on bills since the inception of customer choice in the mid-1990s.

{¶ 20} In reply, Columbia asserts that, without citing any Commission precedent, OCC contends that the "good cause" standard to grant a rule waiver requires a Commission finding that a utility cannot comply with the rule. Columbia notes that, in Case No. 14-2203-GA-WVR, the Commission found good cause to grant the request of The East Ohio Gas Company d/b/a Dominion East Ohio (DEO) for a rule waiver for time to reprogram its billing information system. *In re The East Ohio Gas Company d/b/a Dominion East Ohio*, Case No. 14-2203-GA-WVR, Entry (May 20, 2015). Columbia adds that the stipulation in the *Columbia Exemption Case*, as approved by the Commission, contemplated that a waiver might be needed to implement the CRNGS provider billing provisions of the stipulation. Thus, Columbia argues that good cause exists to simply carry out the provisions of the stipulation. Columbia further adds that the July 20, 2016 Entry recognized that billing system changes need time for implementation, so a temporary waiver of a maximum of two years was appropriate.

{¶ 21} The Commission does not agree with OCC's contention that Columbia failed to demonstrate good cause for the requested waiver. The Commission noted in the July 20, 2016 Entry that Ohio Adm.Code 4901:1-13-02(C) provides that the Commission may, upon an application or a motion filed by a party, waive any requirement of Ohio Adm.Code Chapter 4901:1-13, other than a requirement mandated by statute, for good

cause shown. We found that it was appropriate to grant the waiver requested by Columbia on a temporary basis, in order to afford Columbia a reasonable period of time in which to work with CRNGS suppliers to obtain the actual rate for commodity service, whether fixed or per Ccf, and reprogram its billing system to display the rate on customer bills. June 20, 2016 Entry at 5-6. Therefore, OCC's third assignment of error should be denied.

### III. ORDER

{¶ 22} It is, therefore,


{¶ 23} ORDERED, That OCC's application for rehearing be denied. It is, further,

{¶ 24} ORDERED, That a copy of this Second Entry on Rehearing be served upon all parties of record.

#### THE PUBLIC UTILITIES COMMISSION OF OHIO



Asim Z. Haque, Chairman

  
Lynn Slaby

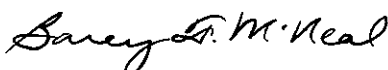
  
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Barcy F. McNeal  
Secretary