

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.

CASE NO. 08-1344-GA-EXM

IN THE MATTER OF THE APPLICATION TO
MODIFY, IN ACCORDANCE WITH R.C.
4929.08, THE EXEMPTION GRANTED
COLUMBIA GAS OF OHIO, INC., IN CASE
No. 08-1344-GA-EXM.

CASE NO. 12-2637-GA-EXM

FINDING AND ORDER

Entered in the Journal on February 1, 2017

I. SUMMARY

{¶ 1} The Commission authorizes Columbia Gas of Ohio, Inc. to file tariffs that incorporate the rate resulting from the auction to procure generation supply for standard choice offer customers.

II. DISCUSSION

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

{¶ 3} R.C. 4929.04 authorizes the Commission, upon the application of a natural gas company, to exempt any commodity sales service or ancillary service from all provisions of R.C. Chapters 4905, 4909, and 4935, with certain exceptions; from specified sections of R.C. Chapter 4933; and from any rule or order issued under those chapters or sections, including the obligation under R.C. 4905.22 to provide the commodity sales service or ancillary service, and subject to certain requirements.

{¶ 4} On January 30, 2009, in Case No. 08-1344-GA-EXM, Columbia filed an application, pursuant to R.C. 4929.04, for approval of a general exemption of certain natural

gas commodity sales from specified provisions contained in R.C. Chapters 4905, 4909, 4933, and 4935.

{¶ 5} On December 2, 2009, in Case No. 08-1344-GA-EXM, the Commission approved the terms of a stipulation and recommendation (stipulation) filed by various parties on October 7, 2009, in response to Columbia's application. On January 9, 2013, in Case No. 12-2637-GA-EXM, the Commission approved amendments to the stipulation, which, as amended, provides that Columbia will hold auctions to secure natural gas supplies for standard choice offer (SCO) customers.

{¶ 6} On January 31, 2017, Staff filed a post-auction report (Staff Report), detailing the results of Columbia's auction held on January 31, 2017, to establish the SCO rate for the period of April 1, 2017, through March 31, 2018. The Staff Report contains a round-by-round description of the auction. Based on its observations, Staff concludes that the auction was fair and devoid of any indications of collusion or other anomalies and was an accurate reflection of the natural gas market at the time of the auction, resulting in a retail price adjustment (RPA) of \$1.45 per thousand cubic feet (Mcf).¹ The Staff Report recommends that the Commission approve the auction result and authorize Columbia to revise its current SCO and default sales service (DSS)² rates to incorporate the RPA of \$1.45 per Mcf, beginning April 1, 2017.

{¶ 7} The Commission has reviewed the Staff Report and the auction results and agrees with Staff's conclusion that the auction results are reasonable and should be approved. Columbia is authorized to implement its SCO and DSS rates based on the RPA of \$1.45 per Mcf and to enter into the necessary arrangements with the winning bidders.

¹ The SCO rate is determined by adding the RPA determined through the auction to the monthly New York Mercantile Exchange settlement price for natural gas futures.

² DSS customers include percentage of income payment plan customers and customers otherwise ineligible for the Choice program. The rate charged to DSS customers is identical to the SCO rate determined through the auction.

Columbia is further authorized to file the final tariffs necessary to implement the terms of this Finding and Order.

{¶ 8} Unless otherwise ordered by the Commission, the SCO and DSS rates are approved for the period of April 1, 2017, through March 31, 2018. During that time, the Commission reserves all authority to exercise its oversight and specifically reserves the right to terminate the SCO and DSS mechanisms and to implement an alternative pricing methodology at any time, if circumstances warrant.

{¶ 9} On February 1, 2017, Staff filed a motion for protective order, pursuant to Ohio Adm.Code 4901-1-24, requesting that the names of the participating or winning bidders be kept confidential for a period of 15 days from the date of the Finding and Order. In support of its motion, Staff states that this confidentiality should be maintained in order to protect the bidders' positions in negotiations with pipelines for the incremental capacity necessary to meet their obligations as SCO suppliers. The Commission finds that Staff's motion for protective order is reasonable and should be granted.

III. ORDER

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That Columbia is authorized to revise its existing SCO and DSS rates, consistent with Paragraphs 7 and 8, for a 12-month period beginning April 1, 2017. It is, further,

{¶ 12} ORDERED, That Columbia is authorized to file tariffs, in final form, consistent with this Finding and Order. Columbia shall file one copy in this case docket and one copy in its TRF docket. It is, further,

{¶ 13} ORDERED, That the effective date of the new tariffs shall be a date not earlier than April 1, 2017. It is, further,

{¶ 14} ORDERED, That Columbia shall notify all affected customers via bill message or bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least ten days prior to its distribution to customers. It is, further,

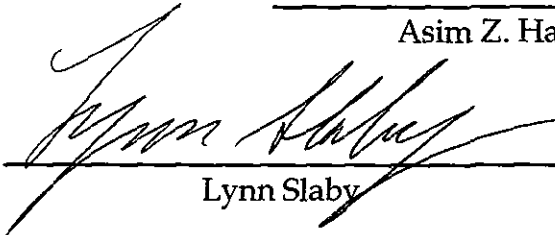
{¶ 15} ORDERED, That in accordance with Paragraph 9, Staff's motion for protective order be granted and the identities of the participating bidders be treated as confidential for a period of 15 days from the date of this Finding and Order. It is, further,

{¶ 16} ORDERED, That a copy of this Finding and Order be served upon all parties and interested persons of record in this proceeding.

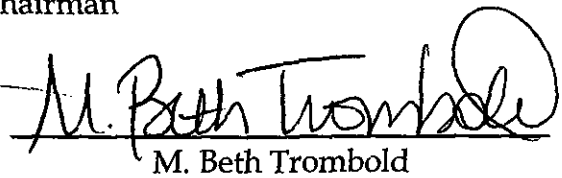
THE PUBLIC UTILITIES COMMISSION OF OHIO



Asim Z. Haque, Chairman



Lynn Slaby



M. Beth Trombold




Thomas W. Johnson

LDJ/vrm

Entered in the Journal

FEB 01 2017



Barcy F. McNeal
Secretary