**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Application of **Columbia Gas of Ohio, Inc.** for Recovery of Base Chip Transition Cost | ::: | Case No. **13-778-GA-UNC** |

**COMMENTS**

SUBMITTED ON BEHALF OF THE STAFF OF

THE PUBLIC UTILITIES COMMISSION OF OHIO

# INTRODUCTION

 The Commission, in Case No. 08-1344-GA-EXM, adopted the stipulation by an Opinion and Order dated December 2, 2009. The 2009 Stipulation permits Columbia to apply for recovery of the base chip portion of the transition adjustment from Columbia’s purchase gas adjustment (PGA) mechanism to the gas cost recovery (GCR) mechanism. The Commission, in Case No. 80-212-GA-GCR recognized that Columbia would incur a gas cost attributed to the changing from a purchase gas adjustment (PGA) to the gas cost recovery (GCR). The Commission ordered the refund of the base chip transition adjust­ment of $8,199,476. The Commission stated that should the GCR mechanism continue until Columbia goes out of business, the appropriate time to address the recovery of the base chip is when that event occurs.

 Columbia’s GCR mechanism terminated on April 1, 2010, when Columbia began purchasing and selling gas by means of an auction process. In recognition of the fact that the GCR mechanism would be terminated April 1, 2010, the parties in Case No. 08-1344-GA-EXM agreed that:

At the end of the initial term of the Stipulation (March 31, 2013), if a pattern of auctions has taken place so that it appears that Columbia will not be returning to the GCR mechanism, then Columbia may apply for, and the signatory Parties will support, recovery of the base chip portion of the transition adjustment from the prior Purchase gas adjustment (“PGA”) mechanism to the GCR mechanism, which recovery the Parties agree would be in accordance with the Commis­sion’s Opinion and Order, at pages 5-11, in Case No. 80-212-GA-GCR (April 14, 1981). However, OCC reserves the right to oppose Columbia’s base chip application in conjunction with its opposition of an SCO auction.[[1]](#footnote-1)

# ANALYSIS AND RECOMMENDATIONS

 Staff reviewed the filling for accuracy and reasonableness. The rates appear to be accurately calculated using appropriate rate determinants and appropriate methodology. Columbia proposes to recover the base chip transition cost through the Choice Standard Service Reconciliation Rider, this would add approximately $0.05 per Mcf for a twelve month period. Staff supports approval of the rates as filed.

Respectfully submitted,

**Michael DeWine**

Ohio Attorney General

**William L. Wright**

Section Chief

/s/ Stephen A. Reilly

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# PROOF OF SERVICE

 I hereby certify that a true copy of the foregoing **Comments** submitted on behalf of the Staff of the Public Utilities Commis­sion of Ohio,was served by regular U.S. mail, postage pre­paid, or hand-delivered, upon the following Parties of Record, this 31st day of May, 2013.

/s/ Stephen A. Reilly

Assistant Attorney General

**Parties of Record:**

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1. *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 (Joint Stipulation and Recommendation at 16) (October 7, 2009). [↑](#footnote-ref-1)