

LARGE FILING SEPERATOR SHEET

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SECTION VII
PART 15 - CODE OF CONDUCT

- 6) Provide Residential Customers and Commercial Customers that are not Mercantile Customers or a Cooperative member customer a "regulatory out" provision in all contracts which allows contracts to be terminated without penalty should the Columbia Customer CHOICESM be terminated prior to the end of the contract term.
- 7) To the maximum extent possible provide Company and Residential Customers and those Commercial Customers that are not Mercantile Customers or a Cooperative at least forty-five (45) days notice of the Retail Natural Gas Supplier or Governmental Aggregator's intent to discontinue service to the customer where Retail Natural Gas Supplier or Governmental Aggregator's intent is to discontinue service prior to fulfillment of contract.
- 8) To the maximum extent possible attempt to resolve disputes between the Retail Natural Gas Supplier or Governmental Aggregator and Residential Customers and those Commercial Customers that are not Mercantile Customers.
- 9) Comply with the Contract Renewal Requirements set forth in Section VII, Part 10 of this tariff.
- 10) Provide the Commission timely and accurate information and updates of information necessary for the development of the Commission's "Apples to Apples" price comparison chart of Retail Natural Gas Supplier's commodity sales offers to Residential Customers.
- 11) Comply with the Customer Enrollment Process tariff provisions set forth in Section VII, Part 7 of this tariff.

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Columbia Gas of Ohio, Inc.

SECTION VII

PART 16 - DAILY DELIVERY REQUIREMENTS

16.1 Daily Delivery Requirements

Unless otherwise directed by Columbia, each Retail Natural Gas Supplier shall deliver to Columbia on a firm basis, gas volumes according to the Demand Curve for each of the Retail Natural Gas Supplier's Aggregation Pools.

For each Aggregation Pool for which a Retail Natural Gas Supplier elects Non-Temperature Balancing Service the Retail Natural Gas Supplier must deliver each day the volume projected by the Demand Curve, at the actual temperature experienced, as provided by Columbia on the day after the Gas Day.

For each Aggregation Pool for which a Retail Natural Gas Supplier elects Full Balancing Service the Retail Natural Gas Supplier must deliver each day the volume projected by the Demand Curve at the temperature projected on the day preceding the Gas Day. For each Aggregation Pool, the Retail Natural Gas Supplier shall deliver gas to Columbia in the TCO Market Area in which the Aggregation Pool is located.

Columbia may modify the Demand Curves during the calendar months of October and November to provide for deliveries by the Retail Natural Gas Supplier that are less than the projected consumption level of Retail Natural Gas Supplier's Aggregation Pool. Likewise, the Company may modify the demand curve during the months of May through August to offset any such planned under-deliveries in the months of October and November.

Columbia may revise the Demand Curves, as it deems necessary for operational reasons. Any Retail Natural Gas Supplier which fails to deliver gas volumes in accordance with the Demand Curve may be suspended or excluded from participation in the program.

16.2 Impact of Peaking Service on Demand Curves

During the period November 1, 2004 through November 1, 2008, Columbia shall provide CHOICE Retail Natural Gas Suppliers a firm peaking service, at no additional cost, based upon each Retail Natural Gas Supplier's CHOICE balancing service election for each Aggregation Pool. Each Aggregation Pool for which the Retail Natural Gas Supplier elects Non-Temperature Balancing Service will be provided a peaking service equal to approximately 18% of the Design Demand of the Aggregation Pool. Each Aggregation Pool for which the Retail Natural Gas Supplier elects Full Balancing Service will be provided a peaking service equal to approximately 34% of the Design Demand of the Aggregation Pool. Commodity volumes provided by Columbia under this peaking service shall be accounted for as part of the Retail Natural Gas Supplier's total actual consumption for each Aggregation Pool in the Annual Reconciliation as described in Section 7, Part 23, Page 1 of this tariff.

Columbia shall modify the Demand Curve for each Aggregation Pool to reflect Columbia's provision of the peaking service. For each Aggregation Pool for which the Retail Natural Gas Supplier elects Non-Temperature Balancing, the Demand Curve shall remain constant between: (1) the Design Temperature; and, (2) the temperature at which the Demand Curve is equal to approximately 82% of the Design Demand of the

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Aggregation Pool. For each Aggregation Pool for which the Retail Natural Gas Supplier elects Full Balancing, the Demand Curve shall remain constant between: (1) the Design Temperature; and, (2) the temperature at which the Demand Curve is equal to approximately 66% of the Design Demand of the Aggregation Pool.

At temperatures colder than the Design Temperature, Columbia shall modify the Demand Curve downward by approximately 18% or 34% of the Design Demand of the Aggregation Pool, respectively, for Pools for which the Retail Natural Gas Supplier elected Non-Temperature Balancing or Full Balancing. Below the Design Temperature, the Demand Curve, thus modified, increases as temperature decreases.

16.3 Delivery Options on Days Colder than Design Temperature

On days with temperatures colder than the Design Temperature, the Retail Natural Gas Supplier may: 1) deliver to Columbia the volume of gas equal to the modified Demand Curve; or, 2) deliver to Columbia only that volume equal to the Design Demand less the peaking volume provided by Columbia. Under the first option, the delivery volume increases as temperature decreases below the Design Temperature. Under the second option, the delivery volume remains constant, and the Retail Natural Gas Supplier relies on Columbia to acquire the incremental volume. If the Retail Natural Gas Supplier selects the second option, the Retail Natural Gas Supplier will pay Columbia for its costs in obtaining the incremental supply. Failure of a Retail Natural Gas Supplier to deliver volumes in accordance with its selected option shall be grounds for termination from the Columbia CHOICE[®] Program.

16.4 Delivery by Market Area

Retail Natural Gas Suppliers shall deliver on a firm basis, sufficient supplies of natural gas to meet the Demand Curves of their Aggregation Pools. For each Aggregation Pool, such delivery shall be made at Columbia receipt points within the specific Columbia Gas Transmission Corporation Market Area in which the Aggregation Pool is located.

16.5 Request For An Alternate Delivery Point

Columbia will consider, to the extent operationally feasible, Retail Natural Gas Supplier requests to deliver supplies to Columbia receipt points from interstate pipelines other than Columbia Gas Transmission Corporation, on a case-by-case basis. Such requests shall be for deliveries to satisfy Aggregation Pool requirements in the same Columbia Gas Transmission Corporation Market Area in which the requested alternate delivery point is located.

16.6 Verification of Retail Natural Gas Supplier's Firm Capacity Contracts in Constrained Market Areas

During the second and third quarter of any year, Columbia may require any Retail Natural Gas Supplier to provide an explanation of how it plans to serve its Aggregation Pools located in Constrained Market Areas, as identified by Columbia, during the upcoming winter months, November through March. As part of the explanation, the Retail Natural Gas Supplier will provide proof that for each Aggregation Pool: (1) the Retail Natural Gas Supplier has contracted upstream pipeline capacity with volume equal to the Design

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Demand of the Aggregation Pool, less the volume of peaking service provided by Columbia, and (2) the capacity has primary firm delivery points in the Market Area in which the Aggregation Pool is located. Retail Natural Gas Suppliers shall provide the requested proof to Columbia within twenty (20) days of Columbia's request.

Each Retail Natural Gas Supplier also agrees to assist Columbia when requested to answer any questions Columbia receives from the Commission or the Office of the Consumers' Counsel with regard to reliability of service in Market Areas constrained by upstream transportation capacity.

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SECTION VII

PART 17 - CAPACITY ASSIGNMENT OPTION

17.1 Capacity Cost Responsibility

Retail Natural Gas Suppliers participating in Columbia's CHOICE[®] Program will choose annually between Full Balancing Service or Non-Temperature Balancing Service for each of their Aggregation Pools. Retail Natural Gas Suppliers may elect assignment of firm interstate transportation and storage capacity. Using these Balancing Service and capacity assignment elections, each Retail Natural Gas Supplier shall be responsible for no less than 75% of the design peak day capacity demand cost for that Retail Natural Gas Supplier's CHOICE customers ("75% Capacity Cost Responsibility"). The Retail Natural Gas Suppliers assumption of the 75% Capacity Cost Responsibility is predicated upon the Retail Natural Gas Suppliers having the flexibility, in each Retail Natural Gas Supplier's sole discretion, to: (a) discharge the 75% Capacity Cost Responsibility by electing to take assignment of a combination of CHOICE-related capacity demand and balancing services; (b) designate how much capacity demand to take in each market area to meet its 75% Capacity Cost Responsibility; and (c) elect any combination of firm transportation service or storage transportation it chooses to fulfill its 75% Capacity Cost Responsibility. Each Retail Natural Gas Supplier shall have the sole discretion as to how to meet the 75% Capacity Cost Requirement, including without limitation, by using any combination of capacity or storage assignment from Columbia, including the purchase of balancing service, up to the limits per aggregation group set forth elsewhere in these tariffs.

That portion of Retail Natural Gas Suppliers capacity requirements required for provision of service to Cooperatives served under Columbia's FRCTS rate schedule is not subject to the 75% Capacity Cost Responsibility provision. Retail Natural Gas Supplier's that provide service to Cooperatives served under FRCTS must subscribe to Columbia's Full Balancing Service and pay those rates set forth in Section 7, Part 31 of this tariff. Retail Natural Gas Suppliers providing service to Cooperatives served under FRCTS may elect the assignment of capacity in accordance with Section 7, Part 17 of this tariff with no recognition of this election being made in determination of that Retail Natural Gas Supplier's compliance with the 75% Capacity Cost Responsibility requirement.

The design peak day capacity demand cost for a Retail Natural Gas Supplier shall equal the total Design Demand for all of the Retail Natural Gas Supplier's Aggregation Pools, multiplied by the system average unit demand cost of all pipeline capacity contracted for by Columbia. The unit demand cost is the total annual demand cost of the firm capacity for which Columbia has contracted, divided by the peak day volume of the capacity.

Each month Columbia will review each CHOICE Retail Natural Gas Supplier's balancing service and capacity assignment elections to determine whether each Retail Natural Gas Supplier has met its 75% Capacity Cost Responsibility. To determine if a Retail Natural Gas Supplier has met its 75% Capacity Cost Responsibility Columbia will calculate the sum of: (a) the annualized firm pipeline demand charges resulting from capacity assignments made to the Retail Natural Gas Supplier pursuant to this tariff for all of its Aggregation Pools, plus (b), the annualized CHOICE balancing service charges, based on normal weather, projected to be paid during the next 12 months by the Retail Natural Gas Supplier for all of its Aggregation Pools. This total must equal 75% or more of the design peak day capacity demand cost associated with the Retail Natural Gas Supplier's Aggregation Pools. If in any month, the results of this review indicate that the Retail Natural Gas Supplier's total cost is less than its 75% Capacity Cost Responsibility, the Retail Natural Gas Supplier shall revise its elections for one or more of its Aggregation Pools to eliminate the cost deficiency. On or about the 20th day of the month, Columbia will provide to each

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Retail Natural Gas Supplier a spreadsheet application that shows the peak day demand of the Retail Natural Gas Supplier's CHOICE customers, balancing service election(s), any existing capacity assignments, the Retail Natural Gas Supplier's annualized capacity assignment and balancing service costs by TCO market area and the aggregate total. Retail Natural Gas Suppliers shall have two business days to increase the capacity assignment percentages, if necessary, such that the aggregate calculated percent cost responsibility is equal to or greater than 75%. Should a Retail Natural Gas Supplier fail to adjust the capacity assignment percentages to meet the aggregate 75% Capacity Cost Responsibility level, Columbia will adjust the Retail Natural Gas Supplier's capacity assignments and/or balancing options to meet this minimum requirement.

To the extent that Choice marketers or Columbia non-Choice transportation customers have taken assignment of capacity from Columbia, Columbia will pass through to such Choice marketers and Columbia customers their proportionate share of capacity-related refunds received by Columbia, if such refunds relate to the assigned capacity and apply to periods between November 1, 2004 and October 31, 2008. All refunds distributed by Columbia pursuant to this tariff provision will be distributed proportionately based upon the cost of capacity assigned to the total amount of the capacity costs charged to Columbia for the related capacity during the refund period. Neither marketers nor transportation customers shall be entitled to refunds to the extent such marketers or transportation customers have received refunds directly from a pipeline company with regard to the same capacity. No refunds will be issued to Choice marketers or Columbia customers that purchase capacity from Columbia where the total refund received by Columbia is less than \$100,000. Refunds will not be made to Choice marketers or Columbia customers that have terminated participation in Columbia's Choice program or transportation program prior to Columbia's receipt of any refunds. Any refunds under \$100,000, and any refunds not passed through to non-Choice transportation customers or Choice marketers that have terminated participation in Columbia's Choice program, will be credited to the Choice Program Sharing Credit set forth in Section VII, Sheet 29 of this tariff. In the event that the Commission would find in an order or entry that any refund passed on to any party by Columbia pursuant to this paragraph should have instead been credited to Columbia's GCR customers, all parties will return to Columbia all refund amounts subject to said Commission order or entry, and Columbia will then credit such refund amounts to the GCR.

17.2 Balancing Service and Capacity Assignment Elections

No later than March 1, 2005 and no later than March 1st of each year thereafter, through March 1, 2008, each Retail Natural Gas Supplier shall notify Columbia of its Choice balancing service and capacity assignment elections for each Aggregation Pool. The election shall remain in effect for the April through March period following each such notification. Elections of capacity assignment shall be expressed as percentages of the Design Demand, for each Aggregation Pool.

The election that Retail Natural Gas Suppliers will make no later than March 1, 2008, will cover only the period from April 1, 2008 through October 31, 2008.

In the case of both the October 1, 2004 election and the March 1, 2008 election, the 75% Capacity Cost Responsibility shall be determined prospectively for the following 12-month period.

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17.3 Assignment of Capacity

Retail Natural Gas Suppliers may elect the assignment of firm capacity from Columbia under Columbia Gas Transmission Corporation's rate schedules Firm Transportation Service ("FTS"), Firm Storage Service ("FSS") including Storage Service Transportation ("SST") and under Columbia Gulf Transmission Corporation's Rate Schedule FTS-1. Capacity made available for assignment by Columbia for each Aggregation Pool will be equal to the Design Demand for that Aggregation Pool, net of capacity retained by Columbia for the provision of Choice Balancing Services.

Capacity is assigned in accordance with the following provisions:

- (a) Assignments will be priced at the effective maximum pipeline tariff rates.
- (b) Retail Natural Gas Suppliers may elect assignment of FTS capacity in an amount not to exceed 28% of the applicable Aggregation Pool's Design Demand.
- (c) A Retail Natural Gas Supplier that elects assignment of FTS capacity may, at the same time, elect the assignment of associated FTS-1 capacity in quantities equivalent to or less than the FTS capacity elected. All elections of capacity will be adjusted for the impact of retainage.
- (d) All FTS and FTS-1 capacity assignments shall be for terms of twelve (12) months, except when such an assignment would result in the term of the FTS or FTS-1 assignment extending beyond October 31, 2008, in which case the termination date will be October 31, 2008. In the event a Retail Natural Gas Supplier elects assignment of incremental FTS and FTS-1 capacity for an Aggregation Pool for which the Retail Natural Gas Supplier had previously made a capacity election during the previous eleven months, and therefore has an existing capacity assignment, Columbia shall recall the existing capacity assignment and shall replace it with a new assignment that will include the quantities of both the existing capacity assignment and the incremental capacity election. Each month that an incremental quantity of capacity is elected by the Retail Natural Gas Supplier, the Retail Natural Gas Supplier will become obligated to take assignment of FTS for that incremental quantity for a twelve-month period. Columbia shall incorporate the effect of the Retail Natural Gas Supplier's twelve-month capacity obligations into the monthly review of the Retail Natural Gas Supplier's 75% Capacity Cost Responsibility. If the Retail Natural Gas Supplier's annual election quantities and its 75% Capacity Cost Responsibility are met, the Retail Natural Gas Supplier may incrementally elect to reduce its capacity assignment. In such instances, if the Retail Natural Gas Supplier elects to incrementally reduce its capacity assignment, then Columbia shall recall the existing capacity assignment and shall replace it with a new capacity assignment that will include the reduced capacity assignment.
- (e) Retail Natural Gas Suppliers electing Columbia's Non-Temperature Balancing Service for an Aggregation Pool must elect FSS and associated SST capacity equal to at least 36%, but no more than 50%, of the Design Demand of that Aggregation Pool.

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- (f) Retail Natural Gas Suppliers electing Columbia's Full Balancing Service for an Aggregation Pool may elect FSS and associated SST capacity equal to no more than 30% of the Design Demand of that Aggregation Pool.
- (g) Assignments of FSS and SST capacity shall have a term that begins on the first day of the elected month, and continues through the following March 31st. The assigned FSS Seasonal Contract Quantity (SCQ) will be in the same ratio to the assigned Maximum Daily Storage Quantity (MDSQ) as the ratio that exists between the SCQ and the MDSQ in Columbia's FSS contract.
- (h) Retail Natural Gas Suppliers electing FSS capacity assignment shall also be assigned the associated SST capacity. The SST quantity to be assigned for the months of October through March shall be equivalent to the MDSQ of the assigned FSS capacity. The SST quantity assigned for the months April through September shall be equivalent to 50% of the MDSQ of the assigned FSS capacity, rounded up to the nearest whole Dth.
- (i) When assignments of FSS and associated SST capacity become effective in any month other than April, the Retail Natural Gas Supplier will pay Columbia for all related, but unrecovered, FSS and SST demand charges as if the capacity had been assigned on the prior April 1st. These charges will be determined through the use of a relative Demand Cost Recovery Factor (DCRF), which provides for recognition of FSS and SST demand costs previously recovered by Columbia.

The resulting unrecovered demand costs to be paid to Columbia by the Retail Natural Gas Supplier will be equal to twelve months of FSS and SST demand charges on the assigned capacity multiplied by the DCRF listed below for the month in which the capacity assignment became effective.

Effective Month of Assignment	DCRF
May	-2.2%
June	-1.1%
July	2.3%
August	6.4%
September	10.7%
October	15.0%
November	21.0%
December	23.8%
January	22.1%
February	17.2%
March	12.0%
April	0.0%

- j) The percentages of capacity that may be assigned are based on Columbia's current capacity portfolio. Columbia may adjust those percentages to reflect changes in Columbia's capacity portfolio.

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- (k) In addition to the requirements of this tariff, Retail Natural Gas Suppliers that elect assignment of capacity are subject to the terms and conditions of the tariffs of those transmission companies on whose facilities capacity was assigned.

17.4 Storage Gas Inventory Transfers

When assignments of FSS become effective in any month other than April, Columbia will make a corresponding gas inventory transfer in proportion to Columbia's gas storage inventory level on the first day for the effective month of the FSS capacity assignment. The price of the gas transferred by Columbia to the Retail Natural Gas Supplier will be equal to the higher of:

- a) Columbia's applicable LIFO rate, which is the applicable weighted average cost of gas rate from the current year purchase gas activity used by Columbia to value each incremental increase in its gas inventory balance (net injection) for a calendar year; plus gross receipts or other applicable taxes; or,
- b) the price reported in *Platts Inside FERC's Gas Market Report* for the month of inventory transfer, in the monthly report titled "Prices of spot gas delivered to pipelines", under the column heading "Index" for Columbia Gas Transmission Corp., Appalachia" adjusted for the SST Commodity Rate, ST Retainage, FSS Retainage, FSS Injection Charge and gross receipts or other applicable taxes, as reflected in the following formula:

$$\text{Price per Dth Paid to Columbia} = \{(\text{Index Price} / (1 - \text{SST Shrinkage Rate}) + \text{SST Commodity Charge}) / (1 - \text{FSS Shrinkage Rate}) + \text{Injection Charges}\} * (1 + \text{Gross Receipts Tax Rate})$$

Retail Natural Gas Suppliers will be required to pay for such storage gas and any unrecovered demand charges in advance of the first day of the month of the FSS capacity assignment and the associated transfer, unless other arrangements, acceptable to Columbia, have been completed.

Retail Natural Gas Suppliers that take assignment of FSS and SST must meet the following minimum prescribed storage inventory levels for all assigned FSS quantities: a minimum inventory level of 98% at November 1; a minimum inventory level of 30% at February 11th; and a minimum level of 2% on April 1. Retail Natural Gas Suppliers must pre-authorize Columbia Gas Transmission Corporation to provide this inventory information to Columbia for these dates.

17.5 Return of Capacity and Storage Inventory Prior to End of Assignment Term

Columbia may, at its option, recall assigned capacity from a Retail Natural Gas Supplier if that Retail Natural Gas Supplier subsequently ceases its participation in Columbia's Customer CHOICE Program for any reason, as provided in Section VII, Part 15 of this tariff, or if a Retail Natural Gas Supplier assigns some or all of its Customer Group to another party without reassigning the associated capacity to that party. If Columbia recalls FSS capacity under these circumstances, then Columbia shall have the option to buy all or some portion of the storage gas inventory held by the Retail Natural Gas Supplier.

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If Columbia elects to purchase such storage gas inventory, the Marketer shall work with Columbia Gas Transmission Corporation to transfer the gas to Columbia's FSS account. The price paid by Columbia shall be 95% of the price reported in *Platts Inside FERC's Gas Market Report* for the month in which the inventory is transferred, in the monthly report titled "Prices of spot gas delivered to pipelines", under the column heading "Index", for Columbia Gas Transmission Corp., Appalachia adjusted for the SST Commodity, SST Retainage, FSS Retainage and FSS Injection Charge as reflected in the following formula:

$$\text{Price per Dth Paid by Columbia} = 95\% * \{((\text{Index Price} / (1 - \text{SST Shrinkage Rate}) + \text{SST Commodity Charge}) / (1 - \text{FSS Shrinkage Rate}) + \text{Injection Charges})\}$$

In circumstances other than those described above, if a Retail Natural Gas Supplier requests the return of assigned capacity on any day other than on the expiration date of the assignment, Columbia may agree to a return of the capacity at its sole discretion. A return of storage capacity under these circumstances may include a transfer and sale of storage gas inventory to Columbia as part of a mutual agreement.

Regardless of the reason for the return of capacity to Columbia, the Retail Natural Gas Supplier shall remain responsible for all demand and commodity costs, fees, penalties, and other costs incurred from the interstate pipeline and related to service prior to the return of the capacity.

17.6 Reassignment of Capacity

Retail Natural Gas Suppliers may reassign capacity subject to recall by Columbia. The assignee shall remain subject to all operational flow orders and recall provisions invoked by Columbia. The assignee continues to be responsible to Columbia for payment of all upstream pipeline charges associated with the assigned capacity, including, but not limited to demand and commodity charges, shrinkage, injection and withdrawal charges, GRI charges, cash outs, transition costs, pipeline overrun, actual cost adjustments and all other applicable charges.

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SECTION VII
PART 18 - BALANCING SERVICES

18.1 Balancing Service Options

Retail Natural Gas Suppliers must elect annually, for each of their Aggregation Pools, either Non-Temperature Balancing or Full Balancing, service. Non-Temperature Balancing Service provides supply for the difference between (1) the actual demand of the Aggregation Pool and (2) the volume projected by the Demand Curve at the actual temperature experienced as provided by Columbia on the day after the Gas Day. Full Balancing Service provides supply for the difference between (1) the actual demand of the Aggregation Pool and (2) the volume projected by the Demand Curve at the temperature projected on the day preceding the Gas Day. Section VII, Part 30, Sheet Nos. 30 and 31 of this tariff specifies the charges for the two balancing services.

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SECTION VII
PART 19 - METERING SERVICES AND OBLIGATIONS

19.1 Quantity of Gas Delivered

A meter installed by the Company or measuring station installed pursuant to Section VII, Sheet 41 will measure gas. Subject to certain exceptions, enumerated below, consumption shall be determined on the basis of the meter registration and bills shall reflect the consumption so registered. Any mistake in reading the registration, however, shall not affect the liability for gas consumed as determined by a corrected reading of the registration. Customers may request an actual meter reading prior to the transfer of the service to the new Retail Natural Gas Supplier or Governmental Aggregator in accordance with Section VII, Part 7 of this tariff.

19.2 Billing Periods

Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Meters are ordinarily read at bimonthly intervals but may be read more or less frequently at Company's option. Monthly volumes billed to participating customers shall be considered actual volumes delivered, whether the meter reading is actual or calculated.

19.3 Determination of Meter Accuracy

A meter registering between three percent (3%) fast and three percent (3%) slow shall be deemed for all purposes to be registering correctly. The Company, at its expense, shall replace a meter registering incorrectly.

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SECTION VII
PART 20 - PAYMENTS TO COMPANY

20.1 Applicability

Applicable to all Retail Natural Gas Suppliers that have entered into a Full Requirements Aggregation Service Agreement to sell gas to customers located on Company's system, all within the parameters established by the Company for its Customer CHOICESM Program.

20.2 Determination of Amounts Owed

Company shall render to Retail Natural Gas Supplier a monthly statement of the quantities delivered and amounts owed.

20.3 Late Payment Charge

Upon next scheduled billing date, an additional amount of 1.5% of the unpaid balance on the subsequent bill will become due and payable as part of the Retail Natural Gas Supplier's total obligation.

20.4 Right to Offset Balances Owed Company

All charges owed to Company by Retail Natural Gas Supplier shall be offset against or recouped from Retail Natural Gas Supplier's Receivables. The Company shall have the right to offset or recoup the following:

- 1) all amounts or costs that are incurred by Retail Natural Gas Supplier related to participation in this Program;
- 2) all amounts or costs owed directly to Company;
- 3) all amounts or costs for which Company is or will be responsible if not paid by Retail Natural Gas Supplier; including, but not limited to, capacity charges billed by interstate pipeline companies; and
- 4) all other amounts which Company is entitled to recoup.

20.5 Disputed Bills

In the event of a bona fide dispute as to whether Retail Natural Gas Supplier owes money to Company, the process of offset or recoupment of such amounts from Retail Natural Gas Supplier's Receivables shall be tolled pending a good faith review of the dispute.

Retail Natural Gas Suppliers shall provide a detailed description of the dispute, including disputed amounts, to the Company within five (5) calendar days of receipt of a statement that shows quantities delivered and amounts owed, if any. Company will not provide payment of that portion being disputed until said dispute has been resolved.

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SECTION VII
PART 21 - OPERATIONAL FLOW ORDERS

21.1 Right to Call Operational Flow Order

Columbia shall operate its distribution system in a nondiscriminatory manner, without regard to the confirmed source of supply of the Customer or its Retail Natural Gas Supplier.

21.2 Operational Warnings

Columbia may issue Operational Warnings when nominations it receives from Retail Natural Gas Suppliers appear to be sufficient to preclude the need to issue an OFO, but based on operational and weather conditions Columbia needs Retail Natural Gas Suppliers to maintain the then current level of gas deliveries into Columbia's system. An Operational Warning gives notice that changes in nominations or deliveries may lead Columbia to issue an OFO.

21.3 Operational Alerts

Columbia may issue Operational Alerts when information received by Columbia indicates that nominations from Retail Natural Gas Suppliers appear to be insufficient to meet projected CHOICE customer demand and preclude the need to issue an OFO. An Operational Alert gives notice that absent changes in nominations or deliveries, Columbia may issue an OFO.

21.4 Procedure For Issuance

Columbia will utilize its best efforts to issue Operational Warnings and/or Operational Alerts prior to the issuance of an OFO. In the event that an Operational Warning, Operational Alert or OFO is necessary, Columbia shall do the following:

- (A) Provide notice of the Operational Warning, Operational Alert or OFO by 4:00 p.m. ECT of the day prior to the gas day affected by the Operational Warning, Operational Alert or OFO, and shall specify the nature of the situation creating the OFO. The notice of an OFO shall indicate: (1) the exact actions required of Retail Natural Gas Suppliers; (2) deadlines for compliance; and (3) the anticipated duration of the OFO.
- (B) The notice of an Operational Alert or OFO may be provided later than 4:00 p.m. ECT if the following three conditions are satisfied: (1) Retail Natural Gas Suppliers change nominations on an intra-day nomination cycle after the timely nomination cycle Columbia has relied upon to assess the need to call an OFO; (2) Columbia issued an Operational Warning prior to 4:00 P.M. ECT; and, (3) if such nomination changes would prompt a need to issue an OFO. The notice of an Operational Alert or OFO may also be provided later than 4:00 p.m. ECT if a force majeure event reduces a critical upstream pipeline's supply. An Operational Alert and/or Flow Order issued by Columbia as a result of a critical upstream pipeline force majeure condition may be applied only to the market area affected by the force majeure condition. Should Columbia receive notice of a force majeure event from a critical upstream pipeline, the extension of the deadline for notice specified above shall only apply to those market area(s) affected by the notice of force majeure. If notice of Operational Alert or OFO is delayed for any of the reasons specified in this section, Columbia shall issue the notice at its earliest opportunity after 4:00 p.m. ECT.

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SECTION VII
PART 21 - OPERATIONAL FLOW ORDERS

- (C) Columbia shall post notice of the Operational Warning, Operational Alert or OFO on the informational portion of Columbia's interactive web site. In addition, Columbia will notify all impacted Retail Natural Gas Suppliers and the Office of Consumers' Counsel by e-mail. The Office of Consumers' Counsel and all Retail Natural Gas Suppliers shall be responsible for providing Columbia with the current e-mail address of the party designated to receive such notification and to update such e-mail addresses as necessary. Columbia will also advise the Commission whenever it issues an OFO.
- (D) The Company will direct each Retail Natural Gas Supplier to adjust scheduled volumes to match the Aggregation Pool's estimated usage. The Retail Natural Gas Supplier may: 1) deliver to Columbia the volume of gas equal to the projected demand; or 2) the Retail Natural Gas Supplier may deliver to Columbia only that volume equal to the design peak day demand, and rely on Columbia to acquire the incremental volume, the difference of the projected demand minus the design peak day demand. If the Retail Natural Gas Supplier selects the second option, the Retail Natural Gas Supplier will pay Columbia for its costs in obtaining the incremental supply. Failure of a Retail Natural Gas Supplier to deliver volume in accordance with its selected option shall be grounds for expulsion from Columbia's Customer CHOICE Program.

21.5 Charges

Failure to comply with an operational flow order will result in the billing of the following charges to the OFO difference, which is defined as the absolute difference between the OFO volume and actual daily supply deliveries:

- A) For OFOs that require a minimum flow volume (cold weather OFO) the payment of a gas cost equal to the highest per Dth price paid by Columbia on the date(s) of non-compliance applied to the OFO difference. For OFOs issued that provide for a maximum allowed flow volume (warm weather OFO) Columbia shall purchase the OFO difference at a gas cost equal to the lowest per Dth price paid by Columbia on the date(s) of non-compliance;
- B) One month's demand charges on the OFO difference, except in instances where OFOs require scheduling of volumes in excess of MDQ. This charge shall not be imposed more frequently than once in any thirty day period; and
- C) The payment of all other charges incurred by Columbia on the date of the OFO difference.

Retail Natural Gas Suppliers that comply with an OFO shall not be subject to any charges or additional cost.

21.6 Status Reports

During an OFO, Columbia shall post on its Website daily updates about the status of operations and the forecasted duration of the OFO.

21.7 Other Reports

Following the issuance of an OFO, Columbia shall prepare and file a report with the Commission detailing the reasons for the issuance of the OFO and appropriate documentation.

Company Gas of Ohio, Inc.

SECTION VII
PART 22 - STANDARDS OF CONDUCT

22.1 Standards of Conduct

In operation of the Company Customer CHOICESM Program, the Company will adhere to the following Standards of Conduct for Marketing Affiliates and Internal Merchant Operations:

- 1) Company must apply any tariff provision relating to transportation services in the same manner to the same or similarly situated persons if there is discretion in the application of the provision.
- 2) Company must strictly enforce a tariff provision for which there is no discretion in the application of the provision.
- 3) Company may not, through a tariff provision or otherwise, give any Retail Natural Gas Supplier or Governmental Aggregator or any Retail Natural Gas Supplier's or Governmental Aggregator's customers preference in matters, rates, information, or charges relating to transportation service including, but not limited to, scheduling, balancing, metering, storage, standby service or curtailment policy. For purposes of Company's Customer CHOICESM Program, any ancillary service provided by Company, e.g. billing and envelope service, that is not tariffed will be priced uniformly for all Retail Natural Gas Suppliers or Governmental Aggregators and available to all equally.
- 4) Company must process all similar requests for transportation in the same manner and within the same approximate period of time.
- 5) Company shall not disclose to anyone other than a Columbia Gas of Ohio employee, or employee of NiSource performing services for Columbia Gas of Ohio, any information regarding an existing or proposed gas transportation arrangement, which Company receives from the following sources:
 - a) a customer or Retail Natural Gas Supplier or Governmental Aggregator
 - b) a potential customer or Retail Natural Gas Supplier or Governmental Aggregator
 - c) any agent of such customer or potential customer, or
 - d) a Retail Natural Gas Supplier, Governmental Aggregator or other entity seeking to supply gas to a customer or potential customer, unless such customer, agent, or Retail Natural Gas Supplier or Governmental Aggregator authorizes disclosure of such information.
- 6) If a customer requests information about Retail Natural Gas Suppliers, Company should provide a list of all Retail Natural Gas Suppliers operating on its system and currently enrolling Customers, but shall not endorse any Retail Natural Gas Supplier nor indicate that any Retail Natural Gas Supplier will receive a preference.
- 7) To the maximum extent practicable, Company's operating employees and the operating employees of its marketing affiliate must function independently of each other. This includes complete separation of the Company's procurement activities from the affiliated marketing company's procurement activities.

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 22 - STANDARDS OF CONDUCT

- 8) Company shall not condition or tie its agreements for gas supply or for the release of interstate pipeline capacity to any agreement by a Retail Natural Gas Supplier, customer or other third party in which its marketing affiliate is involved.
- 9) Company and its marketing affiliate shall keep separate books of accounts and records.
- 10) Neither Company nor its marketing affiliate personnel shall communicate to any customer, Retail Natural Gas Supplier or third party the idea that any advantage might accrue for such customer, Retail Natural Gas Supplier or third party in the use of Company's service as a result of that customer's, Retail Natural Gas Supplier's or other third party's dealing with its marketing affiliate.
- 11) Company shall establish a complaint procedure for issues concerning compliance with these standards of conduct. All complaints, whether written or verbal, shall be referred to Columbia's General Counsel or his/her designee. The General Counsel or his/her designee shall orally acknowledge the complaint to the complainant within five (5) working days of receipt. The General Counsel or his/her designee shall prepare a written statement of the complaint which shall contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and specific claim. The General Counsel or his/her designee shall communicate the results of the preliminary investigation to the complainant in writing within thirty (30) days after the complaint was received including a description of any course of action, which was taken. The General Counsel or his/her designee shall keep a file with all such complaint statements for a period of not less than three years.
- 12) If Company offers any Retail Natural Gas Supplier or any Retail Natural Gas Supplier's customers a discount or fee waiver for transportation services, balancing, meters or meter installation, storage or any other service offered to Retail Natural Gas Suppliers. Company must, upon request, prospectively offer such discounts or fee waivers to all similarly situated Retail Natural Gas Suppliers or Retail Natural Gas Suppliers' customers under similar terms and conditions.
- 13) Columbia Gas of Ohio's name or logo will not be used in its marketing affiliate's promotional material, unless the promotional material discloses in plain, legible or audible language, on the first page or at the first point where Columbia Gas of Ohio's name or logo appears, that its marketing affiliate is not the same company as Columbia Gas of Ohio. Columbia Gas of Ohio is also prohibited from participating in exclusive joint activities with its marketing affiliate including advertising, marketing, sales calls or joint proposals to any existing or potential customers.

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Columbia Gas of Ohio, Inc.

SECTION VII

PART 23 - RECONCILIATION OF CONSUMPTION AND SUPPLIER DELIVERIES

23.1 Annual Reconciliation of Imbalances

Columbia will reconcile imbalances on an annual basis as of July 31st for each Retail Natural Gas Supplier, through determination of the difference between: (1) the Retail Natural Gas Supplier's deliveries for the twelve-month period ended July 31st for each of its Aggregation Pools and (2) the total actual consumption of the Retail Natural Gas Supplier's Aggregation Pools, including any adjustments applicable to the annual period ended July 31st.

Imbalances will be eliminated through payment from Columbia to Retail Natural Gas Suppliers for excess deliveries and through payment from Retail Natural Gas Suppliers to Columbia for under-deliveries. At the Retail Natural Gas Supplier's option, the price per Dth of such payments shall be equal to either: (1) the average price for the twelve-month period ended July reported in *Platts Inside FERC's Gas Market Report* in the monthly report titled "Prices of spot gas delivered to pipelines", under the column heading "Index" for Columbia Gas Transmission Corp. Appalachia, adjusted for FTS Retainage, FTS commodity, and gross receipts taxes as calculated herein, or (2) the price reported in *Platts Inside FERC's Gas Market Report* for month of September that occurs subsequent to the end of the annual reconciliation period, in the monthly report titled "prices of spot gas delivered to pipelines", under the column heading "Index" for Columbia Gas Transmission Corp., Appalachia, adjusted for FTS Shrinkage, FTS commodity and gross receipts taxes. For any month for which the price is not available for the first day, the price for the most recent preceding month will be used. Marketers must elect one of the two price options at the time the Marketer contracts with Columbia for Aggregation Service. The formulas used in determination of the above-referenced rates are as follows:

Option (1) - Price per Dth Paid to Columbia = $\{(\text{Sum of Index Prices For 12-Months}/12) / (1 - \text{FTS Shrinkage Rate}) + \text{FTS Commodity Charge}\} * (1 + \text{Gross Receipts Tax Rate})$

Option (1) - Price per Dth Paid by Columbia = $\{(\text{Sum of Index Prices For 12-Months}/12) / (1 - \text{FTS Shrinkage Rate}) + \text{FTS Commodity Charge}\}$

Option (2) - Price per Dth Paid to Columbia = $\{(\text{September Index}) / (1 - \text{FTS Shrinkage Rate}) + \text{FTS Commodity Charge}\} * (1 + \text{Gross Receipts Tax Rate})$

Option (2) - Price per Dth Paid by Columbia = $\{(\text{September Index}) / (1 - \text{FTS Shrinkage Rate}) + \text{FTS Commodity Charge}\}$

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 24 - DEFAULT, SUSPENSION AND TERMINATION OF A RETAIL NATURAL GAS SUPPLIER**24.1 Default**

A Retail Natural Gas Supplier is in default of its obligations under Columbia's Customer CHOICESM Program if any of the following occur:

- a) The failure, potential failure or anticipated failure of the Retail Natural Gas Supplier, to deliver volumes of gas to the Company in accordance with the Company's tariff or related agreements.
- b) Failure to pay Company amounts due under the Company's tariff.
- c) The failure to maintain Requirements for Program Participation, including the provision of financial security instruments, pursuant to the Company's tariff at the time of determination.
- d) Retail Natural Gas Supplier's voluntary filing of a bankruptcy petition, or the filing of involuntary bankruptcy petition by the Supplier's creditors.
- e) A Retail Natural Gas Supplier's violation of the Code of Conduct provisions of the Company's tariff.
- f) A reasonable determination, after investigation, that the Retail Natural Gas Supplier is not operating under the Company's tariff in an ethical or legal manner. Such determination may be made based on a customer complaint; the Company's own investigation; or a Retail Natural Gas Supplier's admission.
- g) To the extent not specifically identified above, the failure of the Supplier to perform any of the obligations imposed under the Company's tariff.

24.2 Notice of Suspension or Termination

In the event of default of the certified Retail Natural Gas Supplier, as defined in Section 24.1 herein, the Company may serve a written notice of such default in reasonable detail and with a proposed remedy on the Retail Natural Gas Supplier and the Commission. On or after the date the default notice has been served, the Company may file with the Commission a written request for authorization to terminate or suspend the Retail Natural Gas Supplier from participation in the Company's Customer Choice Program. Except for default due to under-delivery or non-delivery by the Retail Natural Gas Supplier, the Company may terminate or suspend the Retail Natural Gas Supplier on the eleventh (11th) business day, if the Commission or its attorney examiner has not issued an entry to suspend or reject the action proposed. If default is due to under-delivery or non-delivery and, if the Commission or its attorney examiner has not issued within five business days after receipt of the request, the Company may terminate or suspend the Retail Natural Gas Supplier on the sixth (6th) business day. Except as otherwise specified in this paragraph, the Commission must authorize all terminations or suspensions of certified Retail Natural Gas Suppliers from the Company's program.

The Company will send notices pursuant to this section, by email, fax, over-night mail, or hand delivery to the Commission and Staff at the Commission's offices. The Company will notify all Commissioners, the chief of Staff, the director of the consumer services department, the director of the utilities department, the director of the legal

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PART 24 - DEFAULT, SUSPENSION AND TERMINATION OF A RETAIL NATURAL GAS SUPPLIER

department and the chief of the attorney general's public utilities section. The Company shall also send the notice to the address and fax number provided by the Retail Natural Gas Supplier in the Supplier's Aggregation Service Agreement. In the event of default of a Retail Natural Gas Supplier participating in the Company's Customer CHOICESM Program that has not been certified by the Commission, where the Company may suspend or terminate the Retail Natural Gas Supplier from the Company's Customer CHOICESM Program, the Company shall first notify the Retail Natural Gas Supplier of the alleged violations that merit suspension or termination. Such notice shall be in writing, contain reasonable detail and shall be sent to the Retail Natural Gas Supplier at the fax number listed in the Retail Natural Gas Supplier's Aggregation Agreement five business days prior to the suspension or termination. If, within five business days after the service of the previously mentioned notice, the Retail Natural Gas Supplier remedies or removes the cause or causes stated in the notice, the Retail Natural Gas Supplier Aggregation Agreement will continue in full force and effect. If the Retail Natural Gas Supplier does not remedy or remove the cause or causes within five business days, then at the option of the Company, the Retail Natural Gas Supplier's Aggregation Agreement may terminate at the expiration of said five-day period.

If the Retail Natural Gas Supplier is terminated from the Company's Customer CHOICESM Program, Customers shall revert to Company's sales service, unless and until said Customers join another Retail Natural Gas Supplier's or Governmental Aggregator's Customer Group. Any termination or cancellation of the Retail Natural Gas Supplier's Aggregation Agreement, pursuant to any provision of this tariff, shall be without waiver of any remedy, whether at law or in equity, to which the party not in default otherwise may be entitled for breach of contract.

24.3 Suspension

In addition to the possible reasons for suspension stated in Section VII, Part 24.1, a Retail Natural Gas Supplier may be suspended from participation in the Company's Customer CHOICESM Program for any of the following reasons:

- a) the Retail Natural Gas Supplier's credit exposure exceeds its approved unsecured credit limit and financial security instrument by more than 5%, and the Retail Natural Gas Supplier has failed to comply with the Company's request for adequate security or adequate assurance of payment within five (5) business days of the Company's request;
- b) absent a demonstration of separate structure, the Retail Natural Gas Supplier or Retail Natural Gas Supplier's parent corporation has filed a voluntary petition in bankruptcy, has had an involuntary petition in bankruptcy filed against it, is insolvent, has had a receiver, liquidator or trustee appointed to take charge of its affairs, the Retail Natural Gas Supplier or the Retail Natural Gas Supplier's parent corporation's liabilities exceed its assets, or the Retail Natural Gas Supplier or Retail Natural Gas Supplier's parent corporation is otherwise unable to pay its debts as they become due.

24.4 Effect of Suspension

In the event of suspension, the Retail Natural Gas Supplier shall not be permitted to enroll any new End-use Customers in the Company's Customer CHOICESM Program. During the period of suspension, the Retail Natural Gas Supplier shall continue to serve its existing End-use customers.

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 24 - DEFAULT, SUSPENSION AND TERMINATION OF A RETAIL NATURAL GAS SUPPLIER

24.4 Effect of Termination on Retail Natural Gas Supplier's End-use Customers

In the event of termination, the Retail Natural Gas Supplier's End-use customers (other than Cooperatives) shall be returned to the Company's natural gas commodity service and pay the applicable GCR while taking such service. The Retail Natural Gas Supplier shall not be permitted to enroll any new End-use customers in the Company's Customer CHOICESM Program unless it re-registers in the Company's Customer CHOICESM Program. If necessary, due to revocation or suspension of Commission certification, the Retail Natural Gas Supplier must request re-certification from the Commission and provide proof of certification to the Company.

24.5 Effect of Termination of a Cooperative's Retail Natural Gas Supplier

If the Cooperative's Retail Natural Gas Supplier is terminated from the Company's Full Requirements Cooperative Transportation Service Program, Columbia will provide gas for resale to the Cooperative at Columbia's effective Gas Cost Recovery Rate plus applicable taxes for a period not to exceed ninety days. Failure by the Cooperative to execute an agreement with a new Retail Natural Gas Supplier and begin service from such Supplier by the end of the ninety day period will result in Columbia's provision of all gas thereafter to the Cooperative at the price reported in *Platts Inside FERC's Gas Market Report* for the month of delivery, in the monthly report titled "Prices of spot gas delivered to pipelines", under the column heading "Index" for Columbia Gas Transmission Corp., Appalachia" times 120%, adjusted for the FTS Shrinkage, FTS Commodity Rate, the Expected Demand Costs Rate, and applicable taxes as reflected in the following formula:

$$\text{Price per Dth Paid to Columbia} = \frac{(((\text{Index Price} * 120\%) / (1 - \text{FTS Shrinkage Rate}) + \text{FTS Commodity Charge}) * 1.040) + \text{EGC Demand Rate}}{1 - \text{Tax}}$$

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Columbia Gas of Ohio, Inc.

SECTION VII

PART 25 - FULL REQUIREMENTS SMALL GENERAL TRANSPORTATION SERVICE (FRSGTS)

25.1 Applicability

Applicable throughout the territory served by Company with exception of those formerly served by the Murphy Gas Company.

25.2 Availability

Available to any customer that meets the following requirements:

- a) The customer has discharged, or entered into a plan to discharge, all existing arrearages owed the Company;
- b) The customer must be part of a Customer Group, which consists of either: (1) a minimum of 100 customers; or (2) a group of customers with at least 10,000 Mcf of annual throughput. The Customer Group must be served by a single Retail Natural Gas Supplier; and the Retail Natural Gas Supplier must have executed a Full Requirements Aggregation Agreement with Company;
- c) The Retail Natural Gas Supplier must have acquired, or agreed to acquire, an adequate supply of natural gas of a quality acceptable to Company, including allowances for: (1) retention required by applicable upstream transporters; and (2) lost and unaccounted-for gas to be retained by Company. The Retail Natural Gas Supplier must have made, or have caused to be made, arrangements by which gas supply can be transported on a firm basis directly to specified Market Areas on Company's distribution system;
- d) The customer consumes less than 300 Mcf per year between September 1 and August 31. Annual consumption for customers served hereunder will be reviewed each August 31st; and,
- e) The Customer makes a security deposit with Company for Company's service and delivery charges, in an amount determined in accordance with Section 4901:1-17 of the Ohio Administrative Code, where the customer has previously participated in the Customer CHOICESM Program and has been terminated from participation in the program for non-payment, and Company issues a bill for its service and delivery charges or Company issues the total bill for such Customer's Retail Natural Gas Supplier.

25.3 Transfer of Service

Without limiting any rights or remedies of a Retail Natural Gas Supplier, customers may leave a Retail Natural Gas Supplier's Customer Group and join any other Customer Group upon assessment of a \$5.00 switching fee to the succeeding Retail Natural Gas Supplier by the Company, or revert to sales service from Company for which there will be no switching fee.

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SECTION VII
PART 25 - FULL REQUIREMENTS SMALL GENERAL TRANSPORTATION SERVICE (FRSGTS)

25.4 Character of Service

Service provided under this schedule shall be considered *firm service*.

25.5 Delivery Charge

The maximum rates for all Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed are:

- 1) All gas delivered per account per month \$1.3669 per Mcf
- 2) A Customer charge of \$6.50 per account per month

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

25.6 Billing Adjustments

For all gas delivered hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in Section VII, Part 29 this tariff:

- 1) Interim Emergency and Temporary PIP Plan Tariff Schedule Rider;
- 2) Small General Service Temporary Base Rate Revenue Rider;
- 3) Excise Tax Rider;
- 4) Competitive Retail Natural Gas Surcredit Rider;
- 5) CHOICE® Program Sharing Credit; and
- 6) Uncollectible Expense Rider.

25.7 Late Payment Charge

Upon next scheduled billing date, an additional amount of 1.5% of the unpaid balance on the subsequent bill will become due and payable as part of the Customer's total obligation.

This provision is not applicable to: (1) unpaid account balances of Customers enrolled in payment plans pursuant to Section 4901:1-18-04 of the Ohio Administrative Code, or (2) unpaid account balances of less than 2,000.

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 26 - FULL REQUIREMENTS MURPHY GENERAL TRANSPORTATION SERVICE
(FRMGTS)

26.1 Applicability

Applicable in all territories formerly served by Murphy Gas Company.

26.2 Availability

Available to any Customer formerly served by Murphy Gas Company that meets the following requirements:

- a) The Customer has discharged, or entered into a plan to discharge, all existing arrearages owed the Company;
- b) The Customer must be part of a Customer Group, which consists of either: (1) a minimum of 100 Customers; or (2) a group of Customers with at least 10,000 Mcf of annual throughput. The Customer Group must be served by a single Retail Natural Gas Supplier; and the Retail Natural Gas Supplier must have executed a Full Requirements Aggregation Agreement with Company;
- c) The Retail Natural Gas Supplier must have acquired, or agreed to acquire, an adequate supply of natural gas of a quality acceptable to Company, including allowances for: (1) retention required by applicable upstream transporters; and (2) lost and unaccounted-for gas to be retained by Company. The Retail Natural Gas Supplier must have made, or have caused to be made, arrangements by which gas supply can be transported directly on a firm basis to specified Columbia Gas Transmission Market Areas on Company's distribution system;
- d) The Customer makes a security deposit with Company for Company's service and delivery charges, in an amount determined in accordance with Section 4901:1-17 of the Ohio Administrative Code, where the customer has previously participated in the Customer CHOICESM Program and has been terminated from participation in the program for non-payment, and Company issues a bill for its service and delivery charges or Company issues the total bill for such Customer's Retail Natural Gas Supplier.

26.3 Transfer of Service

Without limiting any rights or remedies of a Retail Natural Gas Supplier, customers may leave a Retail Natural Gas Supplier's Customer Group and join any other Customer Group upon assessment of a \$5.00 switching fee to the succeeding Retail Natural Gas Supplier by Company, or revert to sales service from Company for which there will be no switching fee.

26.4 Character of Service

Service provided under this schedule shall be considered firm service.

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SECTION VII

PART 26 - FULL REQUIREMENTS MURPHY GENERAL TRANSPORTATION SERVICE (FRMGTS)

26.5 Delivery Charge

The maximum rates for all Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed are:

- 1) All gas delivered per account per month \$0.5941 per Mcf
- 2) A Customer charge of \$3.25 per account per month

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

26.6 Billing Adjustments

For all gas delivered hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in this tariff:

- 1) Interim Emergency and Temporary PIP Plan Tariff Schedule Rider;
- 2) Excise Tax Rider;
- 3) Competitive Retail Natural Gas Surcredit Rider;
- 4) CHOICE® Program Sharing Credit; and
- 5) Uncollectible Expense Rider.

26.7 Late Payment Charge

Upon next scheduled billing date, an additional amount of 1.5% of the unpaid balance on the subsequent bill will become due and payable as part of the Customer's total obligation.

This provision is not applicable to (1) unpaid account balances of Customers enrolled in payment plans pursuant to Section 4901:1-18-04 of the Ohio Administrative Code, or (2) unpaid account balances of less than \$2,000.

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SECTION VII

PART 27 - FULL REQUIREMENTS GENERAL TRANSPORTATION SERVICE (FRGTS)

27.1 Applicability

Applicable throughout the territory served by Company with exception of those formerly served by the Murphy Gas Company.

27.2 Availability

Available to any Customer that meets the following requirements:

- a) The Customer has discharged, or entered into a plan to discharge, all existing arrearages owed the Company;
- b) The Customer must be part of a Customer Group, which consists of either: (1) a minimum of 100 Customers; or (2) a group of Customers with at least 10,000 Mcf of annual throughput. The Customer Group must be served by a single Retail Natural Gas Supplier that has executed a Full Requirements Aggregation Agreement with the Company;
- c) The Retail Natural Gas Supplier must have acquired, or agreed to acquire, an adequate supply of natural gas of a quality acceptable to Company, including allowances for: (1) retention required by applicable upstream transporters; and (2) unaccounted-for gas to be retained by Company. The Retail Natural Gas Supplier must have made, or have caused to be made, arrangements by which gas supply can be transported on a firm basis directly to specified Company Gas Transmission Market Areas on Company's distribution system;
- d) The Customer consumes at least 300 Mcf, but less than 2,000 Mcf per year between September 1 and August 31, or the Customer is a Human Needs Customer that consumes at least 300 Mcf per year and is not otherwise eligible for service under rate schedule FRLGTS. Annual consumption for Customers served hereunder will be reviewed each August 31st; and,
- e) The Customer makes a security deposit with Company for Company's service and delivery charges, in an amount determined in accordance with Section 4901:1-17 of the Ohio Administrative Code, where the customer has previously participated in the Customer CHOICESM Program and has been terminated from participation in the program for non-payment, and Company issues a bill for its service and delivery charges or Company issues the total bill for such Customer's Retail Natural Gas Supplier.

27.3 Transfer of Service

Without limiting any rights or remedies of a Retail Natural Gas Supplier, Customers may leave a Retail Natural Gas Supplier's Customer Group and join any other Customer Group upon assessment of a \$5.00 switching fee to the succeeding Retail Natural Gas Supplier by Company, or revert to sales service from Company for which there will be no switching fee.

27.4 Character of Service

Service provided under this schedule shall be considered firm service.

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-AU-TRF and January 5, 2005 in Case No. 04-1631-GA-UNC.

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Issued By
J. W. Partridge Jr., President

Columbia Gas of Ohio, Inc.

SECTION VII
PART 27 - FULL REQUIREMENTS GENERAL TRANSPORTATION SERVICE (FRGTS)

27.5 Delivery Charge

Company will charge the following maximum rates for all Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed:

- 1) First 25 Mcf per account per month \$1.3607 per Mcf
- 2) Over 25 Mcf per account per month \$1.2784 per Mcf
- 3) A Customer charge of \$16.50 per account per month, regardless of gas consumed.

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

27.6 Billing Adjustments

For all gas delivered hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in this tariff.

- 1) Interim Emergency and Temporary PIP Plan Tariff Schedule Rider;
- 2) General Service Temporary Base Rate Revenue Rider;
- 3) Excise Tax Rider;
- 4) Competitive Retail Natural Gas Surcredit Rider;
- 5) CHOICE® Program Sharing Credit; and
- 6) Uncollectible Expense Rider.

27.7 Late Payment Charge

Upon next scheduled billing date, an additional amount of 1.5% of the unpaid balance on the subsequent bill will become due and payable as part of the Customer's total obligation.

This provision is not applicable to (1) unpaid account balances of Customers enrolled in payment plans pursuant to Section 4901:1-18-04 of the Ohio Administrative Code, or (2) unpaid account balances of less than \$2,000.

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-AU-TRF and May 9, 2007 in Case No. 07-496-GA-ATA.

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Columbia Gas of Ohio, Inc.

SECTION VII

PART 28 - FULL REQUIREMENTS LARGE GENERAL TRANSPORTATION SERVICE (FRLGTS)

28.1 Applicability

Applicable throughout the territory served by Company with exception of those formerly served by the Murphy Gas Company.

28.2 Availability

Available to any Customer that meets the following requirements:

- a) The Customer has discharged or entered into a plan to discharge, all existing arrearages owed the Company;
- b) The Customer must be part of a Customer Group, which consists of either: (1) a minimum of 100 Customers; or (2) a group of Customers with at least 10,000 Mcf of annual throughput. The Customer Group must be served by a single Retail Natural Gas Supplier that has executed a Full Requirements Aggregation Agreement with the Company;
- c) The Retail Natural Gas Supplier must have acquired, or agreed to acquire, an adequate supply of natural gas of a quality acceptable to Company, including allowances for: (1) retention required by applicable upstream transporters; and (2) unaccounted-for gas to be retained by Company. The Retail Natural Gas Supplier must have made, or have caused to be made, arrangements by which gas supply can be transported on a firm basis directly to specified Market Areas on the Company's distribution system;
- d) Customer is a Human Needs Customer, and Customer's consumption during one of the two most recent Annual Periods (November through October billing cycles) was at least 18,000 Mcf, or Customer presents evidence demonstrating to the Company's satisfaction that it will consume at least 18,000 Mcf per year during future annual periods. In addition, at least 50% of Customer's annual consumption must be consumed in the seven billing months of April through October;
- e) Company, may at its option, waive the requirement that 50% of the annual consumption occur during the seven months of April through October where such waiver is necessary in order to serve a load which would not otherwise be served by Company, provided that at least 30% of Customer's annual consumption occurs during the months of April through October;
- f) In the event Customer no longer qualifies for service hereunder, Company may, upon thirty (30) days notice, terminate service hereunder and commence service under its Full Requirements Small General Transportation Service or Full Requirements General Transportation Service schedule; and,
- g) The Customer makes a security deposit with Company for Company's service and delivery charges, in an amount determined in accordance Section 4901:1-17 of the with Ohio Administrative Code, where the customer has previously participated in the Customer CHOICESM Program and has been terminated from participation in the program for non-payment, and Company issues a bill for its service and delivery charges or Company issues the total bill for such Customer's Retail Natural Gas Supplier.

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-AU-TRF and January 5, 2005 in Case No. 04-1631-GA-UNC.

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Columbia Gas of Ohio, Inc.

SECTION VII

PART 28 - FULL REQUIREMENTS LARGE GENERAL TRANSPORTATION SERVICE (FRLGTS)

28.3 Transfer of Service

Without limiting any rights or remedies of a Retail Natural Gas Supplier, customers may leave a Retail Natural Gas Supplier's Customer Group and join any other Customer Group upon assessment of a \$5.00 switching fee to the succeeding Retail Natural Gas Supplier by Company, or revert to sales service from Company for which there will be no switching fee.

28.4 Character of Service

Service provided under this schedule shall be considered firm service.

28.5 Delivery Service

The Company shall charge the following rates for all Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed:

- | | |
|---|------------------|
| 1) First 2,000 Mcf per account per month | \$.4614 per Mcf |
| 2) Next 13,000 Mcf per account per month | \$.2813 per Mcf |
| 3) Next 85,000 Mcf per account per month | \$.2513 per Mcf |
| 4) Over 100,000 Mcf per account per month | \$.1913 per Mcf |

28.6 Minimum Monthly Charge

If Customer fails to take delivery of 1,500 Mcf in any month, the Customer will be charged for 1,500 Mcf at the Company's total billing rate.

28.7 Billing Adjustments

For all gas delivered hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in this tariff.

- 1) Interim Emergency and Temporary PIP Plan Tariff Schedule Rider;
- 2) Large General Service Temporary Base Rate Revenue Rider;
- 3) Excise Tax Rider;
- 4) Competitive Retail Natural Gas Surcredit Rider; and
- 5) CHOICE® Program Sharing Credit.

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-AU-TRF and May 9, 2007 in Case No. 07-496-GA-ATA.

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Columbia Gas of Ohio, Inc.

SECTION VII

PART 28 - FULL REQUIREMENTS LARGE GENERAL TRANSPORTATION SERVICE (FRLGTS)

28.8 Late Payment Charge

Upon next scheduled billing date, an additional amount of 1.5% of the unpaid balance on the subsequent bill will become due and payable as part of the Customer's total obligation.

This provision is not applicable to (1) unpaid account balances of Customers enrolled in payment plans pursuant to Section 4901:1-18-04 of the Ohio Administrative Code, or (2) unpaid account balances of less than \$2,000.

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 29 - BILLING ADJUSTMENTS

INTERIM, EMERGENCY AND TEMPORARY
PIP PLAN TARIFF SCHEDULE RIDER

29.1 Applicability

To all volumes delivered under rate schedules FRSCTS, FRMGTS, FRGTS and FRLGTS.

29.2 Rate

A PIP Plan base rate rider of \$.04004 per Ccf will apply to all tariff volumes of applicable customers.

Filed under the authority of the Public Utilities Commission of Ohio in Case No. 05-1427-PIP.

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 29 - BILLING ADJUSTMENTS

SMALL GENERAL SERVICE TEMPORARY BASE RATE REVENUE RIDER

29.3 Applicability

Applicable to all customers delivered under the Company's Full Requirements Small General Transportation Service schedule.

29.4 Temporary Base Rate Revenue Rider Rate

All gas consumed per account per month \$.0063 per Mcf.

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-AU-TRF and January 12, 2005 in Case No. 04-1579-GA-ATA.

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SECTION VII
PART 29 - BILLING ADJUSTMENTS

GENERAL SERVICE TEMPORARY BASE RATE REVENUE RIDER

29.5 Applicability

Applicable to all volumes delivered under the Company's Full Requirements General Transportation Service schedule.

29.6 Temporary Base Rate Revenue Rider

All gas consumed per account per month \$.0058 per Mcf.

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SECTION VII
PART 29 - BILLING ADJUSTMENTS

LARGE GENERAL SERVICE TEMPORARY BASE RATE REVENUE RIDER

29.7 Applicability

Applicable to all volumes delivered under the Fixed Delivery Charge provision of the Company's Full Requirements Large General Transportation Service schedule.

29.8 Temporary Base Rate Revenue Rider Rate

All gas consumed per account per month \$.010 per Mcf.

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-AU-TRF and January 12, 2005 in Case No. 04-1579-GA-ATA.

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SECTION VII
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HELD FOR FUTURE USE

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 29 - BILLING ADJUSTMENTS

EXCISE TAX RIDER

29.11 Applicability

Applicable to all customers except flexed customers served under Rate Schedules FRSCTS, FRCTS, FRMGTS and FRLCTS.

29.12 Rates

First 100 Mcf per account per month	\$.1593 per Mcf
Next 1900 Mcf per account per month	\$.0877 per Mcf
Over 2000 Mcf per account per month	\$.0411 per Mcf

29.13 Applicability

Applicable to all customers being flexed served under Rate Schedules FRSCTS, FRCTS, FRMGTS and FRLCTS.

29.14 Rates

All bills rendered to a flex customer, as defined by 5727.80 (N) of the Ohio Revised Code, shall be adjusted to provide for recovery of this tax at a rate of \$.02 per Mcf on all volumes delivered with a corresponding reduction to the flexed base rate(s) being billed the account.

Filed Pursuant to PUCO Entry dated July 6, 1989 in Case No. 89-500-AU-TRF January 12, 2005 in Case No. 04-1579-GA-ATA.

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SECTION VII
PART 29 - BILLING ADJUSTMENTS

TRANSPORTATION PROGRAM COST RIDER

Reserved For Future Use

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-AU-TRF and January 12, 2005 in Case No. 04-1579-GA-ATA.

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 29 - BILLING ADJUSTMENTS
CHOICESM PROGRAM SHARING CREDIT29.15 **APPLICABILITY**

Applicable to all Customers served under rate schedules FRSGTS, FRGTS, FRMGTS and FRLGTS.

29.16 **DESCRIPTION**

Credit per Mcf for the sharing of off-system sales and capacity release revenues, to the extent Columbia is required to share such revenues with Customers pursuant to an order or entry of the Public Utilities Commission of Ohio. This credit reflects the pass back of revenues in accordance with the terms of the Joint Stipulation and Recommendation filed by the parties in Case No. 96-113-GA-ATA; Case No. 04-221-GA-GCR; and Case No. 05-221-GA-GCR. This credit shall be calculated on the basis of annual consumption and remain in effect until all amounts deferred by Columbia have been flowed through to customers.

29.17 **RATE**

All gas consumed per account per month

Credit Per Mcf
\$0.3355

Filed Pursuant to PUCO Entry dated July 6, 1989 in Case No. 89-500-AU-TRF and PUCO Entry dated January 23, 2008 in Case No. 04-221-GA-GCR et. al.

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 29 - BILLING ADJUSTMENTS
UNCOLLECTIBLE EXPENSE RIDER

29.18 Applicability

To all customers served under rate schedules FRSGTS, FRGTS and FRMGTS.

29.19 UNCOLLECTIBLE EXPENSE RIDER

An additional charge of \$.1631 per Mcf shall be applied to all volumes for service rendered under applicable rate schedules to recover cost associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. Columbia shall file an application with the Public Utilities Commission of Ohio requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over or under-collections.

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-AU-TRF and May 24, 2007 in Case No. 07-499-GA-UEX.

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 29 - BILLING ADJUSTMENTS
COMPETITIVE RETAIL NATURAL GAS SURCREDIT RIDER

29.18 Applicability

To all customers served under rate schedules FRSGTS, FRGTS, FRMGTS and FRLGTS.

29.19 RATE

(\$.005837) per Mcf for all volumes delivered during the billing month.

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 30 - ANCILLARY SERVICE RATES

NON-TEMPERATURE BALANCING SERVICE

30.1 Applicability

Applicable to all volumes transported by Retail Natural Gas Suppliers, where said volumes meet the following conditions:

- 1) volumes are delivered under rate schedules FRSGTS, FRGTS, FRLGTS or FRMGTS; and
- 2) volumes are delivered to a Customer who is a member of an Full Requirements Aggregation Pool for which the Retail Natural Gas Supplier has elected assignment of minimum storage requirements to provide temperature balancing under Section VII, Part 18 of this tariff.

30.2 Rate

\$.2547 per Mcf for all volumes delivered to the Retail Natural Gas Supplier's Aggregation Pool during the billing month.

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-AU-TRF and April 29, 2004 in Case No. 02-2903-GA-ATA.

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 30 - ANCILLARY SERVICE RATES

FULL BALANCING SERVICE

30.3 Applicability

Applicable to all volumes transported by Retail Natural Gas Suppliers, where said volumes meet the following conditions:

- 1) volumes are delivered under rate schedules FRSGTS, FRGTS, FRMGTS, FRCTS or FRLGTS and
- 2) volumes are delivered to a Customer which is a member of an Full Requirements Aggregation Pool for which the Retail Natural Gas Supplier has not elected less than the minimum storage requirements to provide temperature balancing under Section VII, Part 18 of this tariff.

30.4 Rate

\$.4680 per Mcf of all volumes delivered to the Retail Natural Gas Supplier's Aggregation Pool during the billing month.

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 30 - ANCILLARY SERVICE RATES

ELIGIBLE CUSTOMER LISTS

30.5 Applicability

Applicable throughout the territory served by the Company.

30.6 Availability

Available to PUCO-certified Retail Natural Gas Suppliers and Governmental Aggregators. Retail Natural Gas Suppliers and Governmental Aggregators approved by the Company for participation in the Company's Customer CHOICESM Program must execute a Customer Information Agreement, and must be certified by the Commission. Updates to Eligible Customer Lists are limited to three updates within a twelve (12) month period following receipt of initial Eligible Customer List.

30.7 Content

The Company shall provide, on a best efforts basis, an updated list of eligible customers pursuant to Rule 4901:1-28-05 of the Ohio Administrative Code and Rule 4901:1-29-13(c) of the Ohio Administrative Code.

30.8 Rates:

Initial Eligible Customer List	\$.07 per record
Update of Eligible Customer List	\$.02 per record

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 30 - ANCILLARY SERVICE RATES

ACTIVE CUSTOMER LISTS

30.9 Applicability

Applicable throughout the territory served by the Company.

30.10 Availability

Available to PUCO-certified Retail Natural Gas Suppliers and Governmental Aggregators to facilitate the on-going operation of their Aggregation Pools. Retail Natural Gas Suppliers and Governmental Aggregators must be approved by the Company for participation in the Company's Customer CHOICESM Program.

30.11 Content

30.12 Rates:

Active Account List	\$.015 per record
Minimum Charge Per List	\$ 55.00

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 30 - ANCILLARY SERVICE RATES

OTHER RETAIL NATURAL GAS SUPPLIER AND GOVERNMENTAL
AGGREGATOR BILLING OPTIONS

30.13 Applicability

Applicable throughout the territory served by the Company.

30.14 Availability

Available to Retail Natural Gas Suppliers and Governmental Aggregators that have been approved by the Company for participation in the Company's Customer CHOICESM Program that have selected the Company's consolidated billing option.

30.15 Bill Logo Fees

Retail Natural Gas Suppliers and Governmental Aggregators participating in the Company's Customer CHOICESM Program, at the Company's option, may include on bills to their Customers their Company Logo at the following rates:

Processing Charge	\$ 400.00
Charge Per Bill Issued	\$.015

30.16 Bill Message Fees

Retail Natural Gas Suppliers and Governmental Aggregators participating in the Company's Customer CHOICESM Program, at the Company's option, may include on bills to their Customers, bill messages at the following rates:

Processing Charge	\$ 400.00
Charge Per Bill Issued	\$.05

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SECTION VII
PART 30 - ANCILLARY SERVICE RATES

RETAIL NATURAL GAS SUPPLIER BILLING RATES

30.17 Applicability

Applicable throughout the territory served by the Company.

30.18 Availability

Available to Retail Natural Gas Suppliers that have been approved by the Company for participation in the Company's Customer CHOICESM Program and have chosen the consolidated billing option.

30.19 Billing Rates

Retail Natural Gas Suppliers that have established billing rates as part of the Company's Customer CHOICESM Program may continue billing those same billing rates with no charges being assessed other than the applicable billing rate change charges. A billing rate change is defined as a change in an existing Retail Natural Gas Supplier billing rate or the establishment of a new Retail Natural Gas Supplier billing rate. Retail Natural Gas Suppliers will be assessed \$25.00 for each billing rate change. The Company may, at its option, limit the total number of billing rates established by each Retail Natural Gas Supplier.

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Columbia Gas of Ohio, Inc.

SECTION VII
PART 30 - ANCILLARY SERVICE RATES

TECHNICAL SUPPORT SERVICES

30.20 Applicability

Applicable throughout the territory served by the Company.

30.21 Availability

Available to Retail Natural Gas Suppliers, Governmental Aggregators, Retail Natural Gas Brokers or their Agents that have been approved by the Company for participation in the Company's Customer CHOICESM Program, at the Company's option.

30.22 Technical Support

Retail Natural Gas Suppliers, Governmental Aggregators, Retail Natural Gas Brokers and their Agents participating in the Company's Customer CHOICESM Program may receive from the Company, at the Company's option, technical support and assistance at a rate of \$70.00 per hour. The Company is under no obligation to provide technical support and assistance, with the exception of the services described in the Section 30.23 of this tariff. Such support and assistance for which the charge applies is categorized in three general areas:

- 1) Explanation of the Company's communications related to information posted through the Company's Electronic Bulletin Board;
- 2) Manual verification and confirmation of Customer account data beyond the information and messages available thru the Company's standard automated process; and
- 3) Explanation and definition of the Company's filings, Commission rulings, FERC orders and other documents applicable to the Company's Customer CHOICESM Program.

Such Technical Support and Assistance may include time spent by Company personnel conducting research in connection with a Retail Natural Gas Supplier's, Governmental Aggregator's, Retail Natural Gas Broker's, or their Agent's inquiry.

30.23 Exceptions to Technical Support Charges

There will be no time recorded in connection with non-competitive inquiries covering required business interactions, specifically:

- 1) Standard Automated processing of Retail Natural Gas Supplier's data files by the Company;
- 2) Website availability and access; and
- 3) Erroneous data communicated by the Company via the Company's Electronic Bulletin Board.

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J. W. Partridge Jr., President

Columbia Gas of Ohio, Inc.

SECTION VII
PART 31 - MISCELLANEOUS

31.1 Force Majeure

Neither Company nor any provider of Columbia Customer CHOICESM Program services shall be liable in damages to the other, except for the actual delivered costs, plus retainage, of replacement supplies and flow through of penalty charges, for any act, omission, or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, storms, floods, washouts, civil disturbances, explosions, breakage, or accident to machinery or lines of pipe, gas curtailment imposed by interstate or intrastate pipelines, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the control of the party claiming suspension.

Such causes or contingencies affecting the performance hereunder by Company or any provider of Columbia Customer CHOICESM Program services, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve a provider of Columbia Customer CHOICESM Program services from its obligations to make payments of amounts due hereunder.

31.2 Title to Gas

Supplier warrants that it will have good title to all natural gas delivered to Company hereunder, and that such gas will be free and clear of all liens, encumbrances, and claims whatsoever, and that it will indemnify Company, and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of a breach of such warranty.

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J. W. Partridge Jr., President

Columbia Gas of Ohio, Inc.

SECTION VII

PART 41 – FULL REQUIREMENTS COOPERATIVE TRANSPORTATION SERVICE (FRCTS)

41.1 Applicability

- a) Applicable in all territories served by the Company.
- b) In the event that the Commission has approved, prior to the effective date of this tariff paragraph, a special contract between Columbia and a Cooperative, the terms of the contract shall remain in full force and effect until the contract term has expired or the contract has been otherwise terminated. Upon the expiration or termination of such contracts between Columbia and a Cooperative, any continued service to the Cooperative shall be subject to Columbia's tariff, including Rate Schedule FRCTS.
- c) This rate schedule shall not apply to any Aggregation Agreement with a Retail Natural Gas Supplier "RNGS" as part of Columbia's CHOICE® Program, whether or not the RNGS is a Cooperative.

41.2 Availability

Available to any Cooperative that meets all of the following requirements:

- a) A Cooperative Service Agreement between Columbia and the Cooperative has been executed;
- b) The Cooperative must demonstrate that it satisfies the statutory definition of a "Cooperative";
- c) The Cooperative will purchase gas from a Retail Natural Gas Supplier subject to all of the terms of Section VII of Columbia's tariff;
- d) All volumes of gas to be transported by Columbia on behalf of Cooperative shall be delivered by Retail Natural Gas Supplier to Columbia at mutually acceptable receipt points on Columbia's system, and shall be redelivered by Columbia to the Cooperative at a Columbia approved daily read, electronic, telemetered (with a dedicated phone line), measuring and regulation station (the "Delivery Point") to be constructed by Cooperative, at its sole cost and expense. A Registration and Master User ID Agreement and an Agreement to Install Daily Measurement Equipment on Columbia's Measurement Facilities must be executed. The Delivery Point shall be constructed on land owned or acquired by the Cooperative. The Cooperative shall secure and provide Columbia with all right of access, including ingress/egress thereto, reasonably necessary for Columbia to perform any function required at the Delivery Point facility. Columbia has no obligation to provide any service hereunder until such land and access rights have been secured. Further, the continued existence of all ownership rights and access rights shall constitute conditions precedent to all of Columbia's obligations to provide service under this tariff;
- e) Service to Cooperatives is subject to the availability of sufficient operating capacity on Columbia's system. In the event Columbia determines that such operating capacity is insufficient, Columbia will provide Cooperative with an estimate of costs for Columbia to upgrade, extend or otherwise modify its delivery system to provide the requested service based on the load to be connected at that time according to the plan submitted. Cooperatives may elect the provision of service from Columbia through the payment of the estimated cost to upgrade or modify the system previously provided by Columbia within 60 days of receipt of the estimate.

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-AU-TRF and January 17, 2007 in Case No. 05-1045-GA-ATA.

Issued: January 23, 2007

Effective: January 23, 2007

Issued By
J. W. Partridge, Jr., President

Columbia Gas of Ohio, Inc.

SECTION VII

PART 41 – FULL REQUIREMENTS COOPERATIVE TRANSPORTATION SERVICE (FRCTS)

- f) Columbia, or a contractor acceptable to Columbia, has installed a tap on a Columbia distribution line, a Columbia Service Line from the tap to an inlet shut-off valve, and the inlet shut off valve. Columbia shall be the owner of such facilities, and shall operate and maintain such facilities;
- g) The Cooperative has installed, the daily read, electronic, telemetered, measuring and regulation station in accordance with Columbia's specifications. The measuring and regulation station shall be protected in accordance with Columbia's engineering standards. Columbia must inspect and approve the measuring and regulation station prior to gas flow, inclusive of any required corrosion or witness test. Columbia may inspect the measurement facilities periodically and otherwise take measures to verify and ensure the accuracy of the measurements taken at said measuring station. Specific responsibilities including design, material acquisition, installation, ownership, operations & maintenance and removal of the specific measuring station components shall be defined in the Cooperative Service Agreement;
- h) The Cooperative has installed and owns an adequate natural gas line to serve as a service line from the outlet side of said inlet shut-off valve to the measuring station in accordance with Columbia specifications. The daily read, electronic, telemetered, measuring and regulation station and Cooperative's service line shall be subject to inspection by Columbia prior to placement into service;
- i) The Cooperative has constructed and owns a natural gas line and appurtenant facilities from the measuring and regulation station to the facilities of its customers. Prior to placement into service, Columbia has the right, but not the obligation, to inspect, at Columbia's cost, all pipeline and facilities installed to the facilities of Cooperative's customers in order to ensure the pipeline and facilities are constructed in accordance with applicable requirements;
- j) The Cooperative is responsible for the operation and maintenance of the Cooperative's facilities as defined in Section VII, Part 2, hereto, from the outlet side of Columbia's measurement and regulation facilities at the Point of Receipt. The Cooperative is responsible for any and all cost or expenses arising out of or relating to service to any of Cooperative's member customers, including but not limited to service calls, repairs, replacement, and performance of any operation or maintenance activity. In the event Columbia should become involved in any such service, upon receipt of an invoice from Columbia, Cooperative will remit to Columbia payment for claims made pursuant to this paragraph; including but are not limited to labor, materials, overhead charges, taxes, vehicles, equipment, tool costs, and mileage; and,
- k) The Cooperative must maintain credit levels acceptable to the Company in accordance with Section VII of this tariff.

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-AU-TRF and January 17, 2007 in Case No. 05-1045-GA-ATA.

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J. W. Partridge, Jr., President

Columbia Gas of Ohio, Inc.

SECTION VII

PART 41 – FULL REQUIREMENTS COOPERATIVE TRANSPORTATION SERVICE (FRCTS)

41.3 Character of Service

Service provided under this tariff is a firm service.

41.4 Company will charge the following maximum rates for all Retail Natural Gas Supplier-owned volumes delivered by Company to the Cooperative:

- 1) First 25 Mcf per account per month \$1.0600 per Mcf
- 2) Over 25 Mcf per account per month \$0.9800 per Mcf

The Company may bill less than maximum rate where competitive circumstances exist; however, the Company is under no obligation to negotiate rates. The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to fixed costs. Unless otherwise agreed by Company and Cooperative, Customer shall pay the maximum rate for all volumes delivered hereunder.

41.5 Late Payment Charge

If a bill payment is not received by the Company or by the Company's authorized agent on or before payment date, an additional amount of 1.5% of the unpaid balance on the subsequent bill will come due as part of the Cooperative's total obligation.

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-AU-TRF and January 17, 2007 in Case No. 05-1045-GA-ATA.

Issued: January 23, 2007

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COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 1 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheets No. 1, 1a
and 1b

Type: Index

Data Reference:

Schedule E-1A,

Page 1-3

Schedule E-1B,

Page 1-5

Schedule E-2,

Page 1-3

Explanation of Change:

Renumbering the Part Number of each Tariff Section, elimination of discontinued Tariff pages or schedules, alignment of Sheet Numbers to reflect proposed tariff changes, and addition of new Tariff pages or schedules. Reorganization of Tariff Sections to reflect that the terms and conditions under Section I – Service, Section II – Metering and Billing, Section III – Physical Property, Section IV – General are applicable to all customers served under all rate schedules, and that Section V – Sales Service, Section VI – Gas Transportation Service, and Section VII – Competitive Retail Natural Gas Service set forth the additional terms and conditions for each specific type of service.

Rationale for Change:

Columbia proposes to renumber the Part Numbers of each Tariff Section so that each new section begins at Part Number 1. Columbia proposes to remove discontinued Tariff pages or schedules and to reserve these pages for future use. Columbia also proposes to add new Tariff pages or schedules as will be further described herein. Columbia proposes to clarify that Tariff Sections I – IV apply to all customers under all rate schedules, and that Tariff Sections V – VII further set forth additional terms and conditions applicable to each type of tariff service.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 2 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 2

Type: Service

Data Reference:

Schedule E-1A,

Page 4

Schedule E-1B,

Page 4

Schedule E-2,

Page 4

Explanation of Change:

Removal of the reference to the local office of Columbia.

Rationale for Change:

Applications for service are now processed by phone through Columbia's DirectLink 1-800 number, which is available Monday through Friday, 7:00 a.m. – 7:00 p.m.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 3 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 3

Type: Service

Data Reference:

Schedule E-1A,

Page 5

Schedule E-1B,

Page 7

Schedule E-2,

Page 5

Section I, Part 10

Explanation of Change:

Changes in the text to reflect that the customer's responsibility for property used in the delivery of natural gas service begins at the outlet side of the meter.

Rationale for Change:

Columbia proposes to assume the responsibility for the installation, maintenance, repair and replacement of customer-owned service lines from the curb-box (or if no curb-box, property or lot line) to the outlet side of the meter.

Section I, Part 12

Explanation of Change:

Addition of text related to the provision of temporary service and Rule 4901:1-13-05(A)(3) of the Ohio Administrative Code.

Rationale for Change:

Columbia proposes to clarify that Rule 4901:1-13-05(A)(3) of the Ohio Administrative Code does not prevent the provision of temporary service to a premise.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 4 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. - See
Below

Type: All

Explanation of Change:

Renumbering to begin the Part Numbers of each Tariff Section at 1.

Rationale for Change:

Columbia proposes to renumber each Tariff Section so that each new Section begins with Part Number 1. This change will allow Columbia to add new tariff provisions to a section without impacting the numbering of other tariff sections.

This change applies to the following Tariff Sheets:

Current Sheet Number	Current Section Number	Current Part Number	Proposed Sheet Number	Proposed Section Number	Proposed Part Number
5	II	18	5	II	1
			5	II	2
5	II	19	6	II	3
5	II	20	6	II	4
6	II	21	6	II	5
6	II	22	7	II	6
6	II	23	7	II	7
6	III	24	7	III	1
7	III	25	7	III	2
7	III	26	7	III	3
7	III	27	7	III	4
7	III	28	7	III	5
7	III	29	8	III	6
7	III	30	8	III	7
8	III	31	8	III	8
8	III	32	8	III	9
8	III	33	8	III	10
8	III	34	8	III	11
8-9	III	35	9	III	12
			10	III	13
10	IV	36	10	IV	1
11	IV	36a	11	IV	2
11	IV	37	11	IV	3
11	IV	38	11	IV	4
12	IV	39	12	IV	5
14-15	IV	40	13-14	IV	6
			14-15	V	1
16-21	IV		16-22	V	2

Current Sheet Number	Current Section Number	Current Part Number	Proposed Sheet Number	Proposed Section Number	Proposed Part Number
22-30c	IV	41	23-30c	V	3
31-33	V	42	31-33	VI	1
33a	V	43	33a	VI	2
33b	V	43a	33b	VI	3
34	V	44	34	VI	4
34	V	45	34	VI	5
36	V	46	36	VI	6
38	V	47	38	VI	7
39-40	V	48	39-40	VI	8
41-42	V	49	41-42	VI	9
43	V	50	43	VI	10
43	V	51	43	VI	11
43	V	52	43	VI	12
44	V	53	44	VI	13
44	V	54	44	VI	14
44	V	55	44	VI	15
44	V	56	44	VI	16
45	V	57			
46	V	58	46	VI	17
46	V	59	46	VI	18
46	V	60	46	VI	19
46	V	61	46	VI	20
47	V	62			
48, p 1	V	63	48, p 1	VI	21
48, p 1	V	64	48, p 1	VI	22
48, p 2-3	V	64A	48, p 2-3	VI	23
48a-48e	V	65	48a-48e	VI	24
49-67a	V	66	49-67a	VI	25
			68-73	VI	26

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 6 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet Nos. 5 &
6

Type: Metering and
Billing

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 6-7
Page 8-10
Page 7

Explanation of Change:

Addition of Section II, Part 2, Customer with More than One Meter.

Rationale for Change:

The proposed change sets forth the criteria under which customers may combine multiple meters under one billing and one Account. This change allows the combining of multiple meters under one Account in certain circumstances, but prevents combining meters for the purpose of avoiding a monthly delivery charge or a monthly customer charge. This change provides more clarity around the circumstances under which meters may be combined, and ensures that costs which are allocated on a per meter basis are reasonably recovered on a per meter basis.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 6

Type: Metering and
Billing

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 7

Page 10

Page 8

Explanation of Change:

The reference to Rule 15 was changed to Section I, Part 15.

Rationale for Change:

References to Parts of the Tariff now include a Section reference to better identify the referenced tariff provision.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 8 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 7

Type: Physical Property

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 8

Page 12

Page 6-7

Section III, Part 1

Explanation of Change:

This provision of the tariff was amended to remove language regarding the customer service line which defined the physical property owned and maintained separately by the customer and Columbia.

Rationale for Change:

Columbia proposes to assume the responsibility for the installation, maintenance, repair and replacement of customer-owned service lines from the curb-box (or if no curb-box, property or lot line) to the outlet side of the meter.

Section III, Part 4

Explanation of Change:

The word 'may' is deleted and replaced with the word 'will'.

Rationale for Change:

Columbia proposes to assume the responsibility for the installation, maintenance, repair and replacement of customer-owned service lines from the curb-box (or if no curb-box, property or lot line) to the outlet side of the meter. However, to the extent that there are changes made at the customer's premise that render the meter inaccessible or exposed to hazards, Columbia will require that the customer is responsible for the expense of relocating the meter and, if necessary, portions of the service line to allow for access to the meter and elimination of hazardous circumstances.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 8

Type: Physical Property

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 9

Page 14

Page 10

Section III, Part 8

Explanation of Change:

References to the customer's service lines have been deleted. A paragraph has been added regarding defective or otherwise unsatisfactory appliances and Columbia's service, testing and inspection obligations.

Rationale for Change:

Columbia proposes to assume the responsibility for the installation, maintenance, repair and replacement of customer-owned service lines from the curb-box (or if no curb-box, property or lot line) to the outlet side of the meter. Therefore, the reference to customer service lines under the "Standards for Customer's Property" is no longer necessary.

The additional paragraph regarding a defect or unsatisfactory condition which is limited to a particular appliance allows Columbia to reestablish service to a customer, while ensuring the safety of the customer by shutting off the defective appliance. The proposed language reflects the need for Columbia to protect its customers by shutting down faulty appliances, while allowing the customer to maintain service.

Section III, Parts 9 and 10

Explanation of Change:

References to the customer's service lines have been deleted.

Rationale for Change:

Columbia proposes to assume the responsibility for the installation, maintenance, repair and replacement of customer-owned service lines from the curb-box (or if no curb-box, property or lot line) to the outlet side of the meter. Therefore, the references to customer service lines under the "Discontinuance of Supply on Notice of Defect in Customer's Property" and "No Responsibility for Material or Workmanship" provisions of the tariff are no longer necessary.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 10 of 122

Workpaper Reference No(s):

None

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 9

Type: Physical Property

Data Reference:

Schedule E-1A,

Page 10

Schedule E-1B,

Page 16

Schedule E-2,

Page 11

Explanation of Change:

Removal of references to Class 1 and Class 2 Applicants and the number of feet of main line extension provided to Class 1 applicants. Change in the term of refunds of deposits from ten years to five years. A reference to "domestic" service was changed to "residential", the term "developers" was added to the section referring to property "owners or promoters", and a reference to "commercial or industrial purposes" was changed to "mixed use (combination residential and commercial projects), commercial projects or industrial projects".

Rationale for Change:

Columbia proposes to eliminate the distinction between Class 1 and Class 2 Applicants to reflect more currently utilized applications for natural gas. Columbia also proposes the deletion of the corresponding line extension allowance of 200 feet.

Changes to the types of customers to which the main extension policies apply were made to provide better clarity.

The length of time under which main extension deposits will be refunded was changed from ten years to five years to reflect the fact that the majority of additional build-out off of an extension will occur within a five year period, and also to reduce the administrative burden on Columbia.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 11 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 10

Type: Physical Property

Data Reference:

Schedule E-1A,

Page 11

Schedule E-1B,

Page 17

Schedule E-2,

Page 12

Section III, Part 13

Explanation of Change:

Section III, Part 13 – Addition and Replacement of Facilities, was moved from Sheet No. 45, Section V, Part 57. The descriptions of the facilities and gas delivered through the facilities were amended to more generally reflect applicability to all customers.

Rationale for Change:

The "Addition and Replacement of Facilities" was moved from current Section V – Gas Transportation Service to Section III - Physical Property to better demonstrate that this provision is applicable to all customers rather than just to Gas Transportation Service customers.

Section IV, Part 1

Explanation of Change:

Replaced the term "firm transportation" service with "full or partial requirements" service.

Rationale for Change:

Columbia proposes this change to better identify the service options of Remaining Firm Service customers.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 12 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 11

Type: General

Data Reference:

Schedule E-1A,

Page 12

Schedule E-1B,

Page 18

Schedule E-2,

Page 13

Explanation of Change:

Elimination of the Annual Sales Election provision.

Rationale for Change:

Columbia proposes this change to align the tariff with current practices. Customers may move from sales to transportation throughout the year, and no longer need to notify Columbia by Jan 2 of each year.

Section IV, Part 3

Explanation of Change:

Elimination of a paragraph qualifying the legal implications of the approval of tariff language by the Public Utilities Commission of Ohio.

Rationale for Change:

In its decision in the case of *Vorhees v. Jovingo, et al*, 2005 Ohio 4948, the Ohio Court of Appeals has noted that "A tariff filed in accordance with the law has the force and effect of a statute." Therefore, since the issue of whether the limitation of liability in Columbia's tariff would be upheld in a court of law has now been conclusively decided in Columbia's favor, the qualifying language is no longer necessary or appropriate.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 13 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 13

Type: General

Data Reference:

Schedule E-1A,

Page 14

Schedule E-1B,

Page 20

Schedule E-2,

Page 16

Explanation of Change:

The reconnection Trip Charge has increased from \$19.00 to \$60.00, the After Hours Reconnection Charge is eliminated, the Dishonored Check Charge has increased from \$8.00 to \$18.00, and the Late Payment Charge has been amended to reflect a late payment fee of 1.5% on a customer's entire past due balance. The term company "offices" was also deleted from the Late Payment Charge section.

Rationale for Change:

Columbia has not amended its fees and charges for miscellaneous services since 1994. The increases to these fees represent the current actual cost to perform the services. The increased service fees allow Columbia to collect costs appropriately from those customers who incur such costs. Columbia proposes to credit the revenues collected from these fees against the Bad Debt Tracker.

The elimination of the After Hours Reconnection Charge is proposed because Columbia does not schedule reconnections after regular working hours. The Late Payment Charge has been amended to remove the balance limitation of \$2,000, which results in the late payment Charge being assessed upon the entire past due arrearage balance. This change in the Late Payment Charge is proposed to properly assess the carrying charges of past due amounts to the customer who incurs them, and to act as a deterrent to late payments.

Columbia proposes to eliminate the reference to Columbia "offices" under the Late Payment Charge section of the tariff, since payments are now accepted at authorized payment locations and by calling our DirectLink toll-free phone number.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 14 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 14

Type: General and Sales
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 15
Page 21-22
Page 17

Explanation of Change:

The Tie-in Charge has been increased from the lesser of actual or \$290.00 to the lesser of actual or \$475.00, a Theft of Service Investigation Fee of \$95.00 has been added, and the Meter Test Charge and Automatic Meter Reading (AMR) Charge have been eliminated.

Rationale for Change:

Columbia has not amended its fees and charges for miscellaneous services since 1994. The increases to these fees represent the current actual cost to perform the services. The increased service fees allow Columbia to collect costs appropriately from those customers who incur such costs, and should also act as a deterrent to fraudulent customer behavior. Columbia proposes to credit the revenues collected from these fees against the Bad Debt Tracker.

The elimination of the Meter Test charge is proposed because the Section II, Part 1 of the Tariff defines the charges for meter testing. The elimination of the Automatic Meter Reading (AMR) Charge is proposed because Columbia is proposing to install AMR devices on all inside and inaccessible locations as part of its Alternative Regulation Plan. If the plan is approved, Columbia will no longer charge customers for AMR installations. If the plan is not approved, Columbia requests the ability to restore the Automatic Meter Reading (AMR) Charge at a rate that represents the current actual cost to install the units as part of this tariff proposal.

Section V, Part 1

Explanation of Change:

Addition of Definitions to Section V – Sales Service.

Rationale for Change:

Columbia proposes to clarify that Tariff Sections I – IV apply to all customers under all rate schedules, and that Tariff Sections V – VII further set for additional terms and conditions applicable to each type of tariff service. Section VI – Gas Transportation Service, and Section VII – Competitive Retail Natural Gas Service each have an applicable Definitions section. This addition provides for definitions that apply specifically to the Sales Service section.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 15 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 15

Type: Sales Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 16

Page 23-24

Explanation of Change:

Addition of Definitions to Section V – Sales Service.

Rationale for Change:

Columbia proposes to clarify that Tariff Sections I – IV apply to all customers under all rate schedules, and that Tariff Sections V – VII further set for additional terms and conditions applicable to each type of tariff service. Section VI – Gas Transportation Service, and Section VII – Competitive Retail Natural Gas Service each have an applicable Definitions section. This addition provides for definitions that apply specifically to the Sales Service section.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 16

Type: Sales Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 17

Page 25-26

Page 18

Explanation of Change:

The Small General Service rate reflects a phased-in shift from a volumetric recovery of fixed costs for the natural gas pipeline delivery system to a single, fixed monthly charge recovery. Associated with this change, the monthly Customer Charge of \$6.50 has been replaced with a Monthly Delivery Charge of \$12.97 for the first year that new rates are in effect, and \$19.76 thereafter. The rate for all gas consumed decreases from \$1.3669 per Mcf to \$0.9479 per Mcf for the first year that new rates are in effect, and is eliminated thereafter.

A new Small General Schools Sales Rate has been established to reflect a proposed discount of 5% applicable to all primary and secondary school accounts. The Monthly Delivery Charge is \$12.32 for the first year that new rates are in effect, and \$18.77 thereafter. The rate for all gas consumed is proposed to be \$0.9005 per Mcf for the first year that new rates are in effect, and is eliminated thereafter.

The definition of "account" is eliminated due to the addition of the Definitions Section V, Part 1 on Sheet Nos. 14 and 15.

All Billing Adjustments have been consolidated under the Billing Adjustment heading and are provided in list form.

Rationale for Change:

As is further described in witness Feingold's testimony, Columbia proposes that it is reasonable and appropriate to collect the proposed revenue requirement from this class of customers through a Straight Fixed Variable ("SFV") rate design. Columbia's customer-related costs do not vary with gas usage; therefore, customer-related costs should be collected through a fixed component of Columbia's rate structure.

To mitigate the near-term impact of SFV rates on customers' bills and to allow customers sufficient time to adjust to this new type of rate structure, Columbia has proposed for the first year after completion of this rate proceeding that the current monthly customer charge be increased approximately half-way towards the SFV-based rate level, with the balance of the revenue requirement collected through the proposed volumetric (i.e., gas consumption) charge. After the first year that rates are in effect, Columbia's fixed costs of natural gas delivery service will be recovered from its customers through a single, fixed monthly charge.

As is further described in witness Brown's testimony, maintaining its long-standing ratemaking policy, Columbia has proposed that all primary and secondary school customer accounts served under this rate schedule will be charged rates that are 5 percent below the applicable non-school rates.

The definitions have been removed from individual rate schedules and consolidated under the Definitions Section V, Part 1 to provide for better consistency, clarity and ease of use.

Columbia proposes that the billing adjustments be represented in list form to provide for better consistency with the rate schedules under Section VII - Competitive Retail Natural Gas, and to provide for better clarity and simplicity.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 17

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 18

Schedule E-1B,

Page 27

Schedule E-2,

Page 19

Explanation of Change:

The Billing Adjustments section of the Small General Service rate schedule was eliminated. The Late Payment Charge has been amended to remove the balance limitation of \$2,000, which results in the late payment Charge being assessed upon the past due arrearage balance.

Rationale for Change:

Columbia proposes that the billing adjustments be represented in list form to provide for better consistency with the rate schedules under Section VII - Competitive Retail Natural Gas, and to provide for better clarity and simplicity. The rationale for the Late Payment Charge change is described on Page 13 of this Exhibit.

**COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES**

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 17a

Type: Sales Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 19
Page 28-29
Page 20

Explanation of Change:

Rate Schedule MGS – Murphy General Service has been eliminated, and Sheet No. 17a is reserved for future use.

Rationale for Change:

On October 28, 1999, the Public Utilities Commission approved a joint agreement for the purchase and acquisition of Murphy Gas, Inc. In the opinion and order approving the joint agreement, *In the Matter of the Joint Petition of Columbia Gas of Ohio, Inc. and Murphy Gas, Inc. for Approval of an Agreement Regarding the Sale and Acquisition of Utility Assets*, Case No. 99-994 GA-ATR, the Commission noted that the petition provided that the base rates of Columbia and Murphy will be maintained until new rates become effective after Columbia's next rate filing. Accordingly, Columbia proposes that the former Murphy Gas customers be served under the appropriate Columbia rate schedule effective with the implementation of new rates in this proceeding.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 18

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 20

Schedule E-1B,

Page 30-31

Schedule E-2,

Page 21

Explanation of Change:

The General Service rate reflects an increase to the monthly Customer Charge and a new usage block for monthly consumption over 25 Mcf up to 100 Mcf. The Customer Charge of \$16.50 is proposed to increase to \$25.00. The rate for the first 25 Mcf of gas consumed per account per month is proposed to increase from \$1.3607 per Mcf to \$1.8969 per Mcf. A new usage block for all gas consumed per account per month over 25 Mcf up to 100 Mcf is proposed at a rate of \$1.3465 per Mcf. For all usage over 100 Mcf per account per month, the volumetric rate is proposed to decrease from \$1.2784 per Mcf to \$1.0834 per Mcf.

A new General Schools Sales Rate has been established to reflect a proposed discount of 5% applicable to all primary and secondary school accounts. The Customer Charge is proposed to be \$23.75. The rate for the first 25 Mcf of gas consumed per account per month is proposed to be \$1.8021 per Mcf. The usage block for all gas consumed per account per month over 25 Mcf up to 100 Mcf is proposed at a rate of \$1.2792 per Mcf. For all usage over 100 Mcf per account per month, the volumetric rate is proposed to be \$1.0292 per Mcf.

The definition of "account" is eliminated due to the addition of the Definitions Section V, Part 1 on Sheet Nos. 14 and 15.

Rationale for Change:

As is further described in witness Feingold's testimony, the proposed increase in Columbia's monthly customer charge was guided by the customer-related costs for this rate class indicated in Columbia's cost of service study. Columbia seeks to move this charge closer to cost, but at the same time, is cognizant of the need to mitigate any expected intra-class revenue shifts. Columbia's current volumetric charges consist of two rate blocks and are proposed to include three rate blocks. This change was proposed to achieve more equally distributed unit rates across the gas consumption ranges within this rate class so the amounts charged to higher load factor customers would be more reflective of their unit costs.

As is further described in witness Brown's testimony, maintaining its long-standing ratemaking policy, Columbia has proposed that all primary and secondary school customer accounts served under this rate schedule will be charged rates that are 5 percent below the applicable non-school rates.

The definitions have been removed from individual rate schedules and consolidated under the Definitions Section V, Part 1 to provide for better consistency, clarity and ease of use.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 19

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 21

Schedule E-1B,

Page 32

Schedule E-2,

Page 22

Explanation of Change:

All Billing Adjustments have been consolidated under the Billing Adjustment heading and are provided in list form. The Late Payment Charge has been amended to remove the balance limitation of \$2,000, which results in the late payment Charge being assessed upon the past due arrearage balance.

Rationale for Change:

Columbia proposes that the billing adjustments be represented in list form to provide for better consistency with the rate schedules under Section VII - Competitive Retail Natural Gas, and to provide for better clarity and simplicity. The rationale for the Late Payment Charge change is described on Page 13 of this Exhibit.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 20

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 22

Schedule E-1B,

Page 33

Schedule E-2,

Page 23

Explanation of Change:

The Large General Service rate reflects the elimination of the Minimum Monthly Charge, a new monthly Customer Charge, and decreases in the volumetric rates. The Customer Charge is proposed to be \$650.00 per account per month. The volumetric rate for the first 2,000 Mcf of gas consumed per account per month is proposed to decrease from \$0.4614 per Mcf to \$0.4496 per Mcf. For all gas consumed per account per month over 2,000 Mcf up to 15,000 Mcf, the volumetric rate is proposed to decrease from \$0.2813 per Mcf to \$0.2741 per Mcf. For all gas consumed per account per month over 15,000 Mcf up to 100,000 Mcf, the volumetric rate is proposed to decrease from \$0.2513 per Mcf to \$0.2449 per Mcf. For all usage over 100,000 Mcf per account per month, the volumetric rate is proposed to decrease from \$0.1913 per Mcf to \$0.1864 per Mcf.

The definition of "account" is eliminated due to the addition of the Definitions Section V, Part 1 on Sheet Nos. 14 and 15.

The Gross Receipts Tax provision is eliminated and is shown as part of the new Billing Adjustments provision.

Rationale for Change:

As further described in witness Feingold's testimony, a monthly customer charge of \$650.00 is proposed for this rate schedule. Currently, Columbia does not have a monthly customer charge for this rate schedule, but there is a minimum charge which produces revenues of approximately \$659.00 per month (after gross receipts tax). A monthly customer charge is being introduced for customers served under this rate schedule as a more appropriate and direct way to recover customer-related costs compared to the current minimum charge approach.

Columbia's volumetric charges currently consist of four rate blocks. No change was proposed to this block structure. The proposed rates were computed by changing the rate for each block by the same percentage amount in order to recover the portion of the proposed revenue requirement for these classes not recovered by the proposed monthly customer charge.

The charge for customers served off the Main Line was set at the tail block rate of \$0.1864 per Mcf, a decrease from the current rate of \$0.2058 per Mcf.

The definitions have been removed from individual rate schedules and consolidated under the Definitions Section V, Part 1 to provide for better consistency, clarity and ease of use.

Columbia proposes that the billing adjustments be represented in list form to provide for better consistency with the rate schedules under Section VII - Competitive Retail Natural Gas, and to provide for better clarity and simplicity.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 21

Type: Sales Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 23

Page 34-35

Page 24

Explanation of Change:

The Minimum Monthly Charge has been eliminated and is replaced by the monthly Customer Charge shown on Sheet No. 20. The Gas Cost Recovery and Excise Tax Rider provisions have been deleted and are shown as part of the Billing Adjustments provision. The Late Payment Charge has been amended to remove the balance limitation of \$2,000, which results in the late payment Charge being assessed upon the past due arrearage balance.

Rationale for Change:

The rationale for the elimination of the Minimum Monthly Charge and institution of the monthly Customer Charge is described on Page 21 of this Exhibit. Columbia proposes that the billing adjustments be represented in list form to provide for better consistency with the rate schedules under Section VII - Competitive Retail Natural Gas, and to provide for better clarity and simplicity. The rationale for the Late Payment Charge change is described on Page 13 of this Exhibit.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 22

Type: Sales Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 24

Page 36

Page 25

Explanation of Change:

The Billing Adjustments listed on Sheet No. 22 have been eliminated and the sheet has been reserved for future use.

Rationale for Change:

The billing adjustments for each rate schedule are now shown in list form on the applicable rate schedule, and therefore this sheet is no longer necessary.

COLUMBIA GAS OF OHIO, INC.
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NARRATIVE RATIONALE FOR TARIFF CHANGES

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Schedule E-3

Type of Filing: Original

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Workpaper Reference No(s):

None

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 23

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 25

Schedule E-1B,

Page 37

Schedule E-2,

Page 26

Explanation of Change:

The title "3. SALES BILLING ADJUSTMENTS" was added to delineate Part 3 of Section V. The GCR rate was restated from cents per Ccf to dollars per Mcf.

Rationale for Change:

Columbia proposes to revise the numbering of Tariff Sections consistent with the explanation provided on Page 4 of this Exhibit. Columbia proposes to state all volumetric rates in the tariff in dollars per Mcf for consistency and ease of comparison to other rate schedules. The current tariff states volumetric rates using a variety of units.

COLUMBIA GAS OF OHIO, INC.
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NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 24

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 26

Schedule E-1B,

Page 38

Schedule E-2,

Page 27

Explanation of Change:

The applicability of the PIP Plan Tariff Schedule Rider is changed to clarify the applicability of the rider for a newly established customer account. The PIP Plan Base Rate Rider was restated from dollars per Ccf to dollars per Mcf.

Rationale for Change:

The change in the text of the applicability provision of the PIP Plan Tariff Schedule Rider is proposed to better match the language of the Tariff with Columbia's understanding of the Stipulation filed on June 3, 1994, in Case No. 94-987-GA-AIR, as approved by the Commission, and with actual practice. Columbia proposes to state all volumetric rates in the tariff in dollars per Mcf for consistency and ease of comparison to other rate schedules. The current tariff states volumetric rates using a variety of units.

COLUMBIA GAS OF OHIO, INC.
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NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 25

Type: Sales Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 27

Page 39-40

Page 28

Explanation of Change:

Columbia proposes to eliminate the Gas Transportation Service Transportation Take-Or-Pay Surcharge. The Excise Tax Rider has been moved to Sheet No. 25 from Sheet No. 30.

Rationale for Change:

The Gas Transportation Service Transportation Take-Or-Pay Surcharge has been suspended since June 3, 1993 pursuant to PUCO Entry dated June 17, 1993 in Case No. 93-883-GA-UNC, and therefore Columbia proposes to eliminate the Surcharge. The Excise Tax Rider has been moved from Sheet No. 30 to Sheet No. 25 for better ordering and presentation. No other changes are proposed to the Excise Tax Rider.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 26

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 28

Schedule E-1B,

Page 41

Schedule E-2,

Page 29

Explanation of Change:

The Small General Service Temporary Base Rate Revenue Rider is proposed to be eliminated. The CHOICESM Program Sharing Credit has been moved from Sheet No. 30c to Sheet No. 26.

Rationale for Change:

The revenue requirement previously collected through the Small General Service Temporary Base Rate Revenue Rider has been reflected as part of the overall cost of service in this base rate application. Therefore, Columbia proposes to eliminate this Rider. The CHOICE Program Sharing Credit has been moved from Sheet No. 30c to Sheet No. 26 for better ordering and presentation. The applicability of the CHOICE Program Sharing Credit is revised to reflect the elimination of rate schedule MGS – Murphy Gas Service (see Page 18 of this Exhibit for the rationale). No other changes are proposed to the CHOICE Program Sharing Credit.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 27

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 29

Schedule E-1B,

Page 42

Schedule E-2,

Page 30

Explanation of Change:

The General Service Temporary Base Rate Revenue Rider is proposed to be eliminated.

Rider IRP – Infrastructure Replacement Program Rider is proposed to be established. Rider IRP consists of three components: the Riser and Hazardous Customer Service Line Replacement Program, the Accelerated Mains Replacement Program and the Automated Meter Reading Devices Program. The rates for this Rider are proposed to be established through an annual Notice filed no later than November 30 of each year based on nine months of actual data and three months of estimated data for the calendar year. The filing is proposed to be updated by each February 28 using actual calendar year data. The adjustments to the Rider are proposed to become effective on May 1 of each calendar year.

Rationale for Change:

The revenue requirement previously collected through the General Service Temporary Base Rate Revenue Rider has been reflected as part of the overall cost of service in this base rate application. Therefore, Columbia proposes to eliminate this Rider.

Columbia proposes Rider IRP to allow for the recovery of costs associated with risers, hazardous customer service lines, the accelerated mains replacement program, and the automatic meter reading devices program.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 28

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 30

Schedule E-1B,

Page 43

Schedule E-2,

Page 31

Explanation of Change:

The Large General Service Temporary Base Rate Revenue Rider is proposed to be eliminated.

The Demand Side Management Rider is proposed to be established. The Demand Side Management Rider is applicable to rate schedules SGS, GS and LGS, and is proposed to recover costs associated with the implementation of comprehensive, cost-effective energy efficiency programs made available to all residential and commercial customers.

Rationale for Change:

The revenue requirement previously collected through the Large General Service Temporary Base Rate Revenue Rider has been reflected as part of the overall cost of service in this base rate application. Therefore, Columbia proposes to eliminate this Rider.

Columbia proposes the Demand Side Management Rider to allow for the recovery of costs associated with the implementation of comprehensive, cost-effective energy efficiency programs made available to all residential and commercial customers. Columbia and other parties agreed to the creation of the Demand Side Management program as part of the settlement stipulation filed on December 28, 2007 in Case No. 04-221-GA-GCR et al. The PUCO approved the settlement stipulation on January 23, 2008.

Columbia has filed an alternative regulation plan as part of this base rate application. The alternative regulation plan proposes that Columbia be allowed to recover the costs of implementing its Demand Side Management programs through a rate recovery mechanism. The programs, associated costs, and the establishment of the recovery mechanism will be components of a Demand Side Management application, which parties have agreed to file no later than July 1, 2008.

COLUMBIA GAS OF OHIO, INC.
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Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 30 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 29

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 31

Schedule E-1B,

Page 44

Schedule E-2,

Page 32

Explanation of Change:

The Uncollectible Expense Rider has been amended to reflect the elimination of applicability to rate schedules SGTS, GTS and MGS. The Uncollectible Expense Rider has been decreased from \$0.1631 per Mcf to \$0.1553 per Mcf to provide for the elimination of Gross Receipts Tax recoveries.

Rationale for Change:

The Uncollectible Expense Rider for Rate Schedules SGTS and GTS is now shown on Sheet No. 69.

The per Mcf rate for the Uncollectible Expense Rider has been decreased from \$0.1631 per Mcf to \$0.1553 per Mcf to provide for the elimination of Gross Receipts Tax recoveries. The Gross Receipts Tax Rider is proposed to apply to all revenues billed by Columbia, so the Gross Receipts Tax component of the Uncollectible Expense Rider is proposed to be removed to avoid a duplicate recovery of the gross receipts tax. This proposal is further explained on Page 31 of this Exhibit.

COLUMBIA GAS OF OHIO, INC.
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NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 30

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 32

Schedule E-1B,

Page 45

Schedule E-2,

Page 33

Explanation of Change:

The Gross Receipts Tax Rider is proposed to be applicable to all charges billed by Columbia, rather than to just the gas cost recovery charges. The Gross Receipts Tax Rider has been increased from 4.9296% to 4.987%.

The Excise Tax Rider has been eliminated from Sheet No. 30.

Rationale for Change:

The Gross Receipts Tax Rider rate of 4.9296% was the effective rate allowed in Columbia's most recent base rate proceeding. This rate recognized the effective Gross Receipts Tax rate, inclusive of exempt revenues. Columbia proposes that the Gross Receipts Tax Rider will be billed on all non-exempt revenues as a rider and is not imbedded in base rates. Therefore, the real Gross Receipts Tax rate of 4.75%, grossed up to 4.978% for the tax on tax effect, is the appropriate rider rate. Please refer to witness Martin's testimony for further explanation.

The Excise Tax Rider is now shown on Sheet No. 25 to allow for better ordering and presentation of the Tariff.

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Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 30a

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 33

Schedule E-1B,

Page 46

Schedule E-2,

Page 34

Explanation of Change:

The UPL Customer Surcharge has been eliminated and Sheet No. 30a is reserved for future use.

Rationale for Change:

The Utility Pipeline Limited (UPL) Lake Mohawk Project is now served under the Full Requirements Cooperative Transportation Service rate schedule, Section VII – Competitive Retail Natural Gas Service, Sheet No. 41. Therefore all Tariff references to UPL and Lake Mohawk are proposed to be eliminated.

COLUMBIA GAS OF OHIO, INC.
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NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 33 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 30b

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 34

Schedule E-1B,

Page 47

Schedule E-2,

Page 35

Explanation of Change:

The Lake Mohawk Project Map has been eliminated and Sheet No. 30b is reserved for future use.

Rationale for Change:

The Utility Pipeline Limited (UPL) Lake Mohawk Project is now served under the Full Requirements Cooperative Transportation Service rate schedule, Section VII – Competitive Retail Natural Gas Service, Sheet No. 41. Therefore all Tariff references to UPL and Lake Mohawk are proposed to be eliminated.

COLUMBIA GAS OF OHIO, INC.
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Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 34 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 30c

Type: Sales Service

Data Reference:

Schedule E-1A,

Page 35

Schedule E-1B,

Page 48

Schedule E-2,

Page 36

Explanation of Change:

The CHOICE Program Sharing Credit shown on Sheet No. 30c has been moved to Sheet 26.

Rationale for Change:

The CHOICE Program Sharing Credit has been moved from Sheet No. 30c to Sheet No. 26 for better ordering and presentation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 31

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 36

Page 49-50

Page 37

Explanation of Change:

Renumbering of Section V to Section VI – Gas Transportation Service, and renumbering of Part 42 to Part 1, Definitions. The definitions have been reordered to provide for alphabetical ordering.

The definition of "Account" has been changed to make it consistent with the definition of "Account" used in Section VII – Competitive Retail Natural Gas Service. The definition of "Aggregation Pool" now refers to a Marketer's "Gas Transportation Service Customer Group" instead of a Marketer's "Customer CHOICE Customer Group". A reference to "Small General Transportation Service Customers" was added to the definition of "Backup Service". Two new sentences, "A Customer may have more than one Account, as defined herein. Columbia's service under the applicable rate schedules is provided to a single Account", were added to the definition of "Customer".

Rationale for Change:

The definition of "Account" previously did not match other definitions of "Account" provided within the Tariff. The definition has been changed throughout the Tariff to make it consistent with the definition used in Section VII – Competitive Retail Natural Gas Service.

The prior definition for "Aggregation Pool" incorrectly referred to the Customer CHOICE Customer Group instead of the Gas Transportation Service Customer Group. The definition of Aggregation Pool applicable to customers in the CHOICE Program is provided in Section VII, Sheet No. 2, Page 1.

The definition of "Backup Service" was modified to reflect that customers on the Small General Transportation Service rate schedule may also purchase Backup Service.

The additional language for the definition of "Customer" was added to clarify that charges presented on Columbia's rate schedules are billed to each individual Account, even though one Customer may have more than one Account.

COLUMBIA GAS OF OHIO, INC.
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Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 32

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 37

Page 51-52

Page 38

Explanation of Change:

The definitions have been reordered to provide for alphabetical ordering. The definition of "Full Requirements Service" was changed to include a reference to Small General Transportation Service Customers.

The definition of "High Priority" was amended to include references to customers served under rate schedules FRLGTS, FRGTS, FRCTS and Standby Service. References to MGS and FRMGTS were deleted.

Rationale for Change:

The definition of "Full Requirements Service" was modified to reflect that customers on the Small General Transportation Service rate schedule may also purchase Full Requirements Service.

The definition of "High Priority" was amended to properly reflect all rate schedules within the priority of interruption, and to remove references to Murphy General Service and Full Requirements Murphy General Transportation Service, which are no longer separate rate schedules.

COLUMBIA GAS OF OHIO, INC.
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Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 33

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 38

Page 53-54

Page 39

Explanation of Change:

The definitions have been reordered to provide for alphabetical ordering. The word "primarily" was deleted from the definition of "Industrial Customer". The definition of "Marketer" was revised to mean a gas supplier under the Gas Transportation Service program instead of the Columbia Customer CHOICE Program. The definition of "Partial Full Requirements Service" was amended to include Small General Transportation Service Customers.

Rationale for Change:

The qualifier "primarily" was deleted from the definition of "Industrial Customer" to more clearly state that industrial customers use natural gas for processing. The prior definition for "Marketer" incorrectly referred to the Columbia Customer CHOICE Program instead of the Gas Transportation Service Program. The definition of "Partial Full Requirements Service" was modified to reflect that customers on the Small General Transportation Service rate schedule may also purchase Partial Full Requirements Service.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 38 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 33a

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 39
Page 55-56
Page 40

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation. Section VI, Part 2 (C) is changed to refer to an Internet-Based Website rather than an Electronic Bulletin Board.

Rationale for Change:

Columbia now posts necessary information about transportation service on an internet-based website, and proposes to conform the Tariff language to its actual practice. Per Case No. 01-2607-GA-CSS, Columbia, in consultation with the customers and their Agents, will update annually the maximum daily and annual volumes for transportation service customers. The Company proposes this change to conform the Tariff language to its actual practice.

Section VI, Part 3

Explanation of Change:

The phrase "which are subject to change annually" was added to Section VI, Part 3, subsection (3).

Rationale for Change:

Per Case No. 01-2607-GA-CSS, Columbia, in consultation with the customers and their Agents, will update annually the maximum daily and annual volumes for transportation service customers. The Company proposes this change to conform the Tariff language to its actual practice.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 39 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 33b

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Page 40

Schedule E-1B,

Page 57

Schedule E-2,

Page 41

Explanation of Change:

The text on 33b was moved to Sheet No. 33a. The sheet is reserved for future use.

Rationale for Change:

Columbia proposes this change to provide for better organization of the Tariff.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 40 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 34

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 41

Page 58

Page 42

Explanation of Change:

Section and Part Numbers have been revised.

Rationale for Change:

See Pages 4 and 5 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 41 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 36

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Page 42

Schedule E-1B,

Page 59

Schedule E-2,

Page 44

Explanation of Change:

The period of retention of meter charts is changed from 4 years to 3 years. Section and Part Numbers have been revised.

Rationale for Change:

Columbia proposes to retain meter reading charts for three years instead of four years in compliance with the Minimum Gas Service Standard requirements.

See Pages 4 and 5 of this Exhibit for further explanation of the new Section and Part Numbers.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 42 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 38

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 43

Page 60

Page 46

Explanation of Change:

Section and Part Numbers have been revised.

Rationale for Change:

See Pages 4 and 5 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 43 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 39

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 44

Page 61

Page 47

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

The phrase "by posting such notice on its Gas Transportation-related internet website" was added to a paragraph describing *notifications to members of a Customer Group* of any consumption limitations.

Rationale for Change:

Columbia now posts necessary information about transportation service on an internet-based website, and proposes to conform the Tariff language to its actual practice.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 44 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 40

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Page 45

Schedule E-1B,

Page 62

Schedule E-2,

Page 48

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

A reference to Murphy General was deleted.

The phrase "on a best efforts basis, attempt to" was added to a paragraph describing notifications to a Customer Group of interruption.

Rationale for Change:

Columbia proposes to combine the Murphy General rate schedules with the otherwise applicable Columbia rate schedules. Columbia proposes the change to the notification procedures for Customer Groups to clarify that Columbia has a responsibility to notify Customer Groups of an interruption, but cannot guarantee that notification will be provided.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 45 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 41

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 48

Page 63-64

Page 49

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

Section VI, Part 9, B. has been revised to delete a reference to the effective date of Annual election of the monthly bank tolerance, to clarify that customers may only elect to change bank tolerance levels annually, to delete the reference to an amended Service Agreement, and to delete the word "quarterly" from a reference to Columbia's Gas Cost Recovery Rate.

Section VI, Part 9, C. was moved from Sheet No. 43.

Rationale for Change:

Columbia proposes to amend the language of Section VI, Part 9, B. to conform this Tariff provision with Columbia's actual practice.

Section VI, Part 9, C. was moved from Sheet No. 43 to provide for better organization and relational relevance of the Tariff provision.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 46 of 122

Workpaper Reference No(s):

None

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 42

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 47
Page 65
Page 50

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

In Section VI, Part 9, F., the phrase "the gas was delivered to Company" is replaced with the phrase "service is terminated".

Rationale for Change:

Columbia proposes to value retained bank volumes at the cost of Columbia's least expensive gas supply at the time service is terminated. This change provides for a valuation date which is more easily determined than the current language, which values the bank volumes at the time the gas was delivered to Columbia.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 47 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 43

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 48

Page 66

Page 51

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

The Late Payment Charge has been amended to remove the balance limitation of \$2,000, which results in the late payment Charge being assessed upon the past due arrearage balance.

Rationale for Change:

The rationale for the Late Payment Charge change is described on Page 13 of this Exhibit.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 48 of 122

Workpaper Reference No(s):

None

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 44

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 49
Page 67
Page 52

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

Under Section VI, Part 14, an option to subscribe to Partial Requirements Service has been added.

A reference to the Capacity Assignment Option, current Section V, Part 62, has been deleted.

Rationale for Change:

Columbia proposes to add the option of Partial Requirements Service to fulfill Human Needs requirements in recognition that Partial Requirements Service provides backup requirements to customers.

Columbia proposes to eliminate the Capacity Assignment Option, as further explained on Page 51 of this Exhibit, and therefore proposes to delete this reference.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 45

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 50

Page 68

Page 53

Explanation of Change:

Section VI, Part 16, I. reflects a change from a 10 day notice of termination for non-payment of charge for transportation service to a five day notice. Current Section V, Part 57 has been moved to Sheet No. 10, and is shown as proposed Section III, Part 13. See Page 11 of this Exhibit for further explanation.

Rationale for Change:

Columbia proposes to change the number of days to provide written notification from ten days to five days in compliance with the notification requirements under Ohio Administrative Code 4901:1-13-08(D)(1).

COLUMBIA GAS OF OHIO, INC.
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Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 46

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 51

Page 69

Page 54

Explanation of Change:

Section and Part Numbers have been revised.

Rationale for Change:

See Pages 4 and 5 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 51 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 47

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 52

Page 70

Page 55

Explanation of Change:

Current Section V, Part 62 – Capacity Assignment Option has been deleted. The sheet is reserved for future use.

Rationale for Change:

Customers have not historically chosen to utilize this capacity assignment option, so Columbia proposes to eliminate it from the Tariff.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 52 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 48,
Page 1 of 3

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 53

Page 71

Page 56

Explanation of Change:

Section and Part Numbers have been revised.

Rationale for Change:

See Pages 4 and 5 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 53 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 48,
Page 2 of 3

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 54

Page 72

Page 57

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

A reference to MGTS has been deleted.

Rationale for Change:

Columbia proposes to combine the Murphy General rate schedules with the otherwise applicable Columbia rate schedules. See Page 18 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 54 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 48,
Page 3 of 3

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 55

Page 73

Page 58

Explanation of Change:

Section and Part Numbers have been revised.

Rationale for Change:

See Pages 4 and 5 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 55 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 48a

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 56

Page 74

Page 59

Explanation of Change:

Section and Part Numbers have been revised.

Rationale for Change:

See Pages 4 and 5 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 48b

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 57

Page 75

Page 60

Explanation of Change:

Section and Part Numbers have been revised.

Rationale for Change:

See Pages 4 and 5 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 48c

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 58

Page 76

Page 61-62

Explanation of Change:

Section and Part Numbers have been revised.

Rationale for Change:

See Pages 4 and 5 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 48d

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 59

Page 77

Page 63

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

A limitation upon the application of the Late Payment Fee in Proposed Section VI, Part 24, (H) has been deleted.

Rationale for Change:

Columbia proposes deleting the limitation preventing the application of the Late Payment Fee to "unpaid account balances existing prior to the effective date of this rule and regulation" since any unpaid arrearages in existence prior to the effective date of January 27, 2004, would have either been paid or written off to bad debt expense by this point in time.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 48e

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 60

Page 78

Page 64

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

The Late Payment Charge has been amended to remove the balance limitation of \$2,000, which results in the late payment Charge being assessed upon the past due arrearage balance.

Rationale for Change:

The rationale for the Late Payment Charge change is described on Page 13 of this Exhibit.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 60 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 49

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 61

Page 79-80

Page 65

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

The Small General Transportation Service rate reflects a phased-in shift from a volumetric recovery of fixed costs for the natural gas pipeline delivery system to a single, fixed monthly charge recovery. Associated with this change, the monthly Customer Charge of \$6.50 has been replaced with a Monthly Delivery Charge of \$12.97 for the first year that new rates are in effect, and \$19.76 thereafter. The rate for all gas consumed decreases from \$1.3669 per Mcf to \$0.9479 per Mcf for the first year that new rates are in effect, and is eliminated thereafter.

The definition of "account" is eliminated due to the fact that Section VI, Part 1 – Definitions, on Sheet No. 31, provides a definition of "account".

A new Small General Schools Transportation Service Rate has been established to reflect a proposed discount of 5% applicable to all primary and secondary school accounts.

All Billing Adjustments have been consolidated under the Billing Adjustment heading and are provided in list form.

Rationale for Change:

As is further described in witness Feingold's testimony, Columbia proposes that it is reasonable and appropriate to collect the proposed revenue requirement from this class of customers through a Straight Fixed Variable ("SFV") rate design. Columbia's customer-related costs do not vary with gas usage; therefore, customer-related costs should be collected through a fixed component of Columbia's rate structure.

To mitigate the near-term impact of SFV rates on customers' bills and to allow customers sufficient time to adjust to this new type of rate structure, Columbia has proposed for the first year after completion of this rate proceeding that the current monthly customer charge be increased approximately half-way towards the SFV-based rate level, with the balance of the revenue requirement collected through the proposed volumetric (i.e., gas consumption) charge. After the first year that rates are in effect, Columbia's fixed costs of natural gas delivery service will be recovered from its customers through a single, fixed monthly charge.

As is further described in witness Brown's testimony, maintaining its long-standing ratemaking policy, Columbia has proposed that all primary and secondary school customer accounts served under this rate schedule will be charged rates that are 5 percent below the applicable non-school rates.

The definitions have been removed from individual rate schedules and consolidated under the Definitions Section VI, Part 1 to provide for better consistency, clarity and ease of use.

Columbia proposes that the billing adjustments be represented in list form to provide for better consistency with the rate schedules under Section VII - Competitive Retail Natural Gas, and to provide for better clarity and simplicity.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 61 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 50

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 62

Page 81-82

Page 66

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

A new Small General Schools Transportation Service Rate has been established to reflect a proposed discount of 5% applicable to all primary and secondary school accounts. The Monthly Delivery Charge is \$12.32 for the first year that new rates are in effect, and \$18.77 thereafter. The rate for all gas consumed is proposed to be \$0.9005 per Mcf for the first year that new rates are in effect, and is eliminated thereafter.

All Billing Adjustments have been consolidated under the Billing Adjustment heading and are provided in list form.

The Administrative Fee of \$6.00 has been eliminated.

Rationale for Change:

As is further described in witness Brown's testimony, maintaining its long-standing ratemaking policy, Columbia has proposed that all primary and secondary school customer accounts served under this rate schedule will be charged rates that are 5 percent below the applicable non-school rates.

Columbia proposes that the billing adjustments be represented in list form to provide for better consistency with the rate schedules under Section VII - Competitive Retail Natural Gas, and to provide for better clarity and simplicity.

The purpose of the Administrative Fee was to recover the cost of the development of the information systems to bill and account for the provision of transportation service. The cost of this system is now fully depreciated and therefore Columbia proposes the elimination of the Administrative Fee.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 62 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 51

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 63

Page 83

Page 67

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

The language under the "Full Requirements Service, Charges" section has been rearranged and clarified to properly reflect that gross receipts taxes are calculated on all charges included in Columbia's Gas Cost Recovery Rate and not just pipeline demand costs.

The Late Payment Charge has been amended to remove the balance limitation of \$2,000, which results in the late payment Charge being assessed upon the past due arrearage balance.

Rationale for Change:

The rationale for the Late Payment Charge change is described on Page 13 of this Exhibit.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 63 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 52

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 64

Page 84

Page 68

Explanation of Change:

The Billing Adjustments provision has been deleted from Sheet No. 52. The sheet is reserved for future use.

Rationale for Change:

Columbia proposes that the billing adjustments be represented in list form to provide for better consistency with the rate schedules under Section VII - Competitive Retail Natural Gas, and to provide for better clarity and simplicity.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 64 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 53

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 65

Page 85-86

Page 69

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

The General Transportation Service rate reflects an increase to the monthly Customer Charge and a new usage block for monthly consumption over 25 Mcf up to 100 Mcf. The Customer Charge of \$16.50 is proposed to increase to \$25.00. The rate for the first 25 Mcf of gas consumed per account per month is proposed to increase from \$1.3607 per Mcf to \$1.8969 per Mcf. A new usage block for all gas consumed per account per month over 25 Mcf up to 100 Mcf is proposed at a rate of \$1.3465 per Mcf. For all usage over 100 Mcf per account per month, the volumetric rate is proposed to decrease from \$1.2784 per Mcf to \$1.0834 per Mcf.

A new General Schools Transportation Service Rate has been established to reflect a proposed discount of 5% applicable to all primary and secondary school accounts.

The definition of "account" is eliminated due to the fact that Section VI, Part 1 – Definitions, on Sheet No. 31, provides a definition of "account".

All Billing Adjustments have been consolidated under the Billing Adjustment heading and are provided in list form.

Rationale for Change:

As is further described in witness Feingold's testimony, the proposed increase in Columbia's monthly customer charge was guided by the customer-related costs for this rate class indicated in Columbia's cost of service study. Columbia seeks to move this charge closer to cost, but at the same time, is cognizant of the need to mitigate any expected intra-class revenue shifts. Columbia's current volumetric charges consist of two rate blocks and are proposed to include three rate blocks. This change was proposed to achieve more equally distributed unit rates across the gas consumption ranges within this rate class so the amounts charged to higher load factor customers would be more reflective of their unit costs.

As is further described in witness Brown's testimony, maintaining its long-standing ratemaking policy, Columbia has proposed that all primary and secondary school customer accounts served under this rate schedule will be charged rates that are 5 percent below the applicable non-school rates.

The definitions have been removed from individual rate schedules and consolidated under the Definitions Section VI, Part 1 to provide for better consistency, clarity and ease of use.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 65 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 54

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 66

Page 87-88

Page 70

Explanation of Change:

A new General Schools Transportation Service Rate has been established to reflect a proposed discount of 5% applicable to all primary and secondary school accounts. The Customer Charge is proposed to be \$23.75. The rate for the first 25 Mcf of gas consumed per account per month is proposed to be \$1.8021 per Mcf. The usage block for all gas consumed per account per month over 25 Mcf up to 100 Mcf is proposed at a rate of \$1.2792 per Mcf. For all usage over 100 Mcf per account per month, the volumetric rate is proposed to be \$1.0292 per Mcf.

All Billing Adjustments have been consolidated under the Billing Adjustment heading and are provided in list form.

The Administrative Fee of \$6.00 has been eliminated.

Rationale for Change:

As is further described in witness Brown's testimony, maintaining its long-standing ratemaking policy, Columbia has proposed that all primary and secondary school customer accounts served under this rate schedule will be charged rates that are 5 percent below the applicable non-school rates.

Columbia proposes that the billing adjustments be represented in list form to provide for better consistency with the rate schedules under Section VII - Competitive Retail Natural Gas, and to provide for better clarity and simplicity.

The purpose of the Administrative Fee was to recover the cost of the development of the information systems to bill and account for the provision of transportation service. The cost of this system is now fully depreciated and therefore Columbia proposes the elimination of the Administrative Fee.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 66 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 55

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 67

Page 89

Page 71

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

The language under the "Full Requirements Service, Charges" section has been rearranged and clarified to properly reflect that gross receipts taxes are calculated on all charges included in Columbia's Gas Cost Recovery Rate and not just pipeline demand costs.

Rationale for Change:

The language under the "Full Requirements Service, Charges" section has been rearranged and clarified to properly reflect that gross receipts taxes are calculated on all charges included in Columbia's Gas Cost Recovery Rate and not just pipeline demand costs.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 67 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 56

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Page 68

Schedule E-1B,

Page 90

Schedule E-2,

Page 72

Explanation of Change:

The Late Payment Charge has been amended to remove the balance limitation of \$2,000, which results in the late payment Charge being assessed upon the past due arrearage balance.

The Billing Adjustments provision has been deleted from Sheet No. 56.

Rationale for Change:

The rationale for the Late Payment Charge change is described on Page 13 of this Exhibit.

Columbia proposes that the billing adjustments be represented in list form to provide for better consistency with the rate schedules under Section VII - Competitive Retail Natural Gas, and to provide for better clarity and simplicity.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 68 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 57

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 69

Page 91

Page 73

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation. A sentence referring to the first Annual Period for assessing a customer's consumption was deleted, since that time period has passed. A provision that required a 30 day notice to the customer prior to termination of service under this rate schedule was deleted.

Rationale for Change:

The reference to the first annual period is now unnecessary, and has been deleted. Columbia proposes to transfer customers to the appropriate rate schedule if they do not qualify for service under this rate schedule, consistent with the treatment of customers under the Small General and General Transportation Service rate schedules.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 69 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 58

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Page 70

Schedule E-1B,

Page 92

Schedule E-2,

Page 74

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation.

The Large General Transportation Service rate reflects the elimination of the Minimum Monthly Charge, a new monthly Customer Charge, and decreases in the volumetric rates. The Customer Charge is proposed to be \$650.00 per account per month. The volumetric rate for the first 2,000 Mcf of gas consumed per account per month is proposed to decrease from \$0.4614 per Mcf to \$0.4496 per Mcf. For all gas consumed per account per month over 2,000 Mcf up to 15,000 Mcf, the volumetric rate is proposed to decrease from \$0.2813 per Mcf to \$0.2741 per Mcf. For all gas consumed per account per month over 15,000 Mcf up to 100,000 Mcf, the volumetric rate is proposed to decrease from \$0.2513 per Mcf to \$0.2449 per Mcf. For all usage over 100,000 Mcf per account per month, the volumetric rate is proposed to decrease from \$0.1913 per Mcf to \$0.1864 per Mcf.

The definition of "account" is eliminated due to the fact that Section VI, Part 1 – Definitions, on Sheet No. 31, provides a definition of "account".

The Flexible Delivery Charge has been deleted from Sheet No. 59, and is shown on Sheet No. 58. The Flexible Delivery Charge provision has been simplified and now reflects the same language as the Small General Transportation Service and General Transportation Service rate schedules.

The Mainline Delivery Charge has been decreased from \$0.2058 per Mcf to \$0.1864 per Mcf.

Rationale for Change:

As further described in witness Feingold's testimony, a monthly customer charge of \$650.00 is proposed for this rate schedule. Currently, Columbia does not have a monthly customer charge in this rate schedule, but there is a minimum charge which produces revenues of approximately \$659.00 per month (after gross receipts tax). A monthly customer charge is being introduced for customers served under this rate schedule as a more appropriate and direct way to recover customer-related costs compared to the current minimum charge approach.

Columbia's volumetric charges currently consist of four rate blocks. No change was proposed to this block structure. The proposed rates were computed by changing the rate for each block by the same percentage amount in order to recover the portion of the proposed revenue requirement for these classes not recovered by the proposed monthly customer charge. The charge for customers served off the Main Line was set at the tail block rate of \$0.1864 per Mcf, a decrease from the current rate of \$0.2058 per Mcf.

The definitions have been removed from individual rate schedules and consolidated under the Definitions Section VI, Part 1 to provide for better consistency, clarity and ease of use.

Columbia proposes that the same provisions of the Flexible Delivery Charge for the Small General Transportation Service and General Transportation Service rate schedules be utilized for Large General Transportation Service for consistency and simplicity.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 59

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 71

Page 93

Page 75

Explanation of Change:

The Flexible Delivery Charge was moved to Sheet No. 58. This sheet is reserved for future use.

Rationale for Change:

See Page 69 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 71 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 60

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 72

Page 94-95

Page 76

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation. The Minimum Monthly Charge has been eliminated and is replaced by the monthly Customer Charge shown on Sheet No. 58. All Billing Adjustments have been consolidated under the Billing Adjustment heading and are provided in list form.

Rationale for Change:

The rationale for the elimination of the Minimum Monthly Charge and institution of the monthly Customer Charge is described on Page 69 of this Exhibit. Columbia proposes that the billing adjustments be represented in list form to provide for better consistency with the rate schedules under Section VII - Competitive Retail Natural Gas, and to provide for better clarity and simplicity.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 72 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 61

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 73

Page 96

Page 77

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation. The term "excise" is replaced with the term "gross receipts" in reference to the applicable taxes for Standby Service Charges. The Late Payment Charge has been amended to remove the balance limitation of \$2,000, which results in the late payment Charge being assessed upon the past due arrearage balance.

Rationale for Change:

Columbia proposes using the term "gross receipts" in place of "excise" as a more accurate description of the applicable taxes.

The rationale for the Late Payment Charge change is described on Page 13 of this Exhibit.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 73 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 62

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 74

Page 97

Page 78

Explanation of Change:

The Billing Adjustments provision has been deleted from Sheet No. 62. This sheet is reserved for future use.

Rationale for Change:

Columbia proposes that the billing adjustments be represented in list form to provide for better consistency with the rate schedules under Section VII - Competitive Retail Natural Gas, and to provide for better clarity and simplicity.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 74 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 62A,
Page 1 of 2 Pages

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 75

Page 98

Page 79

Explanation of Change:

Section and Part Numbers have been revised.

Rationale for Change:

See Pages 4 and 5 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 75 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 62A,
Page 2 of 2 Pages

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 76

Page 99

Page 80

Explanation of Change:

Section and Part Numbers have been revised.

Rationale for Change:

See Pages 4 and 5 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 76 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 63

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 77

Page 100-101

Page 81

Explanation of Change:

The Service Agreement for Gas Transportation has replaced the Service Agreement for SGTS, GTS and LGTS Rate Schedules. While the text remains the same, with the exception of the tariff references consistent with the previously discussed changes to the Section and Part numbering, the format and font is revised.

Rationale for Change:

The new format and font is consistent with the other sections of the Tariff.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 77 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 64

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,

Schedule E-1B,

Schedule E-2,

Page 78

Page 102-103

Page 82

Explanation of Change:

The Service Agreement for Gas Transportation has replaced the Service Agreement for SGTS, GTS and LGTS Rate Schedules. While the requested information remains largely the same, the format and font is revised. The required customer information is more specifically set forth in the new format. (See also Sheet No. 65)

Rationale for Change:

The new format provides for easier reference, better ease of administration and more specific customer contact information.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 78 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 65

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 79
Page 104-105
Page 83

Explanation of Change:

The Large General Transportation Service contract data is now consolidated with the contract data shown on Sheet No. 64. New fields for information to be entered by Columbia Personnel provide for better consistency of contract administration, more specific customer information, and better provision of services.

Rationale for Change:

The new format provides for easier reference, better ease of administration and more specific customer contact information.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 79 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 68

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 80

Page 106

Explanation of Change:

Section VI, Part 26 is a new Tariff Part that sets forth the riders that are applicable to the Gas Transportation Service rate schedules. The Interim, Emergency and Temporary PIP Plan Tariff Schedule Rider has been added.

Rationale for Change:

See Page 25 of this Exhibit for a further explanation of changes to the PIP Plan Tariff Schedule Rider.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 80 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 69

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 81

Page 107

Explanation of Change:

Section VI, Part 26 is a new Tariff Part that sets forth the riders that are applicable to the Gas Transportation Service rate schedules. The Uncollectible Expense Rider has been added.

Rationale for Change:

See Page 30 of this Exhibit for a further explanation of changes to the Uncollectible Expense Rider.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 81 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 70

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 82

Page 108

Explanation of Change:

Section VI, Part 26 is a new Tariff Part that sets forth the riders that are applicable to the Gas Transportation Service rate schedules. The Gross Receipts Tax Rider has been added.

Rationale for Change:

See Page 31 of this Exhibit for a further explanation of changes to the Gross Receipts Tax Rider.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 82 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 71

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 83
Page 109

Explanation of Change:

Section VI, Part 26 is a new Tariff Part that sets forth the riders that are applicable to the Gas Transportation Service rate schedules. The Excise Tax Rider has been added.

Rationale for Change:

See Page 26 of this Exhibit for a further explanation of changes to the Excise Tax Rider.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 83 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 72

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 84

Page 110

Explanation of Change:

Section VI, Part 26 is a new Tariff Part that sets forth the riders that are applicable to the Gas Transportation Service rate schedules. The Infrastructure Replacement Program Rider has been added.

Rationale for Change:

See Page 28 of this Exhibit for a further explanation of the proposed Infrastructure Replacement Program Rider.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 84 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Sheet No. 73

Type: Gas Transportation
Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 85
Page 111

Explanation of Change:

Section VI, Part 26 is a new Tariff Part that sets forth the riders that are applicable to the Gas Transportation Service rate schedules. The Demand Side Management Rider has been added.

Rationale for Change:

See Page 29 of this Exhibit for a further explanation of the proposed Demand Side Management Rider.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 85 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 1, Page 1 of 1
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 86

Page 112

Page 86

Explanation of Change:

The Table of Contents for Section VII – Competitive Retail Natural Gas Service was amended to delete the Full Requirements Murphy General Transportation Service rate schedule. Tariff Sheet No. 26 of Section VII is reserved for future use.

Rationale for Change:

See page 18 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 86 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 2, Page 1 of 7
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 87

Page 113

Page 87

Explanation of Change:

Section and Part Numbers have been revised. See Pages 4 and 5 of this Exhibit for further explanation. The definition of "Account" has been revised to provide a date reference rather than a more general statement referring to "prior to the effective date of tariff." All definitions have been bolded. The reference to FRMGTS was deleted from the definition of the Columbia Customer CHOICESM Program.

Rationale for Change:

A date certain is proposed by Columbia for the definition of "Account" to avoid confusion when the tariff sheet is updated in the future. Definitions have been bolded to provide a consistent format with the each of the definitions sections. See page 18 of this Exhibit for further explanation of the elimination of the FRMGTS rate schedule.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 87 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 2, Page 2 of 7
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 88

Page 114

Page 88

Explanation of Change:

All definitions have been ***bolded***.

Rationale for Change:

Definitions have been ***bolded*** to provide a consistent format with the each of the definitions sections.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 88 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 2, Page 3 of 7
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 89

Page 115

Page 89

Explanation of Change:

All definitions have been bolded. The definition of "Customer" has been amended to add the definition of customer used in the Sales Service and Gas Transportation Service definition sections.

Rationale for Change:

Definitions have been bolded to provide a consistent format with the each of the definitions sections.

Columbia proposes to provide consistent definitions, where possible, for common terms used in the Tariff. See Page 35 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 89 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 2, Page 4 of 7
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 90

Page 116

Page 90

Explanation of Change:

All definitions have been bolded.

Rationale for Change:

Definitions have been bolded to provide a consistent format with the each of the definitions sections.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 90 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 2, Page 5 of 7
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 91

Page 117-118

Page 91

Explanation of Change:

All definitions have been bolded.

Rationale for Change:

Definitions have been bolded to provide a consistent format with the each of the definitions sections.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 91 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 2, Page 6 of 7
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 92
Page 119
Page 92

Explanation of Change:

All definitions have been bolded.

Rationale for Change:

Definitions have been bolded to provide a consistent format with the each of the definitions sections.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 2, Page 7 of 7
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 93

Page 120

Page 93

Explanation of Change:

All definitions have been bolded.

Rationale for Change:

Definitions have been bolded to provide a consistent format with the each of the definitions sections.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Page 93 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 4, Page 1 of 2
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 94

Page 121

Page 95

Explanation of Change:

The reference to FRMGTS was deleted from the list of rate schedules which participate in the Columbia Customer CHOICESM Program.

Rationale for Change:

See page 18 of this Exhibit for further explanation of the elimination of the FRMGTS rate schedule.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 5, Page 2 of 3
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 95

Page 122

Page 98

Explanation of Change:

Section 5.13 is revised to provide that Retail Natural Gas Suppliers must have access to Columbia's Internet-Based Website, rather than an Electronic Bulletin Board.

Rationale for Change:

Columbia now posts necessary information about transportation service on an internet-based website, and proposes to conform the Tariff language to its actual practice.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 95 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 6, Page 1 of 2
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 96

Page 123

Page 100

Explanation of Change:

Subsection d) of Part 6.2 – Registration Requirements for Governmental Aggregator, has been deleted.

Rationale for Change:

Subsection d) required that a Governmental Aggregator must execute Columbia's Governmental Aggregator Aggregation Agreement in order to participate in Columbia's Customer CHOICESM Program. Columbia proposes the deletion of this requirement, because this agreement is now consolidated with the Registration Application referred to under Part 6.2 b).

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 12, Page 2 of 4
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 97
Page 124
Page 125

Explanation of Change:

Part 12.4 – Consolidated Billing Taxes, has been amended to require that the customer must directly provide to Columbia the documentation regarding the customer's tax exempt status, rather than Columbia being provided such documentation from a third party.

Rationale for Change:

Columbia proposes this change so that Columbia may ensure that tax exemption certificates are properly documented and retained and that billing of taxes properly reflects the tax status of each customer.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 97 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 13, Page 1 of 2
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 98

Page 125

Page 128

Explanation of Change:

The reference to FRMGTS was deleted from the list of rate schedules to which the Full Requirements Aggregation Service is available.

Rationale for Change:

See page 18 of this Exhibit for further explanation of the elimination of the FRMGTS rate schedule.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 15, Page 1 of 2
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 99

Page 126-127

Page 133

Explanation of Change:

Part 15.1 – Code of Conduct, 4) b) has been amended to provide that in an instance that a Retail Natural Gas Supplier over-delivers gas to its Aggregation Pool(s), Columbia shall purchase the gas at a cost equal to the lowest price per Dth paid by Columbia on the day(s) of over-delivery.

Rationale for Change:

This proposed change clarifies the intent of the language by more specifically referring to Columbia's ability to purchase the gas at the lowest price per Dth paid by Columbia on the day of over-delivery in addition to assessing a pro rata share of other incurred pipeline penalty costs.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 23, Page 1 of 1
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 100

Page 128

Page 151

Explanation of Change:

Columbia proposes additional information regarding the imbalance price option election made by a Retail Natural Gas Supplier on an annual basis under Part 23.1 – Annual Reconciliation of Imbalances. The new provision allows a Retail Natural Gas Supplier to change its price option once annually effective October 1st of each calendar year.

Rationale for Change:

Columbia proposes the additional language to clarify the timing of the election of the annual price option for imbalances.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 25, Page 1 of 3
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 101

Page 129

Page 155

Explanation of Change:

Part 25.2 - Availability is now entitled Requirements for Service. The volumetric requirements for service availability have been moved under a new Availability section in Parts 25.5 and 25.6. A reference to Murphy Gas Company is deleted.

Rationale for Change:

Columbia proposes this change so that the availability requirements for the Full Requirements Small General Transportation Service and the Full Requirements Small General Schools Transportation Service will be adjacent to the applicable delivery charges. See page 18 of this Exhibit for further explanation of the elimination of references to Murphy Gas Company.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 25, Page 2 of 3
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 102

Page 130-131

Page 156

Explanation of Change:

The Full Requirements Small General Transportation Service rate reflects a phased-in shift from a volumetric recovery of fixed costs for the natural gas pipeline delivery system to a single, fixed monthly charge recovery. Associated with this change, the monthly Customer Charge of \$6.50 has been replaced with a Monthly Delivery Charge of \$12.97 for the first year that new rates are in effect, and \$19.76 thereafter. The rate for all gas consumed decreases from \$1.3669 per Mcf to \$0.9479 per Mcf for the first year that new rates are in effect, and is eliminated thereafter.

A new Full Requirements Small General Schools Transportation Service Rate has been established to reflect a proposed discount of 5% applicable to all primary and secondary school accounts. The Monthly Delivery Charge is \$12.32 for the first year that new rates are in effect, and \$18.77 thereafter. The rate for all gas consumed is proposed to be \$0.9005 per Mcf for the first year that new rates are in effect, and is eliminated thereafter.

Rationale for Change:

As is further described in witness Feingold's testimony, Columbia proposes that it is reasonable and appropriate to collect the proposed revenue requirement from this class of customers through a Straight Fixed Variable ("SFV") rate design. Columbia's customer-related costs do not vary with gas usage; therefore, customer-related costs should be collected through a fixed component of Columbia's rate structure.

To mitigate the near-term impact of SFV rates on customers' bills and to allow customers sufficient time to adjust to this new type of rate structure, Columbia has proposed for the first year after completion of this rate proceeding that the current monthly customer charge be increased approximately half-way towards the SFV-based rate level, with the balance of the revenue requirement collected through the proposed volumetric (i.e., gas consumption) charge. After the first year that rates are in effect, Columbia's fixed costs of natural gas delivery service will be recovered from its customers through a single, fixed monthly charge.

As is further described in witness Brown's testimony, maintaining its long-standing ratemaking policy, Columbia has proposed that all primary and secondary school customer accounts served under this rate schedule will be charged rates that are 5 percent below the applicable non-school rates.

The definitions have been removed from individual rate schedules and consolidated under the Definitions Section VI, Part 1 to provide for better consistency, clarity and ease of use.

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NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 25, Page 3 of 3
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 103

Page 132

Explanation of Change:

Proposed Part 25.8 – Billing Adjustments, has been amended to reflect the elimination of the Small General Service Temporary Base Rate Revenue Rider, the elimination of the Competitive Retail Natural Gas Surcredit Rider, the addition of the Gross Receipts Tax Rider, the addition of the Infrastructure Replacement Program Rider and the addition of the Demand Side Management Rider.

Proposed Part 25.9 - Late Payment Charge has been amended to remove the balance limitation of \$2,000, which results in the late payment Charge being assessed upon the past due arrearage balance.

Rationale for Change:

Refer to Page 27 of this Exhibit for a further explanation of the elimination of the Small General Service Temporary Base Rate Revenue Rider and Page 118 of this Exhibit for a further explanation of the elimination of the Competitive Retail Natural Gas Surcredit Rider. Refer to Page 31 of this Exhibit for a further explanation of the addition of the Gross Receipts Tax Rider. Refer to Page 28 of this Exhibit for a further explanation of the addition of the Infrastructure Replacement Program Rider and Page 29 of this Exhibit for a further explanation of the addition of the Demand Side Management Rider. The rationale for the Late Payment Charge change is described on Page 13 of this Exhibit.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 26, Page 1 of 2
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 104

Page 133-134

Page 157

Explanation of Change:

The rate schedule Full Requirements Murphy General Transportation Service (FRMGTS) has been eliminated. This sheet is reserved for future use.

Rationale for Change:

See page 18 of this Exhibit for further explanation.

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NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 104 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 26, Page 2 of 2
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 105

Page 135

Page 158

Explanation of Change:

The rate schedule Full Requirements Murphy General Transportation Service (FRMGTS) has been eliminated. This sheet is reserved for future use.

Rationale for Change:

See page 18 of this Exhibit for further explanation.

COLUMBIA GAS OF OHIO, INC.
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NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 27, Page 1 of 3
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 106

Page 136

Page 159

Explanation of Change:

Part 27.2 - Availability is now entitled Requirements for Service. The volumetric requirements for service availability have been moved under a new Availability section in Parts 27.5 and 27.6. A reference to Murphy Gas Company is deleted.

Rationale for Change:

Columbia proposes this change so that the availability requirements for the Full Requirements General Transportation Service and the Full Requirements General Schools Transportation Service will be adjacent to the applicable delivery charges. See page 18 of this Exhibit for further explanation of the elimination of references to Murphy Gas Company.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 27, Page 2 of 3
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 107
Page 137-138
Page 160

Explanation of Change:

The Full Requirements General Transportation Service rate reflects an overall increase to base rates, an increase to the monthly Customer Charge, and a new usage block for monthly consumption over 25 Mcf up to 100 Mcf. The Customer Charge of \$16.50 is proposed to increase to \$25.00. The rate for the first 25 Mcf of gas consumed per account per month is proposed to increase from \$1.3607 per Mcf to \$1.8969 per Mcf. A new usage block for all gas consumed per account per month over 25 Mcf up to 100 Mcf is proposed at a rate of \$1.3465 per Mcf. For all usage over 100 Mcf per account per month, the volumetric rate is proposed to decrease from \$1.2784 per Mcf to \$1.0834 per Mcf.

A new Full Requirements General Schools Transportation Service Rate has been established to reflect a proposed discount of 5% applicable to all primary and secondary school accounts. The Customer Charge is proposed to be \$23.75. The rate for the first 25 Mcf of gas consumed per account per month is proposed to be \$1.8021 per Mcf. The usage block for all gas consumed per account per month over 25 Mcf up to 100 Mcf is proposed at a rate of \$1.2792 per Mcf. For all usage over 100 Mcf per account per month, the volumetric rate is proposed to be \$1.0292 per Mcf.

Rationale for Change:

As is further described in witness Feingold's testimony, the proposed increase in Columbia's monthly customer charge was guided by the customer-related costs for this rate class indicated in Columbia's cost of service study. Columbia seeks to move this charge closer to cost, but at the same time, is cognizant of the need to mitigate any expected intra-class revenue shifts. Columbia's current volumetric charges consist of two rate blocks and are proposed to include three rate blocks. This change was proposed to achieve more equally distributed unit rates across the gas consumption ranges within this rate class so the amounts charged to higher load factor customers would be more reflective of their unit costs.

As is further described in witness Brown's testimony, maintaining its long-standing ratemaking policy, Columbia has proposed that all primary and secondary school customer accounts served under this rate schedule will be charged rates that are 5 percent below the applicable non-school rates.

COLUMBIA GAS OF OHIO, INC.
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NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 27, Page 3 of 3
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 108

Page 139

Explanation of Change:

Proposed Part 27.7 – Billing Adjustments, has been amended to reflect the elimination of the General Service Temporary Base Rate Revenue Rider, the elimination of the Competitive Retail Natural Gas Surcredit Rider, the addition of the Gross Receipts Tax Rider, the addition of the Infrastructure Replacement Program Rider and the addition of the Demand Side Management Rider.

Proposed Part 27.8 – Late Payment Charge has been amended to remove the balance limitation of \$2,000, which results in the late payment Charge being assessed upon the past due arrearage balance.

Rationale for Change:

Refer to Page 28 of this Exhibit for a further explanation of the elimination of the General Service Temporary Base Rate Revenue Rider and Page 118 of this Exhibit for a further explanation of the elimination of the Competitive Retail Natural Gas Surcredit Rider. Refer to Page 31 of this Exhibit for a further explanation of the addition of the Gross Receipts Tax Rider. Refer to Page 28 of this Exhibit for a further explanation of the addition of the Infrastructure Replacement Program Rider and Page 29 of this Exhibit for a further explanation of the addition of the Demand Side Management Rider. The rationale for the Late Payment Charge change is described on Page 13 of this Exhibit.

COLUMBIA GAS OF OHIO, INC.
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NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 28, Page 1 of 3
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 109

Page 140

Page 161

Explanation of Change:

A reference to Murphy Gas Company is deleted. A provision under Part 28.2, f) that required a 30 day notice to the customer prior to termination of service under this rate schedule was deleted.

Rationale for Change:

See page 18 of this Exhibit for further explanation of the elimination of references to Murphy Gas Company. Columbia proposes to transfer customers to the appropriate rate schedule if they do not qualify for service under this rate schedule, consistent with the treatment of customers under the Full Requirements Small General Transportation Service and Full Requirements General Transportation Service rate schedules.

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NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 28, Page 2 of 3
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 110

Page 141

Page 162

Explanation of Change:

The Full Requirements Large General Transportation Service rate reflects the elimination of the Minimum Monthly Charge, a new monthly Customer Charge, and decreases in the volumetric rates. The Customer Charge is proposed to be \$650.00 per account per month. The volumetric rate for the first 2,000 Mcf of gas consumed per account per month is proposed to decrease from \$0.4614 per Mcf to \$0.4496 per Mcf. For all gas consumed per account per month over 2,000 Mcf up to 15,000 Mcf, the volumetric rate is proposed to decrease from \$0.2813 per Mcf to \$0.2741 per Mcf. For all gas consumed per account per month over 15,000 Mcf up to 100,000 Mcf, the volumetric rate is proposed to decrease from \$0.2513 per Mcf to \$0.2449 per Mcf. For all usage over 100,000 Mcf per account per month, the volumetric rate is proposed to decrease from \$0.1913 per Mcf to \$0.1864 per Mcf.

Proposed Part 28.7 – Billing Adjustments, has been amended to reflect the elimination of the Large General Service Temporary Base Rate Revenue Rider, the elimination of the Competitive Retail Natural Gas Surcredit Rider, the addition of the Gross Receipts Tax Rider, the addition of the Infrastructure Replacement Program Rider and the addition of the Demand Side Management Rider.

Rationale for Change:

As further described in witness Feingold's testimony, a monthly customer charge of \$650.00 is proposed for this rate schedule. Currently, Columbia does not have a monthly customer charge for this rate schedule, but there is a minimum charge which produces revenues of approximately \$659.00 per month (after gross receipts tax). A monthly customer charge is being introduced for customers served under this rate schedule as a more appropriate and direct way to recover customer-related costs compared to the current minimum charge approach.

Columbia's volumetric charges currently consist of four rate blocks. No change was proposed to this block structure. The proposed rates were computed by changing the rate for each block by the same percentage amount in order to recover the portion of the proposed revenue requirement for these classes not recovered by the proposed monthly customer charge.

The charge for customers served off the Main Line was set at the tail block rate of \$0.1864 per Mcf, a decrease from the current rate of \$0.2058 per Mcf.

Refer to Page 29 of this Exhibit for a further explanation of the elimination of the Large General Service Temporary Base Rate Revenue Rider and Page 118 of this Exhibit for a further explanation of the elimination of the Competitive Retail Natural Gas Surcredit Rider. Refer to Page 31 of this Exhibit for a further explanation of the addition of the Gross Receipts Tax Rider. Refer to Page 28 of this Exhibit for a further explanation of the addition of the Infrastructure Replacement Program Rider and Page 29 of this Exhibit for a further explanation of the addition of the Demand Side Management Rider.

COLUMBIA GAS OF OHIO, INC.
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NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 28, Page 3 of 3
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 111

Page 142

Page 163

Explanation of Change:

Proposed Part 27.8 - Late Payment Charge has been amended to remove the balance limitation of \$2,000, which results in the late payment Charge being assessed upon the past due arrearage balance.

Rationale for Change:

The rationale for the Late Payment Charge change is described on Page 13 of this Exhibit.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 29, Page 1 of 10
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 112

Page 143

Page 164

Explanation of Change:

The Interim, Emergency and Temporary PIP Plan Tariff Schedule Rider has been amended to reflect the elimination of applicability to rate schedule FRMGTS. The PIP Plan Base Rate Rider was restated from dollars per Ccf to dollars per Mcf.

Rationale for Change:

See page 18 of this Exhibit for further explanation of the elimination of references to Murphy Gas Company. Columbia proposes to state all volumetric rates in the tariff in dollars per Mcf for consistency and ease of comparison to other rate schedules. The current tariff states volumetric rates using a variety of units.

COLUMBIA GAS OF OHIO, INC.
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NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 29, Page 2 of 10
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 113
Page 144-145
Page 165

Explanation of Change:

The Small General Service Temporary Base Rate Revenue Rider has been deleted and is replaced by Rider IRP – Infrastructure Replacement Program Rider.

Rationale for Change:

Refer to Page 27 of this Exhibit for a further explanation of the elimination of the Small General Service Temporary Base Rate Revenue Rider. Refer to Page 28 of this Exhibit for a further explanation of the addition of the Infrastructure Replacement Program Rider.

COLUMBIA GAS OF OHIO, INC.
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NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 29, Page 3 of 10
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 114

Page 146

Page 166

Explanation of Change:

The General Service Temporary Base Rate Revenue Rider has been deleted and is replaced by the Demand Side Management Rider.

Rationale for Change:

Refer to Page 28 of this Exhibit for a further explanation of the elimination of the General Service Temporary Base Rate Revenue Rider. Refer to Page 29 of this Exhibit for a further explanation of the addition of the Demand Side Management Rider.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 29, Page 4 of 10
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 115

Page 147

Page 167

Explanation of Change:

The Large General Service Temporary Base Rate Revenue Rider has been deleted and is replaced by the Gross Receipts Tax Rider.

Rationale for Change:

Refer to Page 29 of this Exhibit for a further explanation of the elimination of the Large General Service Temporary Base Rate Revenue Rider. Refer to Page 31 of this Exhibit for a further explanation of the addition of the Gross Receipts Tax Rider.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 29, Page 6 of 10
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 116

Page 148

Page 169

Explanation of Change:

The Applicability of the Excise Tax Rider was amended to eliminate rate schedule FRMGTS and add rate schedule FRCTS.

Rationale for Change:

See page 18 of this Exhibit for further explanation of the elimination of references to Murphy Gas Company.

Columbia proposes that the Excise Tax Rider should be applicable to accounts served under FRCTS – Firm Requirements Cooperative Transportation Service. The Excise Tax was previously imbedded in the delivery charges under rate schedule FRCTS, and is now proposed to be billed separately through a billing adjustment.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 116 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 29, Page 8 of 10
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 117

Page 149

Page 171

Explanation of Change:

The Applicability of the CHOICESM Program Sharing Credit was amended to eliminate rate schedule FRMGTS.

Rationale for Change:

See page 18 of this Exhibit for further explanation of the elimination of references to Murphy Gas Company.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 117 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 29, Page 9 of 10
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 118

Page 150

Page 172

Explanation of Change:

The Applicability of the Uncollectible Expense Rider was amended to eliminate rate schedule FRMGTS. The Rate was decreased from \$0.1631 per Mcf to \$0.1553 per Mcf to reflect the elimination of a gross-up for Gross Receipts Tax.

Rationale for Change:

See page 18 of this Exhibit for further explanation of the elimination of references to Murphy Gas Company. The per Mcf rate for the Uncollectible Expense Rider has been decreased from \$0.1631 per Mcf to \$0.1553 per Mcf to provide for the elimination of Gross Receipts Tax recoveries. The Gross Receipts Tax Rider is proposed to apply to all revenues billed by Columbia, so the Gross Receipts Tax component of the Uncollectible Expense Rider is proposed to be removed to avoid a duplicate recovery of the gross receipts tax. This proposal is further explained on Page 31 of this Exhibit.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 29, Page 10 of
10 Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 119

Page 151

Page 173

Explanation of Change:

The Competitive Retail Natural Gas Surcredit Rider has been eliminated. The sheet is reserved for future use.

Rationale for Change:

Columbia proposes to eliminate the Competitive Retail Natural Gas Surcredit Rider. This Rider was originally put in place to reflect a reduction to base rates due to Competitive Retail Natural Gas Suppliers paying a portion of the PUCO assessments. The lower utility assessments are now imbedded in Columbia's cost of service in this application, so Columbia proposes to eliminate the surcredit.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 30, Page 1 of 1
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 120

Page 152

Page 174

Explanation of Change:

The Non-Temperature Balancing Service has been amended to reflect the elimination of applicability to rate schedule FRMGTS.

Rationale for Change:

See page 18 of this Exhibit for further explanation of the elimination of references to Murphy Gas Company.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Page 120 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 31, Page 1 of 1
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 121

Page 152

Page 175

Explanation of Change:

The Full Balancing Service has been amended to reflect the elimination of applicability to rate schedule FRMGTS.

Rationale for Change:

See page 18 of this Exhibit for further explanation of the elimination of references to Murphy Gas Company.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

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Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 36, Page 1 of 1
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 122

Page 154

Page 180

Explanation of Change:

Part 30.22 is revised to provide that Columbia will provide technical support services related to communications posted on its Internet-Based Website, rather than an Electronic Bulletin Board.

Rationale for Change:

Columbia now posts necessary information about transportation service on an internet-based website, and proposes to conform the Tariff language to its actual practice.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES

Data: 3 Months Actual and 9 Months Estimated

Type of Filing: Original

Workpaper Reference No(s):

None

Schedule E-3

Page 122 of 122

Witness: S. K. Surface

Tariff Sheet Identifier:

Proposed Section VII,
Sheet No. 41, Page 3 of 3
Pages

Type: Competitive Retail
Natural Gas Service

Data Reference:

Schedule E-1A,
Schedule E-1B,
Schedule E-2,

Page 123

Page 155

Page 184

Explanation of Change:

The Delivery Charges under rate schedule Full Requirements Cooperative Transportation Service have decreased, and a Customer Charge has been added. The Customer Charge is proposed to be \$150.00. The rate for the first 25 Mcf of gas consumed per account per month is proposed to decrease from \$1.0600 per Mcf to \$0.8800 per Mcf. For all usage over 25 Mcf per account per month, the volumetric rate is proposed to decrease from \$0.9800 per Mcf to \$0.8100 per Mcf.

A Billing Adjustments section has been added to reflect the applicability of the Gross Receipts Tax and the Excise Tax Rider.

Rationale for Change:

As is further described in witness Feingold's testimony, a monthly customer charge is being introduced for customers served under this rate schedule as a more appropriate and direct way to recover custom-related costs compared with the current method of recovering such costs through volumetric charges. The proposed Customer Charge of \$150.00 per month reflects the fixed nature of these costs and a gradual transition from a volumetric recovery basis.

Columbia proposes decreasing the volumetric rates by changing the rate for each block by the same percentage amount in order to recover the portion of the proposed revenue requirement for this class not recovered by the proposed monthly customer charge.

See Page 31 of this Exhibit for an explanation of the Gross Receipts Tax Rider billing adjustment, and see Page 115 of this Exhibit for an explanation of the Excise Tax Rider billing adjustment.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
COST OF SERVICE STUDY- FYE 09/30/2008

DATA: 3 MONTHS ACTUAL 9 MONTHS ESTIMATED
TYPE OF FILING: ORIGINAL
WORKPAPER REF.:

SCHEDULE E-3.1
PAGE 1 OF 3
WITNESS: R. FEINGOLD

	Total	Small General Service (SGS)	General Service (GS)	Large General Service (LGS)	Full Req Coop Trans (FRCTS)	Flex	Contract
Customer Costs- Summary							
1 Rate Base- Distribution function	400,686	390,272	10,161	149	1	102	1
2 Rate Base- OnSite function	123,057	108,831	13,910	212	2	102	1
3	523,743	499,102	24,071	361	3	205	1
4 Rate of Return	9.12%	9.12%	9.12%	9.12%	9.12%	9.12%	9.12%
5 Return on rate base	47,776	45,528	2,196	33	0	19	0
6 Income Tax gross-up	18,155	17,301	834	13	0	7	0
7 Operating expenses- Distribution	56,870	51,202	4,113	470	1	1,084	1
8 Operating expenses- OnSite	109,489	93,136	11,189	1,989	4	3,168	3
9 Depreciation expense- Distribution	20,441	19,772	652	8	0	9	0
10 Depreciation expense- OnSite	9,188	7,084	1,843	89	0	151	0
11 GRT gross-up	13,032	11,645	1,036	129	0	221	0
12	274,931	245,667	21,864	2,731	6	4,858	4
13 Average Bills X 1000	17,267	16,768	492	5	0	2	0
14 Average Monthly Cost	\$15.92	\$14.65	\$44.41	\$592.35	\$232.88	\$2,021.68	\$388.15
Customer Costs- Details							
Distribution Function							
17 Mains- Cost	140,748	136,624	4,067	38	0	19	0
18 Mains- Acc Depr	(44,398)	(43,097)	(1,283)	(12)	(0)	(6)	(0)
19 Mains- ADIT	(17,546)	(17,033)	(506)	(5)	(0)	(2)	(0)
20	78,804	76,494	2,278	21	0	11	0
21 Services- Cost	489,796	473,882	15,515	200	2	197	1
22 Services- Acc Depr	(214,563)	(207,591)	(6,796)	(87)	(1)	(86)	(0)
23 Services- ADIT	(61,060)	(59,079)	(1,931)	(25)	(0)	(24)	(0)
24	214,173	207,211	6,787	87	1	87	1
25 Other Rate Base	107,709	106,567	1,096	40	0	5	(0)
26 Total Rate Base	400,686	390,272	10,161	149	1	102	1

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
COST OF SERVICE STUDY- FYE 09/30/2008

DATA: 3 MONTHS ACTUAL 9 MONTHS ESTIMATED
 TYPE OF FILING: ORIGINAL
 WORKPAPER REF.:

SCHEDULE E-3.1
 PAGE 2 OF 3
 WITNESS: R. FEINGOLD

	Total	Small General Service (SGS)	General Service (GS)	Large General Service (LGS)	Full Req Coop Trans (FRCTS)	Flex	Contract
<u>Mains</u>							
27 Return on Rate Base	7,188	6,978	208	2	0	1	0
28 Income Tax gross-up	2,732	2,652	79	1	0	0	0
29 Maintenance of Mains	1,970	1,912	57	1	0	0	0
30 Mains & Services expense	1,664	1,615	48	0	0	0	0
31 Mains Depreciation exp	2,618	2,541	76	1	0	0	0
32 GRT expense	805	781	23	0	0	0	0
33	16,977	16,479	491	5	0	2	0
<u>Services</u>							
34 Return on Rate Base	19,537	18,902	619	8	0	8	0
35 Income Tax gross-up	7,424	7,183	235	3	0	3	0
36 Maintenance of Services	4,203	4,066	133	2	0	2	0
37 Mains & Services expense	5,791	5,603	183	2	0	2	0
38 Services Depreciation exp	15,673	15,164	496	6	0	6	0
39 GRT expense	2,619	2,534	83	1	0	1	0
40	55,246	53,451	1,750	23	0	22	0
<u>Balance of Distribution</u>							
41 Return on Rate Base	9,825	9,721	100	4	0	0	(0)
42 Income Tax gross-up	3,734	3,694	38	1	0	0	(0)
43 Uncollectible Accounts	0	0	0	0	0	0	0
44 Operating & Maintenance	43,242	38,005	3,692	465	1	1,079	1
45 Depreciation expense	2,150	2,067	80	1	0	2	0
46 GRT expense	2,833	2,661	195	23	0	54	0
47	61,885	56,149	4,104	494	1	1,136	1
48 Total Distribution Customer	134,108	126,079	6,345	522	1	1,180	1

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
COST OF SERVICE STUDY- FYE 09/30/2008

DATA: 3 MONTHS ACTUAL 9 MONTHS ESTIMATED
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SCHEDULE E-3.1
 PAGE 3 OF 3
 WITNESS: R. FEINGOLD

	Total					
	Small General Service (SGS)	General Service (GS)	Large General Service	Full Req Coop Trans (FRCTS)	Flex	Contract
OnSite Function						
49 Meters- Cost	163,142	123,766	38,366	637	4	367
50 Meters- Acc Depr	(66,284)	(50,285)	(15,588)	(259)	(2)	(149)
51 Meters- ADIT	(28,337)	(23,514)	(4,733)	(65)	(1)	(25)
52	68,521	49,966	18,045	313	2	193
53 Other Rate Base	54,636	58,864	(4,135)	(101)	(1)	(90)
54 Total Rate Base	123,057	108,831	13,910	212	2	102
55 Meters / Utility Plant	94.1%	94.1%	95.1%	79.4%	95.7%	53.4%
Meters						
56 Return on Rate Base	6,250	4,558	1,848	29	0	18
57 Income Tax gross-up	2,375	1,732	626	11	0	7
58 Meters expense	12,562	9,530	2,954	49	0	28
59 Maintenance of Meters	254	211	42	1	0	0
60 Meters Depreciation exp	3,827	2,903	900	15	0	9
61 GRT expense	1,257	942	307	5	0	3
62	26,526	19,876	6,475	109	1	65
Balance of OnSite						
63 Return on Rate Base	4,975	5,370	(377)	(9)	(0)	(8)
64 Income Tax gross-up	1,890	2,040	(143)	(4)	(0)	(3)
65 Meter Reading	8,036	7,804	229	2	0	1
66 Customer Records and Collection	4,768	4,439	312	16	0	0
67 Operating & Maintenance	83,869	71,152	7,651	1,921	4	3,138
68 Depreciation expense	5,341	4,181	943	74	0	142
69 GRT expense	5,418	4,726	429	100	0	163
70	114,297	99,712	9,044	2,100	4	3,433
71 Total OnSite Customer	140,823	119,588	15,519	2,209	5	3,498
Summary of Customer Costs						
72 Distribution Customer	134,108	126,079	6,345	522	1	1,160
73 Onsite Customer	140,823	119,588	15,519	2,209	5	3,498
74 Total Customer Component	274,931	245,667	21,864	2,731	6	4,658
75 Average Bills X 1000	17,267	16,768	492	5	0	2
76 Average Monthly Cost	\$15.92	\$14.65	\$44.41	\$592.35	\$2,021.68	\$368.15

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
COST OF SERVICE STUDY- FYE 09/30/2008

DATA: 3 MONTHS ACTUAL 9 MONTHS ESTIMATED
TYPE OF FILING: ORIGINAL
WORKPAPER REF.:

SCHEDULE E-3.2-1
PAGE 1 OF 1
WITNESS: R. FEINGOLD

	Total	Small General Service (SGS)	General Service (GS)	Large General Service (LGS)	Full Reg. Coop Trans (FRCTS)	Flex	Contract
<u>Revenues at Current Rates</u>							
1 Operating Revenue	371,779	273,130	74,336	9,766	1	14,531	14
2 Other revenue / Adjustments	1,137	1,115	(147)	24	1	145	0
3 Net revenues	372,916	274,245	74,189	9,790	2	14,677	14
<u>Operating Expenses</u>							
4 Operations, Customer, A&G	213,919	170,524	27,953	5,671	33	9,732	5
5 Depreciation expense	49,774	38,954	7,233	1,410	11	2,166	0
6 Taxes other than income	24,866	19,027	3,782	785	6	1,265	0
7 Operating expenses	288,559	228,504	38,968	7,867	50	13,163	6
8 Income tax expense	12,726	6,244	6,052	280	(9)	157	1
9 Gross Receipts Tax expense	17,676	13,024	3,506	456	0	689	1
10 Total Operating Expenses	318,960	247,772	48,527	8,603	41	14,010	8
11 Income at Present Rates	53,956	26,473	25,662	1,187	(39)	667	6
12 Rate Base	1,129,642	880,022	160,817	34,136	267	54,362	38
13 Return on Rate Base at Present Rates	4.78%	3.01%	15.96%	3.48%	(14.53%)	1.23%	14.93%
14 Revenue Requirement at Full Cost of Service	452,196	356,167	62,159	12,770	87	21,002	11
15 Operating expenses	288,559	228,504	38,968	7,867	50	13,163	6
16 Income tax expense	39,158	30,505	5,575	1,183	9	1,884	1
17 Gross Receipts Tax expense	21,434	16,882	2,946	605	4	995	1
18 Full Cost of Service	349,151	275,892	47,489	9,656	63	16,043	8
19 Income at Full Cost of Service	103,045	80,275	14,670	3,114	24	4,959	3
20 Return on Rate Base at Full Cost of Service	9.12%	9.12%	9.12%	9.12%	9.12%	9.12%	9.12%
21 Revenue INCREASE (DECREASE) to Achieve Full Cost of Service	79,280	81,922	(12,030)	2,980	85	6,325	(3)

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
COST OF SERVICE STUDY- FYE 09/30/2008

DATA: 3 MONTHS ACTUAL 9 MONTHS ESTIMATED
TYPE OF FILING: ORIGINAL
WORKPAPER REF.:

SCHEDULE E-3.2-1A
PAGE 1 OF 2
WITNESS: R. FEINGOLD

	Total	Small General Service (SGS)	General Service (GS)	Large General Service (LGS)	Full Req Coop Trans (FRCTS)	Flex	Contract
SUPPLY							
1 Commodity (Sales) Component	8,211	6,402	1,497	81	0	228	2
2	<u>8,211</u>	<u>6,402</u>	<u>1,497</u>	<u>81</u>	<u>0</u>	<u>228</u>	<u>2</u>
STORAGE							
3 Demand Component	14,173	11,074	2,531	155	0	409	5
4	<u>14,173</u>	<u>11,074</u>	<u>2,531</u>	<u>155</u>	<u>0</u>	<u>409</u>	<u>5</u>
DISTRIBUTION							
5 Demand Component	154,881	93,023	38,266	9,803	81	15,707	0
6 Customer Component	134,108	126,079	6,345	522	1	1,160	1
7	<u>288,988</u>	<u>219,102</u>	<u>42,612</u>	<u>10,324</u>	<u>82</u>	<u>16,867</u>	<u>1</u>
ONSITE							
8 Customer Component	140,823	119,588	15,519	2,208	5	3,498	4
9	<u>140,823</u>	<u>119,588</u>	<u>15,519</u>	<u>2,208</u>	<u>5</u>	<u>3,498</u>	<u>4</u>
TOTAL REVENUE REQUIREMENT							
10 Demand Component	169,054	104,097	38,797	9,958	81	16,116	5
11 Commodity (Sales) Component	8,211	6,402	1,497	81	0	228	2
12 Commodity (Deliveries) Component	0	0	0	0	0	0	0
13 Customer Component	274,931	245,667	21,864	2,731	6	4,658	4
14	<u>452,196</u>	<u>356,167</u>	<u>62,159</u>	<u>12,770</u>	<u>87</u>	<u>21,002</u>	<u>11</u>
15 No-Gas / GRT, No-USP Total	<u>452,196</u>	<u>356,167</u>	<u>62,159</u>	<u>12,770</u>	<u>87</u>	<u>21,002</u>	<u>11</u>
16 Increase (Decrease) for Full COS	79,280	81,922	(12,030)	2,980	85	6,325	(3)

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
COST OF SERVICE STUDY- FYE 09/30/2008

DATA: 3 MONTHS ACTUAL 9 MONTHS ESTIMATED
 TYPE OF FILING: ORIGINAL
 WORKPAPER REF.:

SCHEDULE E-3.2-1A
 PAGE 2 OF 2
 WITNESS: R. FEINGOLD

	Total	Small General Service (SGS)	General Service (GS)	Large General Service	Full Req Coop Trans (FRCTS)	Flex	Contract
REV. REQ. BY FUNCTIONAL CLASSIFICATION- UNITIZED							
SUPPLY							
17 Commodity (Sales) Component	\$0.10 \$ / mcf	\$0.09	\$0.13	\$0.91	#DIV/0!	#DIV/0!	\$0.06
STORAGE							
18 Demand Component	\$0.45 \$ / mcf-month	\$0.58	\$0.34	\$0.08	\$0.00	\$0.13	#DIV/0!
DISTRIBUTION							
19 Demand Component	\$4.89 \$ / mcf-month	\$4.86	\$4.93	\$5.18	\$4.84	\$4.84	#DIV/0!
20 Customer Component	\$7.77 \$ / cust-month	\$7.52	\$12.89	\$113.15	\$37.55	\$503.61	\$56.13
ONSITE							
21 Customer Component	\$8.16 \$ / cust-month	\$7.13	\$31.52	\$478.21	\$185.33	\$1,518.07	\$312.02
TOTAL REVENUE REQUIREMENT							
22 Demand Component	\$5.34 \$ / mcf-month	\$5.44	\$5.27	\$5.28	\$4.84	\$4.97	#DIV/0!
23 Commodity (Sales) Component	\$0.10 \$ / mcf	\$0.09	\$0.13	\$0.91	#DIV/0!	#DIV/0!	\$0.06
24 Customer Component (excl USP)	\$15.92 \$ / cust-month	\$14.65	\$44.41	\$592.35	\$232.88	\$2,021.68	\$368.15
TOTAL REVENUE REQUIREMENT							
25 SFV Bssls (includes GRT)	\$26.19 \$ / cust-month	\$21.24	\$126.26	\$2,770.00	\$3,359.60	\$9,115.39	\$936.55
26 Demand Allocator X 1000	2,638 Peak	1,596	613	157	1	270	-
27 Commodity (Sales) Allocator X 1000	82,300 Gas_Sales_F	70,368	11,812	90	-	-	30
28 Commodity (Deliveries) Allocator X 1000	288,408 Gas_Deliveri	119,749	51,259	29,259	1	66,111	30
29 Customer Allocator X 1000	17,267 Bills_All	16,768	492	5	0	2	0

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
COST OF SERVICE STUDY- FYE 09/30/2008

DATA: 3 MONTHS ACTUAL 9 MONTHS ESTIMATED
TYPE OF FILING: ORIGINAL
WORKPAPER REF.:

SCHEDULE E-3.2-1B
PAGE 1 OF 8
WITNESS: R. FEINGOLD

		TOTAL Class Allocation							
		Total	Small General	General	Large General	Trans	Flex	Contract	
Account		Allocated	Service (SGS)	Service (GS)	Service (LGS)	(FRCTS)			
I. GAS PLANT IN SERVICE									
1	Organization	26	20	4	1	0	1	0	
2	Franchises & Consents	3,935	2,380	914	235	2	403	0	
3	Intangible Assets- Labor	13,073	9,829	2,088	405	2	748	0	
4	Intangible Assets- Customers	2,843	2,760	82	1	0	0	0	
5	Intangible Assets - Supply	2,023	909	389	222	0	502	0	
6	Subtotal - INTANGIBLE ASSETS	21,900	15,899	3,477	864	4	1,656	0	
B. PRODUCTION PLANT									
7	Production Plant	0	0	0	0	0	0	0	
8	Subtotal - PRODUCTION PLANT	0	0	0	0	0	0	0	
C. STORAGE PLANT									
9	Storage Plant	0	0	0	0	0	0	0	
10	Subtotal - STORAGE PLANT	0	0	0	0	0	0	0	
D. TRANSMISSION PLANT									
370-373		0	0	0	0	0	0	0	
E. DISTRIBUTION PLANT									
374	Land and Land Rights	26,203	19,960	3,812	892	8	1,531	0	
375	Structures and Improvements	28,346	21,592	4,124	965	9	1,656	0	
376	Mains	929,031	613,479	187,259	47,039	419	80,836	0	
378	Meas. & Reg. Stat. Equip. - General	24,091	14,573	5,599	1,436	13	2,470	0	
379	Meas. & Reg. Stat. Equip. - City Gate	7,667	4,638	1,782	457	4	786	0	
380	Services	489,796	473,882	15,515	200	2	197	1	
381	Meters	101,824	77,247	23,946	397	3	229	1	
382	Meters Installations	61,318	46,518	14,420	239	2	138	1	
383	House Regulators	39,397	39,140	257	0	0	0	0	
384	House Regulator Installations	32,128	31,917	209	0	0	0	0	
385	Ind. Meas. & Reg. Station Equip.	10,221	190	4,931	5,100	0	0	0	
387	Other Equipment	19,838	15,111	2,885	676	6	1,159	0	
374-387	Subtotal - DISTRIBUTION PLANT	1,759,858	1,356,248	264,739	57,402	464	89,002	3	

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
COST OF SERVICE STUDY- FYE 09/30/2008

DATA: 3 MONTHS ACTUAL 9 MONTHS ESTIMATED
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WORKPAPER REF.:

SCHEDULE E-3.2-1B
PAGE 2 OF 8
WITNESS: R. FEINGOLD

<u>Account</u>		<u>Account</u>	Total Allocated	Small General Service (SGS)	General Service (GS)	Large General Service (LGS)	Trans (FRCTS)	Flex	Contract
TOTAL Class Allocation									
Fair Req Coop									
F. GENERAL PLANT									
25	Structures and Improvements	390	5,773	4,430	864	187	2	290	0
26	Office Furniture and Equipment	391	11,264	8,644	1,685	365	3	566	0
27	Transportation Equipment	392	1,037	798	155	34	0	52	0
28	Stores Equipment	393	435	334	65	14	0	22	0
29	Tools & Garage Equipment	394	17,128	13,145	2,562	556	4	861	0
30	Laboratory Equipment	395	125	96	19	4	0	6	0
31	Power Operated Equipment	396	5,664	4,347	847	184	1	285	0
32	Miscellaneous Equipment	398	1,297	995	194	42	0	65	0
33	Subtotal - GENERAL PLANT	389-399	42,723	32,787	6,391	1,386	11	2,148	0
34	TOTAL UTILITY PLANT		1,834,481	1,406,934	274,607	59,651	480	92,808	4
II. DEPRECIATION RESERVE									
35	Intangible Plant	108	11,682	8,471	1,855	464	2	890	0
36	Production Plant	108.2	0	0	0	0	0	0	0
37	Local Storage Plant	108.3	0	0	0	0	0	0	0
38	Transmission Plant	108	0	0	0	0	0	0	0
39	Mains	109	293,066	193,517	69,068	14,838	132	25,499	0
40	Services	109	214,563	207,591	6,796	87	1	86	0
41	Meters	109	66,284	50,285	15,588	259	2	149	1
42	Distr Other	109	62,336	43,238	13,256	3,253	14	2,575	0
43	General Plant	109	25,519	19,058	4,017	892	7	1,544	0
44	TOTAL - DEPRECIATION RESERVE	108	673,440	522,161	100,582	19,793	158	30,744	2
III. OTHER RATE BASE ITEMS									
45	Gas Storage Inventory		95,830	74,873	17,111	1,046	0	2,766	34
46	PIPP Uncollectibles		112,717	111,384	1,333	0	0	0	0
47	Customer Deposits		(14,108)	(12,630)	(1,474)	(4)	0	0	0
48	Deferred Bad Debt		6,134	5,597	508	30	0	0	0
49	Accum Defd Inc Taxes- Gas Inventory		5,920	4,625	1,057	65	0	171	2
50	Accum Defd Inc Taxes- Plant		(226,886)	(174,120)	(33,938)	(7,359)	(60)	(11,410)	(0)
51	Accum Defd Inc Taxes- PIPP		(38,791)	(38,332)	(459)	0	0	0	0
			0						

COLUMBIA GAS OF OHIO, INC.
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WITNESS: R. FEINGOLD

	Account	Total Allocated	TOTAL Class Allocation					Flex	Contract	
			Small General Service (SGS)	General Service (GS)	Large General Service (LGS)	Full Req Coop Trans (FRCTS)				
III. OTHER RATE BASE ITEMS (Continued)										
52	Other Plant-related		14,272	10,953	2,135	463	4	718	0	
53	Other, net		1,068	820	160	35	0	54	0	
53	Customer Advances for Construction		12,444	12,079	360	3	0	2	0	
54	Total - OTHER RATE BASE ITEMS		(31,399)	(4,751)	(13,208)	(5,722)	(55)	(7,699)	36	
56	IV. TOTAL RATE BASE (Excl. Working Capital)		1,129,642	880,022	160,817	34,136	267	54,362	38	
56	Working Capital	131	0	0	0	0	0	0	0	
57	V. TOTAL RATE BASE		1,129,642	880,022	160,817	34,136	267	54,362	38	

I. OPERATION & MAINTENANCE EXPENSES

A. PRODUCTION EXPENSES

1. Manufactured Gas Production

58 Operations Labor	701	0	0	0	0	0	0	0	0
59 Maint Production Equipment	743	0	0	0	0	0	0	0	0
60 Subtotal - Manufactured Gas Production	710-742	0	0	0	0	0	0	0	0

2. Other Gas Supply Expenses

62 Natural Gas City Gate Purchases	804	0	0	0	0	0	0	0	0
63 Natural Gas Oper Expenses	807	228	178	41	2	0	7	0	0
64 Outside Svc- Energy Supp Ops	923ESOP	5,175	4,184	946	4	0	41	1	0
65 Outside Svc- Energy Supp Proc	923ESPr	1,089	881	199	1	0	9	0	0
66 Adjustment- Orwell	813	0	0	0	0	0	0	0	0
67 Subtotal - PRODUCTION EXPENSES	710-813	6,493	5,243	1,185	7	0	56	1	0

B. NATURAL GAS STORAGE, TERMINAL

68 LNG Operating Exp Admin	840	0	0	0	0	0	0	0	0
69 Operating Exp- Admin	850	0	0	0	0	0	0	0	0
70 Subtotal - NATURAL GAS STORAGE	840-850	0	0	0	0	0	0	0	0

71 C. TRANSMISSION EXPENSES

	856-863	0	0	0	0	0	0	0	0
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COLUMBIA GAS OF OHIO, INC.
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COST OF SERVICE STUDY- FYE 09/30/2008

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WITNESS: R. FEINGOLD

	Account	Total Allocated	TOTAL CLASS ALLOCATION					Flex	Contract	
			Small General Service (SGS)	General Service (GS)	Large General Service (LGS)	Trans (FRCTS)	Full Reg Coop			
D. DISTRIBUTION EXPENSES										
72	Operation Supv & Engineering	870	2,089	1,603	313	68	1	105	0	
73	Load Dispatching	871	253	114	49	28	0	63	0	
74	Mains and Services Expenses	874	16,775	12,856	2,397	558	5	958	0	
75	Meas. & Reg. Station Expense General	875	1,896	1,147	441	113	1	194	0	
76	Meas. & Reg. Station Expense Industrial	876	365	221	85	22	0	37	0	
77	Meter & House Regulator Expenses	878	12,562	9,530	2,954	49	0	28	0	
78	Customer Installation Expense	879	11,191	7,929	1,254	617	0	1,391	1	
79	Other expenses	880	8,053	6,179	1,205	282	2	405	0	
80	Distribution Rents	881	315	242	47	10	0	16	0	
81	Maint. Supervision & Engineering	885	139	106	21	5	0	7	0	
82	Maintenance Of Structures & Improvement	886	569	432	84	21	0	33	0	
83	Maint. of Mains	887	13,005	8,588	2,621	658	6	1,132	0	
84	Maint Of Meas. & Reg. Station Expense Gr	889	1,480	895	344	88	1	152	0	
85	Maint Of Meas. & Reg. Station Expense In	890	447	270	104	27	0	46	0	
86	Maint. of Services	892	4,203	4,066	133	2	0	2	0	
87	Maint. of Meters & House Regulators	893	254	211	42	1	0	0	0	
88	Maintenance of Other Equipment	894	1,686	1,278	248	62	1	97	0	
89	Field Services	923AG	7,365	5,645	1,053	245	2	421	0	
90	Subtotal - DISTRIBUTION EXPENSES	870-893	82,647	61,310	13,394	2,836	19	5,086	1	
91	Total - OPERATION & MAINTENANCE EX		89,140	66,553	14,579	2,843	19	5,142	2	
II. CUSTOMER ACCOUNTS EXPENSES										
92	Customer Service - Administrative	901	5	5	0	0	0	0	0	
93	Meter Reading Expenses	902	8,036	7,804	229	2	0	1	0	
94	Customer Records & Collection Expense	903	4,732	4,406	310	16	0	0	0	
95	Outside Svc- Cust Accounts	923C	40,090	38,071	1,118	598	3	299	2	
95	Uncollectible Accounts	904	0	0	0	0	0	0	0	
96	Miscellaneous Customer Accounts Expens	905	35	33	2	0	0	0	0	
97	Total - CUSTOMER ACCOUNTS EXPENSE		52,899	50,318	1,660	616	3	300	2	

COLUMBIA GAS OF OHIO, INC.
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WITNESS: R. FEINGOLD

		TOTAL Class Allocation						
		Total Allocated	Small General Service (SGS)	General Service (GS)	Large General Service (LGS)	Trans (FRCTS)	Flex	Contract
Account								
III. CUSTOMER SERVICE & INFORMATI								
98	Operation Supervision	162	73	31	18	0	40	0
99	Customer Assist- Choice	7,100	5,326	1,645	2	0	127	0
100	Customer Assist- Other	2,934	1,319	565	322	0	728	0
101	Demonstration	52	23	10	6	0	13	0
102	Other Expense	100	45	19	11	0	25	0
103	Total - CUSTOMER SERVICE & INFORMATI	10,348	6,786	2,270	359	0	933	0
104	Total - CUSTOMER ACCOUNTS, SERVICE	63,247	57,104	3,930	975	3	1,233	2
IV. ADMINISTRATIVE & GENERAL EXPE								
A. Labor-Related:								
920	Administrative & General Salaries	3,930	2,955	628	122	1	225	0
921	Office Supplies & Expenses	2,282	1,716	364	71	0	131	0
923AG	Outside Services Employed	28,442	21,385	4,542	881	5	1,628	0
923Pur	Outside Services Employed- Purchasing	2,320	1,849	303	62	0	106	0
925	Injuries & Damages	6,585	4,951	1,052	204	1	377	0
926	Employee Pensions and Benefits	12,949	9,736	2,068	401	2	741	0
111	Subtotal - O&M Accounts 920-923, 926	56,509	42,593	8,957	1,741	10	3,208	1
B. Plant-Related:								
924	Property Insurance	950	729	142	31	0	48	0
113	Subtotal - O&M Accounts 924-925, 935	950	729	142	31	0	48	0
C. Other-Related:								
928	Regulatory Commission Expenses	238	186	34	7	0	11	0
408	PUCO Assessments	1,858	1,447	264	56	0	89	0
408	OCC Assessments	475	458	0	18	0	0	0
930	Miscellaneous General	825	799	26	0	0	0	0
931	Rents	533	516	17	0	0	0	0
935	Misc. General Plant	143	139	4	0	0	0	0
120	Subtotal - O&M Accounts 928-931	4,073	3,544	345	82	0	101	0
121								
122	Total - ADMINISTRATIVE & GENERAL EX	61,532	46,866	9,444	1,853	11	3,357	1
123	TOTAL - OPERATING EXPENSES (Excl [213,919	170,524	27,953	5,671	33	9,732	5

COLUMBIA GAS OF OHIO, INC.

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COST OF SERVICE STUDY- FYE 09/30/2008

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WITNESS: R. FEINGOLD

Account		Total Allocated	TOTAL Class Allocation					Flex	Contract	
Account			Small General Service (SGS)	General Service (GS)	Large General Service (LGS)	Full Req Coop Trans (FRCTS)				
VI. DEPRECIATION EXPENSE										
124	Intangible Plant	4,375	3,313	689	132	1	240	0	0	
125	Production Plant	0	0	0	0	0	0	0	0	
126	Local Storage Plant	0	0	0	0	0	0	0	0	
127	Transmission Plant	0	0	0	0	0	0	0	0	
128	Mains	17,280	11,411	3,483	875	8	1,504	0	0	
129	Services	15,673	15,164	496	6	0	6	0	0	
130	Meters	3,827	2,903	900	15	0	9	0	0	
131	Distr Other	5,441	3,774	1,157	284	1	225	0	0	
132	General Plant	3,178	2,389	508	98	1	182	0	0	
133	Rent from Gas Ppty / Other Rev	0	0	0	0	0	0	0	0	
134	Adjustments	0	0	0	0	0	0	0	0	
135	Total - DEPRECIATION EXPENSE	49,774	38,954	7,233	1,410	11	2,166	0	0	

VII. TAXES OTHER THAN INCOME TAXE

A. General Taxes									
136	Property Tax- Plant	19,820	15,211	2,965	643	5	997	0	0
137	Distribution Tax	0	0	0	0	0	0	0	0
138	Payroll related	4,242	3,189	677	131	1	243	0	0
139	Other taxes	111	85	17	4	0	6	0	0
140	Property Tax- Inventory	693	541	124	8	0	20	0	0
141	Subtotal- Taxes Other Than Income Taxes	24,866	19,027	3,782	785	6	1,265	0	0
B. Franchise and Revenue Taxes									
142	Gross Receipts Tax	17,676	13,024	3,506	456	0	689	1	1
143	Subtotal- Franchise and Gross Receipts T:	17,676	13,024	3,506	456	0	689	1	1
C. Income Tax Expense									
144	State Income Tax expense	0	0	0	0	0	0	0	0
145	Federal Income Tax expense	12,726	6,244	6,052	280	(9)	157	1	1
146	Subtotal- Income tax expense	12,726	6,244	6,052	280	(9)	157	1	1
147	Total- TAX EXPENSE	55,267	38,295	13,341	1,521	(3)	2,112	3	3
148	TOTAL EXPENSES	318,960	247,772	48,527	8,503	41	14,010	8	8

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
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WITNESS: R. FEINGOLD

	Account	Total Allocated	TOTAL Class Allocation					Flex	Contract	
			Small General Service (SGS)	General Service (GS)	Large General Service (LGS)	Full Req Coop Trans (FRCTS)				
V. REVENUES at Present Rates										
149	Cust Charge Revenue	117,364	108,992	8,368	0	0	4	0	0	
150	Delivery Charge Revenue	253,464	163,675	65,762	9,485	1	14,527	14	14	
151	Admin Charge Revenue	0	0	0	0	0	0	0	0	
152	Competitive Credit	(381)	(291)	(90)	(0)	0	0	0	0	
153	Temp BRRR Revenue	1,332	754	296	282	0	0	0	0	
154	Gas Revenue	0	0	0	0	0	0	0	0	
155	Adjustment- Orwell	(1,751)	(1,102)	(579)	(70)	0	0	0	0	
156	Rent from Gas Ppty / Other Rev	2,888	2,216	432	94	1	145	0	0	
157	Subtotal Gas Revenues, net	372,916	274,245	74,189	9,790	2	14,677	14	14	
158	Total Revenue	372,916	274,245	74,189	9,790	2	14,677	14	14	
159	Total Expenses	318,960	247,772	48,527	8,603	41	14,010	8	8	
160	NET INCOME at Present Rates	53,956	26,473	25,662	1,187	(39)	667	6	0	
SUMMARY										
161	Total revenues	372,916	274,245	74,189	9,790	2	14,677	14	14	
162	Total Operating Expenses	213,919	170,524	27,953	5,671	33	9,732	5	5	
163	Depreciation Expense	49,774	38,954	7,233	1,410	11	2,166	0	0	
164	Taxes other than Income, GRT	24,866	19,027	3,782	785	6	1,265	0	0	
165	Total Other Expenses	74,640	57,981	11,015	2,196	17	3,431	1	1	
166	Income tax expense	12,726	6,244	6,052	280	(9)	157	1	1	
167	Gross receipts tax expense	17,676	13,024	3,506	456	0	689	1	1	
168	Total expenses	318,960	247,772	48,527	8,603	41	14,010	8	8	
169	NET INCOME at Present Rates	53,956	26,473	25,662	1,187	(39)	667	6	6	
170	Total Rate Base	1,129,642	880,022	160,817	34,136	267	54,362	38	38	
171	Effective GRT Rate	4.74%	4.75%	4.73%	4.65%	4.66%	4.70%	6.01%	6.01%	

COLUMBIA GAS OF OHIO, INC.
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WITNESS: R. FEINGOLD

	Account	Total Allocated	TOTAL Class Allocation					Flex	Contract
			Small General Service (SGS)	General Service (GS)	Large General Service (LGS)	Full Req Coop Trans (FRCTS)			
172	REVENUE REQUIREMENTS								
173	Target ROR		9.12%	9.12%	9.12%	9.12%	9.12%	9.12%	9.12%
174	Using Target for System								
175	Rate Base		1,129,642	880,022	160,817	34,136	267	54,362	38
176	Operating expenses		213,919	170,524	27,953	5,871	33	9,732	5
177	Depreciation expense		49,774	38,954	7,233	1,410	11	2,166	0
178	Taxes other than Income, GRT		24,866	19,027	3,782	785	6	1,265	0
179	Operating expenses to recover		288,559	228,504	38,968	7,867	50	13,163	6
180	Target Return on Rate Base- After taxes		103,045	80,275	14,670	3,114	24	4,959	3
181	Income taxes to recover	26,432	39,158	30,505	5,575	1,183	9	1,884	1
182	Subtotal- Rev Req before GRT		430,762	339,284	59,213	12,164	83	20,006	11
183	GRT needed	3,758	21,434	16,882	2,946	605	4	995	1
184	TOTAL REVENUE REQUIREMENT		452,196	356,167	62,159	12,770	87	21,002	11

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
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SCHEDULE E-3.2-2
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 WITNESS: R. FEINGOLD

Account Description	Account Code	Account Balance	Allocation Factor	FUNCTIONALIZATION				
				SUPPLY	STORAGE	TRANSMIS	DISTRIBUTI	ONSITE
I. GAS PLANT IN SERVICE								
1 Organization	301	26	DIST	0	0	0	26	0
2 Franchises & Consents	303	3,935	DIST	0	0	0	3,935	0
3 Intangible Assets- Labor	303.3L	13,073	LABOR	95	0	0	6,876	6,102
4 Intangible Assets- Customers	303.3C	2,843	ONSITE	0	0	0	0	2,843
5 Intangible Assets - Supply	303.3S	2,023	SUPP	2,023	0	0	0	0
6 Subtotal - INTANGIBLE ASSETS	301-303	21,900		2,118	0	0	10,837	8,945
B. PRODUCTION PLANT								
7 Production Plant	304-338	0	None	0	0	0	0	0
8 Subtotal - PRODUCTION PLANT	304-338	0		0	0	0	0	0
C. STORAGE PLANT								
9 Storage Plant	360-368	0	None	0	0	0	0	0
10 Subtotal - STORAGE PLANT	360-368	0		0	0	0	0	0
D. TRANSMISSION PLANT								
11	370-373	0	None	0	0	0	0	0
E. DISTRIBUTION PLANT								
12 Land and Land Rights	374	26,203	DIST	0	0	0	26,203	0
13 Structures and Improvements	375	28,346	DIST	0	0	0	28,346	0
14 Mains	376	929,031	DIST	0	0	0	929,031	0
15 Meas. & Reg. Stat. Equip. - General	378	24,091	DIST	0	0	0	24,091	0
16 Meas. & Reg. Stat. Equip. - City Gate	379	7,667	DIST	0	0	0	7,667	0
17 Services	380	489,796	DIST	0	0	0	489,796	0
18 Meters	381	101,824	ONSITE	0	0	0	0	101,824
19 Meters Installations	382	61,318	ONSITE	0	0	0	0	61,318
20 House Regulators	383	39,397	ONSITE	0	0	0	0	39,397
21 House Regulator Installations	384	32,126	ONSITE	0	0	0	0	32,126
22 Ind. Meas. & Reg. Station Equip.	385	10,221	DIST	0	0	0	10,221	0
23 Other Equipment	387	19,838	DIST	0	0	0	19,838	0
24 Subtotal - DISTRIBUTION PLANT	374-387	1,769,858		0	0	0	1,535,193	234,665

COLUMBIA GAS OF OHIO, INC.
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WITNESS: R. FEINGOLD

	Account Description	Account Code	Account Balance	Allocation Factor	FUNCTIONALIZATION				
					SUPPLY	STORAGE	TRANSMIS	DISTRIBUTI	ONSITE
F. GENERAL PLANT									
25	Structures and Improvements	390	5,773	PLANT	0	0	0	5,008	765
26	Office Furniture and Equipment	391	11,264	PLANT	0	0	0	9,771	1,493
27	Transportation Equipment	392	1,037	PLANT	0	0	0	900	137
28	Stores Equipment	393	435	PLANT	0	0	0	377	58
29	Tools & Garage Equipment	394	17,128	PLANT	0	0	0	14,857	2,271
30	Laboratory Equipment	395	125	PLANT	0	0	0	108	17
31	Power Operated Equipment	396	5,664	PLANT	0	0	0	4,913	751
32	Miscellaneous Equipment	398	1,297	PLANT	0	0	0	1,125	172
33	Subtotal - GENERAL PLANT	389-399	42,723		0	0	0	37,058	5,665
34	TOTAL UTILITY PLANT		1,834,481		2,118	0	0	1,583,088	249,274
II. DEPRECIATION RESERVE									
35	Intangible Plant	108	11,682	INTANG_PT	1,130	0	0	5,781	4,771
36	Production Plant	108.2	0	None	0	0	0	0	0
37	Local Storage Plant	108.3	0	None	0	0	0	0	0
38	Transmission Plant	108	0	None	0	0	0	0	0
39	Mains	109	293,056	DIST	0	0	0	293,056	0
40	Services	109	214,563	DIST	0	0	0	214,563	0
41	Meters	109	66,284	ONSITE	0	0	0	0	66,284
42	Distr Other	109	62,336	DIST_xMSM	0	0	0	38,607	23,729
43	General Plant	109	25,519	PLANT	0	0	0	22,135	3,384
44	TOTAL - DEPRECIATION RESERVE	108	673,440		1,130	0	0	574,142	98,168
III. OTHER RATE BASE ITEMS									
45	Gas Storage Inventory		95,830	STOR	0	95,830	0	0	0
46	PIPP Uncollectibles		112,717	DIST	0	0	0	112,717	0
47	Customer Deposits		(14,108)	DIST	0	0	0	(14,108)	0
48	Deferred Bad Debt		6,134	DIST	0	0	0	6,134	0
49	Accum Defd Inc Taxes- Gas Inventory		5,920	STOR	0	5,920	0	0	0
50	Accum Defd Inc Taxes- Plant		(226,886)	PLANT	0	0	0	(196,803)	(30,083)
51	Accum Defd Inc Taxes- PIPP		(38,791)	DIST	0	0	0	(38,791)	0

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
COST OF SERVICE STUDY- FYE 09/30/2008

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SCHEDULE E-3.2-2
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WITNESS: R. FEINGOLD

Account Description	Account Code	Account Balance	Allocation Factor	FUNCTIONALIZATION				
				SUPPLY	STORAGE	TRANSMIS	DISTRIBUTI	ONSITE
III. OTHER RATE BASE ITEMS (Continued)								
52 Other Plant-related		14,272	PLANT	0	0	0	12,380	1,892
53 Other, net		1,068	PLANT	0	0	0	927	142
53 Customer Advances for Construction		12,444	DIST	0	0	0	12,444	0
54 Total - OTHER RATE BASE ITEMS		(31,399)		0	101,750	0	(105,101)	(28,049)
IV. TOTAL RATE BASE (Excl. Working Capital)								
55 Working Capital	131	1,129,642	None	988	101,750	0	903,846	123,057
		0		0	0	0	0	0
V. TOTAL RATE BASE								
57		1,129,642		988	101,750	0	903,846	123,057

I. OPERATION & MAINTENANCE EXPENSE

A. PRODUCTION EXPENSES

1. Manufactured Gas Production							
58 Operations Labor	701	0	None	0	0	0	0 0
59 Maint Production Equipment	743	0	None	0	0	0	0 0
60 Subtotal - Manufactured Gas Production	710-742	0		0	0	0	0 0
2. Other Gas Supply Expenses							
62 Natural Gas City Gate Purchases	804	0	SUPP	0	0	0	0 0
63 Natural Gas Oper Expenses	807	228	SUPP	228	0	0	0 0
64 Outside Svc- Energy Supp Ops	923ESOP	5,175	SUPP	5,175	0	0	0 0
65 Outside Svc- Energy Supp Proc	923ESPr	1,089	SUPP	1,089	0	0	0 0
66 Adjustment- Orwell	813	0	None	0	0	0	0 0
67 Subtotal - PRODUCTION EXPENSES	710-813	6,493		6,493	0	0	0 0

B. NATURAL GAS STORAGE, TERMINALING & PROCESSING EXPENSES

68 LNG Operating Exp Admin	840	0	None	0	0	0	0 0
69 Operating Exp- Admin	850	0	None	0	0	0	0 0
70 Subtotal - NATURAL GAS STORAGE	840-850	0		0	0	0	0 0

C. TRANSMISSION EXPENSES

71		0	None	0	0	0	0 0
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COLUMBIA GAS OF OHIO, INC.
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WITNESS: R. FEINGOLD

Account Description	Account Code	Account Balance	Allocation Factor	FUNCTIONALIZATION				
				SUPPLY	STORAGE	TRANSMIS	DISTRIBUTI	ONSITE
D. DISTRIBUTION EXPENSES								
72 Operation Supv & Engineering	870	2,089	DIST_PT	0	0	0	1,812	277
73 Load Dispatching	871	253	SUPP	253	0	0	0	0
74 Mains and Services Expenses	874	15,775	MAIN-SERVICE	0	0	0	16,775	0
75 Meas. & Reg. Station Expense General	875	1,896	DIST	0	0	0	1,896	0
76 Meas. & Reg. Station Expense Industrial	876	365	DIST	0	0	0	365	0
77 Meter & House Regulator Expenses	878	12,562	ONSITE	0	0	0	0	12,562
78 Customer Installation Expense	879	11,191	ONSITE	0	0	0	0	11,191
79 Other expenses	880	8,053	DIST_PT	0	0	0	6,985	1,068
80 Distribution Rents	881	315	DIST_PT	0	0	0	274	42
81 Maint. Supervision & Engineering	885	139	DIST_PT	0	0	0	120	18
82 Maintenance Of Structures & Improvement	886	569	DIST	0	0	0	569	0
83 Maint. of Mains	887	13,005	DIST	0	0	0	13,005	0
84 Maint Of Meas. & Reg. Station Expense Gr	889	1,480	DIST	0	0	0	1,480	0
85 Maint Of Meas. & Reg. Station Expense In	890	447	DIST	0	0	0	447	0
86 Maint. of Services	892	4,203	DIST	0	0	0	4,203	0
87 Maint. of Meters & House Regulators	893	254	ONSITE	0	0	0	0	254
88 Maintenance of Other Equipment	894	1,686	DIST	0	0	0	1,686	0
89 Field Services	923AG	7,365	MAIN-SERVICE	0	0	0	7,365	0
90 Subtotal - DISTRIBUTION EXPENSES	870-893	82,647		253	0	0	56,982	25,412
91 Total - OPERATION & MAINTENANCE EXPENSES		89,140		6,748	0	0	56,982	25,412
II. CUSTOMER ACCOUNTS EXPENSES								
92 Customer Service - Administrative	901	5	ONSITE	0	0	0	0	5
93 Meter Reading Expenses	902	8,036	ONSITE	0	0	0	0	8,036
94 Customer Records & Collection Expense	903	4,732	ONSITE	0	0	0	0	4,732
95 Outside Svc- Cust Accounts	923C	40,090	ONSITE	0	0	0	0	40,090
95 Uncollectible Accounts	904	0	USP	0	0	0	0	0
96 Miscellaneous Customer Accounts Expens	905	35	ONSITE	0	0	0	0	35
97 Total - CUSTOMER ACCOUNTS EXPENSES		52,899		0	0	0	0	52,899

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
COST OF SERVICE STUDY- FYE 09/30/2008

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WITNESS: R. FEINGOLD

	Account Description	Account Code	Account Balance	Allocation Factor	FUNCTIONALIZATION				
					SUPPLY	STORAGE	TRANSMIS	DISTRIBUTI	ONSITE
III. CUSTOMER SERVICE & INFORMATIONAL EXPENSES									
98	Operation Supervision	907	162	DIST	0	0	0	162	0
99	Customer Assist- Choice	908C	7,100	DIST	0	0	0	7,100	0
100	Customer Assist- Other	908	2,934	DIST	0	0	0	2,934	0
101	Demonstration	912	52	DIST	0	0	0	52	0
102	Other Expense	916	100	DIST	0	0	0	100	0
103	Total - CUSTOMER SERVICE & INFORMATIONAL E)		10,348		0	0	0	10,348	0
104	Total - CUSTOMER ACCOUNTS, SERVICES & SALE		63,247		0	0	0	10,348	52,899
IV. ADMINISTRATIVE & GENERAL EXPENSES									
A. Labor-Related:									
105	Administrative & General Salaries	920	3,930	LABOR	29	0	0	2,067	1,834
106	Office Supplies & Expenses	921	2,282	LABOR	17	0	0	1,200	1,065
107	Outside Services Employed	923AG	28,442	LABOR	208	0	0	14,960	13,275
108	Outside Services Employed- Purchasing	923Pur	2,320	O&MxGas	78	0	0	1,104	1,137
109	Injuries & Damages	925	6,585	LABOR	48	0	0	3,464	3,074
110	Employee Pensions and Benefits	926	12,949	LABOR	95	0	0	6,811	6,044
111	Subtotal - O&M Accounts 920-923, 926		56,509		474	0	0	29,606	26,429
B. Plant-Related:									
112	Property Insurance	924	950	PLANT	0	0	0	824	126
113	Subtotal - O&M Accounts 924-925, 935		950		0	0	0	824	126
C. Other-Related:									
114	Regulatory Commission Expenses	928	238	DIST	0	0	0	238	0
115	PUCO Assessments	408	1,858	DIST	0	0	0	1,858	0
116	OCC Assessments	408	475	DIST	0	0	0	475	0
117	Miscellaneous General	930	825	DIST	0	0	0	825	0
118	Rents	931	533	DIST	0	0	0	533	0
119	Misc. General Plant	935	143	DIST	0	0	0	143	0
120	Subtotal - O&M Accounts 928-931		4,073		0	0	0	4,073	0
121									
122	Total - ADMINISTRATIVE & GENERAL EXPENSES		61,532		474	0	0	34,503	26,555
123	TOTAL - OPERATING EXPENSES (Excl Depr, Tax a		213,919		7,220	0	0	101,833	104,866

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
COST OF SERVICE STUDY- FYE 09/30/2008

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	Account Description	Account Code	Account Balance	Allocation Factor	FUNCTIONALIZATION			
					SUPPLY	STORAGE	TRANSMIS	DISTRIBUTI
VI. DEPRECIATION EXPENSE								
124	Intangible Plant	180Int	4,375	INTANG_PT	423	0	0	1,787
125	Production Plant	180Prod	0	None	0	0	0	0
126	Local Storage Plant	180Stor	0	None	0	0	0	0
127	Transmission Plant	180Trans	0	None	0	0	0	0
128	Mains	180Mains	17,280	DIST	0	0	0	17,280
129	Services	180Service	15,673	DIST	0	0	0	15,673
130	Meters	180Meters	3,827	ONSITE	0	0	0	3,827
131	Distr Other	180Dist	5,441	DIST_xMSM	0	0	0	2,071
132	General Plant	180Gen	3,178	LABOR	23	0	0	1,483
133	Rent from Gas Ppty / Other Rev	495	0	PLANT	0	0	0	0
134	Adjustments		0	PLANT	0	0	0	0
135	Total - DEPRECIATION EXPENSE	403	49,774		446	0	0	9,168

VII. TAXES OTHER THAN INCOME TAXES

A. General Taxes								
136	Property Tax- Plant		19,820	PLANT	0	0	17,192	2,628
137	Distribution Tax		0	USP	0	0	0	0
138	Payroll related		4,242	LABOR	31	0	2,231	1,980
139	Other taxes		111	PLANT	0	0	96	15
140	Property Tax- Inventory		693	STOR	0	693	0	0
141	Subtotal- Taxes Other Than Income Taxes	408	24,866		31	693	19,520	4,623

B. Franchise and Revenue Taxes

142	Gross Receipts Tax		17,676	REVENUE_GRT	317	548	0	5,460
143	Subtotal- Franchise and Gross Receipts Tax		17,676		317	548	0	5,460

C. Income Tax Expense

144	State Income Tax expense		0	Pre-Tax	0	0	0	0
145	Federal Income Tax expense		12,726	Pre-Tax	(251)	1,971	0	(1,679)
146	Subtotal- Income tax expense		12,726		(251)	1,971	0	(1,679)
147	Total- TAX EXPENSE		55,267		98	3,212	0	8,404

148 TOTAL EXPENSES

			318,960		7,764	3,212	0	185,546	122,439
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COLUMBIA GAS OF OHIO, INC.
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	Account Description	Account Code	Account Balance	Allocation Factor	FUNCTIONALIZATION				
					SUPPLY	STORAGE	TRANSMIS	DISTRIBUTI ONSITE	
V. REVENUES at Present Rates									
149	Cust Charge Revenue	480-483	117,364	RevReq_PF	2,131	3,679	0	75,005	36,549
150	Delivery Charge Revenue	480-483	253,464	RevReq_PF	4,602	7,944	0	161,983	78,934
151	Admin Charge Revenue	480-483	0	RevReq_PF	0	0	0	0	0
152	Competitive Credit	480-483	(381)	DIST	0	0	0	(381)	0
153	Temp BRRR Revenue	480-486	1,332	DIST	0	0	0	1,332	0
154	Gas Revenue	480-483	0	SUPP	0	0	0	0	0
155	Adjustment- Orwell		(1,751)	RevReq_PF	(32)	(55)	0	(1,119)	(545)
156	Rent from Gas Ppty / Other Rev		2,888	DIST_PT	0	0	0	2,505	383
157	Subtotal Gas Revenues, net		372,916		6,702	11,568	0	239,325	115,321
158	Total Revenue		372,916		6,702	11,568	0	239,325	115,321
159	Total Expenses		318,960		7,764	3,212	0	185,546	122,439
160	NET INCOME at Present Rates		53,956		(1,062)	8,357	0	53,780	(7,118)
SUMMARY									
161	Total revenues		372,916		6,702	11,568	0	239,325	115,321
162	Total Operating Expenses		213,919		7,220	0	0	101,833	104,866
163	Depreciation Expense		49,774		446	0	0	40,159	9,168
164	Taxes other than Income, GRT		24,866		31	693	0	19,520	4,623
165	Total Other Expenses		74,640		477	693	0	59,679	13,791
166	Income tax expense		12,726		(251)	1,971	0	12,684	(1,679)
167	Gross receipts tax expense		17,676		317	548	0	11,350	5,460
168	Total expenses		318,960		7,764	3,212	0	185,546	122,439
169	NET INCOME at Present Rates		53,956		(1,062)	8,357	0	53,780	(7,118)
170	Total Rate Base		1,129,642		988	101,750	0	903,846	123,057
171	Return at Present Rates		4.8%		(107.5%)	8.2%	#N/A	6.0%	(5.8%)

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
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SCHEDULE E-3.2-2
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	Account Description	Account Code	Account Balance	Allocation Factor	FUNCTIONALIZATION				
					SUPPLY	STORAGE	TRANSMIS	DISTRIBUTI	ONSITE
172	REVENUE REQUIREMENTS								
173	Target ROR		9.12%		9.12%	9.12%	9.12%	9.12%	9.12%
174	Using Target for System								
175	Rate Base		1,129,642		988	101,750	0	903,846	123,057
176	Operating expenses		213,919		7,220	0	0	101,833	104,866
177	Depreciation expense		49,774		446	0	0	40,159	9,168
178	Taxes other than Income, GRT		24,866		31	693	0	19,520	4,623
179	Operating expenses to recover		288,559		7,697	693	0	161,511	118,657
180	Target Return on Rate Base- After taxes		103,045		90	9,282	0	82,448	11,225
181	Income taxes to recover		39,158		34	3,527	0	31,331	4,266
182	Subtotal- Rev Req before GRT		430,762		7,822	13,502	0	275,290	134,148
183	GRT needed		21,434		389	672	0	13,698	6,675
184	TOTAL REVENUE REQUIREMENT		452,196		8,211	14,173	0	288,988	140,823

COLUMBIA GAS OF OHIO, INC.
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SCHEDULE E-3.2-3
PAGE 1 OF 8
WITNESS: R. FEINGOLD

Account Description	Account Code	DISTRIBUTION Dollars	Classification Allocation Factor	DISTRIBUTION		
				Demand	Commodity	Customer
I. GAS PLANT IN SERVICE						
1 Organization	301	26	CUST	0	0	26
2 Franchises & Consents	303	3,935	DEMAND	3,935	0	0
3 Intangible Assets- Labor	303.3L	6,876	DISTLABOR	4,132	0	2,744
4 Intangible Assets- Customers	303.3C	0	None	0	0	0
5 Intangible Assets - Supply	303.3S	0	COMMODITY	0	0	0
6 Subtotal - INTANGIBLE ASSETS	301-303	10,837		8,067	0	2,770
B. PRODUCTION PLANT						
7 Production Plant	304-338	0	None	0	0	0
8 Subtotal - PRODUCTION PLANT	304-338	0		0	0	0
C. STORAGE PLANT						
9 Storage Plant	360-368	0	None	0	0	0
10 Subtotal - STORAGE PLANT	360-368	0		0	0	0
D. TRANSMISSION PLANT						
11 D. TRANSMISSION PLANT	370-373	0	None	0	0	0
E. DISTRIBUTION PLANT						
12 Land and Land Rights	374	26,203	DISTOnlyPT	14,893	0	11,310
13 Structures and Improvements	375	28,346	DISTOnlyPT	16,111	0	12,235
14 Mains	376	929,031	MAINS	788,283	0	140,748
15 Meas. & Reg. Stat. Equip. - General	378	24,091	DEMAND	24,091	0	0
16 Meas. & Reg. Stat. Equip. - City Gate	379	7,887	DEMAND	7,887	0	0
17 Services	380	489,796	CUST	0	0	489,796
18 Meters	381	0	None	0	0	0
19 Meters Installations	382	0	None	0	0	0
20 House Regulators	383	0	None	0	0	0
21 House Regulator Installations	384	0	None	0	0	0
22 Ind. Meas. & Reg. Station Equip.	385	10,221	DEMAND	10,221	0	0
23 Other Equipment	387	19,838	DISTOnlyPT	11,275	0	8,563
24 Subtotal - DISTRIBUTION PLANT	374-387	1,535,193		872,540	0	662,653

COLUMBIA GAS OF OHIO, INC.
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WITNESS: R. FEINGOLD

Account Description	Account Code	DISTRIBUTION Dollars	Classification Allocation Factor	DISTRIBUTION		
				Demand	Commodity	Customer
F. GENERAL PLANT						
25 Structures and Improvements	390	5,008	DISTPT	2,846	0	2,161
26 Office Furniture and Equipment	391	9,771	DISTPT	5,553	0	4,217
27 Transportation Equipment	392	900	DISTPT	511	0	388
28 Stores Equipment	393	377	DISTPT	214	0	163
29 Tools & Garage Equipment	394	14,857	DISTPT	8,444	0	6,413
30 Laboratory Equipment	395	108	DISTPT	62	0	47
31 Power Operated Equipment	396	4,913	DISTPT	2,792	0	2,121
32 Miscellaneous Equipment	398	1,125	DISTPT	639	0	486
33 Subtotal - GENERAL PLANT	399-399	37,058		21,062	0	15,996
34 TOTAL UTILITY PLANT		1,583,088		901,670	0	681,418
II. DEPRECIATION RESERVE						
35 Intangible Plant	108	5,781	DISTPT_INT	4,303	0	1,477
36 Production Plant	108.2	0	None	0	0	0
37 Local Storage Plant	108.3	0	None	0	0	0
38 Transmission Plant	108	0	None	0	0	0
39 Mains	109	293,056	MAINS	248,658	0	44,398
40 Services	109	214,563	CUST	0	0	214,563
41 Meters	109	0	None	0	0	0
42 Distr Other	109	38,607	DISTPT_xMSM	27,954	0	10,653
43 General Plant	109	22,135	DISTLABOR	13,303	0	8,832
44 TOTAL - DEPRECIATION RESERVE	108	574,142		294,218	0	279,924
III. OTHER RATE BASE ITEMS						
45 Gas Storage Inventory		0	COMMODITY	0	0	0
46 PIPP Uncollectibles		112,717	CUST	0	0	112,717
47 Customer Deposits		(14,108)	CUST	0	0	(14,108)
48 Deferred Bad Debt		6,134	CUST	0	0	6,134
49 Accum Defd Inc Taxes- Gas Inventory		0	COMMODITY	0	0	0
50 Accum Defd Inc Taxes- Plant		(196,803)	DISTPT	(111,855)	0	(84,948)
51 Accum Defd Inc Taxes- PIPP		(38,791)	CUST	0	0	(38,791)

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
COST OF SERVICE STUDY- FYE 09/30/2008

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SCHEDULE E-3.2-3
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WITNESS: R. FEINGOLD

Account Description	Account Code	Classification Allocation Factor	DISTRIBUTION Dollars	DISTRIBUTION		
				Demand	Commodity	Customer
III. OTHER RATE BASE ITEMS (Continue)						
52 Other Plant-related			12,380	7,036	0	5,344
53 Other, net			927	527	0	400
53 Customer Advances for Construction			12,444	0	0	12,444
54 Total - OTHER RATE BASE ITEMS			(105,101)	(104,292)	0	(809)
55 IV. TOTAL RATE BASE (Excl. Working Ca			903,846	503,160	0	400,686
56 Working Capital	131		0	0	0	0
57 V. TOTAL RATE BASE			903,846	503,160	0	400,686
I. OPERATION & MAINTENANCE EXPEN						
A. PRODUCTION EXPENSES						
1. Manufactured Gas Production						
58 Operations Labor	701	None	0	0	0	0
59 Maint Production Equipment	743	None	0	0	0	0
60 Subtotal - Manufactured Gas Production	710-742		0	0	0	0
2. Other Gas Supply Expenses						
61 Natural Gas City Gate Purchases	804	None	0	0	0	0
62 Natural Gas Oper Expenses	807	COMMODITY	0	0	0	0
63 Outside Svc- Energy Supp Ops	923ESOp	COMMODITY	0	0	0	0
64 Outside Svc- Energy Supp Proc	923ESPr	COMMODITY	0	0	0	0
65 Adjustment- Orwell	813	None	0	0	0	0
67 Subtotal - PRODUCTION EXPENSES	710-813		0	0	0	0
B. NATURAL GAS STORAGE, TERMINAL						
68 LNG Operating Exp Admin	840	None	0	0	0	0
69 Operating Exp- Admin	850	None	0	0	0	0
70 Subtotal - NATURAL GAS STORAGE	840-850		0	0	0	0
71 C. TRANSMISSION EXPENSES	856-863	None	0	0	0	0

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
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TYPE OF FILING: ORIGINAL
WORKPAPER REF.:

SCHEDULE E-3.2-3
PAGE 4 OF 8
WITNESS: R. FEINGOLD

Account Description	Account Code	DISTRIBUTION Dollars	Classification Allocation Factor	DISTRIBUTION		
				Demand	Commodity	Customer
D. DISTRIBUTION EXPENSES						
72 Operation Supv & Engineering	870	1,812	DISTOnlyPT	1,030	0	782
73 Load Dispatching	871	0	COMMODITY	0	0	0
74 Mains and Services Expenses	874	16,775	MAIN&SERVICE	9,320	0	7,455
75 Meas. & Reg. Station Expense General	875	1,896	DEMAND	1,896	0	0
76 Meas. & Reg. Station Expense Industrial	876	365	DEMAND	365	0	0
77 Meter & House Regulator Expenses	878	0	None	0	0	0
78 Customer Installation Expense	879	0	None	0	0	0
79 Other expenses	880	6,985	DISTOnlyPT	3,970	0	3,015
80 Distribution Rents	881	274	DISTOnlyPT	156	0	118
81 Maint. Supervision & Engineering	885	120	DISTOnlyPT	68	0	52
82 Maintenance Of Structures & Improvement	886	569	DISTPT	324	0	246
83 Maint. of Mains	887	13,005	MAINS	11,035	0	1,970
84 Maint Of Meas. & Reg. Station Expense G	889	1,480	DEMAND	1,480	0	0
85 Maint Of Meas. & Reg. Station Expense In	890	447	DEMAND	447	0	0
86 Maint. of Services	892	4,203	CUST	0	0	4,203
87 Maint. of Meters & House Regulators	893	0	None	0	0	0
88 Maintenance of Other Equipment	894	1,686	DISTOnlyPT	958	0	728
89 Field Services	923AG	7,365	MAIN&SERVICE	4,092	0	3,273
90 Subtotal - DISTRIBUTION EXPENSES	870-893	56,982		35,140	0	21,842
91 Total - OPERATION & MAINTENANCE EXP		56,982		35,140	0	21,842
II. CUSTOMER ACCOUNTS EXPENSES						
92 Customer Service - Administrative	901	0	None	0	0	0
93 Meter Reading Expenses	902	0	None	0	0	0
94 Customer Records & Collection Expense	903	0	None	0	0	0
95 Outside Svc- Cust Accounts	923C	0	None	0	0	0
95 Uncollectible Accounts	904	0	CUST	0	0	0
96 Miscellaneous Customer Accounts Expens	905	0	None	0	0	0
97 Total - CUSTOMER ACCOUNTS EXPENSES		0		0	0	0

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Account Description	Account Code	DISTRIBUTION Dollars	Classification Allocation Factor	DISTRIBUTION		
				Demand	Commodity	Customer
III. CUSTOMER SERVICE & INFORMATI						
98 Operation Supervision	907	162	CUST	0	0	162
99 Customer Assist- Choice	908C	7,100	CUST	0	0	7,100
100 Customer Assist- Other	908	2,934	CUST	0	0	2,934
101 Demonstration	912	52	CUST	0	0	52
102 Other Expense	916	100	CUST	0	0	100
103 Total - CUSTOMER SERVICE & INFORM		10,348		0	0	10,348
104 Total - CUSTOMER ACCOUNTS, SERVIC		10,348		0	0	10,348
IV. ADMINISTRATIVE & GENERAL EXPE						
A. Labor-Related:						
105 Administrative & General Salaries	920	2,067	DISTLABOR	1,242	0	825
106 Office Supplies & Expenses	921	1,200	DISTLABOR	721	0	479
107 Outside Services Employed	923AG	14,960	DISTLABOR	8,990	0	5,969
108 Outside Services Employed- Purchasing	923Pur	1,104	DISTO&MxGas	578	0	526
109 Injuries & Damages	925	3,464	DISTLABOR	2,082	0	1,382
110 Employee Pensions and Benefits	926	6,811	DISTLABOR	4,093	0	2,718
111 Subtotal - O&M Accounts 920-923, 926		29,606		17,707	0	11,899
B. Plant-Related:						
112 Property Insurance	924	824	DISTPT	468	0	356
113 Subtotal - O&M Accounts 924-925, 935		824		468	0	356
C. Other-Related:						
114 Regulatory Commission Expenses	928	238	CUST	0	0	238
115 PUCO Assessments	408	1,858	CUST	0	0	1,858
116 OCC Assessments	408	475	CUST	0	0	475
117 Miscellaneous General	930	825	CUST	0	0	825
118 Rents	931	533	CUST	0	0	533
119 Misc. General Plant	935	143	CUST	0	0	143
120 Subtotal - O&M Accounts 928-931		4,073		0	0	4,073
121						
122 Total - ADMINISTRATIVE & GENERAL EX		34,503		18,175	0	16,328
123 TOTAL - OPERATING EXPENSES (Excl I		101,833		53,315	0	48,518

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Account Description	Account Code	Classification Allocation Factor	DISTRIBUTION		
			Dollars	Demand	Commodity Customer
VI. DEPRECIATION EXPENSE					
124 Intangible Plant	180Int		2,165	1,612	0
125 Production Plant	180Prod		0	0	0
126 Local Storage Plant	180Stor		0	0	0
127 Transmission Plant	180Trans		0	0	0
128 Mains	180Mains		17,280	14,662	0
129 Services	180Services		15,673	0	0
130 Meters	180Meters		0	0	0
131 Distr Other	180Dist		3,370	2,440	0
132 General Plant	180Gen		1,672	1,005	0
133 Rent from Gas Ppty / Other Rev	495		0	0	0
134 Adjustments			0	0	0
135 Total - DEPRECIATION EXPENSE	403		40,159	19,718	0
VII. TAXES OTHER THAN INCOME TAXE					
A. General Taxes					
136 Property Tax- Plant			17,192	9,771	0
137 Distribution Tax			0	0	0
138 Payroll related			2,231	1,341	0
139 Other taxes			96	55	0
140 Property Tax- Inventory			0	0	0
141 Subtotal- Taxes Other Than Income Taxes	408		19,520	11,167	0
B. Franchise and Revenue Taxes					
142 Gross Receipts Tax			11,350	6,053	0
143 Subtotal- Franchise and Gross Receipts Taxes			11,350	6,053	0
C. Income Tax Expense					
144 State Income Tax expense			0	0	0
145 Federal Income Tax expense			12,684	7,172	0
146 Subtotal- Income tax expense			12,684	7,172	0
147 Total- TAX EXPENSE			43,554	24,392	0
148 TOTAL EXPENSES			185,546	97,425	0