

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Application of Columbia Gas)
of Ohio, Inc. for Approval of Tariffs to Recover)
Through an Automatic Adjustment Clause Costs)
Associated with the Establishment of an)
Infrastructure Replacement Program and for Ap-)
proval of Certain Accounting Treatment)**

Case No. 07-478-GA-UNC

**APPLICATION FOR REHEARING
OF COLUMBIA GAS OF OHIO, INC.**

Pursuant to Section 4903.10, Revised Code, and Rule 4901-1-35 of the Ohio Administrative Code, Columbia Gas of Ohio, Inc. ("Columbia") submits this application for rehearing of the Order and Opinion issued by the Public Utilities Commission of Ohio ("Commission") on April 9, 2008 ("Order"). Columbia submits that the Order is not clear on the following issue, and is therefore unreasonable and unlawful for the following reasons:

- A. Commission should reconsider its directive that reimbursement between November 24, 2006 and April 9, 2008 be limited to any customer with a riser prone to failure, who replaces that riser or repairs or replaces both that riser and an associated service line that has a hazardous leak.

For the reasons set forth in the attached Memorandum in Support, Columbia respectfully requests the Commission rehear, reconsider and clarify its Order in the manner requested herein.

Respectfully submitted,

COLUMBIA GAS OF OHIO, INC.



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MEMORANDUM IN SUPPORT

Procedural and Factual Background

On July 11, 2007, the Commission issued an Entry approving “Columbia’s reimbursement ... of those customers who have replaced risers or service lines since November 24, 2006, for actual, reasonable costs incurred, with the maximum reimbursement for the replacement of a riser being \$500 and with the maximum reimbursement for the replacement of a customer service line being \$1,000.” Entry at finding 23. The Commission subsequently modified the July 11, 2007 Entry in its September 12, 2007 Entry by stating: “Our directive, in finding 22 of the July entry, will be modified such that any customer with a riser prone to failure, who replaces that riser or repairs or replaces both that riser and an associated service line that has a hazardous leak, will be reimbursable by Columbia, as set forth and subject to the limits described in the July entry ...” Entry at finding 20.

On December 28, 2007, Columbia, Commission Staff, the Office of the Ohio Consumers’ Counsel and Ohio Partners for Affordable Energy filed an Amended Stipulation and Recommendation (“Stipulation”). Paragraph 3 of that Stipulation states, in pertinent part:

For those customers who have contracted with a DOT OQ plumber to replace a prone to failure riser or a hazardous customer service line, with such repairs being completed between November 24, 2006 and February 28, 2008, Columbia will reimburse such customers for the costs of replacing their riser and repairing or replacing their service lines. Reimbursement will be for the actual costs incurred by the customer, as proved by a customer-provided receipt, with the maximum reimbursement for a natural gas riser being \$500 and the reimbursement for replacement or repair of a hazardous customer service line being \$1000.

On April 9, 2008, the Commission issued an Order that, in part, found “it is appropriate and reasonable, in an effort to improve the level of public safety, to shift responsibility for maintenance and repair of service lines to Columbia, in addition to requiring Columbia to replace prone-to-failure risers.” Order at 29. The Commission further ordered “that any customer with a riser prone to failure, who replaces that riser or repairs or replaces both that riser **and an associated service line** that has a hazardous leak, will be reimbursable by Columbia ...” Order at 23, citing September 12, 2007 Entry on rehearing at 20 (emphasis supplied). The Commission also ordered that “the provisions in the stipulation that would have the effect of negating our prior conclusion, although not phrased as such, will be of no effect” and “[t]hat the Stipulation filed in these proceedings be adopted to the extent set forth herein.” Id. at 36.

Argument

In the Commission’s Order, the authority to assume responsibility for maintenance and repair of service lines and replacement of prone to failure risers was given to Columbia. Order at 29. However, it is not clear, given the aforementioned procedural and factual background, whether the Commission’s Order precludes Columbia’s authority to reimburse customers for repairs and replacement to hazardous service lines that are not associated with prone to failure risers between November 24, 2006 and April 9, 2008.

The Order provides that such reimbursement terms that have the effect of negating the Commission's findings in its September 12, 2007 Entry will be of no effect. Columbia contends that the intent of Paragraph 3 of the Stipulation, which provides for reimbursement for repairs and replacement to hazardous service lines that are not associated with prone to failure risers, does not negate the Commission's findings in either its Order or September 12, 2007 Entry. Rather, the Stipulation supplements the Commission's findings by including reimbursement for service line repairs and replacements not associated with prone to failure risers *in addition* to reimbursement for service line repairs and replacements associated with prone to failure risers. Further, the September 12, 2007 Entry modified finding 22 of the July 11, 2007 Entry, but did not modify finding 23 of the July 11, 2007 Entry, which provides for the reimbursement to customers for riser and hazardous service line repairs and replacements **regardless** if the service line was associated with a prone to failure riser. Thus, Columbia contends the intent of the Order provides Columbia with the authority to reimburse customers for hazardous service line repairs and replacements that were not associated with prone to failure risers.

Should the Commission determine that paragraph 3 of the Stipulation does in fact negate its prior conclusion in the September 12, 2007 Entry, than Columbia respectfully requests the Commission to reconsider its directive that Columbia limit reimbursement to customers between November 24, 2006 and April 9, 2008 who replaced or repaired a hazardous service line associated with a prone to failure riser. Reconsideration of this issue is in line with Commission findings throughout this proceeding that customers "should not be penalized for that effort [of making repairs to their service line]." Entry (Sept. 12, 2007) at finding 20. Similarly, the Commission stated in its July 11, 2007 Entry that "customers should not be penalized for their diligence [in making repairs to their service line]." Entry (July 11, 2007) at finding 22. Columbia agrees

with these Commission statements that all customers who incurred expenses between November 24, 2006 and April 9, 2008 shall be entitled to reimbursement for repairs and replacement of hazardous service lines not associated with prone to failure risers. Further, the amount of reimbursement should be limited to \$1,000, which is consistent with the Commission's finding of reimbursement for service line repair and replacement associated with a prone to failure riser.

WHEREFORE, Columbia respectfully requests that the Commission grant rehearing and clarify its Order by authorizing Columbia to reimburse customers for all repairs and replacements to customer service lines that were effectuated between November 24, 2006 and April 9, 2008.

Respectfully submitted,

COLUMBIA GAS OF OHIO, INC.



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CERTIFICATE OF SERVICE

I hereby certify that an electronic copy of the foregoing Application for Rehearing of Columbia Gas of Ohio, Inc. was served upon all parties of record by regular U. S. mail this 9th day of May 2008.



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Summary: App for Rehearing Columbia Gas of Ohio, Inc's Application for Rehearing from the April 9, 2008 Order and Opinion electronically filed by Mr. Daniel A Creekmur on behalf of Columbia Gas of Ohio, Inc.