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Columbia Gas[®]
of Ohio

A NiSource Company

200 Civic Center Drive
Columbus, OH 43215

October 31, 2008

PUCO

Docketing Department
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

Re: Case Number 05-221-GA-GCR
Case Number 04-221-GA-GCR
Case Number 96-1113-GA-ATA

Docketing Division:

In compliance with the Public Utilities Commission of Ohio's rules governing Tariff Filing Procedures in Case Number 05-221-GA-GCR et al, Columbia Gas of Ohio, Inc. has enclosed for filing five copies of the necessary tariff sheets, under Section VII, Sheet No. 17.

Pursuant to the Commission's September 24, 2008 Entry in Case No. 05-221-GA-GCR et al one copy is for filing in each of the above-referenced dockets with two copies being distributed to the Rates and Tariffs Division of the Commission's Utilities Department.

Very truly yours,



Daniel A. Creekmur
Attorney for Columbia Gas of Ohio, Inc.

Enclosures

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Columbia Gas of Ohio, Inc.

**SECTION VII
PART 17 - CAPACITY ASSIGNMENT OPTION**

17.1 Assignment of Capacity

A. Assignment of Columbia's contracted upstream transportation and storage capacity to Retail Natural Gas Suppliers shall be made by Columbia following the determination by Columbia of the amount of capacity to be allocated to the GCR and Standby Service and the amount of capacity to be retained by Columbia to provide CHOICE balancing and peaking service. The amount of capacity allocated to the GCR shall be equal to 2,134,500 Dth less the total Design Demand of all Retail Natural Gas Suppliers Aggregation Pools (the number 2,134,500 represents the estimate of Columbia's total design peak day firm demand, including all CHOICE eligible customers that will be used effective November 1, 2008 for the purpose of allocating Columbia's firm capacity portfolio between the GCR and Retail Natural Gas Suppliers).

B. Columbia shall retain TCO FSS and SST capacity equal to 22% of the total Design Demand of all Retail Natural Gas Suppliers Aggregation Pools for the purpose of providing CHOICE balancing and peaking service.

C. Retail Natural Gas Suppliers shall be assigned firm capacity from Columbia under TCO's rate schedules Firm Transportation Service ("FTS"), Firm Storage Service ("FSS") including Storage Service Transportation ("SST") and under Columbia Gulf Transmission Company's ("Columbia Gulf") Rate Schedule Firm Transportation Service ("FTS-1"). Columbia Gulf FTS-1 capacity shall be assigned in an amount equivalent to assigned TCO FTS capacity adjusted for TCO retainage. Additionally, Retail Natural Gas Suppliers shall also be provided the option to elect assignment of firm capacity from Columbia under Panhandle Eastern Pipe Line Company's ("Panhandle Eastern") rate schedules Enhanced Firm Transportation Service ("EFT") and Flexible Storage Service ("FS") and Trunkline Gas Company's ("Trunkline") rate schedule Firm Transportation Service ("FT") in lieu of equivalent volumes of FSS, SST, FTS and FTS-1 capacity. (Columbia contracts for Panhandle Eastern non storage-related EFT capacity with receipt points (a) in Panhandle Eastern's Field Zone and (b) at its interconnection with Trunkline. The Trunkline FT capacity held by Columbia is utilized to deliver natural gas supplies to that portion of the Panhandle Eastern non storage-related EFT capacity identified in (b) herein. Assignment of Panhandle Eastern non storage-related EFT will include an assignment of both receipt points and the associated Trunkline FT).

D. Columbia shall make assignment to each Retail Natural Gas Supplier for each of their Aggregation Pools. The total capacity amount assigned by Columbia to all Retail Natural Gas Suppliers plus the amount of capacity to be retained by Columbia to provide CHOICE balancing and peaking service will be equal to a percentage of the total Design Demand for all Aggregation Pools. This percentage ("Supplier Assignment Percentage") shall be determined by the following formula:

(Columbia's Contract Capacity - (2,134,500 - Total Design Peak Day Demand of all Participating CHOICE customers)) / Total Design Peak Day Demand of all Participating CHOICE customers.

Columbia's Contract Capacity shall be inclusive of all upstream firm capacity and firm city gas deliveries contracted for by Columbia including, all local gas supplies, city gate delivered supplies and peaking volumes the total of which shall not exceed 2,039,100 Dth.

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The total amount of capacity to be directly assigned to Retail Natural Gas Suppliers shall be equal to the amount of Columbia's peak day capacity portfolio as of December 28, 2007 less that amount to be retained to serve the GCR and Standby Service customers less that amount retained by Columbia to provide CHOICE balancing and peaking service.

E. All assignments by Columbia will be priced at the price Columbia would have paid under its contract with the upstream interstate pipeline.

F. Retail Natural Gas Suppliers shall have the option to elect assignment of Panhandle Eastern EFT and FS and Trunkline FT capacity

Retail Natural Gas Suppliers that elect assignment of Panhandle Eastern and Trunkline capacity shall be assigned proportional volumes of all Panhandle Eastern EFT and FS and Trunkline FT capacity contracted for by Columbia.

The Panhandle Eastern and Trunkline capacity shall be deemed delivered to Columbia's distribution system at the Market Area defined by TCO as Market Area 1.

The amount of Panhandle Eastern and Trunkline capacity that each Retail Natural Gas supplier shall have the option to elect assignment of shall be equal to the capacity contract level held by Columbia on these upstream pipelines multiplied by a unique percentage for each Retail Natural Gas Supplier. This unique percentage ("Panhandle Eastern/Trunkline Assignment Percentage") shall be calculated by dividing each Retail Natural Gas Supplier's statewide total CHOICE Design Demand for the month of March immediately preceding the assignment by the difference between 2,134,500 Dth less the PIPP Design Demand for the month of March immediately preceding the assignment.

Columbia shall render a notice to each Retail Natural Gas Supplier on or about February 20th preceding the assignment of the amount of Panhandle Eastern and Trunkline capacity on which they have the option to elect assignment. Each Retail Natural Gas Supplier shall notify Columbia within five (5) business days of Columbia's rendering of this notice to each Retail Natural Gas Supplier of their decision to accept or reject assignment of the Panhandle Eastern and Trunkline capacity. Such notices shall be deemed received three days after the date when such notices are deposited by Columbia with the U.S. Mail for first class delivery, as evidenced by the postmark date, or one day after notices are sent via facsimile machine to a Retail Natural Gas Supplier or sent via e-mail communication to a Retail Natural Gas Supplier. A Retail Natural Gas Supplier electing to take assignment of the allocated Panhandle and Trunkline capacity may also elect to receive assignment of their proportionate share of any Panhandle Eastern and Trunkline capacity rejected by or otherwise not assignable to other Retail Natural Gas Supplier(s). A Retail Natural Gas Supplier that does not notify Columbia within five (5) business days of receipt of this notice shall be deemed to have declined the option to elect assignment of Panhandle Eastern and Trunkline capacity.

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Regardless of a Retail Natural Gas Supplier's election to take assignment of Panhandle Eastern and Trunkline capacity, no Retail Natural Gas Supplier's assignment of Panhandle Eastern FS and related EFT capacity shall exceed 58% of their aggregation Pool Design Demand for Market Area 1 at the time of the election. Furthermore, no Retail Natural Gas Supplier's assignment of Panhandle Eastern non storage-related EFT capacity shall exceed 20% of their Aggregation Pool Design Demand for Market Area 1 at the time of the election.

All assignments of Panhandle Eastern and Trunkline capacity shall be fixed for the term of the assignment and the amount of capacity shall not change under any other provision of this tariff unless a Retail Natural Gas Supplier is removed from or decides to cease participation in Columbia's CHOICE Program. Under such circumstances, Columbia shall recall all assigned Panhandle Eastern and Trunkline capacity assigned to the Retail Natural Gas Suppliers and shall have the option to purchase the storage gas associated with the recalled FS at the price defined in Section 17.2 of this tariff.

Retail Natural Gas Suppliers that elect to take assignment of Panhandle Eastern and Trunkline capacity shall deliver natural gas supplies to Columbia from this assigned capacity at the Maumee interconnection between Panhandle Eastern and Columbia during the months of November through March in accordance with a temperature demand curve supplied by Columbia specific to Columbia's physical requirements and receipt capability at the Maumee interconnection. This temperature demand curve shall be separate from each Retail Natural Gas Supplier's CHOICE temperature demand curve for Market Area 1. A Retail Natural Gas Supplier that fails to deliver the supplies required by the Maumee interconnection temperature demand curve shall incur the same penalty/fee associated with failure to deliver natural gas supplies under their CHOICE temperature demand curves.

Regardless of any other provision of this tariff, Retail Natural Gas Suppliers shall nominate natural gas supplies to Columbia at the Maumee interconnection using the assigned Panhandle Eastern capacity based upon the volume specified by the Columbia provided temperature demand curve for the Maumee interconnection at the temperature projected on the day preceding the Gas Day. There will be no adjustment to nominated volumes delivered to Columbia at the Maumee interconnection based upon the actual temperature experienced, as provided by Columbia on the day after the Gas Day.

To the extent that Retail Natural Gas Suppliers or Columbia non-CHOICE transportation customers have taken assignment of capacity from Columbia, Columbia will pass through to such Retail Natural Gas Suppliers and Columbia customers their proportionate share of capacity-related refunds received by Columbia, if such refunds related to the assigned capacity. 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 the Retail Natural Gas Suppliers nor transportation customers shall be entitled to refunds to the extent such Retail Natural Gas Suppliers or transportation customers have received refunds directly from a pipeline company with regard to the same capacity. No refunds will be issued to Retail Natural Gas Suppliers 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 Retail Natural Gas Suppliers 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 Retail Natural Gas Suppliers 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.

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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.

G. Capacity is assigned in accordance with the following provisions:

Initial Assignment Methodology

- (1) Columbia shall determine the total level of capacity that will initially be assigned Retail Natural Gas Suppliers as set forth in 17.1.D for all Retail Natural Gas Marketers for all Aggregation Pools for November 2008. This total level of capacity to be assigned shall include any capacity previously assigned by Columbia to Retail Natural Gas Suppliers.
- (2) Columbia shall assign to each Retail Natural Gas Supplier for each Market Area in which they serve CHOICE customers, storage and related transportation capacity (TCO FSS and SST and/or Panhandle Eastern FS and related EFT) in an amount equal to 58% of each of their Aggregation Pool Design Demand for each Market Area. For those Retail Natural Gas Suppliers electing to take assignment of Panhandle Eastern and Trunkline capacity the initial assignment of Panhandle Eastern FS and related EFT capacity shall take place effective April 1, 2008. All other assignments shall be effective November 1, 2008. To the extent that Columbia has previously assigned storage and related capacity to a Retail Natural Gas Supplier and that amount exceeds 58% of their Aggregation Pool Design Demand for any Market Area, Columbia shall recall TCO RSS and SST capacity in an amount equal to the difference between the previously assigned capacity and that amount represented by 58% of the Retail Natural Gas Supplier's Aggregation Pool Design Demand for each such Market Area. Should Columbia recall FSS and SST pursuant to this paragraph, Columbia will not purchase the storage gas associated with the recalled TCO FSS capacity.
- (3) Columbia shall determine the total level of TCO FTS and Columbia Gulf FTS-1 and Panhandle Eastern non storage-related EFT and Trunkline FT capacity to be assigned Retail Natural Gas Suppliers by subtracting the total maximum daily deliverability of the storage capacity assigned in 17.1.G (2) from the total capacity to be assigned Retail Natural Gas Suppliers determined in 17.1.G (1).
- (4) Columbia shall determine the level of TCO FTS and Columbia Gulf FTS-1 capacity that shall be assigned Retail Natural Gas Suppliers in constrained Market Areas. This level is determined by multiplying the sum total of all Retail Natural Gas Suppliers Aggregation Pool Design Demands in the constrained Market Areas by 20%. Columbia shall assign to each Retail Natural Gas Supplier with an Aggregation Pool in a constrained Market Area, TCO FTS and Columbia Gulf FTS-1 capacity equal to 20% of each such Aggregation Pools' Design Demand.

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To the extent that Columbia has previously assigned TCO FTS and Columbia Gulf FTS-1 capacity to a Retail Natural Gas Supplier and that amount exceeds 20% of their Aggregation Pool Design Demand for a constrained Market Area, Columbia shall recall TCO FTS and Columbia Gulf FTS-1 capacity in an amount equal to the difference between the previously assigned capacity and that amount represented by 20% of the Retail Natural Gas Supplier's Aggregation Pool Design Demand for each such constrained Market Area.

- (5) Columbia shall determine the total level of TCO FTS and Columbia Gulf FTS-1 and Panhandle Eastern non storage-related EFT and Trunkline FT capacity that shall be assigned Retail Natural Gas Suppliers in non-constrained Market Areas. This level is determined by subtracting the total level of TCO FTS and Columbia Gulf FTS-1 capacity actually assigned in 17.1.G (4) from the total level of TCO FTS and Columbia Gulf FTS-1 and Panhandle Eastern non storage-related EFT and Trunkline FT capacity to be assigned as determined in 17.1.G (3). Columbia shall determine the percentage of the total Retail Natural Gas Suppliers' non-constrained Market Area Aggregation Pool Design Demand represented by the TCO FTS and Columbia Gulf FTS-1 and Panhandle Eastern non storage-related EFT and Trunkline FT capacity to be assigned in this section.
- (6) Columbia shall assign to all Retail Natural Gas Suppliers that have elected to take assignment of Panhandle Eastern and Trunkline capacity Panhandle Eastern non storage-related EFT and Trunkline FT capacity. This assignment shall be equal to the Retail Natural Gas Supplier's Panhandle Eastern/Trunkline Assignment Percentage multiplied by Columbia's Panhandle Eastern non storage-related EFT and Trunkline FT contract capacity.
- (7) Columbia shall test this assignment of Panhandle Eastern non storage-related EFT and Trunkline FT to determine whether this assignment, as a percentage of the total of all Retail Natural Gas Suppliers Aggregation Pools Design Demand for Market Area 1, exceeds the percentage assignment of TCO FTS and Columbia Gulf FTS-1 and Panhandle Eastern non storage-related EFT and Trunkline FT capacity for non-constrained Market Areas as determined in 17.1.G (5). If so, no further assignment of TCO FTS and Columbia Gulf FTS-1 capacity shall take place for Market Area 1 and, Columbia shall recalculate the percentage of TCO FTS and Columbia Gulf FTS-1 capacity to be assigned to all non-constrained Market Areas, excluding Market Area 1, as described in 17.1.G (5) specifically excluding Retail Natural Gas Suppliers total Aggregation Pool Design Demand and the allocation of Panhandle Eastern non storage-related EFT and Trunkline FT for Market Area 1 from the calculation. In the event that the total amount of Panhandle Eastern non storage-related EFT and Trunkline FT, expressed as a percentage of the total of all Retail Natural Gas Suppliers Aggregation Pools Design Demand for Market Area 1, does not exceed the percentage calculated in 17.1.G (5), Columbia shall supplement the assignment of the Panhandle Eastern non storage-related EFT and Trunkline FT with TCO FTS and Columbia Gulf FTS-1 capacity such that the level of TCO FTS and Columbia Gulf FTS-1 and Panhandle Eastern non storage-related EFT and Trunkline FT, expressed as a percentage, shall equal that percentage calculated in 17.1.G (5).
- (8) Columbia shall assign to each Retail Natural Gas Supplier in non-constrained Market Areas TCO FTS and Columbia Gulf FTS-1 capacity in an amount equal to the percentage as determined in 17.1.G (5) or 17.1.G (7), as appropriate, for each of their Aggregation Pool Design Demand, by Market Area.

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To the extent that Columbia has previously assigned TCO FTS and Columbia Gulf FTS-1 capacity to a Retail Natural Gas Supplier and that amount exceeds the percentage of their Aggregation Pool Design Demand for a non-constrained Market Area as calculated in 17.1.G(5) or 17.1.G(7), as applicable, Columbia shall recall TCO FTS and Columbia Gulf FTS-1 capacity in an amount equal to the difference between the previously assigned capacity and that amount represented by the percentage calculated in 17.1.G(5) or 17.1.G(7), as applicable, of the Retail Natural Gas Supplier's Aggregation Pool Design Demand for each such non-constrained Market Area.

- (9) All TCO FTS and Columbia Gulf FTS-1 capacity assignments shall be for terms of twelve (12) months. The initial assignment of Panhandle non storage-related EFT and Trunkline FT capacity, effective November 1, 2008, shall be for a term of five (5) months. Thereafter the assignment of Panhandle non storage-related EFT and Trunkline FT capacity shall be for a term of twelve (12) months
- (10) Assignments of TCO FSS and TCO SST capacity shall have a term that begins on the first day of the month the capacity is assigned and continues through the following March 31st. The assigned TCO 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 primary FSS contract.
- (11) The effective date of assignment of Panhandle Eastern FS and related EFT capacity shall be on April 1, 2008 and April 1, 2009 and each April 1 thereafter. No other assignments of Panhandle Eastern and Trunkline capacity shall occur at any other date. All Panhandle Eastern FS and related EFT capacity assignments shall be for terms of twelve (12) months. The assigned Panhandle Eastern FS Seasonal Contract Quantity (SCQ) will be in the same ratio to the assigned Maximum Daily Quantity (MDQ) as the ratio that exists between the SCQ and the MDQ in Columbia's FS contract.
- (12) Retail Natural Gas Suppliers assigned TCO FSS capacity assignment shall also be assigned the associated TCO SST capacity. The TCO SST quantity to be assigned for the months of October through March shall be equivalent to the MDSQ of the assigned TCO FSS capacity. The TCO SST quantity assigned for the months April through September shall be equivalent to 50% of the MDSQ of the assigned TCO FSS capacity, rounded up to the nearest whole Dth. Retail Natural Gas Suppliers electing Panhandle Eastern FS capacity assignment shall also be assigned the associated Panhandle Eastern EFT capacity. The Panhandle Eastern EFT quantity to be assigned for the months of November through March shall be equivalent to the MDQ of the assigned Panhandle Eastern FS capacity adjusted for retainage on Panhandle Eastern. The Panhandle Eastern EFT quantity assigned for the months April through October shall be equivalent to 38.9% of the MDQ of the assigned Panhandle Eastern FS capacity adjusted for retainage on Panhandle Eastern, rounded up to the nearest whole Dth.
- (13) When assignments of TCO FSS and associated TCO SST capacity become effective in any month other than April, the Retail Natural Gas Supplier will pay Columbia for all related, but unrecovered, TCO FSS and TCO SST demand charges as if the capacity had been assigned on the prior April 1st.

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These charges will be determined through the use of a relative Demand Cost Recovery Factor (DCRF), which provides for recognition of TCO FSS and TCO SST demand costs previously paid for but not 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 TCO FSS and TCO 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%

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

H. Monthly Capacity Assignment Review.

- (1) Each month after the initial assignment of capacity to Retail Natural Gas Suppliers under this revised tariff, Columbia shall compare the existing assignment of capacity to Retail Natural Gas Suppliers against the new monthly Design Demand of the Aggregation Pools for the Retail Natural Gas Suppliers utilizing the process described below. The basis of this review shall be the Design Demand of the Retail Natural Gas Suppliers as determined each month and the level of existing capacity assigned by Columbia to the Retail Natural Gas Suppliers. The purpose of this process shall be to determine if the existing assignment of TCO FSS, TCO SST, TCO FTS and Columbia Gulf FTS-1 capacity needs to be adjusted to meet the provisions of this section.
- (2) Each month Columbia shall calculate an updated Supplier Assignment Percentage. Columbia shall then recall and reassign TCO FSS, TCO SST, TCO FTS and Columbia Gulf FTS-1 capacity in all constrained Market Areas such that the resulting capacity assignment to all Retail Natural Gas Suppliers serving customers in such constrained Market Areas shall be equal to 78% of the Design Demand for each Retail Natural Gas Suppliers' Aggregation Pool (58% FSS/SST and 20% FTS/FTS-1).

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- (3) Except for the exemptions discussed in Paragraph 17.1.H (4) below, Columbia shall not assign to or recall from Retail Natural Gas Suppliers any additional capacity in non-constrained Market Areas unless one of the following occur:
- a. the total of the existing level of capacity assigned to an individual Retail Natural Gas Supplier plus the capacity retained by Columbia to provide CHOICE balancing and peaking service to that Retail Natural Gas Supplier, inclusive of all Market Areas, falls outside the range of 85% – 115% of the updated Supplier Assignment Percentage; or
 - b. if the existing level of capacity assigned to all Retail Natural Gas Suppliers plus the capacity retained by Columbia to provide CHOICE balancing and peaking service to all Retail Natural Gas Suppliers, inclusive of all Market Areas, falls outside the range of 90% – 110% of the updated Supplier Assignment Percentage.

In the event that the total existing capacity assignment to an individual Retail Natural Gas Supplier, including the capacity retained by Columbia to provide CHOICE balancing and peaking service, inclusive of all Market Areas, falls outside of the percentage range set forth in paragraph 17.1.H (3)(a), Columbia shall recall and reassign TCO FSS, TCO SST, TCO FTS and Columbia Gulf FTS-1 capacity, for all non-constrained Market Areas in accordance with the methodology set forth under the Initial Assignment Methodology utilizing the updated Supplier Assignment Percentage. Columbia will not purchase or sell storage gas when it recalls or assigns capacity to a single Retail Natural Gas Supplier under this paragraph.

In the event that the total existing capacity assignment to all Retail Natural Gas Suppliers in total, including the capacity retained by Columbia to provide CHOICE balancing and peaking service, falls outside of the percentage range set forth in paragraph 17.1.H (3)(b), Columbia shall recall and reassign TCO FSS, TCO SST, TCO FTS and Columbia Gulf FTS-1 capacity, for all non-constrained Market Areas in accordance with the methodology set forth under the Initial Assignment Methodology utilizing the updated Supplier Assignment Percentage. Should Columbia recall and/or assign capacity to all Retail Natural Gas Suppliers under this paragraph, Columbia shall also buy and/or sell storage gas associated with the net change in the FSS quantity recalled or assigned to each Retail Natural Gas Supplier. The volume of storage gas to be purchased or sold by Columbia shall be equal to the net TCO FSS seasonal contract quantity recalled or assigned by Columbia from each Retail Natural Gas Supplier multiplied by the percentage of gas in Columbia's storage at the time of the recall or assignment.

- (4) Notwithstanding any other provision of Section 17.1 H of this tariff, the following exemptions shall apply:
- a. If a Retail Natural Gas Supplier(s) leaves or is terminated from Columbia's Customer CHOICE Program, if a Governmental Aggregation(s) stops taking service from a Retail Natural Gas Supplier(s) or if other events occur that result in the return of a group or groups of CHOICE customers to Columbia's sales service, Columbia shall recall from the Retail Natural Gas Supplier(s) the related capacity assigned by Columbia and Columbia shall have the option to purchase the storage gas associated with the recalled TCO FSS and Panhandle Eastern FS capacity;

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- b. If a new Retail Natural Gas Supplier enters the CHOICE program under circumstances other than the acquisition of customers from another Retail Natural Gas Supplier, or if a new Governmental Aggregation enters the CHOICE program, or if an existing Governmental Aggregation refreshes its CHOICE customer participation, Columbia will assign capacity under the Initial Assignment Methodology process and sell associated storage gas to the Retail Natural Gas Supplier;
- c. If a Retail Natural Gas Supplier transfers a group(s) of CHOICE or Governmental Aggregation customers to another Retail Natural Gas Supplier in a single month, Columbia shall recall and reassign capacity only if the existing level of capacity assigned by Columbia falls outside of the 85% - 115% range described above for one or both of the Retail Natural Gas Suppliers involved in this transfer. In such instances, Columbia will not purchase or sell storage gas from/to either Retail Natural Gas Supplier regardless of the other provisions of this tariff. Should this exemption be applied, the Retail Natural Gas Supplier receiving the transfer of customers shall provide to Columbia, within seven (7) days of the transfer, a supply plan that demonstrates how the receiving Retail Natural Gas Supplier will assure reliable service to its CHOICE customers.

17.2 Storage Gas Inventory Transfers

When assignments or recall of TCO FSS capacity become effective in any month other than April, Columbia and/or the Retail Natural Gas Supplier(s) shall, in accordance with the provisions of this tariff, work together to make the corresponding storage gas inventory transfer(s) in proportion to Columbia's storage gas inventory level on the first day for the effective month of the TCO FSS capacity assignment. The price of the gas transferred by Columbia to the Retail Natural Gas Supplier will be equal to:

- a) 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 TCO SST Commodity Rate, TCO SST Retainage, TCO FSS Retainage, TCO FSS Injection Charge and gross receipts or other applicable taxes, as reflected in the following formula:

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

Retail Natural Gas Suppliers will be required to pay for such storage gas transferred to its account by Columbia and any unrecovered demand charges within 10 days following receipt of an invoice from Columbia, unless other arrangements, acceptable to Columbia, have been completed.

The price of the gas transferred by the Retail Natural Gas Supplier to Columbia will be equal to:

- 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 TCO SST Commodity Rate, TCO SST Retainage, TCO FSS Retainage, TCO FSS Injection Charge as reflected in the following formula:

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

Columbia will be required to pay for such storage gas transferred to its account by a Retail Natural Gas Supplier within 10 days following receipt of an invoice by Columbia from the Retail Natural Gas Supplier, unless other arrangements, acceptable to Retail Natural Gas Suppliers, have been completed. Columbia will provide volume and pricing information to the Retail Natural Gas Supplier as necessary for the development of the invoice.

Retail Natural Gas Suppliers that take assignment of TCO FSS and TCO SST must meet the following minimum prescribed storage inventory levels for all assigned TCO FSS seasonal contract 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 TCO to provide this inventory information to Columbia for these dates.

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.

17.3 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. While a Retail Natural Gas Supplier may reassign Panhandle Eastern and Trunkline capacity subject to recall by Columbia to a third party, the reassignment of any volume of Panhandle Eastern and/or Trunkline capacity will not alter or amend, in any fashion, the Retail Natural Gas Supplier's obligation to deliver gas supplies to the Maumee interconnection, in accordance with the temperature demand curve for the Maumee interconnection provided the Retail Natural Gas Supplier by Columbia. Furthermore, should a Retail Natural Gas Supplier reassign any of the Panhandle Eastern capacity to a third party (other than an agency or similar arrangement whereby the deliveries are made on behalf of the Retail Natural Gas Supplier), Columbia will not accept delivery of gas from such a third party at the Maumee interconnection.