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**FILE**  
**BEFORE**  
**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission's Review of )  
Chapters 4901:1-17 and 4901:1-18 and Rules )  
4901:1-5-07, 4901:1-10-22, 4901:1-13-11, )  
4901:1-15-17, 4901:1-21-14, and 4901:1-29-12) )  
of the Ohio Administrative Code. )

Case No. 08-723-AU-ORD

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**OHIO GAS COMPANY'S MEMORANDUM CONTRA  
APPLICATIONS FOR REHEARING OF  
OHIO CONSUMER ADVOCATES AND CONSUMER GROUPS**

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Attorney for The Ohio Gas Company

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**I. INTRODUCTION**

On June 25, 2008, the Commission issued an Entry requesting comments on Commission Staff's ("Staff") proposed revisions to the Commission's rules and appendices related to credit and collections as well as extended payment programs and low-income payment programs, namely the PIPP program. Additionally, Staff conducted a workshop on July 8, 2008 to allow interested stakeholders to ask questions to clarify the proposed rule amendments and appendices. Initial Comments were filed on September 10, 2008 and Reply Comments were filed on October 14, 2008. The Commission issued its Finding and Order in this proceeding on December 17, 2008. Applications for Rehearing were filed on January 16, 2009. Ohio Gas Company ("Ohio Gas" or "Company") respectfully submits its Memorandum Contra the Applications for Rehearing of Ohio Consumer Advocates ("OCA")<sup>1</sup> and Consumer Groups<sup>2</sup>.

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<sup>1</sup> OCA consists of AARP-Ohio, the Coalition on Homelessness and Housing in Ohio, Ohio Association of Community Action Agencies, Ohio Association of Second Harvest Food Banks, and Ohio Partners for Affordable Energy.

## **II. OCA Application for Rehearing**

OCA requests rehearing on five aspects of the Commission's adopted rules and December 19, 2008 Finding and Order. Ohio Gas contests three of OCA's five grounds for rehearing. Specifically, Ohio Gas opposes OCA's requests that the Commission: (1) permit arrearage forgiveness to percentage of income payment plan ("PIPP") program customers so long as they make their payment by the due date plus five days (in conformity with the proposed electric PIPP rules); (2) give zero-income PIPP customers a 180-day waiver of the minimum bill payment (in conformity with the proposed electric PIPP rules); and (3) provide for a hardship waiver program for zero-income PIPP customers who may be unable to pay the minimum bill.

The Commission should reject these assignments of error. As Ohio Gas and other commenters brought to the Commission's attention, and the Commission recognized<sup>3</sup>, a great deal of effort and expense will be required to implement these newly modified/adopted rules. Ohio Gas appreciates the Commission's recognition of this burden and believes denying OCA's Application for Rehearing would continue to recognize that the "cost to implement programming to bill for and retain detailed customer information may outweigh the benefits of the computer system updates for small companies with fewer customers over which to spread the costs."<sup>4</sup>

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<sup>2</sup> Consumer Groups consists of the Office of the Ohio Consumers' Counsel, the Appalachian People's Action Coalition, Cleveland Housing Network, Empowerment Center of Greater Cleveland, the Neighborhood Environmental Coalition, Consumers for Fair Utility Rates, United Clevelanders Against Poverty, Supports To Encourage Low-Income Families, Cleveland Tenants' Organization, Communities United For Action, May Dugan Center, Pro Seniors, Inc., Harcatus Tri-County Community Action Organization, the Ohio Farm Bureau Federation, and the Edgemont Neighborhood Coalition.

<sup>3</sup> See, for example, Finding and Order at 51, 67, 74, 75.

<sup>4</sup> Finding and Order at 51.

OCA's suggested changes would entail adding even more wrinkles and data tracking to the already complex computer programming changes necessitated by the rules adopted in this proceeding. Contrary to OCA's suggestion, the five extra days from the due date will not be "easy for utilities to program into their systems."<sup>5</sup> The five extra days, as well as OCA's other suggestions, would further complicate the difficult information technology tasks that lie ahead to implement these modified/new rules. Accordingly, the Commission should recognize the computer programming costs associated with OCA's proposed changes and deny OCA's rehearing request. OCA has not demonstrated that the Commission's adopted rules or Finding and Order are unreasonable or unlawful and should deny OCA's Application for Rehearing.

### **III. Consumer Groups Application for Rehearing**

Consumer Groups allege the Commission erred in 18 different respects. Ohio Gas will not endeavor to address each of Consumer Groups' assignments of error. Ohio Gas will only note that, generally speaking, Consumer Groups' Application for Rehearing does not raise any new issues for the Commission's consideration. Despite the lack of new issues, Ohio Gas will respond to two of Consumer Groups' assignments of error.

First, Consumer Groups urge the Commission to require gas companies to send a summary annual statement to PIPP customers.<sup>6</sup> The Commission already rejected Consumer Groups' request for an annual statement to PIPP customers. Citing Ohio Gas and Vectren Energy Delivery of Ohio ("VEDO") comments, the Commission found

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<sup>5</sup> OCA Application for Rehearing at 6.

<sup>6</sup> Consumer Groups Application for Rehearing at 32-33.

that an annual statement is duplicative of information already given to PIPP customers and there is no reason for gas utility companies to incur additional costs to consolidate and prepare such information for each PIPP customer.<sup>7</sup> Accordingly, Consumer Groups have raised nothing new for the Commission's consideration and their Application for Rehearing should be denied.

Second, Consumer Groups contest the exemption given to small natural gas companies saying that customers of small companies deserve protection provided by the PIPP program.<sup>8</sup> Consumer Groups add "At most, the Commission should excuse the small gas companies from offering the new features of PIPP that might increase the companies' information technology costs."<sup>9</sup> Even Consumer Groups recognize the information technology burdens the new features of the Commission's revised rules (Graduate PIPP and arrearage crediting) impose, especially upon smaller natural gas companies. As suggested by Ohio Gas in its Application for Rehearing, the Commission should modify the small company exemption to exempt natural gas companies with less than 75,000 customers<sup>10</sup> from the Graduate PIPP and arrearage crediting provisions in Chapter 4901:1-18, Ohio Administrative Code ("O.A.C.").

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<sup>7</sup> Finding and Order at 76-77.

<sup>8</sup> Consumer Groups Application for Rehearing at 17-18.

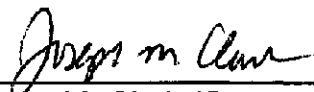
<sup>9</sup> *Id.* at 18.

<sup>10</sup> As Ohio Gas explained in its Application for Rehearing, Ohio Gas finds itself in a unique position among local distribution companies in Ohio, with a customer base too small to justify the types of technology systems often required to comply with regulatory rules, but too large to qualify for available small company exemptions.

#### IV. CONCLUSION

The Commission should deny the Applications for Rehearing of OCA and Consumer Groups inasmuch as neither has demonstrated the Commission's Finding and Order and adopted rules in this proceeding are unreasonable or unlawful.

Respectfully submitted,



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## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing *Ohio Gas Company's Memorandum Contra Applications for Rehearing of Ohio Consumer Advocates and Consumer Groups* was served upon the following parties of record this 26<sup>th</sup> day of January, 2009, via first class mail, postage prepaid.

  
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