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BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO 2009 MAY 22 PM 4: 33

In the Matter of the Commission's Review )  
Of Chapter 4901:1-13 of the Ohio ) Case No. 09-326-GA-ORD  
Administrative Code. ) **PUCO**

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INITIAL COMMENTS OF OHIO HOME BUILDERS, INC.

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I. INTRODUCTION

By entry dated April 22, 2009, the Public Utilities Commission of Ohio ("Commission") issued Staff's proposed modifications to the rules in Chapter 4901:1-13 of the Ohio Administrative Code. The Entry requested that all interested persons file initial and reply comments to the proposed rule revisions by May 22 and June 8, 2009, respectively. Accordingly, the Ohio Home Builders Association, Inc. ("OHBA") respectfully submits its comments for the Commission's consideration.

II. COMMENTS

As everyone is aware by now, the state of the economy in Ohio and elsewhere has added new challenges to customers and businesses. Particularly in these difficult times, OHBA hopes that the Commission will be mindful of the economic conditions and endeavor to adopt rules that do not result in unacceptable hardships on customers who have been hard hit by conditions in the general economy. Even in better economic conditions, the costs and timing associated with installing the necessary equipment and initiating utility services is critical to a timely and cost-effective building process. Certainty regarding the budget and timeframes for utilities is of paramount importance to

(C28115:)

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builders and developers. It is with these concepts in mind that OHBA recommends modifications of the rules discussed below to improve the processes that directly affect the affordability of new homes.

**A. RULE 4901:1-13-05(A)(2)**

Rule 4901:1-13-05, Ohio Administrative Code, sets forth the timing within which a local distribution company (“LDC”) must complete service initiations and upgrades. However, Rule 4901:1-13-05(A)(2)(b), Ohio Administrative Code, specifically states that it does not apply to main line extensions. Specifically, that paragraph states, in pertinent part:

Paragraph (A)(2) of this rule shall not apply to main line extension installations. For residential and small commercial customers placing requests for new service that require installation of main line extensions, the gas or natural gas company shall contact the customer within thirty days with an estimate of the cost of the main line extension and the amount, if any, of a deposit. In addition, the gas or natural gas company shall provide an estimated date to complete the main line extension.

Thus, the rules do not include any limit on the time that it may take for a LDC to complete the main line extension necessary for new developments.

For the reasons identified above, OHBA requests that the Commission modify the rule to establish reasonable parameters around main line extensions. Accordingly, OHBA requests that the Commission modify the rule by replacing the unnumbered paragraph in Rule 4901:1-13-05(A)(2)(b), Ohio Administrative Code, with the following language:

B. Main Line Extensions. For residential and small commercial customers placing requests for new service that require installation of main line extensions, the gas or natural gas company shall contact the applicant or customer within thirty days with an estimate of the cost of the

main line extension and the amount, if any, of a deposit. If the gas or natural gas company determines that the requested line extension is not cost justified at the gas or natural gas company's expense and a deposit is required, the gas or natural gas company shall provide the applicant or customer an itemized cost estimate and, upon request, a written explanation for the gas or natural gas company's decision that the line extension was not cost justified at the gas or natural gas company's expense. In addition, the gas or natural gas company shall complete the installation of new main line extensions as set forth in this paragraph. Percentages shall be calculated at the following monthly averages (based on a calendar year).

(1) Ninety percent of residential and small commercial new main line requests shall comply with either one of the following requirements:

(a) Requests will be completed within thirty business days after the gas or natural gas company has provided the estimate to the customer and the gas or natural gas company has been notified that the customer's service location is ready for service and all necessary tariff and regulatory requirements have been met.

(b) Requests will be completed by the requested installation date, when a customer requests an installation date more than thirty business days after the gas or natural gas company has provided the estimate to the customer, customer's service location is ready for service and all necessary tariff and regulatory requirements have been met.

While the timing of completion of the main line extensions and cost estimates are important, the total upfront cost for main line extensions is also critically important to OHBA. While most LDC tariffs include a provision that specifies that up to 100 feet per applicant of line extension costs will be absorbed by the LDC, the minimum gas service standards do not include any cap on such costs. While OHBA believes the LDC tariff provisions providing 100 feet of line extensions at no cost to the applicants are reasonable and appropriate, there are often conflicts that result in unpredictable and high upfront costs to builders and developers in order to initiate service and line extensions. For example, Columbia Gas of Ohio's ("Columbia") tariff now includes a

provision that states, "Where a main extension is necessary to provide service availability to plots of lots or real estate subdivisions and such main extension is not deemed justified at the Company's expense, the owners, developers or promoters of such plots of lots or real estate subdivisions may enter into a line extension agreement and deposit with the Company the estimated cost of that portion of the main extension which is not deemed justified at the Company's expense." Such provisions leave builders and developers at the mercy of the LDCs who may base the decision to require upfront payment for any reason, including whether the LDC believes the builder or developer can successfully sell the lots or homes for which the main line extension is requested. In other words, LDCs are inappropriately given the power to increase the cost of homes and significantly and negatively affect the homebuilding industry without any parameters or accountability. For these reasons, OHBA requests that the Commission modify Rule 4901:1-13-05 as described above.

**B. RULE 4901:1-13-05(A)(3)**

The homebuilding industry has worked with Columbia and other Ohio LDCs in recent years to significantly improve the tap and meter set process in establishing new gas service to home developments. However, Rule 4901:1-13-05(A)(3), Ohio Administrative Code, has negatively impacted the jointly developed process by resulting in delaying gas service to new home developments.

Specifically, Rule 4901:1-13-05(A)(3), Ohio Administrative Code, often requires the LDC to make up to three separate service trips to complete a visual inspection, to make a tap and set a meter. Also, the LDC and the city inspector now often duplicate efforts, since the LDC is required to test lines with inside appliances or an appliance

drop installed. The coordination of these trips into the building timeline has led to delays in construction and increased costs to builders and customers. These costs increase both the cost of the natural gas service and the purchase cost of the home.

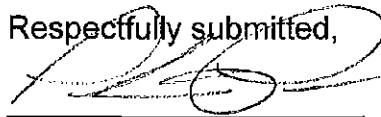
Accordingly, OHBA requests that the Commission amend the language of Rule 4901:1-13-05(A)(3), Ohio Administrative Code, as follows:

Prior to initial operation or reestablishing gas service (including after an outage), the gas piping downstream of the meter shall be tested with a ~~service drop installed for a gas appliance~~ to determine that no leaks exist. Testing may be accomplished by pressure testing or dial testing as set forth below.

### III. CONCLUSION

Wherefore, for the reasons discussed above, OHBA requests that the Commission incorporate OHBA's suggestions into the proposed rules.

Respectfully submitted,



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