

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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**MEMORANDUM CONTRA OF OHIO PARTNERS FOR AFFORDABLE
ENERGY TO THE MOTION FOR WAIVER OF THE OHIO GAS COMPANY**

Pursuant to OAC 4901:1-12, Ohio Partners for Affordable Energy ("OPAE") respectfully submits this memorandum contra to the application for waiver filed by The Ohio Gas Company ("Ohio Gas" or "the Company") from certain rules relating to the Percentage of Income Plan Program ("PIPP").

Introduction

The Public Utilities Commission of Ohio ("PUCO") has finalized rules containing significant changes to PIPP. One of the innovations in the program is to permit participants to eliminate arrearages by making on-time payments. This will apply to those currently utilizing the payment program and those who cease to participate either by choice or because of ineligibility. Advocates for improvements in PIPP believe that the enhanced crediting programs will, along with other changes, improve the payment behavior of PIPP customers and provide other benefits. Clearly, the Commission agreed.

The Ohio Gas Company requests a waiver of these provisions. It argues that implementing the crediting provisions will be excessively expensive, will

require significant staff time on an ongoing basis, and that these cost considerations outweigh the benefits of the new rules. As a result, the Company requests an exemption from the Graduate PIPP and arrearage crediting components of the rules. Presumably, Ohio Gas would continue to follow the current rules.

Argument

OPAE sympathizes somewhat with the view of the Company, but takes issue with the blanket exemption requested. The Commission noted in the Entry on Rehearing in this case that companies could request a waiver “where the costs of non-PIPP customers outweigh the benefits *and where an alternative proposal might meet the spirit of the rules.*” Entry on Rehearing at 45.

[Emphasis added.] The Company has arguably made a case that the costs may exceed the benefit; OPAE lacks the expertise to substitute its opinion on IT issues for that of Ohio Gas or its consultants. But the exemption request fails to even suggest an optional proposal to meet the ‘spirit of the rules’. As a result, the waiver request fails to meet the two-part requirement established in the Entry on Rehearing for approval and the waiver request should be rejected.

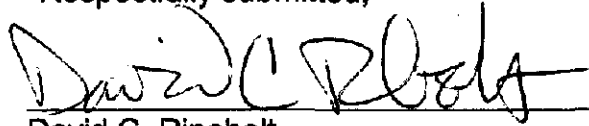
OPAE makes the following suggestion regarding complying with the spirit of the rules. First, the Company should eliminate all arrearages for PIPP participants as of November 1, 2009. Second, going forward the Company should treat the PIPP payment as the entire bill. This would simply require substituting the PIPP amount for the actual bill. The Company could treat customers who fail to pay the PIPP amount like any other customers, requiring

payment plans or terminating customers as appropriate. Eliminating arrearages entirely would eliminate the graduate PIPP issues raised by the Company because those leaving PIPP would have a minimal amount of arrearages. Ohio Gas notes that few customers have left the program because of ineligibility, and that it has worked with those customers to retire the remaining debt.

Conclusion

The new Commission rules represent the first major rewrite of PIPP since 1993. The changes are designed to improve the value of the program to participants and to reduce costs to ratepayers. Utilities should not be permitted an exemption from the rule without developing an alternative that captures the 'spirit' of the rules as the Commission has so eloquently noted. OPAE urges the Commission require Ohio Gas to implement the proposal contained herein to ensure the effectiveness of the revised program for its customers.

Respectfully submitted,



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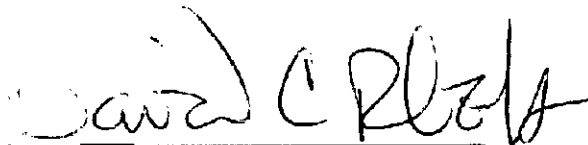
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments was served by U.S. Mail
upon the persons identified below on this 11th day of June, 2009.



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