

FILE

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

14
RECEIVED-DOCKETING DIV
2009 AUG 25 PM 12:00
PUCO

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 EXPEDITED RULING REQUESTED
---	---

**APPLICATION OF COLUMBIA GAS OF OHIO, INC.
FOR A WAIVER**

I. INTRODUCTION

Pursuant to Rules 4901:1-17-09 and 4901:1-18-08 of the Ohio Administrative Code (O.A.C.), Columbia Gas of Ohio, Inc. ("Columbia") submits this Application for a Waiver of certain requirements in Chapters 4901:1-17 and 4901:1-18, O.A.C. In particular, Columbia seeks to implement six of the rule revisions that were recently adopted as part of this rulemaking proceeding in advance of their November 1, 2010 effective date. Columbia is not, however, seeking to implement the Commission's changes to its Percentage of Income Payment Plan (PIPP) rules in advance of their effective date. Because Columbia is seeking to begin implementing four of the rule revisions at issue in this Application on October 1, 2009 – roughly five weeks from today – Columbia respectfully requests that the Public Utilities Commission of Ohio ("Commission") grant this Application an expedited ruling, pursuant to Rule 4901-1-12(C), O.A.C.

As stated in the Joint Memorandum Contra of the Office of the Ohio Consumers' Counsel ("OCC") Application for Rehearing of Vectren Energy Delivery of Ohio, Inc., Columbia Gas of Ohio, Inc., Dominion East Ohio, Inc. and Duke Energy Ohio, Inc. (filed July 15, 2009), Columbia did not support a "mandate that certain rules be implemented immediately,

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician NT Date Processed 8/25/09

regardless of the Companies' current plans and progress[.]” (Joint Memorandum Contra at 11.) Columbia has already begun the process of working through the changes necessary to allow it to implement the new rule revisions by the November 1, 2010 deadline. Imposing new effective dates for the rule revisions at this point, without a sensitivity to Columbia's internal timeline and the other process changes being implemented between now and November 2010, would seriously disrupt Columbia's ongoing efforts.

However, Columbia believes that implementing a small number of the non-PIPP changes in advance, at a pace and in an order consistent with Columbia's existing internal schedule, would ease the transition to the new rules for Columbia's programmers, business personnel, and customer support staff. For these reasons, and as further described below, Columbia respectfully requests that certain requirements of Chapters 4901:1-17 and 4901:1-18, O.A.C., as enumerated below, be waived so that Columbia may implement the revisions to those chapters in advance of the November 1, 2010 effective date.

II. ARGUMENT

Columbia proposes to implement four of the Public Utilities Commission of Ohio's ("Commission") revisions to Chapter 4901:1-18, O.A.C. on October 1, 2009, and another of the revisions to Chapter 4901:1-18, O.A.C. on November 1, 2009. Columbia also proposes to implement one of the Commission's revisions to Chapter 4901:1-17, O.A.C. on January 1, 2010. The following table describes the current versions of the rules at issue in this Application (if any); the Commission's recent revisions to those rules; and Columbia's proposed effective date:

CURRENT RULE	REVISED RULE	REQUESTED EFF. DATE
No comparable rule	<u>Rule 4901:1-18-05(B)(2)</u> : Creates a one-ninth extended payment plan (nine equal monthly payments on arrearages, plus a budget payment plan for nine months)	October 1, 2009 (with additional enrollment methods available January 1, 2010) ¹
<u>Rule 4901:1-18-05(C)(4) and (6)(a)</u> : The company shall provide medical certification forms upon request. The certification shall include the name of the person to be certified; a statement that the person is a permanent resident of the premises in question; the name, address, and telephone number of the certifying party; the nature of the condition; and a signed statement certifying that disconnection would be especially dangerous to health.	<u>Rule 4901:1-18-06(C)(3)(a)- (b) and Appendix</u> : The company shall provide the medical certification form provided in the appendix to Rule 4901:1-18-06 upon request.	October 1, 2009

¹ Some of the programming required to fully implement the one-ninth payment plan will not be completed until January 1, 2010. Consequently, if the Commission permits Columbia to begin offering the one-ninth payment plan in October 2009, some internal processes and customer enrollment methods initially would be unavailable. For example, starting in October, customers would be able to enroll in the one-ninth payment plan by speaking with a Columbia customer service representative. Once the programming is completed, customers also will be able to enroll in the one-ninth payment plan using Columbia's automated self-service phone system and web self-service system.

CURRENT RULE	REVISED RULE	REQUESTED EFF. DATE
<p><u>Rule 4901:1-18-06(A)</u>: Upon payment or proof of payment of delinquent amounts or amounts sufficient to cure defaults on payment plans, customers shall be reconnected by the close of the following regular company working day.</p>	<p><u>Rule 4901:1-18-07(A)</u>: Maintains the existing requirements for customers disconnected from service for ten business days or less. Upon payment or proof of payment of delinquent amounts or amounts sufficient to cure defaults on payment plans, customers disconnected from service for <i>more</i> than ten business days may be reconnected within the timeframes set for new customers and may be assessed a reconnection charge in accordance with approved tariffs.</p>	<p>October 1, 2009</p>
<p><u>Rule 4901:1-18-07</u>: Landlord-tenant provisions, which apply to individuals whose utility services are included in rental payments and consumers residing in a multi-unit dwelling for which the customer is the landlord.</p>	<p><u>Rule 4901:1-18-08</u>: Extends the existing landlord-tenant provisions to apply to single-occupancy dwellings where the utilities are included in the rent.</p>	<p>October 1, 2009</p>
<p><u>Rule 4901:1-18-05(B)(1)</u>: Company shall not disconnect service to residential customers for nonpayment between November 1 and April 15 unless the company “[m]akes contact with the customer or other adult consumer at the premises ten days prior to disconnection of service by personal contact, telephone, or hand-delivered written notice.”</p>	<p><u>Rule 4901:1-18-06(B)(1)</u>: Same requirements as before, but also allows utility companies to send the notice by regular U.S. mail, so long as the notice allows three calendar days for mailing and the company extends the disconnection date by ten days.</p>	<p>November 1, 2009</p>

CURRENT RULE	REVISED RULE	REQUESTED EFF. DATE
<p><u>Rule 4901:1-17-03(A)(5) and (C) and Rule 4901:1-17-06:</u> Permits an applicant for residential service to establish financial responsibility by furnishing a creditworthy guarantor. Requires the guarantor to sign a written agreement. Requires the utility company to send a notice to the guarantor when the customer transfers service to a new location. Permits collection actions against the guarantor. Allows for release of the guarantor if certain payment criteria are met.</p>	<p><u>Rule 4901:1-17-03(A)(5) and (C) and Rule 4901:1-17-06:</u> Maintains previous requirements, with some additions: Guarantors must now be a customer of the utility company as well. Guarantors may no longer waive the right to obtain copies of disconnection notices sent to guaranteed customers. Provides for notice to guaranteed customer when the guarantor is subject to disconnection. Clarifies the payment criteria for releasing a guarantor. Clarifies the guarantor's ability to request a release of financial responsibility. Provides for notice to guaranteed customer when a guarantor seeks a release of financial responsibility.</p>	<p>January 1, 2010</p>

Columbia is seeking this limited Waiver in order to ensure all revisions adopted by the Commission in its April 1, 2009, Entry on Rehearing in this proceeding will be effectuated in a smooth and timely manner. Like any utility company, Columbia has only finite resources to devote to this task. Columbia's IT personnel will have to program and test both the non-PIPP-related and the PIPP-related revisions to Chapters 4901:1-17 and 4901:1-18. Those same personnel will be supporting the implementation of other significant and high-priority initiatives of the Commission, including the Ohio Auction matter (Case No. 08-1344-GA-EXM), rate case changes, and any other new regulatory requirements imposed by the Commission. Columbia has only a limited capability to develop and test new protocols. If Columbia were required to implement all of the rules adopted by the Commission in this proceeding at once (*e.g.*, on November 1, 2010), Columbia may have to add multiple development and test environments, at a significant cost. Allowing Columbia to adopt the six non-PIPP-related rule revisions listed

above in advance, on the other hand, would enable Columbia's IT personnel to effectively manage and complete all of the reprogramming that will be necessary to implement the revised rules by November 1, 2010.

Adopting those six revisions to Chapters 4901:1-17 and 4901:1-18 in advance will also make it easier for Columbia's business personnel to implement the revised rules by November 1, 2010. Implementing the revisions will require significant system and process changes. Columbia's Customer Contact Center personnel will need to go through significant training. Going forward with a "big bang" approach – introducing all of the Commission's rule revisions at once – would lead to increased implementation problems and errors, which could impact customers. The phased approach that Columbia is proposing will lessen the chance of error by allowing Columbia to train its personnel and introduce the necessary process changes over time, rather than all at once. It will also provide Columbia with the time it needs to design, build, and implement quality assurance processes to phase in with the changes. Thus, authorizing the phased approach that Columbia is proposing will lead to fewer errors and better customer service.

Implementing the six rule revisions listed above before the November 1, 2010 effective date will benefit customers in other ways as well. Columbia's customers could start taking advantage of the Commission's new one-ninth payment plan this October, in advance of the 2009-2010 winter heating season. The one-ninth plan will give Columbia's customers three more months to pay off their arrearages than the existing one-sixth plan. It will also put customers on a budget payment plan, which will eliminate seasonal fluctuations in customers' bills and allow them to better budget their energy expenses. Tenants in single-occupancy dwellings whose utilities are included in their rental payments would benefit as well, as they

would start receiving disconnection notices that are currently provided only to consumers residing in multi-unit dwellings. And, adopting the reconnection rules in revised Rule 4901:1-18-07(A) on October 1, 2009, would have particularly beneficial results for Columbia's customers.

In October and November of this year, thousands of new residences throughout Ohio will be nearing completion. Consequently, Columbia's new meter sets are expected to peak in those months. Of the 10,050 new meters that Columbia set in 2007, for example, almost 2,500 were set in October and November alone. Of the 7,739 new meters that Columbia set in 2008, 1,668 were set in October and November – approximately 22% of the total for the year. And owners of new residences are not the only customers who establish (or re-establish) service in October and November. Customers who seasonally disconnect service for convenience, such as those who move to cooler climes during the summer and those who use their natural gas service only to provide heat in cold weather, will re-establish service. At around the same time, many college students who have recently moved into student housing will be calling to establish service as the weather turns cold. And, importantly, customers taking advantage of the Commission's "winter reconnect order" (*see, e.g., In the Matter of the Investigation into Long-Term Solutions Concerning Disconnection of Gas and Electric Service in Winter Emergencies*, Case No. 08-951-GE-UNC, Entry (Sept. 10, 2008)) will also be establishing or re-establishing service. All of these factors combine to create a logjam of demand for connection services in the mid-Autumn months.

Currently, owners of new homes, college students, and good-paying customers who seasonally reconnect their service in the Fall often must wait for their service to be established, because other customers who seasonally reconnect their natural gas service after disconnection

for non-payment receive priority. Customers who have been disconnected for non-payment must be reconnected by the following regular company working day or on the same day, if they request same-day reconnection before 12:30 pm. *See* Rule 4901:1-18-06, O.A.C. Depending on when the calls for reconnection come in, this can lead to wide variations in order demand.

The chart attached as Table A shows the “non-pay” orders and “reconnect” orders worked by Columbus-area service technicians last September, October, and November.² As the pink line on the chart shows, demand for reconnections varies significantly throughout the week, with peaks often occurring on Mondays (*see, e.g.*, September 15, October 6, and November 3) and Fridays (*see, e.g.*, September 5 and 12, and October 3, 10, and 24) and whenever the outside temperature has dropped considerably.³ This variation in the number of non-pay and reconnect orders worked is driven largely by demands for same- or next-day reconnection. Columbia’s Columbus-area service technicians can work twice as many orders, or more, on one day than on another day within the same week. (*Compare* September 8 and 12 and October 21 and 22.) Indeed, during the busiest part of the Autumn rush, service technicians often work sixteen-hour days. And as a result of that variation, Columbia incurs significant overtime costs. From October to December of 2008 alone, Columbia incurred over \$3 million in overtime costs, with upwards of 75% of that cost attributable to connections or reconnections under the winter reconnect order.

The revisions to Rule 4901:1-18-07(A) will help reduce the variation by enabling Columbia to better manage the process of scheduling service calls. Under revised Rule 4901:1-18-07(A), customers disconnected from service for more than ten business days may be

² A non-pay order is a reconnection after disconnection for non-payment, typically less than ten days after disconnection, and a reconnect order is a reconnection after more than ten days.

³ Decreases in temperature are shown by a rise in the blue line on the chart attached as Table A.

reconnected within the timeframe set for new customers, which is five days (*see* Rule 4901:1-13-05(A)(1)(a)). Giving natural gas utilities up to five days to schedule reconnections, for customers who have been disconnected for more than ten business days, gives Columbia the ability to smooth the peaks and valleys in reconnection orders. Reconnection orders can be spread out more, with more orders worked on Tuesdays, Wednesdays, and Thursdays, when demand has historically been less. This will benefit Columbia's customers. As explained above, customers seeking reconnection during these busy months after being disconnected for more than ten business days will no longer supersede other customers, so that those other customers will have a shorter wait to establish or re-establish service consistent with that of customers seeking reconnection for non-payment. For the same reasons, customers will experience fewer missed and rescheduled appointments. This benefits Columbia, too, in that it will allow Columbia to reduce its overtime costs and provide a more manageable work schedule for its employees. Thus, allowing Columbia to adopt the six rule revisions listed above in advance of the November 1, 2010 effective date would ensure a smoother transition, improved service, and reduced costs for Columbia's customers and the company itself.

III. CONCLUSION

For all of the reasons provided above, Columbia Gas of Ohio, Inc. respectfully requests that this Commission grant Columbia's Application for a Waiver and permit Columbia to implement six of the Commission's revisions to Chapters 4901:1-17 and 4901:1-18, O.A.C., in advance of the revisions' November 1, 2010 effective date. Additionally, Columbia requests an expedited ruling on this Application to ensure that, should the Commission grant Columbia's Application, Columbia will have sufficient time to implement the Commission's new one-ninth extended payment plan and three of the other rule revisions by their requested effective date, October 1, 2009.

Respectfully submitted by
COLUMBIA GAS OF OHIO, INC.

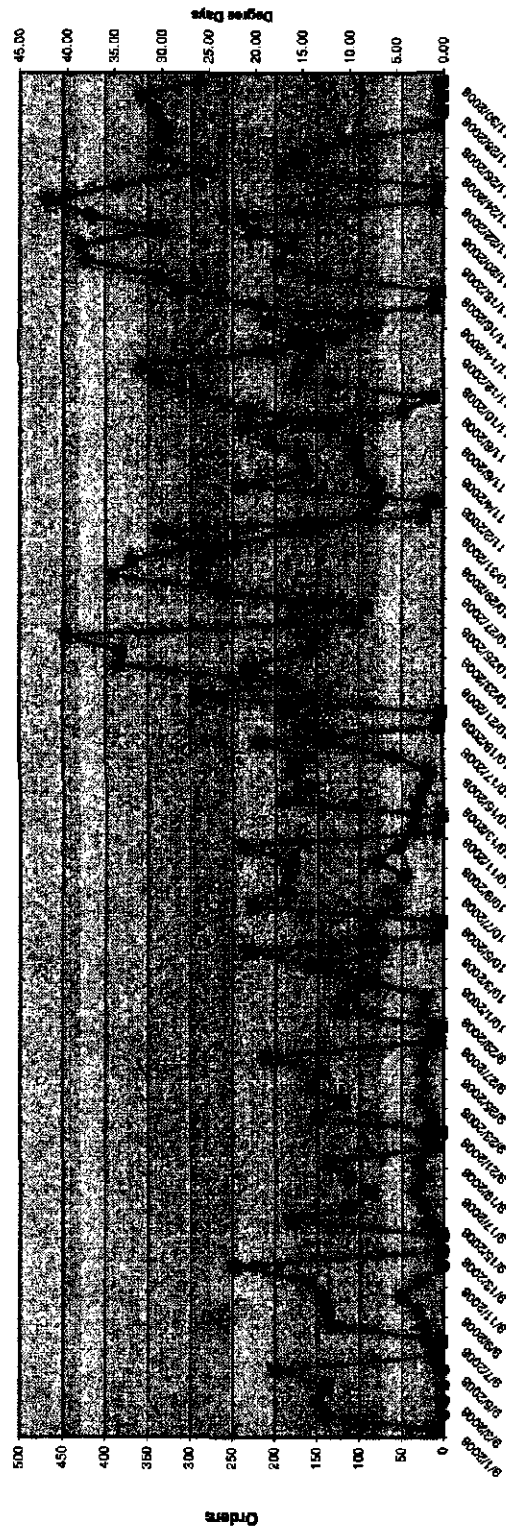
Eric B. Gallon

Eric B. Gallon (Counsel of Record)
Porter Wright Morris & Arthur LLP
41 South High Street, Suite 3000
Columbus, Ohio 43215
Tel: (614) 227-2190
Fax: (614) 227-2100
Email: egallon@porterwright.com

Stephen B. Seiple, Assistant General Counsel
200 Civic Center Drive
P.O. Box 117
Columbus, Ohio 43216-0117
Tel: (614) 460-4648
Fax: (614) 460-6986
Email: sseiple@nisource.com

Attorneys for
COLUMBIA GAS OF OHIO, INC.

Reconnect & Non-Pay Orders worked
in Columbus Sept -Nov 2008
by Date



—■— Columbus JO Count
RC-NIP
—◆— Degree Days

TABLE A

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of August, 2009, true and accurate copies of the foregoing Application for Waiver of Columbia Gas of Ohio, Inc. were served by First-Class United States Mail, postage prepaid, upon the following parties:

Richard Reese
Office of Consumers Counsel
10 W. Broad Street, Suite 1800
Columbus, OH 43215-3485

Tim Walters
May Dugan Center
4115 Bridge Avenue
Cleveland, OH 44113

Michael R. Smalz
Ohio State Legal Service Association
555 Buttles Avenue
Columbus, OH 43215-1137

Ellis Jacobs
Legal Aid Society of Dayton
333 W. First Street, Suite 500
Dayton, OH 45402

Noel M. Morgan
Legal Aid Society of Southwest Ohio
LLC
215 E. Ninth Street, Suite 500
Cincinnati, OH 45202

Ron Bridges
AARP
17 South High Street Suite 800
Columbus, OH 43215-3467

Lorana Kelly
Community Action Partnership
719 South Main Street
Dayton, OH 45402

Paul A. Colbert
Jones Day
325 John H. McConnell Blvd.
Suite 600
Columbus, OH 43215-2673

Michelle Lucas
Harcatus Tri-County Community Action
Organization
108 N. 2nd Street
Dennison, OH 44621

Dale Arnold
Ohio Farm Bureau Federation
P.O. Box 182383
Columbus, OH 43218

Thomas Brown, Jr.
Ohio Gas Association
200 Civic Center Drive
P.O. Box 117
Columbus, OH 43216

Elizabeth L. Anstaett
Dreher Langer & Tomkies L.L.P.
2250 Huntington Center
41 S. High Street
Columbus, OH 43215

Douglas E. Hart
441 Vine St. Suite 4192
Cincinnati, OH 45202

Jenny Ricci O'Donnell
CheckFreePay Corporation
15 Sterling Dr.
P.O. Box 5044
Wallingford, CT 06492-7544

James Burk
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308

Thomas E. Lodge
Thompson Hine LLP
41 South High Street, Suite 1700
Columbus, OH 43215-6101

Joseph M. Clark
McNees Wallace & Nurick LLC
21 East State Street, 17th Floor
Columbus, OH 43215-4228

Lisa G. McAlister
McNees Wallace & Nurick LLC
21 East State Street, 17th Floor
Columbus, OH 43215-4228

Stephen M. Howard
Vorys Sater Seymour and Pease LLP
52 East Gay Street
P.O. Box 1008
Columbus, OH 43216-1008

Barth E. Royer
Bell & Royer Co., LPA
33 South Grant Avenue
Columbus, OH 43215-3927

Mary Ryan Fenlon
AT&T Services, Inc.
150 E. Gay Street, Room 4-A
Columbus, OH 43215

Elizabeth H. Watts
Amy B. Spiller
Duke Energy Ohio
155 E. Broad Street, 21st Floor
Columbus, OH 43215

Judi L. Sobecki
Dayton Power and Light Company
1065 Woodman Drive
Dayton, OH 45432

Douglas E. Lumpkin
Franklin County Department of Job and
Family Services
80 East Fulton Street
Columbus, OH 43215-5174

Joe Meissner
Empowerment Center of Greater
Cleveland, Neighborhood
Environmental Coalition, United
Clevelanders Against Poverty, Cleveland
Housing Network, and
Consumers for Fair Utility Rates
3030 Euclid, Suite 100
Cleveland, OH 44115

Mike Piepsny
Cleveland Tenants Association
3631 Perkins Ave., Suite 3A4
Cleveland, OH 44114

Bill Faith
Coalition on Homelessness and Housing
in Ohio
175 South Third Street
Columbus, OH 43215

Marvin Resnik
American Electric Power Service Corp.
1 Riverside Plaza, 29th Floor
Columbus, OH 43215

Phil Cole
Ohio Association of Community Action
Agencies
50 West Broad Street, Suite 1616
Columbus, OH 43215

Lisa Hamler-Fuggit
Ohio Association of Second Harvest
Foodbanks
51 North High Street, Suite 761
Columbus, OH 43215

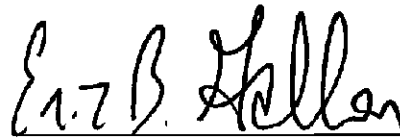
Gregory E. Hitzhusen, MD
Ohio Interfaith Power and Light
P.O. Box 26671
Columbus, OH 43226

Colleen L. Mooney
Ohio Partners for Affordable Energy
1431 Mulford Road
Columbus, OH 43212

Michael Walters
Pro-Seniors
7162 Reading Road, Suite 1150
Cincinnati, OH 45237

Jeffrey A. Diver
Supports to Encourage Low-income
Families
P.O. Box 1322
Hamilton, OH 45012

Joe Logan
Ohio Farmers Union
20 South Third Street, Suite 130
Columbus, OH 43215


Eric B. Gallon