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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of)
Columbia Gas of Ohio, Inc. for)
Authority to Abandon Service to)
One Premise, Pursuant)
To Ohio Revised Code Sections)
4905.20 and 4905.21.)

Case No. 10-447-GA-ABN

APPLICATION OF
COLUMBIA GAS OF OHIO, INC.
FOR AUTHORITY TO ABANDON SERVICE
TO ONE PREMISE

Now comes the Applicant, Columbia Gas of Ohio, Inc. (hereinafter "Columbia" or "Applicant"), and files its application, pursuant to Sections 4905.20 and 4905.21 of the Revised Code, for authority to abandon retail natural gas service to one premise. In support of its application, Columbia states that:

1. Columbia is a natural gas company and public utility within the meaning of Sections 4905.02 and 4905.03(A)(6) of the Revised Code, and is therefore subject to the jurisdiction of the Commission.
2. For a period of more than 50 years, Columbia and its corporate predecessor has provided retail natural gas service to the premise through a direct tap on Columbia Gas Transmission, LLC's (hereinafter "Columbia Transmission") Line R-532. Such service has been provided as partial consideration for a right-of-way, which permitted the pipeline to cross said premise.

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3. Line R-532 was constructed prior to 1963 as a 1.7 mile, 4 and 8 inch bare unprotected welded pipe located in Lawrence County, Ohio. Its original purpose was to serve the commercial business operating on the premise in question.
4. Line R-532 has been identified as needing significant capital expenditures by Columbia Transmission to ensure reliable service to the premise in question. In view of the leak repair history and condition of the line, Columbia Transmission concluded that an ordinary maintenance and repair program would not resolve the issues regarding pipeline integrity and that replacement of the line to continue service to one customer is not economically feasible.
5. Columbia Transmission has concluded that it will abandon the 1.7 mile of pipeline and has further informed Columbia that it is abandoning Line R-532 for the reasons stated above. Columbia was selling gas to the one existing Columbia customer, which gas was delivered for the account of Columbia at a point of connection with the customer's service line through Line R-532, which is owned and operated by Columbia Transmission.
6. The existing Columbia customer has entered into Release of Gas Rights and Natural Gas Tap Rights Agreement (the "Agreement") with Columbia Transmission, which Agreement is attached hereto as Exhibit A and made a part hereof. Pursuant to the Agreement, Columbia Transmission has provided the customer with monetary assistance to convert to an alternative fuel. Additionally, the customer is so remote from Columbia's pipelines that it is not economically feasible to maintain natural gas service to the premise by extending Columbia's

distribution system to the premise in question. Columbia therefore seeks authority to abandon that service. A map showing the location of Line R-532, as well as the location of the premise, is attached hereto as Exhibit B and made a part hereof. The name of the affected property owner and the address of the subject premise are Plibrico Company, LLC, a Delaware limited liability company, 454 County Road 33, Oak Hill, Ohio 45656.

7. In view of the fact that: (a) it is not economically feasible to continue providing natural gas service to the subject premise by extending Columbia's distribution facilities, (b) the affected customer has already been converted to the use of an alternate fuel, and (c) the property owner has expressly consented to the proposed abandonment of service from Columbia Transmission, Columbia submits that said abandonment is reasonable, having due regard for the welfare of the public and the cost of operating the service and related facilities.

WHEREFORE, Columbia respectfully asks that the Commission authorize the abandonment of retail natural gas service to the premises located at 454 County Road 33, Oak Hill, Ohio 45656.

Respectfully submitted,

COLUMBIA GAS OF OHIO, INC.

By: 
Brooke E. Leslie, Trial Attorney

Stephen B. Seiple, Asst. General Counsel
Brooke E. Leslie, Counsel
200 Civic Center Drive
P.O. Box 117
Columbus, Ohio 43216-0117
Telephone: (614) 460-5558
Fax: (614) 460-6986
E-mail: bleslie@nisource.com

Attorneys for Applicant
COLUMBIA GAS OF OHIO, INC.

RELEASE OF GAS RIGHTS AND NATURAL GAS TAP RIGHTS

STATE OF OHIO

)

) SS:

COUNTY OF LAWRENCE


)


KNOW ALL BY THESE PRESENT, for and in consideration of the sum of Ten Dollars (\$10.00) cash in hand and other good and valuable consideration not recited herein paid to, or for the benefit of, the undersigned by Columbia Gas Transmission, LLC (referred to hereinafter as "Columbia"), the receipt and sufficiency of which is hereby acknowledged by the undersigned, the undersigned, as owners of the surface estate of the premises (and/or the portion thereof upon which Columbia's pipeline facilities are located, as applicable) and as the only parties entitled to the benefit of the gas rights and to natural gas tap rights, if any, do hereby, for themselves and for their respective heirs, successors and assigns, FOREVER RELEASE Columbia, its successors and assigns, from (i) any and all obligation to supply a natural gas tap and to supply pay natural gas to the undersigned, and their respective heirs, successors and assigns, under the terms of that certain Right of Way agreement dated February 6, 1964 between Pliibrico Company and The Ohio Fuel Gas Company, Columbia's predecessor-in-interest, of record in the Office of Lawrence County, Ohio Record, in Vol. 186 at Page 489 (which Right of Way agreement is designated Columbia's Right of Way No. R039634) and (ii) any and all obligation to supply gas or to supply a natural gas tap imposed by any other agreement, statute, regulation or court or administrative order, by operation of law or otherwise; and QUITCLAIMS unto Columbia all right, title and interest of the undersigned in and to natural gas and natural gas tap rights, if any, under the aforesaid right of way, agreements, statutes, regulations and/or orders, by operation of law or otherwise. It is understood and agreed that the release and quitclaim herein granted releases rights to gas and natural gas taps from both present and future facilities, including pipelines, owned and/or operated by Columbia, its successors and assigns. This release of pay gas rights and natural gas tap rights is executed voluntarily by the undersigned with the intent to permanently surrender all gas rights and natural gas tap rights and privileges accruing under the aforesaid right of way, agreements, statutes, regulations and/or orders, by operation of law or otherwise.



IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto effective as of the 9th day of March, 2010.

Signature of Releasors:


James Eckert, President of Plibrico Company, LLC, a Delaware limited liability company


James Eckert, President of Plibrico Company, LLC, a Delaware limited liability company, the successor-in-interest by name change to Plibrico Acquisition Company, LLC

Columbia joins in the execution of this release of gas rights and natural gas tap rights for purposes of evidencing its acceptance thereof.

Columbia Gas Transmission, LLC,
a Delaware limited liability company

By: 
Name: Sheree L. Parks Downey
Its: Director, Asset Management

This instrument prepared by:

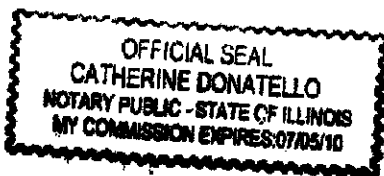
Denise M. Starkey, Esq.
NISource Corporate Services Company
200 Civic Center Drive
Columbus, Ohio 43215
(614) 460-4645

STATE OF ILLINOIS)

COUNTY OF COOK)

SS:

Sworn to before me and subscribed in my presence this 3 day of MARCH 2010 by James Eckert, President of Plibrico Company, LLC, a Delaware limited liability company, on behalf of said limited liability company.



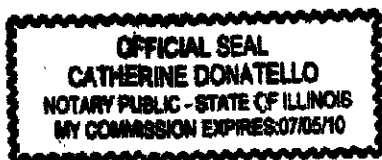
Catherine Donatello
Notary Public

STATE OF ILLINOIS)

COUNTY OF COOK)

SS:

Sworn to before me and subscribed in my presence this 3 day of MARCH 2010 by JAMES ECKERT, PRESIDENT of Plibrico Acquisition Company, LLC, a Delaware limited liability company, on behalf of said limited liability company.



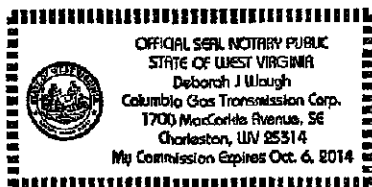
Catherine Donatello
Notary Public

STATE OF WEST VIRGINIA)

COUNTY OF Yoruba)

SS:

Sworn to before me and subscribed in my presence this 9 day of march 2010 by Sheree L. Parks Downey, Director, Asset Management of Columbia Gas Transmission, LLC, a Delaware limited liability company, on behalf of said limited liability company.



Deborah J. Waugh
Notary Public

AGREEMENT

THIS AGREEMENT ("Agreement") is made this 9th day of MARCH, 2010, by and among Plibrico Company, LLC, a Delaware limited liability company, and Plibrico Acquisition Company, LLC, a Delaware limited liability company, the successors-in-interest to Plibrico Company (collectively, "Plibrico"), and Columbia Gas Transmission, LLC, a Delaware limited liability company and the successor-in-interest by merger to The Ohio Fuel Gas Company ("Columbia").

RECITALS

WHEREAS, Plibrico owns the property located at 454 County Road 33, Oak Hill, Ohio 45656 (the "Property"); and

WHEREAS, for a period of more than 50 years, Columbia has operated certain pipeline facilities (hereinafter referred to as "Line R-532") used to provide natural gas service to the Property through its affiliate, Columbia Gas of Ohio, Inc. ("COH"), and the only purpose of Line R-532 is to serve the Property; and

WHEREAS, Columbia desires to cease operation of Line R-532 and compensate Plibrico to convert the Property to an alternative energy source, and Plibrico is agreeable to such conversion; and


WHEREAS, Plibrico and Columbia desire to set forth terms and conditions under which such conversion will occur and under which Columbia shall be released from any all obligations to operate Line R-532 to supply gas or a natural gas tap to the Property.

NOW, THEREFORE, for and in consideration of mutual covenants and promises contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Plibrico and Columbia agree as follows:

AGREEMENT

1. Independent Contract Consideration. Columbia shall, concurrently with its execution hereof, deliver to Plibrico a check in the amount of One Thousand and No/100 Dollars (\$1,000.00), which amount Plibrico and Columbia agree has been bargained for as consideration for Plibrico's execution and delivery of this Agreement and Columbia's right to commence or cause to be commenced any and all applications for authority to abandon service to the Property with the Federal Energy Regulatory Commission and with the Public Utilities Commission of Ohio. Such sum is in addition to and independent of any other consideration or payment provided for in this Agreement and is nonrefundable in all events.

2. Conversion. Plibrico consents to the conversion of the gas service currently servicing the Property from natural gas to propane gas. To that end, Plibrico shall, on or before April 30, 2010, cause the Propane Equipment (hereinafter defined) to be installed at the Property and made operational (the "Conversion Work"). As used herein, "Propane Equipment" shall



mean, collectively, the LP tank, LP unit heaters, piping, regulators, and thermostats, together with all necessary appurtenances thereto as more particularly set forth in that certain Estimate dated September 23, 2009 from A. J. Stockmeister and that certain letter agreement from Cox Gas Company (copies of which are attached hereto and made a part hereof) (hereinafter collectively referred to as the "Hard Costs"). Plibrico acknowledges that the proposed propane service is sufficient to service the manufacturing facility currently located on the Property.

Should Plibrico fail to complete the conversion from natural gas to propane gas on or before April 30, 2010, thereafter, Columbia shall have the right, but not the obligation, to cause the Conversion Work to be completed on Plibrico's behalf, whereupon Columbia may deduct any and all actual out-of-pocket costs and expenses incurred to complete the conversion on Plibrico's behalf from the Conversion Fee (defined below).

3. Conversion Fee. Subject to the terms and conditions herein set forth, and as consideration for Plibrico (a) converting to an alternative fuel source and (b) releasing Columbia from any and all obligations to operate Line-532 to supply gas or a natural gas tap to the Property, Columbia agrees to pay Plibrico Three Hundred Sixty-five Thousand Three Hundred Eight-nine and 47/100 Dollars (\$365,389.47) (the "Conversion Fee"). Plibrico acknowledges and agrees that the Conversion Fee, which includes all Hard Costs and the estimated 10-year gas service cost differential between propane and natural gas, is payment in full for any and costs and expenses incurred in connection with converting the Property to an alternative fuel source. The Conversion Fee shall be paid to Plibrico within thirty days of the later to occur of (i) completion of the Conversion Work, (ii) satisfaction of the Plibrico's Condition Precedent, and (iii) receipt by Columbia of an executed and recordable Release of Gas Rights and Tap Rights acceptable to Columbia, releasing Columbia from any all obligations to supply gas or a natural gas tap to the Property.

4. Condition Precedent. Plibrico represents that it currently buys all their natural gas from Stand Energy, L.C., a Texas limited liability company ("Strand Energy"). The obligation of Columbia to pay the Conversion Fee shall be subject to Plibrico delivering to Columbia from Stand Energy a letter of no objection as to the conversion of Plibrico's delivery point, as contemplated hereby.

5. Cooperation. Plibrico shall, at no expense to Plibrico, cooperate with and assist Columbia or COH, as applicable, in obtaining all necessary regulatory authority to abandon Line R-532 and/or abandon natural gas service to Plibrico.

6. Miscellaneous.

A. Relationship of Parties. With respect to all matters involved in this Agreement, nothing shall be construed as creating the relationship of principal and agent, employer and employee, partners or participants in any joint venture.

B. Amendments; Waiver. None of the covenants, terms or conditions of the Agreement may be amended or modified except by a written instrument signed by both Plibrico and Columbia. Any consent to a acquiescence in any breach of the Agreement shall not

constitute a waiver of any other or later breach of the same or of any other covenants, agreements or conditions hereof.

C. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

D. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Ohio without regard to the principles governing the conflict of laws.

E. Entire Agreement. This Agreement constitutes the entire agreement between Plibrico and Columbia with respect to the subject matter hereof. Plibrico acknowledges that it has not been induced to enter into this Agreement by any agreements or representations that are not set forth in this Agreement.

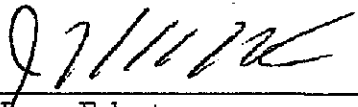
F. Counterparts. This Agreement may be executed simultaneously in two or more counterparts each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

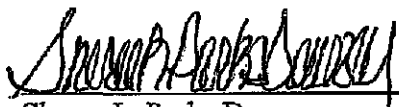
G. Confidentiality. Plibrico, its employees and agents shall use commercially reasonable efforts to keep confidential the terms of this Agreement and shall not disclose such information to any third parties without the prior written consent of Columbia; provided however that Plibrico may disclose such information to its counsel and consultants.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement the date set forth above.


Plibrico Company, LLC

Columbia Gas Transmission, LLC

By: 
Name: James Eckert
Its: President

By: 
Name: Sheree L. Parks Downey
Its: Director, Asset Management

Plibrico Acquisition Company, LLC


By: 
Name: James Eckert
Its: President of Plibrico Company, LLC
the successor-in-interest by name change
to Plibrico Acquisition Company, LLC

LETTER OF NO OBJECTION

Plibrico Company, LLC, a Delaware limited liability company, and Plibrico Acquisition Company, LLC, a Delaware limited liability company, the successors-in-interest to Plibrico Company (collectively, "Plibrico") are the owners of the property commonly known as 454 County Road 33, Oak Hill, Ohio 45656 (the "Property"), upon which Columbia Gas Transmission, LLC, a Delaware limited liability company ("Columbia"), operates certain pipeline facilities used to provide natural gas service to the Property through its affiliate, Columbia Gas of Ohio, Inc. By separate agreement, Plibrico and Columbia have agreed to convert the Property's gas service from natural gas to propane gas. The undersigned, as the current supplier of natural gas to the Property through Columbia's facilities, hereby acknowledges said agreement and has no objection to the conversion of the delivery point servicing the Property.

Executed as of February 11, 2010.

Stand Energy Corporation
a Kentucky corporation



Judith A. Phillips
President

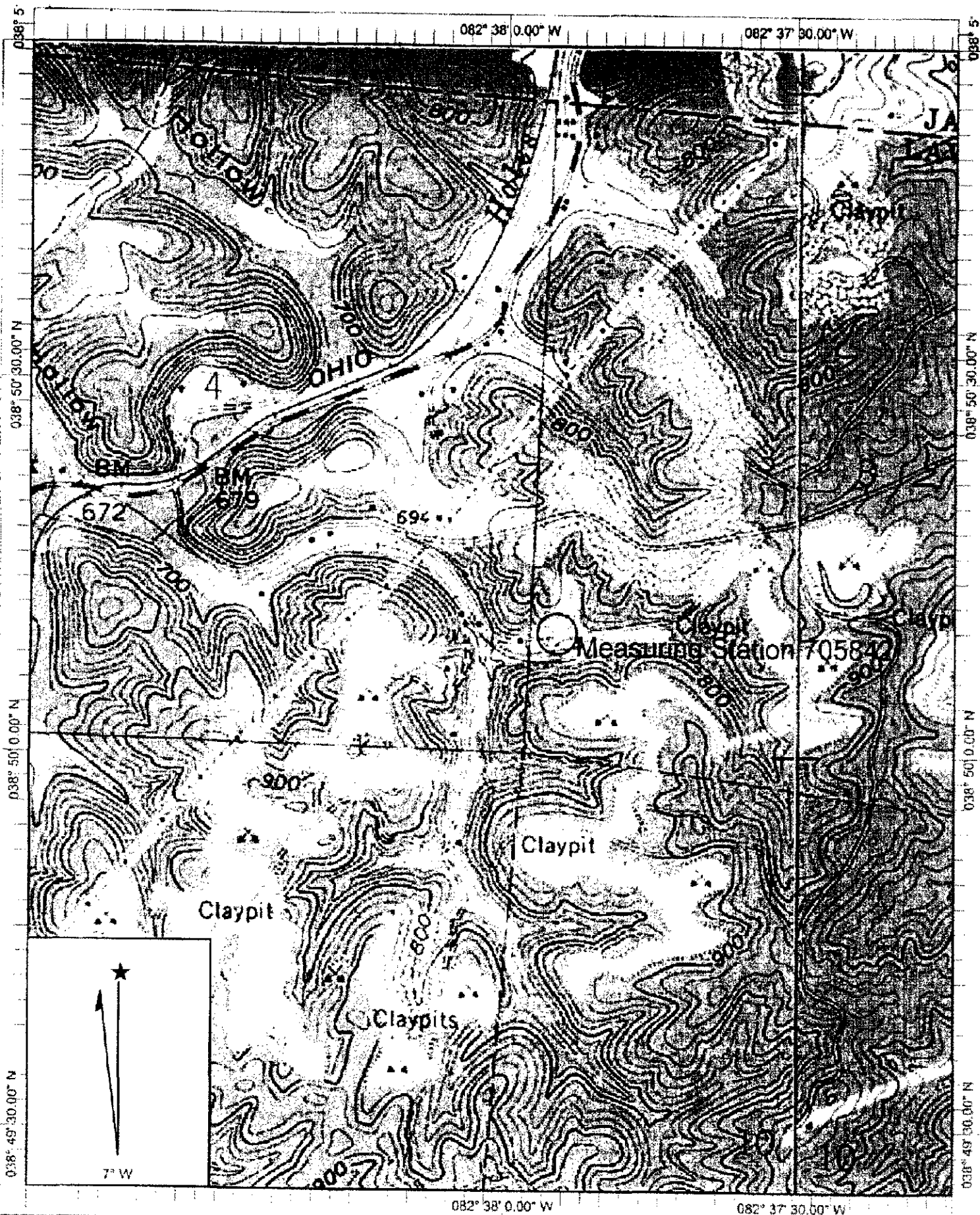
STATE OF OHIO §
 §
COUNTY OF HAMILTON §

This instrument was acknowledged before me on February 11, 2010, by Judith A. Phillips, personally known to me as President of Stand Energy Corporation, a Kentucky corporation on behalf of said corporation.

JOHN M. DOSKER
Notary Public, State of Ohio
My Commission Expires 03-25-2012



Notary Public, State of Ohio



Name: SOUTH WEBSTER
 Date: 3/30/2010
 Scale: 1 inch equals 1000 feet

Location: 038° 50' 10.9" N 082° 38' 01.4" W
 Caption: Facility Proposed for Abandonment
 Lawrence County, Ohio



Image USDA Farm Service Agency

© 2010 Google

Imagery Date: Jun 17, 2006

38°50'19.03" N

82°38'16.06" W

elev. 700 ft

Eye alt: 3422 ft

