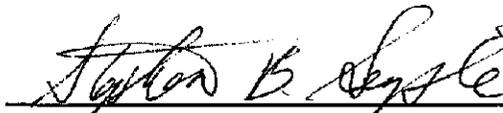


guage to this section to permit utility companies to process payments within one business day of receipt.

In support of this Application for Rehearing, the Commission is referred to the attached Memorandum in Support, which is incorporated by reference herein. Consistent with Ohio Rev. Code § 4903.10 and Columbia's specified errors, the Commission should modify its Order.

Respectfully submitted by
COLUMBIA GAS OF OHIO, INC.



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**MEMORANDUM IN SUPPORT OF
APPLICATION FOR REHEARING
OF COLUMBIA GAS OF OHIO, INC.**

I. INTRODUCTION

On July 29, 2010, the Commission issued the Order in the instant docket adopting revised Minimum Gas Service Standards (“MGSS”). Columbia and other utilities filed Comments and Reply Comments regarding the proposed changes to the MGSS on May 22, 2009 and June 8, 2009 respectively. The Order incorporates various changes suggested by the parties. However, the Commission’s Order amending certain rules of the MGSS is unreasonable for the reasons discussed below.

II. THE COMMISSION’S ORDER IS UNREASONABLE BECAUSE THE COMMISSION ADOPTED REVISIONS TO THE RULES WHICH ENDANGER UTILITY PERSONNEL AND INHIBIT CUSTOMER CONVENIENCE.

A. Ohio Admin. Code 4901:1-13-05(D)

The Commission erred by failing to consider unsafe working conditions for utility personnel as a reason to delay completing a service line repair by the end of the next business day. The Commission Staff’s original proposed rule O.A.C. § 4901:1-13-05(D) required unconditional next day repair of service line leaks after the line was shut off.¹ Dominion East Ohio commented that in situations where the utility company does not have access to the premises or where the customer does not want repairs to be completed right away, the timeline of next-day repairs may not be possible.² After receiving comments from various parties, the Commission prudently added “unless the company is unable to perform the repair or replacement due to lack of access” to 4901:1-13-05(D), based upon Dominion East Ohio’s comments.³

¹ *In the Matter of the Commission’s Review of Chapter 4901:1-13 of the Ohio Administrative Code*, PUC Case No. 09-326-GA-ORD, Entry (April 22, 2009).

² *Id.*, Finding and Order (July 29, 2010) at Finding 44(c).

³ *Id.*

Columbia agrees with the newly added rule language, but asserts there is another situation in which a utility company might be unable to repair a service line the next day. In its tariff, Columbia agrees to repair or replace hazardous customers service line leaks by the end of the first full day after service is discontinued, unless “the Company is unable to perform the repairs or replacements due to lack of access or unsafe work conditions.”⁴ Columbia’s tariff language reflects those instances where Columbia’s personnel have access to the meter, but the conditions to repair the meter are unsafe. As an example, such a situation could exist if the meter is in the basement of a customer’s premises, but the basement is flooded with sewage. In this example, the personnel would have access to the meter to restore service, but it would be unsafe to do so.

The Commission’s newly adopted rule also restricts the customer’s ability to schedule reconnection and repairs to the customer service line at a time more convenient for the customer. Columbia’s tariff permits customers to mutually agree with Columbia to an acceptable time for completing repairs and reconnecting service.⁵ As applied in the field, Columbia personnel are immediately dispatched to the customers’ premises to remove the hazards in the service line and shut off the gas. Once the gas is shut off, the customer may agree, at the customer’s option, to have Columbia return to the premises to complete the repairs and restore service at a time more convenient for the customer. The tariff provision allows the customer flexibility to determine when repairs will be completed for leaks requiring a discontinuation of service. Therefore, because the newly adopted rule does not acknowledge other instances in which a utility may not be able to repair a service line the next day, Columbia requests rehearing so that O.A.C. § Rule 4901:1-13-05(D) may be modified as follows:

⁴ *Rules and Regulations Governing the Distribution and Sale of Gas*, PUCO No. 2, Section III(1)(g) at First Revised Sheet No. 6b.

⁵ *Id.*

(D) If the gas or natural gas company repairs customer service lines, the company shall complete the repair of service-line leaks that requires service shutoff by the end of the next day after service has been shut off for residential and small commercial customers, unless the company is unable to perform the repair or replacement due to lack of access or unsafe working conditions. The customer and the company may also agree upon a mutually acceptable timeframe for the completion of repairs or replacements requiring either a discontinuation of service or a scheduled discontinuation. On an average monthly basis (based on a calendar year), each gas or natural gas company shall complete ninety-five per cent of these repairs by the end of the next day service has been shut off.

B. Ohio Admin. Code 4901:1-13-11(E)(3)

The Commission erred by deleting the last sentence of Rule 4901:1-13-11(E)(3). This makes this rule more confusing than the originally adopted MGSS. In 2005, the originally proposed and adopted Rule 4901:1-13-11(E)(3) contained an additional sentence not included within the Minimum Service Standards as revised. This sentence read, “When a customer pays the bill by check or money order through the mail; by check over the telephone; by credit card; or electronically, the customer’s account shall be credited immediately where feasible and, in any event, within two business days of receipt at the gas or natural gas company’s business office.”⁶ The sentence remained unchanged in Rule 4901:1-13-11(E)(3) until the Order.

In this proceeding the Commission’s Staff did not recommend any changes to this rule.⁷ The first party to recommend changes to O.A.C. § 4901:1-13-11(E)(3) was the Office of the Ohio Consumers’ Counsel (“OCC”). The OCC, in its Initial Comments, recommended all payments received by a utility be processed and posted immediately to the customer’s account. Columbia and other utilities responded to the OCC’s suggestion, arguing it is not always feasible

⁶ *In the Matter of the Amendment of Chapter 4901:1-13, Ohio Administrative Code, to Establish Minimum Gas Service Standards*, PUC Case No. 05-602-GA-ORD, Opinion and Order (January 18, 2006).

⁷ *In the Matter of the Commission’s Review of Chapter 4901:1-13 of the Ohio Administrative Code*, PUC Case No. 09-326-GA-ORD, Finding and Order (April 22, 2009) at 29.

to credit payments immediately to customer accounts and that the upgrades would be costly.⁸

The Commission then held as follows:

The Commission finds the last sentence of this paragraph is confusing and should be deleted in order to eliminate any confusion as to when the payments should be credited. In addition, we note that this revision makes this paragraph consistent with the comparable electric service standards requirement contained in Rule 4901:1-10-22(E).⁹

Until this proceeding, gas companies relied upon the second sentence of Rule 4901:1-13-11(E)(3) to establish deadlines to process payments. Since 2005, Columbia has entered into contracts with third parties to meet the deadlines established in the MGSS. Specifically, Columbia entered into an agreement with a third party provider to process the payments received by check or money order through Columbia's post office box. The contract provides that the third party will process payments for Columbia within one business day of receiving the payment.

Under the newly adopted rules, Columbia would be required to renegotiate its service contract with the third party, potentially incurring significant costs.¹⁰ Because of this additional expense, Columbia suggests the Commission revise its rule so that utilities will have one business day to credit amounts to the customer accounts. This change will permit utilities to meet the intent of the rule, processing timely customer payments where feasible, but permit utilities, including Columbia, to avoid the incurrence of significant costs through renegotiating service contracts with third-party providers. Further, processing customer payments immediately where feasible, but within one business day, is a reasonable time in which to post customer payments. Customer payments processed within one business day permits utilities to timely collect on

⁸ *In the Matter of the Commission's Review of Chapter 4901:1-13 of the Ohio Administrative Code*, PUC Case No. 09-326-GA-ORD, Finding and Order (July 29, 2010) at Finding 64.

⁹ *Id.*

¹⁰ *In the Matter of the Commission's Review of Chapter 4901:1-13 of the Ohio Administrative Code*, PUC Case No. 09-326-GA-ORD, Reply Comments of Columbia Gas of Ohio, Inc. (June 8, 2009) at 27.

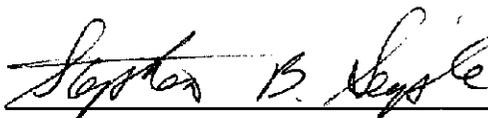
customer accounts in arrears. Requiring any less time to process payments would be an unreasonable burden upon utilities, which are already required to post payments immediately where feasible. Therefore, for the reasons stated herein, Columbia requests that the Commission grant rehearing and modify Rule 4901:1-13-05(E)(3) to read as follows:

(3) When a customer pays the bill at the gas or natural gas company's business office or to an authorized agent of the company, the payment, including any partial payment, shall be immediately credited to the customer's account where feasible, and, in any event, be credited to the customer's account within one business day or as of the date received at the business office or by the agent. ~~When a customer pays the bill by check or money order through the mail; by check over the telephone; by credit card; or electronically, the customer's account shall be credited immediately where feasible and, in any event, within two business days of receipt at the gas or natural gas company's business office.~~

III. CONCLUSION

The Order issued by the Commission is unreasonable for the reasons stated herein. Columbia respectfully requests that the Commission grant rehearing with respect to O.A.C. § 4901:1-13-05(D) and 4901:1-13-11(E)(3) and revise the rules as discussed above.

Respectfully submitted by
COLUMBIA GAS OF OHIO, INC.



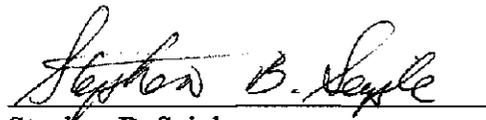
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application for Rehearing of Columbia Gas of Ohio, Inc. was served upon all parties of record by regular U.S. Mail this 27th day of August 2010.


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