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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**


In the Matter of the Application of Columbia)
Gas of Ohio, Inc. For Approval of a General) Case No. 08-1344-GA-EXM
Exemption of Certain Natural Gas Commodity)
Sales Services or Ancillary Services.)

**MOTION FOR WAIVER OF TARIFF AND
REQUEST FOR EXPEDITED TREATMENT
OF COLUMBIA GAS OF OHIO, INC.**

Columbia Gas of Ohio, Inc. requests authority to waive the provision of its Tariff, Section VIII, Sheet No. 6, page 2 of 2, paragraph 6.5. Specifically, Columbia requests authority to postpone until April 1, 2011, the deposit required of successful bidders in Columbia's Standard Service Offer auction scheduled for February 8, 2011. Columbia also requests expedited consideration of this Motion. In support of this Motion, the Commission is referred to the attached Memorandum in Support.

Respectfully submitted by

COLUMBIA GAS OF OHIO, INC.



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MEMORANDUM IN SUPPORT

On December 2, 2008, the Commission issued an Opinion and Order that approved a stipulation that authorized Columbia to implement a wholesale auction for the procurement of gas supply. The first two years of the auction are to be a Standard Service Offer ("SSO") auction. Each year, the auction is in February, for gas flows to begin on April 1. Columbia's second year SSO auction is scheduled for February 8, 2011.

As part of the SSO auction process, successful bidders are each awarded the right to serve up to four of a possible 16 tranches (17 tranches were awarded in the first SSO Auction). In recognition of the possibility that a supplier might fail to live up to its obligations to provide supply for the tranches it has agreed to serve, Columbia's tariff requires each supplier to provide a cash deposit in an amount equal to \$.50/mcf times the total estimated tranche(s) volume. Pursuant to Columbia's Tariff Section VIII, Sheet No. 6, page 2 of 2, paragraph 6.5, this deposit is due one week following Commission approval of the auction results.

For year one of Columbia's SSO auction, the Commission approved the auction results on February 24, 2010, and deposits were thus collected by Columbia by no later than March 3, 2010. Assuming that an auction supplier does not default, the year one deposits will be returned in early April after the end of the first auction period which terminates on March 31, 2011.

Assuming that the Commission approves the February 8, 2011 auction results on February 9, 2011, the year two cash deposits required by the tariff would be due February 16, 2011. As a result, if a winning supplier from Columbia's first SSO auction is also a successful bidder in Columbia's second SSO auction, under Columbia's tariff such supplier would be required to post its deposit for the year two auction before its deposit had been returned for the year one auction. Thus, there is a period of approximately six weeks during which Columbia would hold two deposits from such a supplier.

In consultation with Commission Staff, Columbia proposes to delay the deadline for the deposits until 9:00 Central Clock Time, April 1, 2011.¹ This will eliminate the requirement for overlapping deposits, and thus will reduce the temporary cash outlay otherwise required of successful auction bidders.²

After the conclusion of the year two auction session conducted on February 8, 2011, Columbia will be able to determine each supplier's year two deposit requirement. For those year two suppliers who were not year one suppliers, the cash deposits will be due by no later than April 1, 2011. For those year two suppliers who were year one suppliers, each supplier's year one deposit will be subtracted from the required year two deposit, and this difference shall be referred to as the Deposit Differential.

If the Deposit Differential is positive, by no later than, April 1, 2011, the supplier must provide Columbia with a cash deposit equal to the Deposit Differential and:

- If the supplier does not default on its auction supply obligations prior to April 1, 2011, Columbia will retain the supplier's year one cash deposit and hold that cash deposit to cover the remainder of the supplier's deposit obligation for the year two SSO auction.
- Should the supplier default on its auction supply obligation prior to April 1, 2011, Columbia will use the year one deposit in the manner specified by the tariff. If the supplier nonetheless desires to continue as a supplier during the second year of the auction, in addition to the Deposit Differential it will also need to provide Columbia with a cash deposit, by April 1, 2011, in an amount equal to the supplier's

¹ All references herein to April 1, 2011, shall be understood to mean 9:00 Central Clock Time, April 1, 2011.

² The issue of deposits for the year three Standard Contract Offer auction will be a subject discussed by the Columbia auction stakeholders prior to the year three auction.

year one cash deposit so that the total cash on deposit with Columbia will cover the supplier's year two SSO auction obligations.

If the Deposit Differential is negative, the supplier need not provide Columbia with any additional cash deposit for year two of the SSO auction, unless it defaults on its supply obligations prior to April 1, 2011.

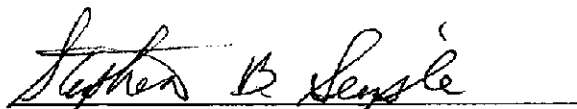
- If the supplier does not default on its auction supply obligations prior to April 1, 2011, Columbia will return the Deposit Differential to the supplier, and retain that part of the supplier's year one cash deposit necessary to meet the supplier's year two cash deposit requirement.
- Should the supplier default on its auction supply obligation prior to April 1, 2011, Columbia will use the year one deposit in the manner specified by the tariff. If the supplier nonetheless desires to continue as a supplier during the second year of the auction it will need to provide Columbia with a cash deposit, by April 1, 2011, in an amount equal to the supplier's year two cash deposit requirement.

Given that the otherwise applicable cash deposit deadline for successful year two SSO auction bidders is February 16, 2011, Columbia respectfully requests expedited treatment of this Motion.

WHEREFORE, for the reasons stated herein Columbia respectfully requests that it be granted a waiver of its Tariff, Section VIII, Sheet No. 6, page 2 of 2, paragraph 6.5, so that year two SSO cash deposits will not be due until April 1, 2011.

Respectfully submitted by

COLUMBIA GAS OF OHIO, INC.

A handwritten signature in cursive script, reading "Stephen B. Seiple", is written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion for Waiver of Tariff and Request for Expedited Treatment was served upon all parties of record by regular U.S. Mail this 7th day of February 2011.

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