

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.

ENTRY

The Commission finds:

- (1) Columbia Gas of Ohio, Inc. (Columbia) is a natural gas company within the meaning of Section 4905.03(A)(5), Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) On December 2, 2009, the Commission issued an Opinion and Order that approved a stipulation and authorized Columbia to implement a wholesale auction for the procurement of its 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.
- (3) 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 per thousand cubic feet (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 the Commission's approval of the auction results.
- (4) Columbia's second SSO auction was held February 8, 2011. If approved by the Commission, 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.

- (5) On February 7, 2011, Columbia filed a motion for a waiver of Columbia's Tariff Section VIII, Sheet No. 6, page 2 of 2, paragraph 6.5, regarding the timing of the posting of its year-two deposits. Columbia proposes to delay the deadline for the deposits until 9:00 a.m. Central Clock Time, April 1, 2011. According to Columbia, this will eliminate the requirement for overlapping deposits and reduce the temporary cash outlay otherwise required of successful auction bidders.
- (6) In support of its motion, Columbia explains that, after the conclusion of the year-two auction session conducted on February 8, 2011, Columbia will calculate 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. Columbia's motion refers to this differential as the "deposit differential." If this deposit differential is positive, by no later than April 1, 2011, the supplier will provide Columbia with a cash deposit equal to the deposit differential. 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.
- (7) Given that the otherwise applicable cash deposit deadline for successful year-two SSO auction bidders is February 16, 2011, Columbia has requested expedited treatment of its motion.
- (8) In light of the tight timeframe, the Commission finds that it is necessary to issue an expedited ruling on Columbia's request, in accordance with Rule 4901-1-13, Ohio Administrative Code. The Commission has reviewed Columbia's February 7, 2011, motion for waiver of Columbia's Tariff Section VIII, Sheet No. 6, page 2 of 2, paragraph 6.5, and has determined it is reasonable and in the public interest and should be approved.


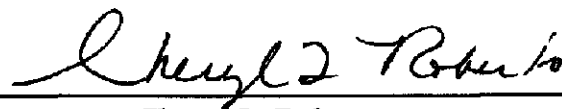
It is, therefore,

ORDERED, That, in accordance with finding (8), Columbia's motion for waiver be granted. It is, further,

ORDERED, That nothing in this entry shall be binding upon this Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation, It is, further,

ORDERED, That a copy of this entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

  
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Steven D. Lesser, Chairman  
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Paul A. Centolella  
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Valerie A. Lemmie  
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Cheryl L. Roberto

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Entered in the Journal

**FEB 09 2011**

  
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Renee J. Jenkins  
Secretary