

LARGE FILING SEPARATOR SHEET

CASE NUMBER 10-2395-GA-CSS

FILE DATE 11/1/11

SECTION: 2 of 2

NUMBER OF PAGES:

DESCRIPTION OF DOCUMENT:

MOTION - CONT.

My Natural Gas Supply Contract with Columbia Retail EnergySM (Interstate Gas Supply, Inc.)
Form FCOH-CRE-75-0911LR

Keep for your r

Term: The term of this program will begin with the first billing cycle my enrollment or rate change is confirmed with Columbia Gas of Ohio ("COH") and will continue the September 2011 billing cycle ("Primary Term") and automatically continue year-to-year thereafter (October through the following September billing cycles each "Secondary Term") until canceled by notice as provided by this Agreement. Interstate Gas Supply, Inc. (doing business as "Columbia Retail EnergySM") will supply the commodity portion of my natural gas to me by my Natural Gas Distribution Company ("NGDC"). Within 3 business days of enrollment, Columbia Retail Energy will notify the NGDC to transfer gas service to me. Due to the volatility of the gas market, Columbia Retail Energy reserves the right to discontinue this contract any time before enrollment. If I am currently a Columbia Retail customer, Columbia Retail Energy reserves the right to not accept or rescind this enrollment or to require me to pay the applicable cancellation fee for my existing program to be in this program. The trademark COLUMBIA RETAIL ENERGY including the starburst design is a trademark of NISource Corporate Services Company and is used under license by Interstate Gas Supply, Inc. Interstate Gas Supply, Inc., is not an affiliate of NISource Corporate Services Company or Columbia Gas of Ohio.

Regulatory: The residential natural gas program is subject to ongoing Public Utilities Commission of Ohio ("PUCO") and COH jurisdiction and I understand that if the residential program is terminated or materially altered, this Agreement may be terminated by Columbia Retail Energy without penalty.

Price: Starting with my first billing cycle on this contract through my September 2011 billing cycle, my price will be \$0.75 per CCF each billing cycle. Thereafter my price will be as detailed below. I am responsible for and my price does not include applicable taxes and/or NGDC charges, which will be billed by the NGDC.

Renewal Term and Price: For each Secondary Term this Agreement will automatically renew on a year to year basis, unless Columbia Retail Energy provides me with notice of a term (which could include month to month). Columbia Retail Energy will send me notice of my renewal at least 45 but not more than 90 days prior to the end of my Primary Term. Columbia Retail Energy reserves the right to make changes to the terms of this Agreement, including price and pricing methodology and term for any Secondary Term(s). Such notice will be at least 45 but not more than 90 days prior to the automatic renewal of this agreement. If I do not cancel the Agreement at that time, this Agreement will continue at my new notice and terms for the Secondary Term. Columbia Retail Energy reserves the right to lower my price at any time for any month or months and thereafter return my price to the last notice without providing me with notice of either.

Rescission Period: If I am a new customer to Columbia Retail Energy this Agreement may be rescinded by me with no cancellation fee by: (1) contacting the NGDC in writing at the number provided on the confirmation notice within 7 business days from the post-mark date of the confirmation notice sent by the NGDC ("Rescission Period") or by contacting Columbia Retail Energy in writing or by telephone within 30 days of enrollment with Columbia Retail Energy on this program ("Cancellation Period"). If I am an existing customer, I will not receive a confirmation notice from the NGDC but, in the event I decide to rescind enrollment in this Agreement during the Rescission Period, I will be returned to my Agreement with Columbia Retail Energy without penalty under this Agreement.

Cancellation: During the periods described in Rescission Period above, there is no cancellation fee to end this Agreement. Further, either party can cancel this Agreement at the end of the Primary or any Secondary Term, to be effective at the end of such term with no cancellation fee, by providing notice to the other not less than 30 days prior to term end, or as provided in the renewal notice. At all other times, this Agreement may be cancelled by either party by providing notice of cancellation to the other and the payment of a cancellation fee. However, notwithstanding anything to the contrary in this agreement, if I enter into a new fixed price contract (this does not include governmental agreements, variable rate contracts or short term, less than 6 months monthly fixed price contracts) with Columbia Retail Energy any time after enrollment and before September 1, 2011, Columbia Retail Energy will waive my cancellation fee. Cancellation notices provided after the NGDC deadline may result in an additional month(s) of service beyond the contract term, the new price, which I agree to pay, as the effective date of all cancellations are subject to NGDC guidelines. I understand that if I switch my service to another supplier or back to the NGDC switching fee may apply under the NGDC's tariff and the NGDC may charge a price other than the standard service offer rate. If Columbia Retail Energy raises my price for a Secondary Term and the term is 6 months or longer, the cancellation fee will be reduced to \$25.00 for that term.

Assignment: This contract is assignable by Columbia Retail Energy without my consent subject only to required regulatory approvals. Columbia Retail Energy will use its best effort to obtain the NGDC and me thirty (30) days written notice prior to any assignment.

Contact and Dispute Resolution: In the event of a billing dispute or issues regarding volume or metering, I should contact the NGDC at the number listed on their bill. For questions or concerns about pricing, I can contact the Columbia Retail Energy choice department by phone weekdays from 8:00 a.m. to 5:00 p.m. ET at 1-888-493-6794 or 1-800-584-4839, in writing at P.O. Box 9060, Dublin, OH 43017, or through their web site at www.ColumbiaRetailEnergy.com. Also, I can contact Columbia Retail Energy through choice@ColumbiaRetailEnergy.com. If my questions or concerns or complaint are not resolved after I have called Columbia Retail Energy, or for general utility information, reside business customers may contact the Public Utilities Commission of Ohio for assistance at 1-800-686-7826 (toll free) or for TTY toll free at 1-800-686-1570 (toll free), from 8:00 a.m. to 5:00 p.m. weekdays, or at www.puco.ohio.gov. Residential customers may also contact the Ohio Consumers' Counsel for assistance with complaints and utility issues at 1-877-742-5622 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays or visit www.pickccc.org.

Billing: For my convenience I will receive only one bill, which will be issued by the NGDC each month and will contain Columbia Retail Energy's gas price plus applicable taxes and the NGDC's transportation and other applicable charges, including any late fees assessed by the NGDC. I agree to continue to pay the NGDC for the entire gas bill under the NGDC's terms and conditions. If I pay under the budget bill payment plan, I understand that this service will remain available. Columbia Retail Energy reserves the right to issue an invoice directly, such invoice would contain Columbia Retail Energy's gas price and may also contain applicable taxes and all of the NGDC's transportation and other applicable charges. If Columbia Retail Energy invoices me directly and I fail to pay within the terms specified on the invoice(s) a late fee of 1.5% per month on all past due amounts will apply. If Columbia Retail Energy invoices me directly for services provided, Columbia Retail Energy may terminate this Agreement with fourteen (14) days written notice should I fail to pay the bill or meet any agreed-upon payment arrangements. If I fail to pay my invoices timely which include Columbia Retail Energy charges, the NGDC may disconnect my service, according to tariff guidelines. I may request a charge, up to 24 months of my payment history for services rendered by Columbia Retail Energy. Other than for operation, maintenance, assignment and transfer of my account, Columbia Retail Energy is performing billing services, or for commercial collections, Columbia Retail Energy will not disclose my account number to any other third party without my affirmative written consent or electronic authorization or pursuant to a court or Commission order and that, other than for credit checking and credit reporting, if Columbia Retail Energy is performing billing services, Columbia Retail Energy will not disclose my social security number without my affirmative written consent or pursuant to court order. I authorize Columbia Retail Energy to obtain my billing payment and usage history from the NGDC.

Moving/Termination: I understand that this contract will automatically terminate, without penalty, if I relocate outside the NGDC service territory, or if the requested service location is not served by the NGDC. Also, I understand that I have the right to terminate this Agreement, without penalty, if I relocate inside the NGDC service territory and the NGDC does not have service at my new location. If I relocate within the NGDC service territory and do not exercise my right to cancel this Agreement, if any, at Columbia Retail Energy's option, this Agreement may continue at my new location. I agree that if I do not terminate this Agreement as provided in this paragraph, I grant the NGDC the right to provide Columbia Retail Energy with my account and meter number(s) for my new location and to transfer my contract to my new location. If requested by Columbia Retail Energy, I will also provide Columbia Retail Energy with information. If Columbia Retail Energy does not transfer this Agreement for service at my new location within 90 days of relocation, this Agreement will automatically terminate. I understand that I am not entitled to the pricing or service from Columbia Retail Energy hereunder at my new location until such time as the NGDC accepts my enrollment with Columbia Retail Energy at my new location and/or transfers my contract to my new location and that the pricing hereunder will not be extended for additional months that I was not with Columbia Retail Energy unless agreed to in writing by Columbia Retail Energy. Except as provided in this Agreement, if Columbia Retail Energy returns me to the NGDC's sales service, this Agreement will terminate without penalty to me.

Eligibility / Limitation of Liability / Jurisdiction: This Agreement is for residential and small commercial customers in the Columbia Gas of Ohio service territory. By entering into this Agreement, I represent and agree that the account(s) served by Columbia Retail Energy under this Agreement is (are) residential or small commercial account(s), in the COH service territory and I am not an existing Columbia Retail Energy customer. Columbia Retail Energy reserves the exclusive right, at any time, to not enroll or to terminate service to customer location(s) that do not meet the preceding criteria, including those that consume more than 20,000 CCF per year and return the customer to the NGDC (or previous Columbia Retail Energy provider, whichever is applicable) with no penalty to Columbia Retail Energy. This limitation applies to related accounts that individually may not exceed the limit, but collectively may. Further participation in the program is subject to the rules of the NGDC and customers are sometimes terminated from the residential program either in error or for being in arrears. Instances, I can contact the NGDC to correct the problem and be reinstated in the residential program. Regardless of the reason for termination, in no case will the original term be extended for months that I was unable to participate nor will Columbia Retail Energy have any liability for any early termination or for any months that I was unable to participate in the program. Columbia Retail Energy assumes no liability or responsibility for losses or consequential damages arising from items associated with the NGDC including, but not limited to: operation and maintenance of their system; any interruption of service; termination of service; or deterioration of service, nor does Columbia Retail Energy assume responsibility or liability for damages arising from any in-home or building damages and in addition shall not be responsible for any indirect, consequential, special or punitive damages whether arising under contract (including negligence or strict liability), or any other legal theory. The parties agree that if the customer is unable to resolve its issues through the PUCO as detailed under "Contract Dispute Resolution" above or if suit is filed, any legal action involving this Agreement shall be brought only in a court of the State of Ohio sitting in Franklin County, Ohio or the United States District Court sitting in Franklin County, Ohio. I submit to the personal jurisdiction in such courts and irrevocably waive any objections that I have or might have in the future to such choice of law provisions.

EXHIBIT 7



PLSRT STD
US POSTAGE PAID
Lancaster, OH
PERMIT 376

Columbia Gas of Ohio Natural Gas Customer
Important Natural Gas Information

*****ECRWSS**R-007
84511 ** 1332 ** 209

OR CURRENT RESIDENT

EXHIBIT 8

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Complaint of)	
)	
The Office of the Ohio Consumers')	
Counsel, et al.,)	
)	Case No. 10-2395-GA-CSS
Complainants,)	
)	
v.)	
)	
Interstate Gas Supply d/b/a Columbia)	
Retail Energy,)	
)	
Respondent.)	

**THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S RESPONSES AND
OBJECTIONS TO INTERSTATE GAS SUPPLY, INC.'S FIRST SET OF
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS**

The Office of the Ohio Consumers' Counsel ("OCC"), by and through its counsel, hereby submits its Responses and Objections to the First Set of Interrogatories and Requests for Production of Documents submitted to OCC by Interstate Gas Supply, Inc. ("IGS" or "Company") in the above-captioned case. OCC's responses to these discovery requests are being provided subject to, and without waiver of, the general objections stated below and the specific objections posed in response to each interrogatory and request for production of documents. The general objections are hereby incorporated by reference into the individual response made to each discovery request. OCC's responses to these discovery requests are submitted without prejudice to, and without waiving any general objections not expressly set forth therein.

The provisions of any response below shall not waive OCC's objections. The responses below, while based on diligent investigation and reasonable inquiry by OCC and its counsel, reflect only the current state of OCC's knowledge and understanding and belief with respect to the matters about which the discovery requests seek information, based upon the information and discovery to date. OCC's investigation is not yet complete and is continuing as of the date of the responses below. OCC anticipates the possibility that it may discover additional information and/or documents, and without obligating itself to do so, OCC reserves the right to continue its investigation and to modify or supplement the responses below, as required by the Ohio Adm. Code, with such pertinent information or documents as it may reasonably discover. The responses below are made without prejudice to OCC's right to rely upon or use subsequently discovered information or documents, or documents or information inadvertently omitted from the responses below as a result of mistake, error, or oversight. OCC reserves the right to object on appropriate grounds to the use of such information and/or documents. The fact that OCC, in the spirit of cooperation, has elected to provide relevant information below in response to the Company's discovery requests shall not constitute or be deemed a waiver of OCC's objections. OCC hereby fully preserves all of its objections to the discovery request or the use of its responses for any purpose.

Furthermore, OCC's provision of responses to these discovery requests shall not be construed as a waiver of the attorney-client privilege, the trial preparation doctrine, or any other applicable privilege or doctrine. OCC reserves its right to file a motion for protective order under Ohio Adm. Code 4901-1-24 in order to protect OCC from

annoyance, embarrassment, oppression or undue burden or expense or for any other reason.

GENERAL OBJECTIONS

1. OCC objects to any discovery requests as improper, overbroad, and unduly burdensome to the extent that they purport to impose upon OCC any obligations broader than those set forth in the Commission's rules or otherwise permitted by law. In part, the rules of discovery require that matters inquired into must be relevant to the subject matter of the proceeding, and must appear to be "reasonably calculated to lead to the discovery of admissible evidence." Ohio Adm. Code 4901-1-16(B).
2. OCC objects to these discovery requests and to the Company's Definitions and Instructions as improper, overbroad, and unduly burdensome to the extent that they improperly seek or purport to require the disclosure of information protected by the attorney-client privilege, trial preparation doctrine or any other applicable privilege or doctrine. Such responses as may hereafter be given shall not include any information protected by such privileges or doctrines, and the inadvertent disclosure of such information shall not be deemed as a waiver of any such privilege or doctrine.
3. OCC objects to these discovery requests and to the Company's Definitions and Instructions to the extent that they improperly seek or purport to require OCC to provide documents and information not in OCC's possession, custody or control.

4. The objections and responses contained herein and documents produced in response hereto are not intended nor should they be construed to waive OCC's right to object to these requests, responses or documents produced in response hereto, or the subject matter of such requests, responses, or documents, as to their competency, relevancy, materiality, privilege and admissibility as evidence for any purpose, in or at any hearing of this or any other proceeding.
5. OCC objects to these discovery requests to the extent they improperly seek or purport to require the production of documents or information which is not relevant to the subject matter of the proceeding nor reasonably calculated to lead to the discovery of admissible evidence.
6. OCC objects to these discovery requests and to the Company's Definitions and Instructions to the extent they improperly seek or purport to require production of documents in a form other than how the documents are maintained in the regular course of business.
7. OCC objects to these discovery requests insofar as they request the production of documents or information that are publicly available or already in the Company's possession, custody, or control.
8. OCC objects to each and every discovery request that seeks to obtain "all," "each" or "any" document to the extent that such requests are overly broad and unduly burdensome and seek information that is not relevant to the subject matter of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

9. OCC objects to these discovery requests to the extent that such requests are not limited to any stated time period or identify a stated period of time that is longer than is relevant for purposes of this proceeding, as such discovery is unduly broad and overly burdensome.
10. OCC objects to these discovery requests to the extent they are vague, ambiguous, use terms that are subject to multiple interpretations but are not properly defined for purposes of these discovery requests, or otherwise provide no basis from which OCC can determine what information is sought.
11. The objections and responses contained herein are not intended nor should they be construed to waive the OCC's rights to object to other discovery involving or relating to the subject matter of these requests, responses or documents produced in response hereto.

Interrogatory Request No. 37: Referring to the Fourth Claim in the Complaint, identify the factual basis for the OCC's claim that the IGS solicitation letter "may cause customers unnecessary anxiety because it claims that it contains 'Important Natural Gas Information.'"

Response to No. 37:

Objection. See General Objections. Without waiving any General Objection, OCC responds as follows:

OCC's own review of the information also led to this determination. Also see Attachment 3.

Interrogatory Request No. 38: Referring to the Fourth Claim in the Complaint, identify any person(s) who have communicated with the OCC that they have experienced

“unnecessary anxiety” from the IGS’ solicitation. For each person, identify their name, address, phone number, and the date that the communication to the OCC was made.

Response to No. 38:

Objection. See General Objections. OCC further objects to this interrogatory because it is vague and ambiguous. Without waiving any specific or General Objections, OCC responds as follows:

See Attachment 3.

Interrogatory Request No. 39: Referring to the Fourth Claim in the Complaint, identify how the IGS solicitation could cause a person to experience “unnecessary anxiety.”

Response to No. 39:

Objection. See General Objections. OCC further objects to this interrogatory because it is vague and ambiguous. Without waiving any specific or General Objections, OCC responds as follows:

The appearance of a Marketers’ name on a bill, when the customer had not selected to participate in the Choice program could lead the customer to believe that his service had been switched without his permission. Also see Attachment 3.

Interrogatory Request No. 40: Identify any actual “unnecessary anxiety” caused to customers by IGS’s solicitation.

Response to No. 40:

Objection. See General Objections. OCC further objects to this interrogatory because it is overbroad, unduly burdensome, vague and ambiguous. Without waiving any specific or General Objections, OCC responds as follows:

See Attachment 3.

Interrogatory Request No. 41: Referring to the Fourth Claim of the Complaint, identify the factual basis for construing the phrase “Important Natural Gas Information” as a warning.

Response to No. 41:

Objection. See General Objections. OCC further objects to this interrogatory because it is vague and ambiguous. Without waiving any specific or General Objections, OCC responds as follows:

OCC’s position is that the use of the Columbia trade name, Columbia logo, and Columbia’s starburst design could lead a consumer to be confused, and conclude that the entity soliciting the consumer participation was the utility or the utility’s affiliate (rather than a non-affiliated competitive retail natural gas supplier), and that the envelope contained important natural gas information from the utility.

Interrogatory Request No. 48: State how Attachment 10 of the Complaint is relevant to the OCC's claims against IGS.

Response to Request No. 48:

Objection. . The Company is inquiring into analysis exempt from discovery under the trial preparation doctrine and/or the attorney-client privilege.

EXHIBIT 9

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Complaint of)

The Office of the Ohio Consumers'
Counsel, et al.,)

Case No. 10-2395-GA-CSS

Complainants,)

v.)

Interstate Gas Supply d/b/a Columbia
Retail Energy,)

Respondent.)

**STAND ENERGY CORPORATION'S RESPONSES TO
INTERSTATE GAS SUPPLY, INC.'S FIRST SET OF
DISCOVERY REQUESTS TO STAND ENERGY CORPORATION**

Stand Energy Corporation, by and through the undersigned counsel, and pursuant to OAC 4901-1-19 and 4901-1-20, submits the following responses to Interstate Gas Supply, Inc.'s First Set of Discovery Requests to Stand Energy Corporation in the above-captioned case.

GENERAL OBJECTIONS

Stand Energy Corporation's responses herein are provided subject to, and without waiver of, the general objections stated below, any specific objection posed in responses to a particular interrogatory or document request, and any general objections not expressly stated. These general objections are incorporated by reference as if fully set forth into the individual responses to each discovery request.

1. Stand Energy objects to all Discovery Requests seeking information that is not relevant to the subject matter of this Complaint proceeding and the production of which would not lead to the discovery of admissible evidence.
2. Stand Energy objects to all Discovery Requests that are vague, ambiguous, overly broad or otherwise not subject to meaningful response.

3. Stand Energy objects to all Discovery Requests to the extent such requests seek disclosure of information or documents protected by attorney-client privilege, attorney work product doctrine, joint defense privilege or any other applicable privilege or doctrine or which relate or refer to trade secrets.
4. Stand Energy reserves the right to challenge the relevancy, materiality, and admissibility at trial, or any subsequent proceeding herein, of any information if produces in response to Discovery Requests.
5. Stand Energy's responses are accurate as of the date of filing its responses. Stand Energy reserves the right to amend or supplement its responses if it becomes aware of new documents or information relevant to this case.

Interrogatory Request No. 49: State whether Stand Energy has ever compared a market fixed rate gas plan with a market variable rate gas plan. If the response is in the affirmative, identify when the comparison was made, by whom the comparison was made, and for what reason(s) the comparison was made.

Response to Request No. 49: Objection. See General Objections. Subject to and without waiving the objection, Stand Energy states: We are constantly evaluating the relative merits of different fixed and variable pricing mechanisms in order to provide the most service options to our customers at any given time.

EXHIBIT 10

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Vectren Energy Delivery of Ohio, Inc.)	
for Approval of a General Exemption of)	
Certain Natural Gas Commodity Sales)	
Services or Ancillary Services from)	Case No. 07-1285-GA-EXM
Chapters 4905, 4909, and 4935 except)	
Sections 4905.10, 4935.01, and 4935.03,)	
and from Specific Sections of Chapter)	
4933 of the Revised Code.)	

Statement

Of

Bruce M. Hayes

On behalf of

The Office of the Ohio Consumers' Counsel

January 8, 2010

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ATTACHMENTS

- Attachment BMH-1: 2009 Vectren SSO and Supplier Fixed Rate Offers
- Attachment BMH-2: December 2009 Vectren SSO and Supplier Fixed Rate Offers
- Attachment BMH-3: November 2009 Vectren SSO and Supplier Fixed Rate Offers
- Attachment BMH-4: October 2009 Vectren SSO and Supplier Fixed Rate Offers
- Attachment BMH-5: September 2009 Vectren SSO and Supplier Fixed Rate Offers
- Attachment BMH-6: August 2009 Vectren SSO and Supplier Fixed Rate Offers
- Attachment BMH-7: July 2009 Vectren SSO and Supplier Fixed Rate Offers
- Attachment BMH-8: June 2009 Vectren SSO and Supplier Fixed Rate Offers
- Attachment BMH-9: May 2009 Vectren SSO and Supplier Fixed Rate Offers
- Attachment BMH-10: April 2009 Vectren SSO and Supplier Fixed Rate Offers
- Attachment BMH-11: March 2009 Vectren SSO and Supplier Fixed Rate Offers
- Attachment BMH-12: February 2009 Vectren SSO and Supplier Fixed Rate Offers
- Attachment BMH-13: January 2009 Vectren SSO and Supplier Fixed Rate Offers
- Attachment BMH-14: Spreadsheet Support for Graphs

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Vectren Energy Delivery of Ohio, Inc.)	
for Approval of a General Exemption of)	
Certain Natural Gas Commodity Sales)	
Services or Ancillary Services from)	Case No. 07-1285-GA-EXM
Chapters 4905, 4909, and 4935 except)	
Sections 4905.10, 4935.01, and 4935.03,)	
and from Specific Sections of Chapter)	
4933 of the Revised Code.)	

STATEMENT OF BRUCE M. HAYES

I. INTRODUCTION

1. My name is Bruce M. Hayes. I am employed by the Office of the Ohio Consumers' Counsel ("OCC") as Senior Regulatory Analyst. During my tenure at OCC, my responsibilities have ranged from analyst, providing research, investigation and testimony in gas and electric utility filings, to team leader for the energy marketing team. I am currently the gas team leader and specialize in technical analysis and policy assistance related to gas utility filings, especially gas supply issues such as Gas Cost Recovery ("GCR") case work and alternative rate plans for gas supply.

2. I am providing this statement in response to the questions presented by Commissioner Paul Centolella in Case No. 08-1344-GA-EXM. Although Commissioner Centolella's questions were posed in a Columbia Gas of Ohio docket, the questions and issues raised

by those questions are equally pertinent to the Vectren Energy Delivery of Ohio ("Vectren") Standard Choice Offer ("SCO")

II. BACKGROUND

3. Specifically, my statement will respond to the issues related to question numbers 2 in Commissioner Centolella's concurring opinion.

2. How have the costs of available fixed price contracts compared to the cost of SSO service?

III. HOW HAVE THE COSTS OF AVAILABLE FIXED CONTRACTS COMPARED TO THE COST OF SSO SERVICE?

4. I have prepared a set of graphs, attachments BMH-1 through BMH-13, which compare Vectren's Standard Service Offer ("SSO") plus the applicable gross receipts tax to the natural gas Supplier's fixed price offers listed on the Public Utilities Commission of Ohio's ("PUCO") Natural Gas Apples to Apples Chart plus a 7.0 percent total state and local sales tax. The values for the Vectren monthly SSO, gross receipts tax and supplier fixed price offers were taken directly from the 2009 archived Apples to Apples Charts. The 7.0 percent sales tax applied to the supplier fixed offerings are for Montgomery County, although the state and local sales tax varies from 6.5 to 7.0 percent as listed on the Ohio Department of Taxation January 5, 2009 taxation map.
5. The graph, attachment BMH-1, represents fifty weeks of supplier offers plus sales tax compared to the applicable monthly Supplier SSO offer plus gross receipts tax.¹ The Supplier fixed price offers varied from three to five supplier offers per week. Attachment

¹ Weeks of March 25, 2009 and June 24, 2009 were missing from the PUCO's Natural Gas Apples to Apples Chart archive and are not represented on the graph.

BMH-1 shows all two hundred and seventeen Supplier offers made throughout calendar year 2009, and twelve months of SSO offers, with months December 2009 through January 2009 as you view the graph left to right. The Supplier fixed offers exceeded the corresponding SSO offer during the entire year of 2009. The lowest Supplier fixed offer above the corresponding SSO offer was \$0.0226 per Ccf (or \$0.226 per Mcf) in December 2009 while the highest Supplier offer above the corresponding SSO offer was \$0.64874 per Ccf (or \$6.4874 per Mcf) in June 2009. The average difference between the Supplier fixed offer plus sales tax and the SSO offer plus gross receipts tax was \$0.24214 per Ccf (or \$2.4214 per Mcf). Also the average difference or effect of the sales tax and gross receipts tax was \$0.02845 per Ccf (or \$0.2845 per Mcf), which when multiplied by Vectren's average use per residential customer of 81.5 Mcf, equates to an additional cost of \$23.19 per year.

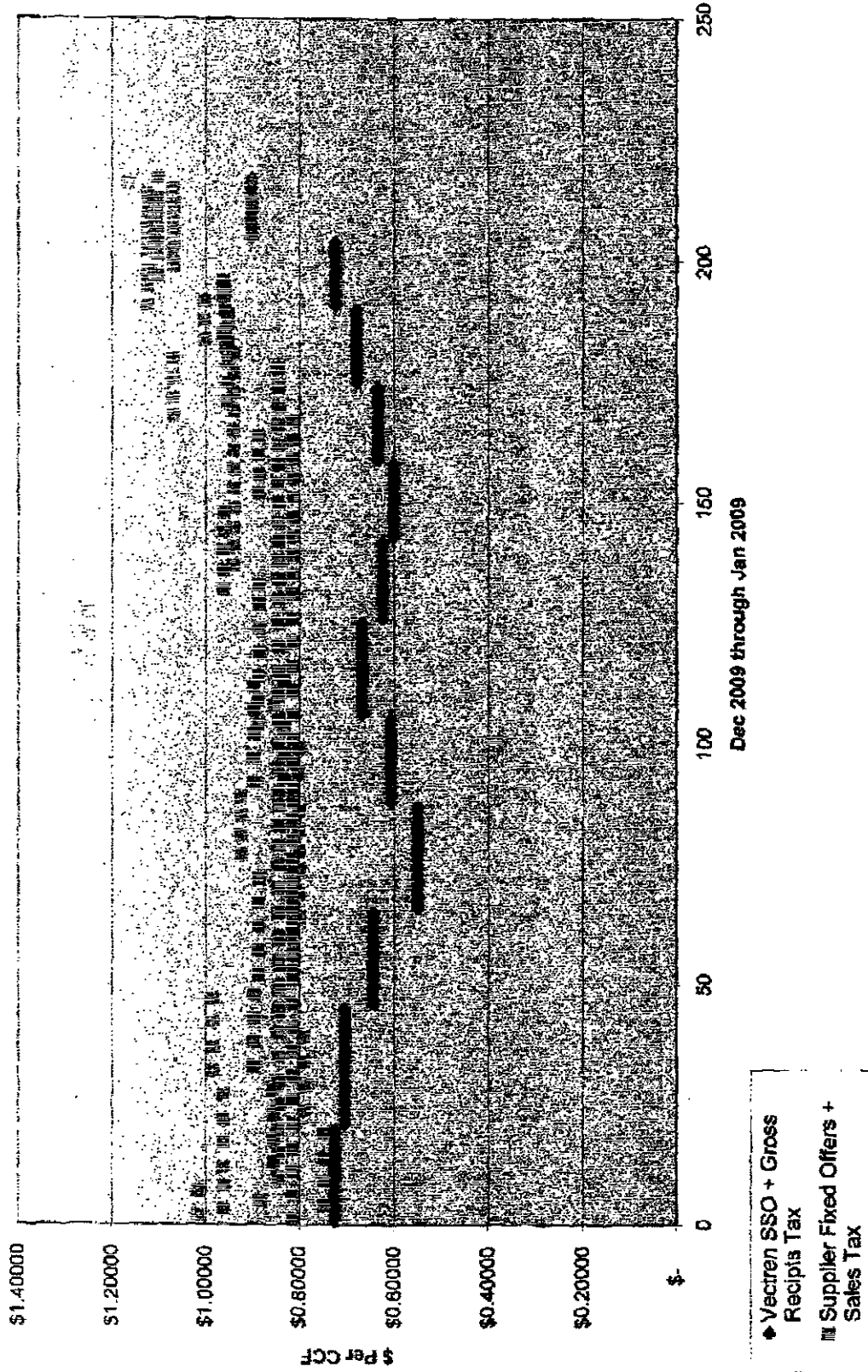
6. The graph attachments, BMH-2 through BMH-13, show the Supplier offers plus sales tax compared to the SSO plus gross receipts tax on a monthly basis.
7. Attachment BMH-14 shows the weekly Supplier fixed base rate offer, the sales tax on the supplier base rate offer, the Supplier fixed base rate offer plus sales tax which is show on the attachments BMH-1 through BMH-13, VEDO's SSO rate, the gross receipts tax on the SSO, the SSO rate plus the gross receipts tax and finally the difference between the Supplier fixed rate offer plus the sales tax less the SSO rate plus the gross receipts tax. The difference in the average tax difference between the sales tax and the gross receipts tax is show on page 7 of 7 of attachment BMH-14. Also on page 7 of 7 shows the average difference

between the Supplier fixed offer plus sales tax and the SSO offer plus gross receipts Tax.

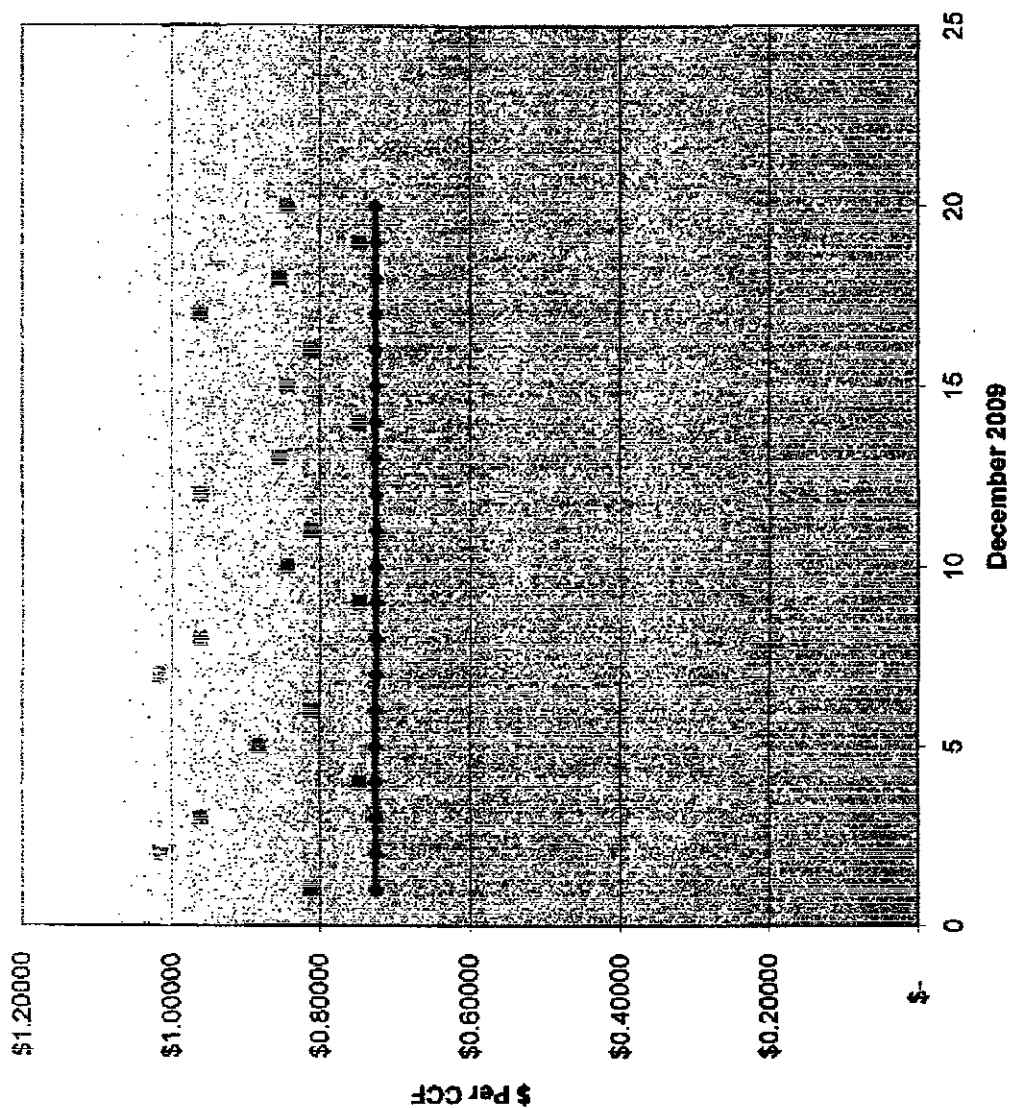
IV. CONCLUSION

The attached graphs clearly shows that no Supplier fixed rate offer (plus sales tax) in calendar year 2009 was below the comparable SSO rate (plus gross receipts tax). Because the transition to the SCO rate will force customers to pay the higher sales tax rate, this difference would be exacerbated under an SCO.

Vectren SSO vs Supplier Fixed Offers

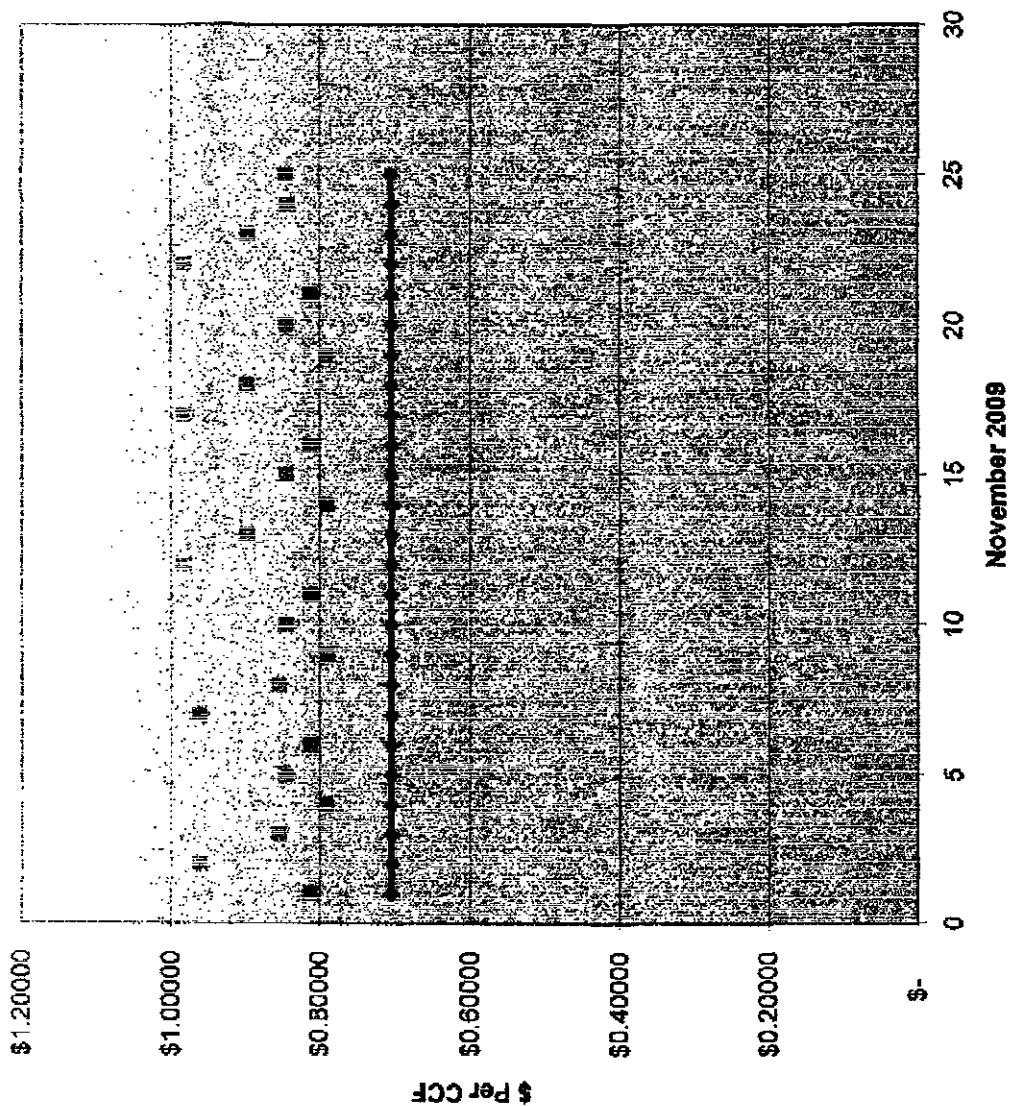


Vectren SSO vs. Supplier Fixed Offers

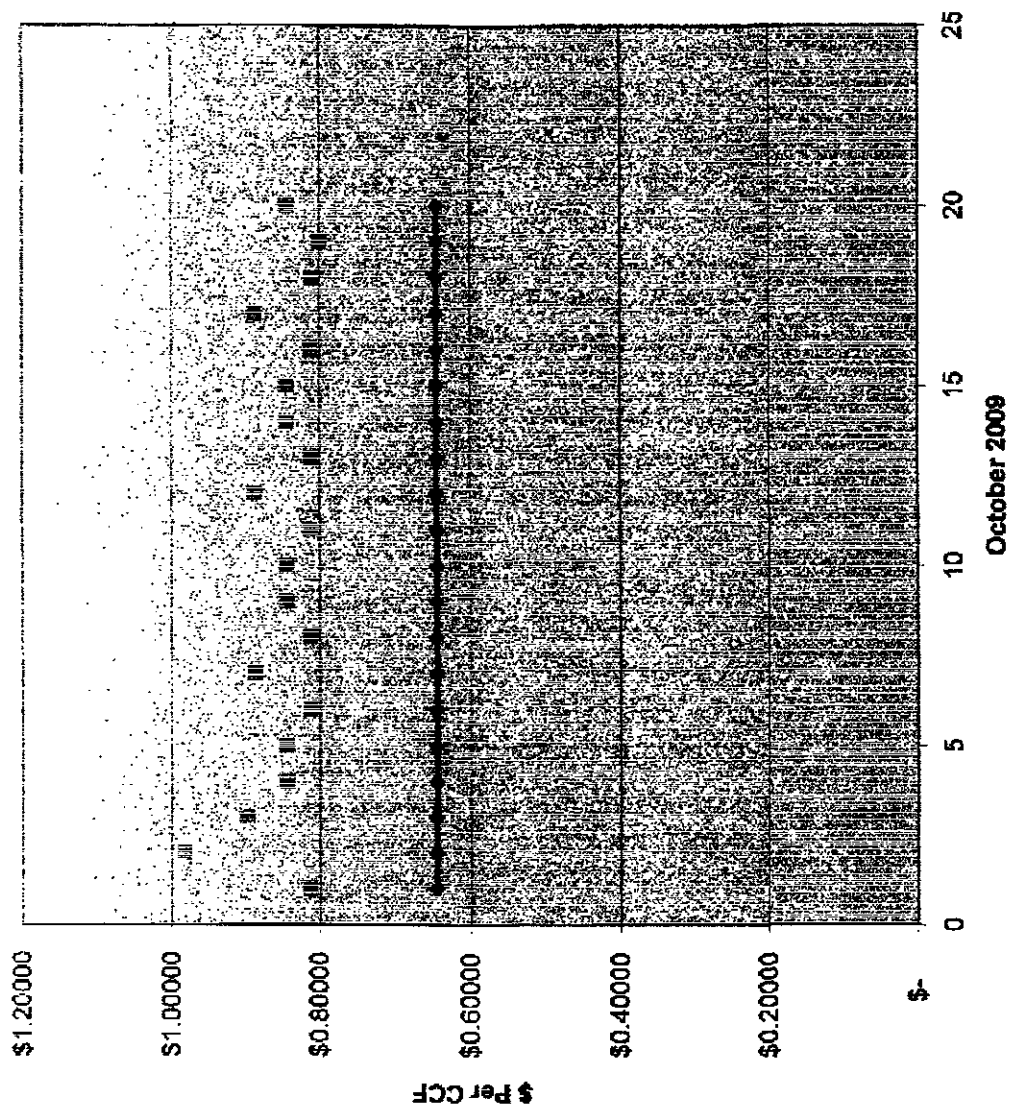


- ◆ Vectren SSO + Gross Receipts Tax
- Supplier Fixed Offers + Sales Tax
- Linear (Vectren SSO + Gross Receipts Tax)

Vectren SSO vs. Supplier Fixed Offers

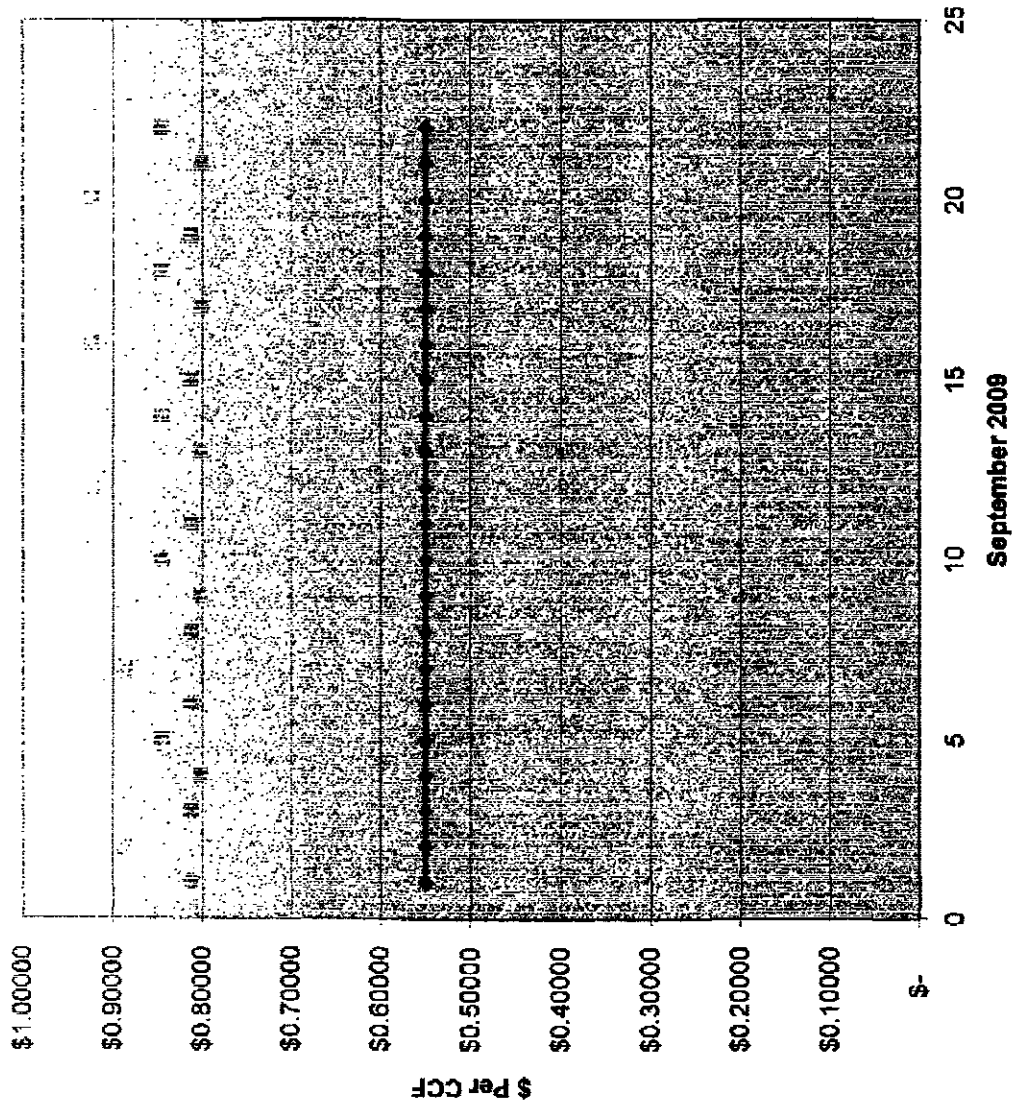


Vectren SSO vs. Supplier Fixed Offers



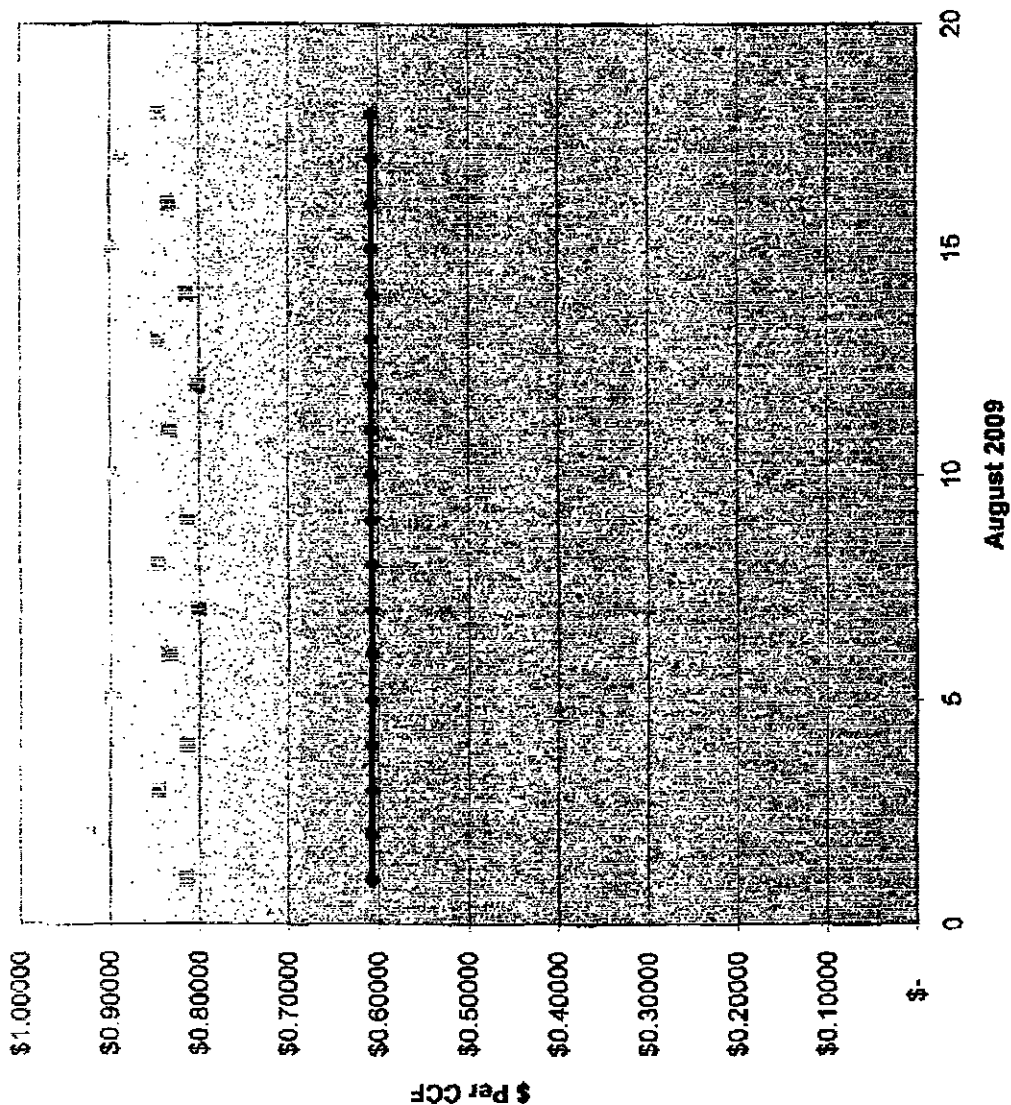
◆ Vectren SSO + Gross Receipts Tax
 ■ Supplier Fixed Offers + Sales Tax
 — Linear (Vectren SSO + Gross Receipts Tax)

Vectren SSO vs. Supplier Fixed Offers



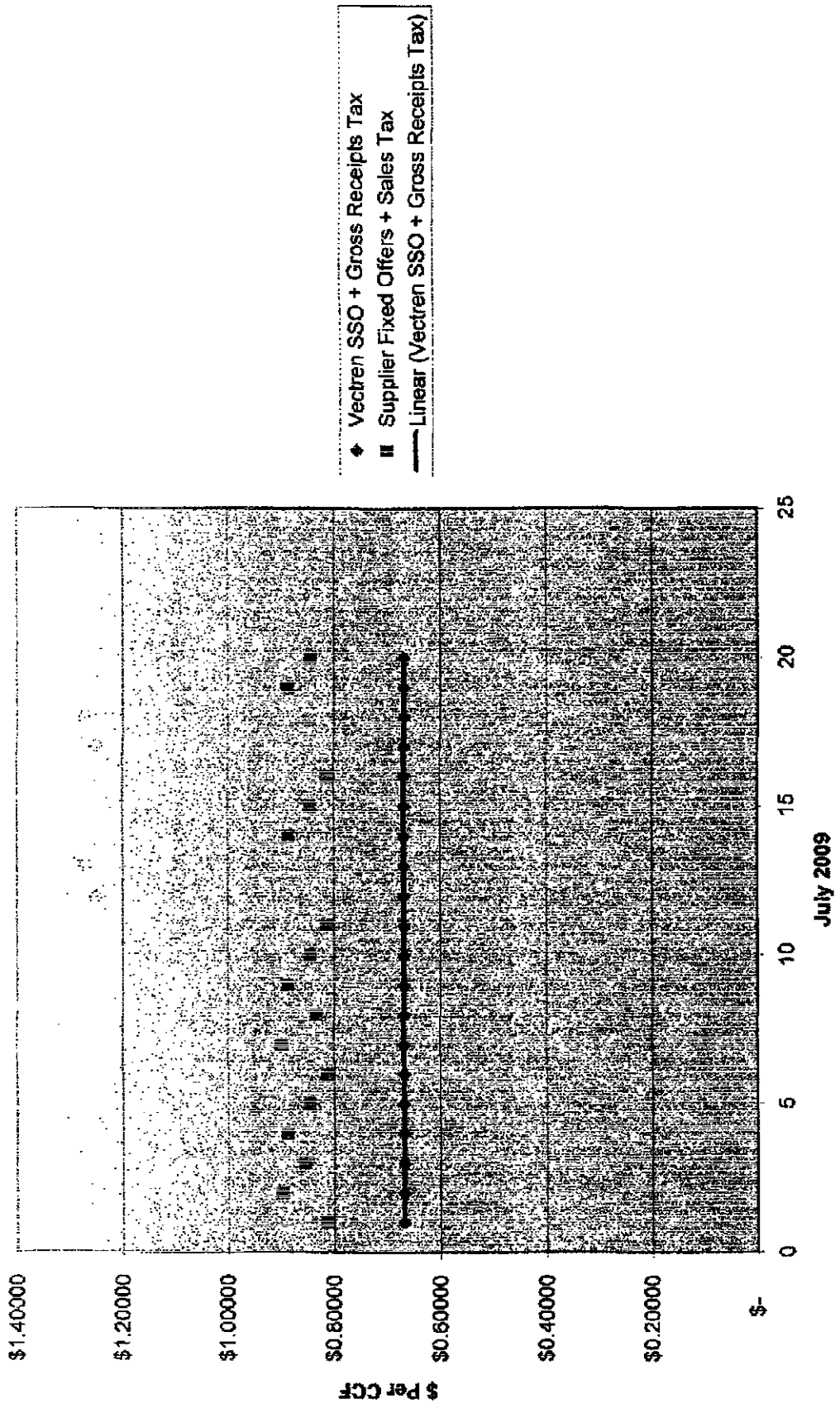
- ◆ Vectren SSO + Gross Receipts Tax
- Supplier Fixed Offers + Sales Tax
- Linear (Vectren SSO + Gross Receipts Tax)

Vectren SSO vs. Supplier Fixed Offers

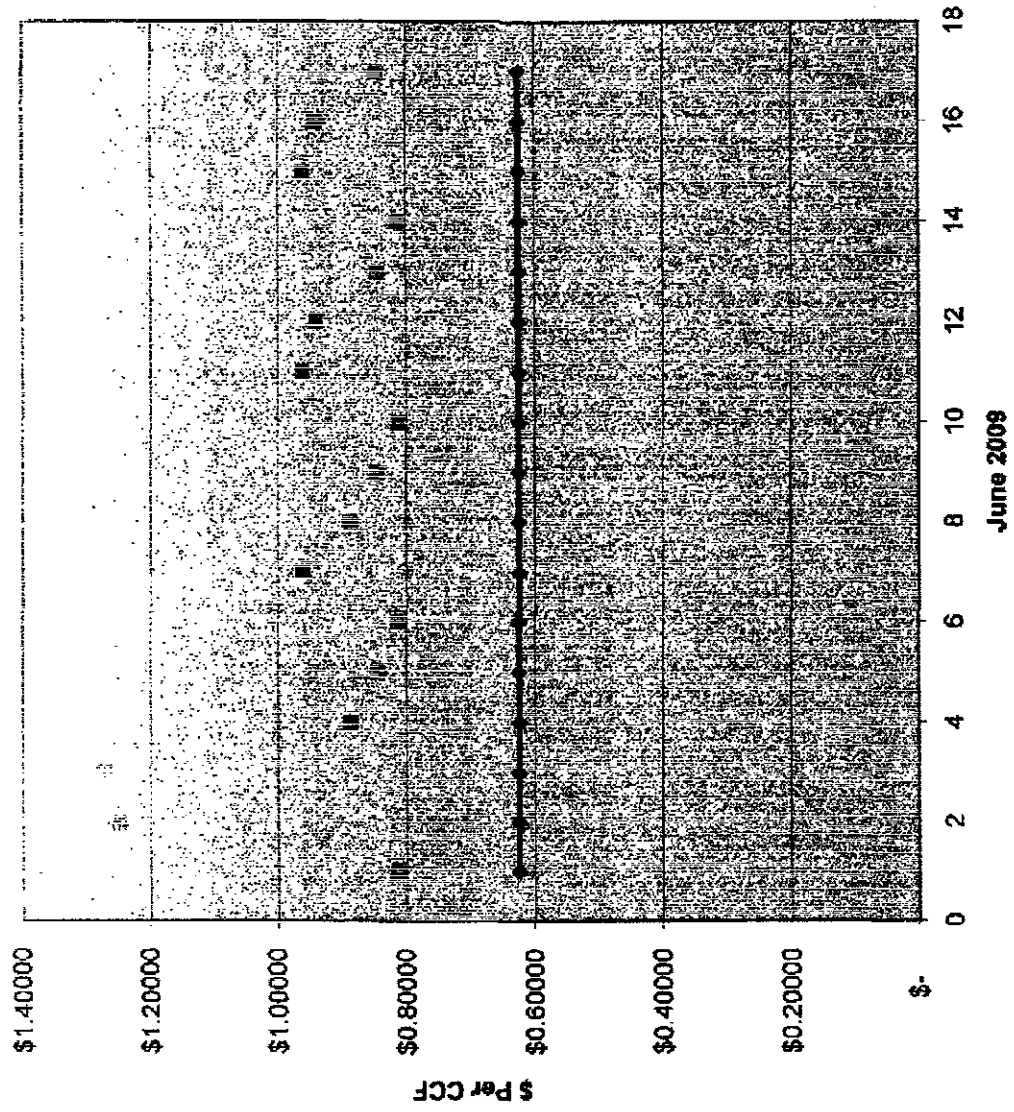


- ◆ Vectren SSO + Gross Receipts Tax
- Supplier Fixed Offers + Sales Tax
- Linear (Vectren SSO + Gross Receipts Tax)

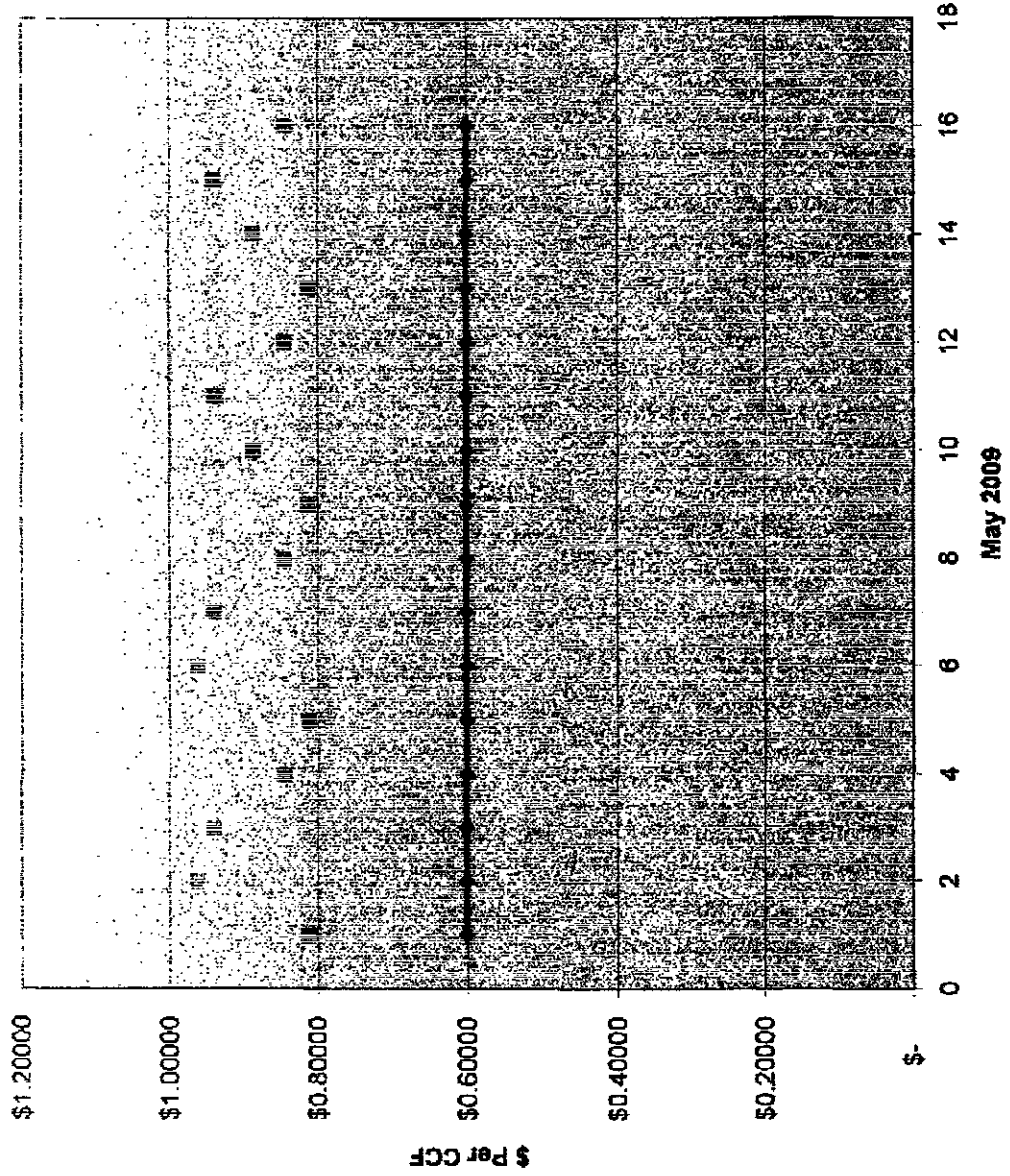
Vectren SSO vs. Supplier Fixed Offers



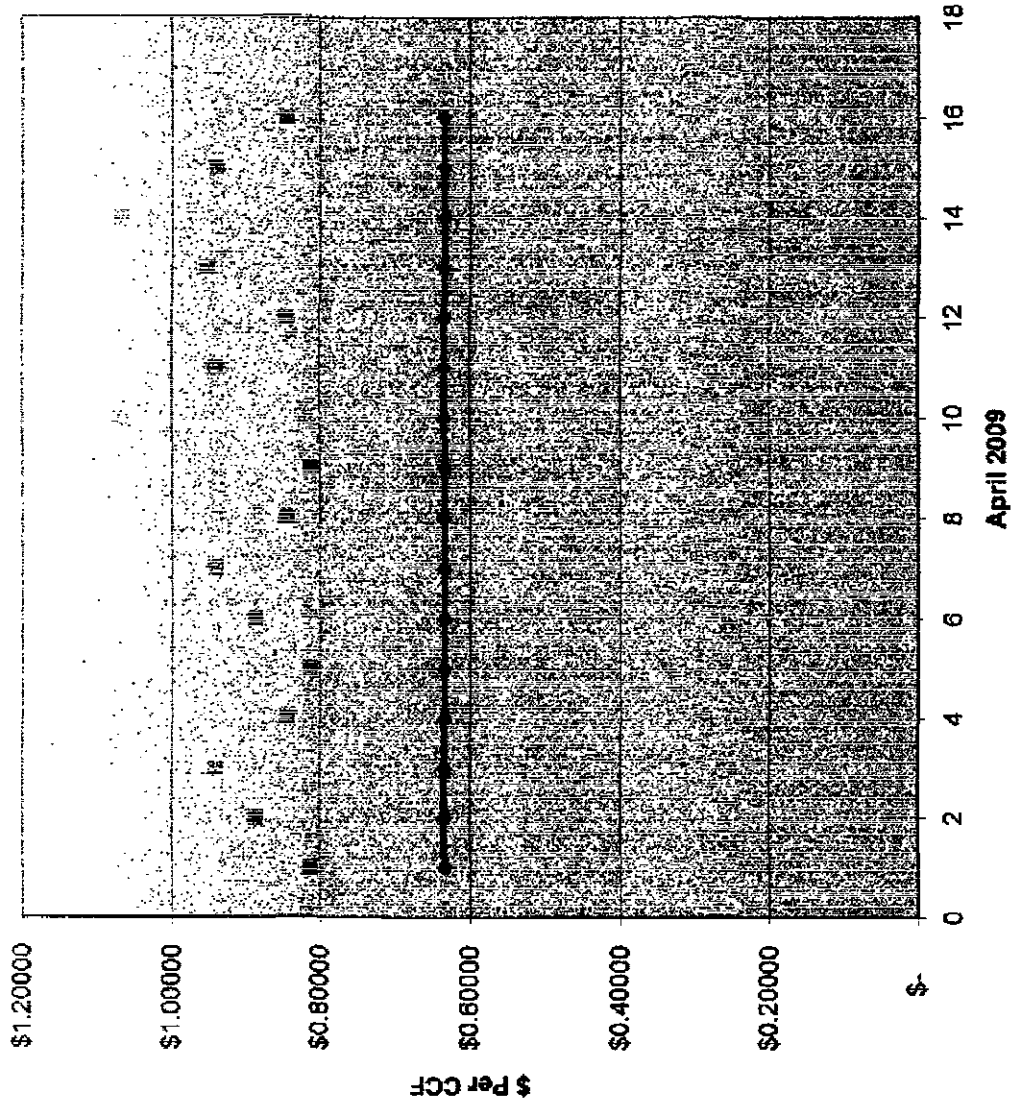
Vectren SSO vs. Supplier Fixed Offers



Vectren SSO vs. Supplier Fixed Offers

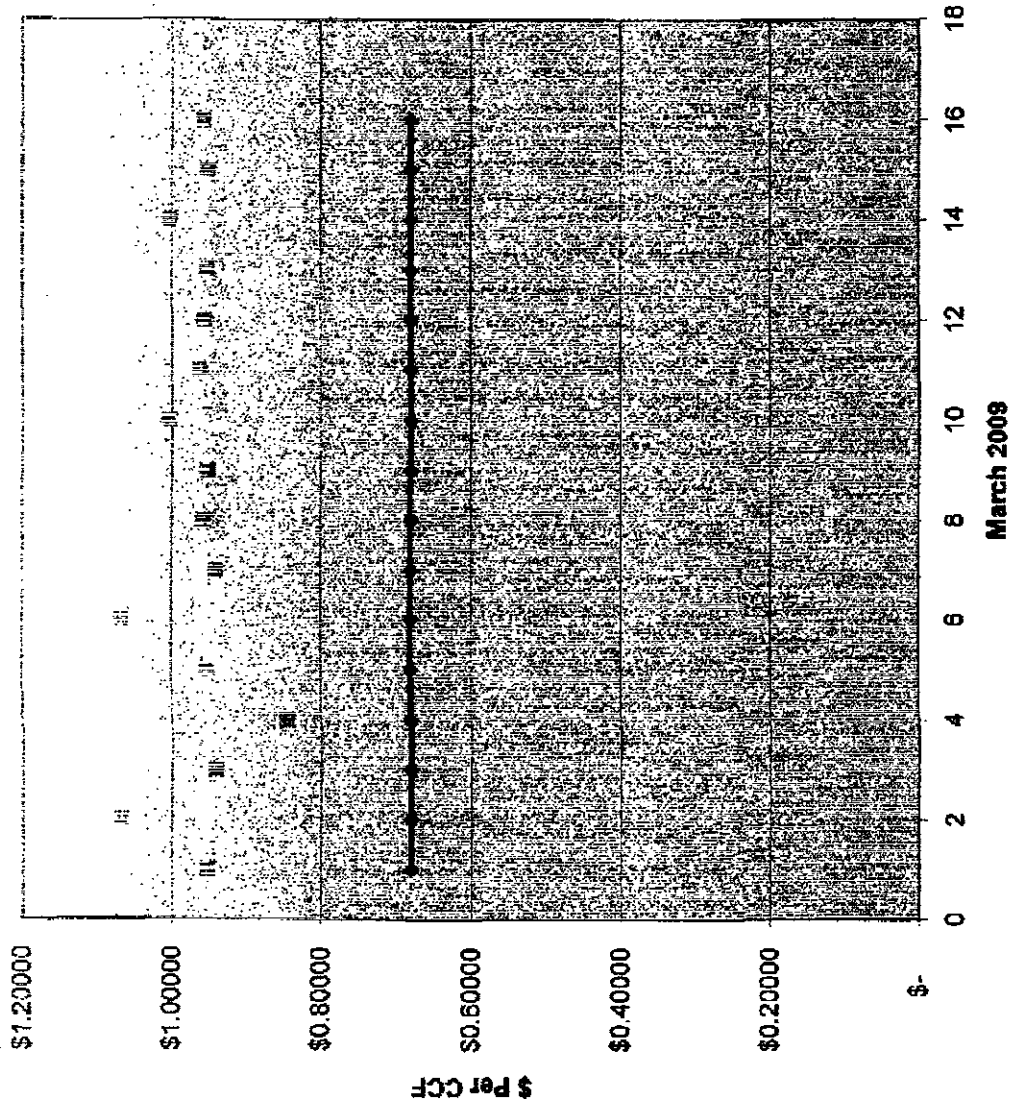


Vectren SSO vs. Supplier Fixed Offers



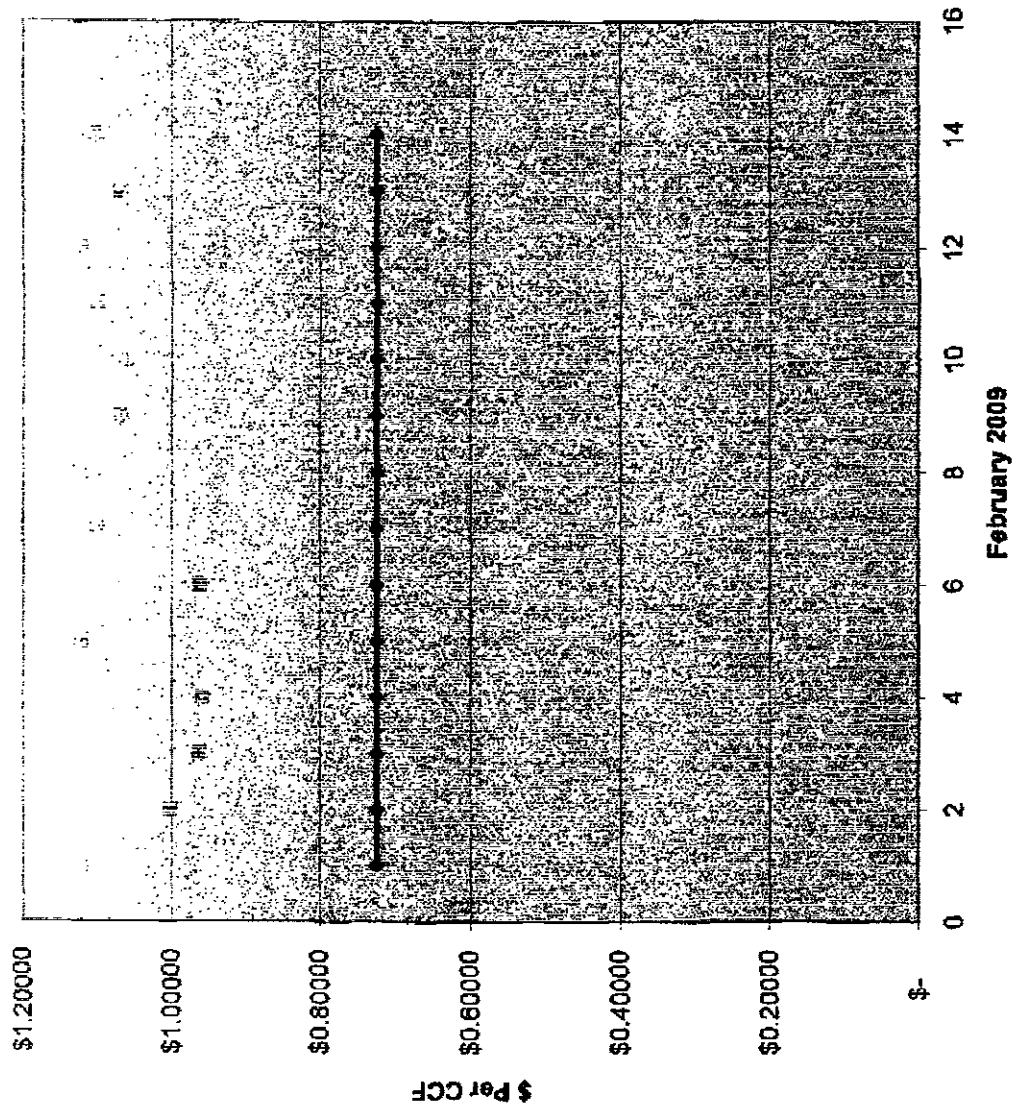
- ♦ Vectren SSO + Gross Receipts Tax
- Supplier Fixed Offers + Sales Tax
- Linear (Vectren SSO + Gross Receipts Tax)

Vectren SSO vs. Supplier Fixed Offers



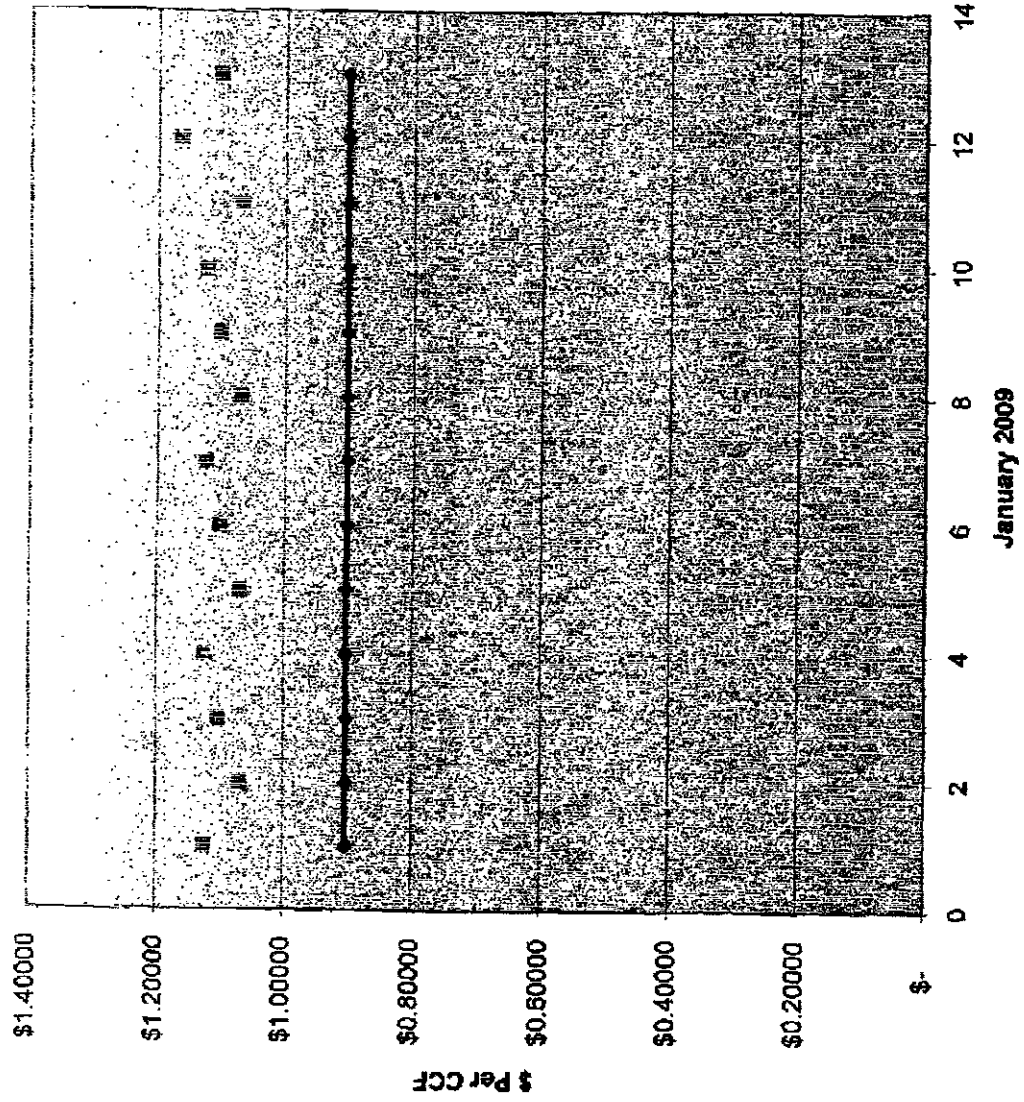
- ◆ Vectren SSO + Gross Receipts Tax
- Supplier Fixed Offers + Sales Tax
- Linear (Vectren SSO + Gross Receipts Tax)

Vectren SSO vs. Supplier Fixed Offers



- ◆ Vectren SSO + Gross Receipts Tax
- ▮ Supplier Fixed Offers + Sales Tax
- Linear (Vectren SSO + Gross Receipts Tax)

Vectren SSO vs. Supplier Fixed Offers



Vectren

Date	Apple to Apple Supplier Fixed Offer Supplier Base Rate per Ccf	Montgomery Co Sales Tax 7%	Supplier Base + Sales Tax	Apple to Apple SSO Rate	Apple to Apple Gross Receipts Tax	SSO Rate + Tax per Ccf	Difference Fixed vs SSO Including Taxes
12/23/2009	\$ 0.76000	\$ 0.05320	\$ 0.81320	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.08733
	\$ 0.94990	\$ 0.06649	\$ 1.01639	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.29052
	\$ 0.89900	\$ 0.06293	\$ 0.96193	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.23606
	\$ 0.69900	\$ 0.04893	\$ 0.74793	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.02206
	\$ 0.82500	\$ 0.05775	\$ 0.88275	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.15688
12/16/2009	\$ 0.76000	\$ 0.05320	\$ 0.81320	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.08733
	\$ 0.94990	\$ 0.06649	\$ 1.01639	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.29052
	\$ 0.89900	\$ 0.06293	\$ 0.96193	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.23606
	\$ 0.69900	\$ 0.04893	\$ 0.74793	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.02206
12/9/2009	\$ 0.79000	\$ 0.05530	\$ 0.84530	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.11943
	\$ 0.76000	\$ 0.05320	\$ 0.81320	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.08733
	\$ 0.89900	\$ 0.06293	\$ 0.96193	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.23606
	\$ 0.79900	\$ 0.05593	\$ 0.85493	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.12906
	\$ 0.69900	\$ 0.04893	\$ 0.74793	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.02206
12/2/2009	\$ 0.79000	\$ 0.05530	\$ 0.84530	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.11943
	\$ 0.76000	\$ 0.05320	\$ 0.81320	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.08733
	\$ 0.89900	\$ 0.06293	\$ 0.96193	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.23606
	\$ 0.79900	\$ 0.05593	\$ 0.85493	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.12906
	\$ 0.69900	\$ 0.04893	\$ 0.74793	\$ 0.69212	\$ 0.03375	\$ 0.72587	0.02206
11/25/2009	\$ 0.76000	\$ 0.05320	\$ 0.81320	\$ 0.67205	\$ 0.03277	\$ 0.70482	0.10838
	\$ 0.89900	\$ 0.06293	\$ 0.96193	\$ 0.67205	\$ 0.03277	\$ 0.70482	0.25711
	\$ 0.79900	\$ 0.05593	\$ 0.85493	\$ 0.67205	\$ 0.03277	\$ 0.70482	0.15011
	\$ 0.73900	\$ 0.05173	\$ 0.79073	\$ 0.67205	\$ 0.03277	\$ 0.70482	0.08591
	\$ 0.79000	\$ 0.05530	\$ 0.84530	\$ 0.67205	\$ 0.03277	\$ 0.70482	0.14048
11/18/2009	\$ 0.76000	\$ 0.05320	\$ 0.81320	\$ 0.67205	\$ 0.03277	\$ 0.70482	0.10838
	\$ 0.89900	\$ 0.06293	\$ 0.96193	\$ 0.67205	\$ 0.03277	\$ 0.70482	0.25711
	\$ 0.79900	\$ 0.05593	\$ 0.85493	\$ 0.67205	\$ 0.03277	\$ 0.70482	0.15011
	\$ 0.73900	\$ 0.05173	\$ 0.79073	\$ 0.67205	\$ 0.03277	\$ 0.70482	0.08591
	\$ 0.79000	\$ 0.05530	\$ 0.84530	\$ 0.67205	\$ 0.03277	\$ 0.70482	0.14048
11/11/2009	\$ 0.76000	\$ 0.05320	\$ 0.81320	\$ 0.67205	\$ 0.03277	\$ 0.70482	0.10838

11/4/2009	\$	0.91890	\$	0.06432	\$	0.98322	\$	0.67205	\$	0.03277	\$	0.70482	0.27840
	\$	0.83900	\$	0.05873	\$	0.89773	\$	0.67205	\$	0.03277	\$	0.70482	0.19291
	\$	0.73900	\$	0.05173	\$	0.79073	\$	0.67205	\$	0.03277	\$	0.70482	0.08591
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.67205	\$	0.03277	\$	0.70482	0.14048
10/28/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.67205	\$	0.03277	\$	0.70482	0.10838
	\$	0.91890	\$	0.06432	\$	0.98322	\$	0.67205	\$	0.03277	\$	0.70482	0.27840
	\$	0.83900	\$	0.05873	\$	0.89773	\$	0.67205	\$	0.03277	\$	0.70482	0.19291
	\$	0.73900	\$	0.05173	\$	0.79073	\$	0.67205	\$	0.03277	\$	0.70482	0.08591
10/21/2009	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.67205	\$	0.03277	\$	0.70482	0.14048
	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.67205	\$	0.03277	\$	0.70482	0.10838
	\$	0.91890	\$	0.06432	\$	0.98322	\$	0.67205	\$	0.03277	\$	0.70482	0.27840
	\$	0.83900	\$	0.05873	\$	0.89773	\$	0.67205	\$	0.03277	\$	0.70482	0.19291
10/14/2009	\$	0.78900	\$	0.05523	\$	0.84423	\$	0.61509	\$	0.03000	\$	0.64509	0.13941
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.61509	\$	0.03000	\$	0.64509	0.14048
	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.61509	\$	0.03000	\$	0.64509	0.16811
	\$	0.82900	\$	0.05803	\$	0.88703	\$	0.61509	\$	0.03000	\$	0.64509	0.33813
10/7/2009	\$	0.75900	\$	0.05313	\$	0.81213	\$	0.61509	\$	0.03000	\$	0.64509	0.25264
	\$	0.78900	\$	0.05523	\$	0.84423	\$	0.61509	\$	0.03000	\$	0.64509	0.19914
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.61509	\$	0.03000	\$	0.64509	0.20021
	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.61509	\$	0.03000	\$	0.64509	0.16811
9/30/2009	\$	0.82900	\$	0.05803	\$	0.88703	\$	0.61509	\$	0.03000	\$	0.64509	0.24194
	\$	0.75900	\$	0.05313	\$	0.81213	\$	0.61509	\$	0.03000	\$	0.64509	0.16704
	\$	0.78900	\$	0.05523	\$	0.84423	\$	0.61509	\$	0.03000	\$	0.64509	0.15634
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.61509	\$	0.03000	\$	0.64509	0.20021
9/23/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.52470	\$	0.02559	\$	0.55029	0.26291
	\$	0.82900	\$	0.05803	\$	0.88703	\$	0.52470	\$	0.02559	\$	0.55029	0.33674
	\$	0.75900	\$	0.05313	\$	0.81213	\$	0.52470	\$	0.02559	\$	0.55029	0.26184
	\$	0.78900	\$	0.05523	\$	0.84423	\$	0.52470	\$	0.02559	\$	0.55029	

9/16/2009	\$	0.74900	\$	0.05243	\$	0.80143	\$	0.52470	\$	0.02559	\$	0.55029	0.25114
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.52470	\$	0.02559	\$	0.55029	0.29501
	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.52470	\$	0.02559	\$	0.55029	0.26291
	\$	0.82900	\$	0.05803	\$	0.88703	\$	0.52470	\$	0.02559	\$	0.55029	0.33674
	\$	0.75900	\$	0.05313	\$	0.81213	\$	0.52470	\$	0.02559	\$	0.55029	0.26184
9/9/2009	\$	0.74900	\$	0.05243	\$	0.80143	\$	0.52470	\$	0.02559	\$	0.55029	0.25114
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.52470	\$	0.02559	\$	0.55029	0.29501
	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.52470	\$	0.02559	\$	0.55029	0.26291
	\$	0.86390	\$	0.06047	\$	0.92437	\$	0.52470	\$	0.02559	\$	0.55029	0.37408
	\$	0.74900	\$	0.05243	\$	0.80143	\$	0.52470	\$	0.02559	\$	0.55029	0.25114
9/2/2009	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.52470	\$	0.02559	\$	0.55029	0.29501
	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.52470	\$	0.02559	\$	0.55029	0.26291
	\$	0.86390	\$	0.06047	\$	0.92437	\$	0.52470	\$	0.02559	\$	0.55029	0.37408
	\$	0.74900	\$	0.05243	\$	0.80143	\$	0.52470	\$	0.02559	\$	0.55029	0.25114
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.52470	\$	0.02559	\$	0.55029	0.29501
8/26/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.52470	\$	0.02559	\$	0.55029	0.26291
	\$	0.86390	\$	0.06047	\$	0.92437	\$	0.52470	\$	0.02559	\$	0.55029	0.37408
	\$	0.74900	\$	0.05243	\$	0.80143	\$	0.52470	\$	0.02559	\$	0.55029	0.25114
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.52470	\$	0.02559	\$	0.55029	0.29501
	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.52470	\$	0.02825	\$	0.60757	0.20563
8/19/2009	\$	0.86390	\$	0.06047	\$	0.92437	\$	0.57932	\$	0.02825	\$	0.60757	0.31680
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.52470	\$	0.02825	\$	0.60757	0.23773
	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.57932	\$	0.02825	\$	0.60757	0.20563
	\$	0.83900	\$	0.05873	\$	0.89773	\$	0.57932	\$	0.02825	\$	0.60757	0.29016
	\$	0.77900	\$	0.05453	\$	0.83353	\$	0.57932	\$	0.02825	\$	0.60757	0.22596
8/12/2009	\$	0.74900	\$	0.05243	\$	0.80143	\$	0.57932	\$	0.02825	\$	0.60757	0.19386
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.57932	\$	0.02825	\$	0.60757	0.23773
	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.57932	\$	0.02825	\$	0.60757	0.20563
	\$	0.83900	\$	0.05873	\$	0.89773	\$	0.57932	\$	0.02825	\$	0.60757	0.29016
	\$	0.77900	\$	0.05453	\$	0.83353	\$	0.57932	\$	0.02825	\$	0.60757	0.22596
8/5/2009	\$	0.74900	\$	0.05243	\$	0.80143	\$	0.57932	\$	0.02825	\$	0.60757	0.19386
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.57932	\$	0.02825	\$	0.60757	0.23773
	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.57932	\$	0.02825	\$	0.60757	0.20563
	\$	0.83900	\$	0.05873	\$	0.89773	\$	0.57932	\$	0.02825	\$	0.60757	0.29016
	\$	0.77900	\$	0.05453	\$	0.83353	\$	0.57932	\$	0.02825	\$	0.60757	0.22596
7/29/2009	\$	0.74900	\$	0.05243	\$	0.80143	\$	0.57932	\$	0.02825	\$	0.60757	0.19386
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.57932	\$	0.02825	\$	0.60757	0.23773
	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.57932	\$	0.02825	\$	0.60757	0.20563
	\$	0.83900	\$	0.05873	\$	0.89773	\$	0.57932	\$	0.02825	\$	0.60757	0.29016
	\$	0.77900	\$	0.05453	\$	0.83353	\$	0.57932	\$	0.02825	\$	0.60757	0.22596
	\$	0.82900	\$	0.05803	\$	0.88703	\$	0.57932	\$	0.02825	\$	0.60757	0.27946
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.57932	\$	0.02825	\$	0.60757	0.23773

7/22/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.63740	\$	0.03108	\$	0.66848	0.14472
	\$	0.83900	\$	0.05873	\$	0.89773	\$	0.63740	\$	0.03108	\$	0.66848	0.22925
	\$	0.79900	\$	0.05593	\$	0.85493	\$	0.63740	\$	0.03108	\$	0.66848	0.18645
	\$	0.82900	\$	0.05803	\$	0.88703	\$	0.63740	\$	0.03108	\$	0.66848	0.21855
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.63740	\$	0.03108	\$	0.66848	0.17682
7/15/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.63740	\$	0.03108	\$	0.66848	0.14472
	\$	0.83900	\$	0.05873	\$	0.89773	\$	0.63740	\$	0.03108	\$	0.66848	0.22925
	\$	0.77900	\$	0.05453	\$	0.83353	\$	0.63740	\$	0.03108	\$	0.66848	0.16505
	\$	0.82900	\$	0.05803	\$	0.88703	\$	0.63740	\$	0.03108	\$	0.66848	0.21855
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.63740	\$	0.03108	\$	0.66848	0.17682
7/8/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.63740	\$	0.03108	\$	0.66848	0.14472
	\$	1.16900	\$	0.08183	\$	1.25083	\$	0.63740	\$	0.03108	\$	0.66848	0.58235
	\$	1.19000	\$	0.08330	\$	1.27330	\$	0.63740	\$	0.03108	\$	0.66848	0.60482
	\$	0.82800	\$	0.05796	\$	0.88596	\$	0.63740	\$	0.03108	\$	0.66848	0.21748
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.63740	\$	0.03108	\$	0.66848	0.17682
7/1/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.63740	\$	0.03108	\$	0.66848	0.14472
	\$	1.16900	\$	0.08183	\$	1.25083	\$	0.63740	\$	0.03108	\$	0.66848	0.58235
	\$	1.19000	\$	0.08330	\$	1.27330	\$	0.63740	\$	0.03108	\$	0.66848	0.60482
	\$	0.82900	\$	0.05803	\$	0.88703	\$	0.63740	\$	0.03108	\$	0.66848	0.21855
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.63740	\$	0.03108	\$	0.66848	0.17682
6/17/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.59552	\$	0.02904	\$	0.62456	0.18864
	\$	1.16900	\$	0.08183	\$	1.25083	\$	0.59552	\$	0.02904	\$	0.62456	0.62627
	\$	1.19000	\$	0.08330	\$	1.27330	\$	0.59552	\$	0.02904	\$	0.62456	0.64874
	\$	0.82900	\$	0.05803	\$	0.88703	\$	0.59552	\$	0.02904	\$	0.62456	0.26247
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.59552	\$	0.02904	\$	0.62456	0.22074
6/10/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.59552	\$	0.02904	\$	0.62456	0.18864
	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.59552	\$	0.02904	\$	0.62456	0.33737
	\$	0.82900	\$	0.05803	\$	0.88703	\$	0.59552	\$	0.02904	\$	0.62456	0.26247
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.59552	\$	0.02904	\$	0.62456	0.22074
6/3/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.59552	\$	0.02904	\$	0.62456	0.18864
	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.59552	\$	0.02904	\$	0.62456	0.33737
	\$	0.87900	\$	0.06153	\$	0.94053	\$	0.59552	\$	0.02904	\$	0.62456	0.31597
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.59552	\$	0.02904	\$	0.62456	0.22074
5/27/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.59552	\$	0.02904	\$	0.62456	0.18864
	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.59552	\$	0.02904	\$	0.62456	0.33737
	\$	0.87900	\$	0.06153	\$	0.94053	\$	0.59552	\$	0.02904	\$	0.62456	0.31597
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.59552	\$	0.02904	\$	0.62456	0.22074

5/20/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.57341	\$	0.02796	\$	0.60137	0.21183
	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.57341	\$	0.02796	\$	0.60137	0.36056
	\$	0.87900	\$	0.06153	\$	0.94053	\$	0.57341	\$	0.02796	\$	0.60137	0.33916
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.57341	\$	0.02796	\$	0.60137	0.24393
5/13/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.57341	\$	0.02796	\$	0.60137	0.21183
	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.57341	\$	0.02796	\$	0.60137	0.36056
	\$	0.87900	\$	0.06153	\$	0.94053	\$	0.57341	\$	0.02796	\$	0.60137	0.33916
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.57341	\$	0.02796	\$	0.60137	0.24393
5/6/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.57341	\$	0.02796	\$	0.60137	0.21183
	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.57341	\$	0.02796	\$	0.60137	0.36056
	\$	0.87900	\$	0.06153	\$	0.94053	\$	0.57341	\$	0.02796	\$	0.60137	0.33916
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.57341	\$	0.02796	\$	0.60137	0.24393
4/29/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.57341	\$	0.02796	\$	0.60137	0.21183
	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.57341	\$	0.02796	\$	0.60137	0.36056
	\$	0.87900	\$	0.06153	\$	0.94053	\$	0.57341	\$	0.02796	\$	0.60137	0.33916
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.57341	\$	0.02796	\$	0.60137	0.24393
4/22/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.60500	\$	0.02950	\$	0.63450	0.17870
	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.60500	\$	0.02950	\$	0.63450	0.25253
	\$	0.87900	\$	0.06153	\$	0.94053	\$	0.60500	\$	0.02950	\$	0.63450	0.30603
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.60500	\$	0.02950	\$	0.63450	0.21080
4/15/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.60500	\$	0.02950	\$	0.63450	0.17870
	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.60500	\$	0.02950	\$	0.63450	0.25253
	\$	0.87900	\$	0.06153	\$	0.94053	\$	0.60500	\$	0.02950	\$	0.63450	0.30603
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.60500	\$	0.02950	\$	0.63450	0.21080
4/8/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.60500	\$	0.02950	\$	0.63450	0.17870
	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.60500	\$	0.02950	\$	0.63450	0.25253
	\$	0.87900	\$	0.06153	\$	0.94053	\$	0.60500	\$	0.02950	\$	0.63450	0.30603
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.60500	\$	0.02950	\$	0.63450	0.21080
4/1/2009	\$	0.76000	\$	0.05320	\$	0.81320	\$	0.60500	\$	0.02950	\$	0.63450	0.17870
	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.60500	\$	0.02950	\$	0.63450	0.25253
	\$	0.87900	\$	0.06153	\$	0.94053	\$	0.60500	\$	0.02950	\$	0.63450	0.30603
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.60500	\$	0.02950	\$	0.63450	0.21080
3/18/2009	\$	0.89000	\$	0.06230	\$	0.95230	\$	0.64831	\$	0.03162	\$	0.67993	0.27237
	\$	0.99900	\$	0.06993	\$	1.06893	\$	0.64831	\$	0.03162	\$	0.67993	0.38900
	\$	0.87900	\$	0.06153	\$	0.94053	\$	0.64831	\$	0.03162	\$	0.67993	0.26060
	\$	0.79000	\$	0.05530	\$	0.84530	\$	0.64831	\$	0.03162	\$	0.67993	0.16537
3/11/2009	\$	0.89000	\$	0.06230	\$	0.95230	\$	0.64831	\$	0.03162	\$	0.67993	0.27237

3/4/2009	\$	0.99900	\$	0.06993	\$	1.06893	\$	0.64831	\$	0.03162	\$	0.67993	0.38900
	\$	0.87900	\$	0.06153	\$	0.94053	\$	0.64831	\$	0.03162	\$	0.67993	0.26060
	\$	0.89500	\$	0.06265	\$	0.95765	\$	0.64831	\$	0.03162	\$	0.67993	0.27772
	\$	0.89000	\$	0.06230	\$	0.95230	\$	0.64831	\$	0.03162	\$	0.67993	0.27237
2/25/2009	\$	0.93700	\$	0.06559	\$	1.00259	\$	0.64831	\$	0.03162	\$	0.67993	0.32266
	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.64831	\$	0.03162	\$	0.67993	0.28200
	\$	0.89500	\$	0.06265	\$	0.95765	\$	0.64831	\$	0.03162	\$	0.67993	0.27772
	\$	0.89000	\$	0.06230	\$	0.95230	\$	0.64831	\$	0.03162	\$	0.67993	0.27237
2/18/2009	\$	0.93700	\$	0.06559	\$	1.00259	\$	0.64831	\$	0.03162	\$	0.67993	0.32266
	\$	0.88900	\$	0.06223	\$	0.95123	\$	0.64831	\$	0.03162	\$	0.67993	0.27130
	\$	0.89500	\$	0.06265	\$	0.95765	\$	0.64831	\$	0.03162	\$	0.67993	0.27772
	\$	1.05000	\$	0.07350	\$	1.12350	\$	0.69110	\$	0.03370	\$	0.72480	0.39870
2/11/2009	\$	0.93700	\$	0.06559	\$	1.00259	\$	0.69110	\$	0.03370	\$	0.72480	0.27779
	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.69110	\$	0.03370	\$	0.72480	0.23713
	\$	0.89500	\$	0.06265	\$	0.95765	\$	0.69110	\$	0.03370	\$	0.72480	0.23285
	\$	1.05000	\$	0.07350	\$	1.12350	\$	0.69110	\$	0.03370	\$	0.72480	0.39870
2/4/2009	\$	0.89900	\$	0.06293	\$	0.96193	\$	0.69110	\$	0.03370	\$	0.72480	0.23713
	\$	1.03000	\$	0.07210	\$	1.10210	\$	0.69110	\$	0.03370	\$	0.72480	0.37730
	\$	1.05000	\$	0.07350	\$	1.12350	\$	0.69110	\$	0.03370	\$	0.72480	0.39870
	\$	0.99900	\$	0.06993	\$	1.06893	\$	0.69110	\$	0.03370	\$	0.72480	0.34413
1/28/2009	\$	0.99900	\$	0.06993	\$	1.06893	\$	0.69110	\$	0.03370	\$	0.72480	0.34413
	\$	1.03000	\$	0.07210	\$	1.10210	\$	0.69110	\$	0.03370	\$	0.72480	0.37730
	\$	1.05000	\$	0.07350	\$	1.12350	\$	0.86026	\$	0.04195	\$	0.90221	0.22129
	\$	0.99900	\$	0.06993	\$	1.06893	\$	0.86026	\$	0.04195	\$	0.90221	0.16672
1/21/2009	\$	1.03000	\$	0.07210	\$	1.10210	\$	0.86026	\$	0.04195	\$	0.90221	0.19989
	\$	1.05000	\$	0.07350	\$	1.12350	\$	0.86026	\$	0.04195	\$	0.90221	0.22129
	\$	0.99900	\$	0.06993	\$	1.06893	\$	0.86026	\$	0.04195	\$	0.90221	0.16672
	\$	1.03000	\$	0.07210	\$	1.10210	\$	0.86026	\$	0.04195	\$	0.90221	0.19989
1/14/2009	\$	1.05000	\$	0.07350	\$	1.12350	\$	0.86026	\$	0.04195	\$	0.90221	0.22129
	\$	0.99900	\$	0.06993	\$	1.06893	\$	0.86026	\$	0.04195	\$	0.90221	0.16672
	\$	1.03000	\$	0.07210	\$	1.10210	\$	0.86026	\$	0.04195	\$	0.90221	0.19989
	\$	1.05000	\$	0.07350	\$	1.12350	\$	0.86026	\$	0.04195	\$	0.90221	0.22129
1/7/2009	\$	0.99900	\$	0.06993	\$	1.06893	\$	0.86026	\$	0.04195	\$	0.90221	0.16672
	\$	1.03000	\$	0.07210	\$	1.10210	\$	0.86026	\$	0.04195	\$	0.90221	0.19989
	\$	1.05000	\$	0.07350	\$	1.12350	\$	0.86026	\$	0.04195	\$	0.90221	0.22129
	\$	0.99900	\$	0.06993	\$	1.06893	\$	0.86026	\$	0.04195	\$	0.90221	0.16672
12/31/2009	\$	1.03000	\$	0.07210	\$	1.10210	\$	0.86026	\$	0.04195	\$	0.90221	0.22129
	\$	1.05000	\$	0.07350	\$	1.12350	\$	0.86026	\$	0.04195	\$	0.90221	0.16672
	\$	0.99900	\$	0.06993	\$	1.06893	\$	0.86026	\$	0.04195	\$	0.90221	0.19989
	\$	1.08900	\$	0.07623	\$	1.16523	\$	0.86026	\$	0.04195	\$	0.90221	0.26302

The central Ohio group has suffered from imprudent decisions and a lack of scrutiny from residents, The Dispatch has found.

Huffman, owner of Huffman's Market, wants to know why city leaders didn't publicize the higher costs. If he had known, he might have decided to get his gas from Columbia.

"You should be transparent about that stuff," he said.

At least he knew he was in the program. There is evidence that some residents don't know about the gas contract. The opt-out process for enrollment means everyone is in unless they mail in a form saying otherwise.

"It's not like we can get the lowest rate," said Dottie Franey, deputy director of public service for Gahanna. "All we can guarantee is that we are genuinely trying to get as competitive a rate as possible."

During the past four years, the unfavorable rates mean that participating households paid an average of \$364 more than if they had bought gas from Columbia. The figure is based on average monthly usage in Columbia territory multiplied by the difference in rates.

That difference, multiplied by the number of households in the group each year, adds up to overpayments of \$9.7 million, according to an analysis of data provided by AMP-Ohio. The number of households has varied little, from a current high of 28,560 to a low of 25,500 at the end of 2007.

A fifth city, Grandview Heights, joined in January, so it wasn't part of the group in the years with the greatest losses.

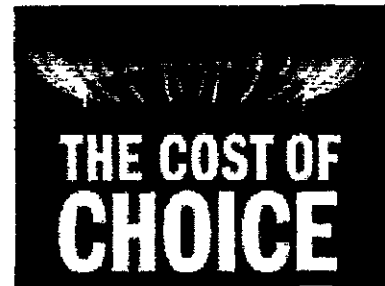
"No one has ever said about this program that we will guarantee the lowest price," said Kent Carson, spokesman for AMP-Ohio, which is based in Columbus. "It does bring predictability and stability to a price, and the other thing is that people who sign up can get out whenever they want. It's just one more option that is out there for consumers."

Doug Austin, IGS Energy vice president, said it's easy to criticize the rates in hindsight, but they were the best available when they were negotiated. He provided documentation to demonstrate this.

"We give them price protection at a reduced rate," he said.

'Impressive record'

More than 150 local governments in Ohio have signed gas contracts, referred to by regulators as "municipal aggregation."



- Columbia Gas' rate often best
Sunday, May 3, 2009
- Graphic: Costlier gas
Sunday, May 3, 2009
- Persistent telemarketers press for gas contracts, and customers pay more
Sunday, May 3, 2009
- Some businesses saving money
Sunday, May 3, 2009
- Graphic: How natural gas is processed, sold and delivered
Sunday, May 3, 2009
- Gas consortium not paying off
Monday, May 4, 2009
- Graphic: Expensive gas
Monday, May 4, 2009

The largest such group, by far, is in northeastern Ohio, including Cleveland. Some residents have grumbled about the group's rates in recent years, although its current rates are clearly lower than the central Ohio group's. However, the regional differences and the different sizes of the groups make any comparison difficult.

The Office of the Ohio Consumers' Counsel promotes these deals as a way for customers to save money. "Ohio's aggregation record is impressive," says a fact sheet on the office's Web site.

Alan Schriber, chairman of the Public Utilities Commission of Ohio, offered this qualified endorsement of aggregation:

"To the extent it has worked, it has worked really well," he said.

The Dispatch could not find any example of a public official warning that these contracts might be a bad deal, either in general or specifically about the central Ohio group. Instead, officials repeatedly have highlighted the possibility of savings. This began six years ago when the central Ohio cities asked voters to approve the gas plans. "There really is not a down side to it," said David Ball, spokesman for the city of Dublin, in 2003. He called it a "no-brainer" for voters to approve the gas referendum.

That same year, Greg Slone of AMP-Ohio said the goal of the program was "to save money for the residents." He was speaking at a meeting in Upper Arlington about the program, quoted in Upper Arlington ThisWeek newspaper.

City officials said they have relied on AMP-Ohio for good advice and almost always went with the broker's recommendations. They said the broker has not provided them with specifics about the aggregate costs.

"They're sort of the experts," said Bill Harvey, Bexley service director. "They suggest to buy or not to buy, and we sort of say yes or no."

In its 52 months of existence, the consortium has had a higher rate than Columbia for 32 months, sometimes much higher. Of the 19 months when customers came out ahead, nine were in the group's first year.

But city officials get little feedback from residents, positive or negative.

"We get a few calls at the end of the year when the notices go out, but other than that, we don't get much in the way of calls about it," Harvey said.

Middle man's commission

While participants lose money, AMP-Ohio gets a commission from IGS Energy that has reached a total of \$627,000, AMP-Ohio said. The estimated monthly share of the commission paid to the broker was greater than the savings achieved by customers in 33 out of 52 months. (The broker's share is 0.5 cents per 100 cubic feet of natural gas used by customers.)

Local officials say they were unsure how the commission system worked, although they knew AMPOhio got a share.

- Gas free-for-all possible in Ohio Tuesday, May 5, 2009

- Complete series

Some residents understand gas prices well enough to know the consortium didn't offer a good deal. One of those people is Jack Partridge of Dublin, president of Columbia Gas. He is an outspoken supporter of the right of cities to buy gas in bulk, although he switched out of the aggregated plan when he saw that the rate wasn't competitive. "It's a function of economics," he said.

He added that he doesn't like the opt-out system for enrolling new members. This method, which was approved by voters when the consortium was created, probably is confusing to many customers, he said.

Robert Moore, 81, of Upper Arlington, said he trusts city leaders to get a good deal.

"We have a good City Council up here," he said. "They're good folks. They're honest, and they're trying to get the best price all the time."

Each fall, the city sends residents a letter with the new rate and to remind them of the opportunity to opt out. In October, the letter said that the new rate, \$1.12 per 100 cubic feet of natural gas, was less expensive than any fixed-rate contract that was available as of Oct. 1. That was true, although by mid-October, two marketers were offering deals that were about the same or better.

That means that any customer could have signed up for a deal similar to the one the consortium got, even though the group's bulkbuying clout is supposed to give it a better price.

dgearino@dispatch.com

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EXHIBIT 11

FILE

36

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Columbia Gas of Ohio, Inc. for Approval of)
a General Exemption of Certain Natural Gas)
Commodity Sales Services or Ancillary) Case No. 08-1344-GA-EXM
Services from Chapters 4905, 4909, and)
4935 except Sections 4905.10, 4935.01 and)
4935.03, and from specified sections of)
Chapter 4933 of the Revised Code)

**DIRECT TESTIMONY
of
GREGORY SLONE**

RECEIVED-DOCKETING DIV
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PUCO

**On Behalf of
The Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
(614) 466-8574**

July 8, 2011

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accurate and complete reproduction of a case file
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CERTIFICATE OF SERVICE

ATTACHMENTS

Attachment GS-1	SSO and Gas Marketer Rate Comparison
Attachment GS-2	Columbia Residential Choice Customer Totals
Attachment GS-3	Percent of Eligible Choice Customers – Columbia
Attachment GS-4	Percent of Active Customers to Eligible Customers
Attachment GS-5	National Annual Natural Gas Price to Ohio Annual Natural Gas Price 2000 – 2010
Attachment GS-6	National Annual Natural Gas Price to Ohio Annual Natural Gas Price 1984 – 2010
Attachment GS-7	Percent of Residential Choice Customers by Largest Marketers
Attachment GS-8	Columbia Gas of Ohio Natural Gas Customer Choice Program Data – May 2011
Attachment GS-9	Natural Gas Price Comparison – National, Ohio, and Georgia
Attachment GS-10	Dominion Retail Response OCC Interrogatory No. 22
Attachment GS-11	Ohio Gas Marketers Group Response to OCC Interrogatory No. 22
Attachment GS-12	SSO and Gas Marketer Variable Rate Offers

*Direct Testimony of Gregory Slone
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No 08-1344-GA-EXM*

1 **I. INTRODUCTION**

2

3 **Q1. PLEASE STATE YOUR NAME, ADDRESS AND POSITION.**

4 **A1.** My name is Gregory Slone. My business address is 10 West Broad Street, Suite
5 1800, Columbus, Ohio 43215-3485. I am employed by the Office of the Ohio
6 Consumers' Counsel ("OCC" or "Consumers' Counsel") as a Senior Energy
7 Analyst.

8

9 **Q2. WOULD YOU PLEASE BRIEFLY SUMMARIZE YOUR EDUCATIONAL**
10 **AND PROFESSIONAL EXPERIENCE?**

11 **A2.** I joined the OCC in May 2010 as a Senior Energy Analyst. Prior to joining the
12 OCC, I served as vice president of generation services for American Municipal
13 Power, Inc. ("AMP"), where I was responsible for the daily operations of the
14 company's electric generating plants, which included negotiating all the
15 commodity contracts for purchasing and selling coal, natural gas and emission
16 allowances. I also developed and directed AMP's natural gas and electric
17 aggregation consulting business. As General Manager of the aggregation
18 business, I negotiated consulting services contracts with more than forty
19 municipalities throughout Ohio. These services included negotiating price, terms
20 and conditions for gas and electric supply with the retail gas and electric service
21 providers ("Marketers").

22

*Direct Testimony of Gregory Slone
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No 08-1344-GA-EXM*

1 Prior to AMP, I worked for many years for Columbia Gas of Ohio, Inc.
2 ("Columbia" or "the Company"), serving in a number of sales and marketing
3 positions, including director of sales for the Company. During my employment at
4 Columbia, I was responsible for interfacing with customers and retail natural gas
5 marketers on issues related to gas costs, gas supply, rates (including sales and
6 transportation). In addition, I negotiated special contracts with major industrial
7 accounts due to competitive market issues.

8
9 I received my bachelor's degree in civil engineering from The Ohio State
10 University in 1977, and was awarded the status of a certified chartered industrial
11 gas consultant from the Gas Technology Institute in Chicago, Illinois in 1984.

12
13 ***Q3. WHAT ARE YOUR RESPONSIBILITIES AS A SENIOR ENERGY ANALYST***
14 ***FOR THE OCC?***

15 ***A3.*** My duties include research, investigation and analysis of utility filings at the state
16 and federal levels, participation in special projects and assistance in policy
17 development and implementation. Specifically, I provide policy and technical
18 analysis on both natural gas and electric utility filings with the Public Utilities
19 Commission of Ohio ("PUCO" or "the Commission"), including Gas Cost
20 Recovery Audits, Long Term Forecast Reports, Infrastructure Replacement
21 Programs and Rate Cases.

1 ***Q4. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE THIS***
2 ***COMMISSION?***

3 ***A4.*** Yes, I testified in the *Northeast Ohio Natural Gas Corporation*, Case No. 10-209-
4 *GA-GCR* and the *Orwell Natural Gas Company*, Case No. 10-212-GA-GCR.

5

6 ***Q5. WHAT DOCUMENTS HAVE YOU REVIEWED IN THE PREPARATION OF***
7 ***YOUR TESTIMONY?***

8 ***A5.*** I have reviewed and compared Columbia Gas of Ohio's historical natural gas
9 rates and weekly natural gas Marketer Choice rates for the period of April 1, 2010
10 through June 17, 2011. I also reviewed Columbia's Application and Exhibits and
11 responses to discovery in this case. In addition, I reviewed information on the
12 U.S. Energy Information Administration website concerning retail unbundling.
13 Finally, I have reviewed customer Choice data and Marketer pricing options since
14 the start of the Standard Service Offer period.

15

16 ***II. PURPOSE OF TESTIMONY***

17

18 ***Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS***
19 ***PROCEEDING?***

20 ***A6.*** The purpose of my testimony is to demonstrate that Columbia's Standard Service
21 Offer ("SSO") wholesale auction rate has been a benefit to residential customers
22 because it has consistently been one of the lowest rates available to residential
23 Choice customers in Columbia's service territory since the start of the wholesale

SSO auction on April 1, 2010. The SSO wholesale auction rate should be retained as an option for residential customer Choice participants, instead of the proposed alternative Standard Choice Offer ("SCO") retail auction rate.

III. AN SCO AUCTION PRODUCES NO OBJECTIVE, TANGIBLE AND/OR QUANTIFIABLE BENEFITS FOR CUSTOMERS.

Q7. WHAT IS THE DIFFERENCE BETWEEN THE SSO WHOLESALE AUCTION RATE AND THESCO RETAIL AUCTION RATE?

A7. In the SSO wholesale auction, Marketers bid for a generic slice, or tranche, of the eligible Columbia Choice market. The customers in that tranche are considered wholesale customers -- served by Columbia -- and thus pay the state gross receipts tax of 4.75%. On the other hand, in an SCO retail auction actual customers are assigned to the tranche that a Marketer bids for -- and the assigned customers become retail customers of that Marketer. Moreover, in an SCO retail auction, the customers have to pay the state and local sales tax rate, which varies by county, from 6.0% to 7.75%.¹ Finally, in an SCO retail auction, the Marketer's name appears on the customers' bill.

¹ Ohio Department of Taxation -- Total State and Local Sales Tax rates, By County, Effective October 2010.

1 **Q8. ARE YOU CONCERNED THAT NOT HAVING AN SSO OFFER FROM**
2 **COLUMBIA WILL INCREASE COSTS TO RESIDENTIAL CONSUMERS?**

3 **A8.** Yes. The SSO rate provides a tangible benefit for residential customers in the
4 form of a lower cost alternative to the Choice program. This benefit is especially
5 important for residential customers who have made the decision not to participate
6 in the Choice program for reasons such as they do not like the Choice program or
7 because they do not understand it. Since September 2010, the wholesale SSO rate
8 has typically been the lowest rate available -- fixed or variable -- in any given
9 month. Not having the SSO option would force residential customers, at the very
10 least, to pay higher taxes under the SCO as well as potentially higher gas rates
11 under the Choice program. In addition, based on the historical pricing data I
12 reviewed, it appears that the lowest variable rate offers from gas Marketers have
13 been structured to compete with Columbia's SSO rate, as these offers typically
14 trended with the monthly up and down movements of the SSO rate. Without the
15 SSO rate option, I am concerned that residential customers will be forced to take
16 the higher SCO retail rate or the variable price Choice offers that will increase the
17 price Columbia's customers pay for natural gas.

1 ***Q9. SHOULD THE WHOLESALE AUCTION AND THE CORRESPONDING***
2 ***SSO RATE BE RETAINED?***

3 ***A9.*** Yes, it is evident that a majority of Columbia's residential Choice eligible
4 customers want the option of the regulated wholesale Company SSO rate.

5

6 ***Q10. WHAT EVIDENCE HAVE YOU OBSERVED THAT SUPPORTS THIS***
7 ***POSITION?***

8 ***A10.*** Currently over 59 percent of Columbia's eligible Choice customers² are served by
9 the SSO rate. These customers made a decision to stay with the regulated
10 Columbia offer, rather than sign up with a gas Marketer. Through their non-
11 participation in the Choice program, the majority of Columbia's customers have
12 indicated that they do not like the Choice program or do not understand it. In
13 either case, the SSO rate provides a low-cost regulated alternative. Over the past
14 ten years, the number of customers that have opted to stay with the utility instead
15 of signing with a Marketer has remained relatively stable. In fact, since 2003, the
16 Choice participation rate has actually declined from 45% to 40% as shown on
17 Attachment GS-3.³ This would seem to indicate some preference for the
18 regulated Company SSO rate.

19

² Columbia Gas of Ohio Standard Service Offer (SSO) Program Data for reporting month of May, 2011.

³ Data developed from monthly customer information provided by Columbia to the OCC.

IV. COMPARISON OF NATURAL GAS MARKETER RATES

**DEMONSTRATES THE VALUE OF RETAINING COLUMBIA'S SSO
RATE.**

***Q11. WHAT TIMEFRAME DID YOU USE TO COMPARE THE SSO PRICE TO
OTHER MARKETER OFFERS?***

A11. I compared the weekly natural gas Choice offers that Marketers provide to OCC,
starting with the first monthly published SSO price in April, 2010 through the
most recent weekly listing of June 17, 2011, to the comparable alternative
Columbia SSO rate.

***Q12. DID YOU COMPARE ALL MARKETER OFFERS TO COLUMBIA'S SSO
RATE?***

A12. I compared all the data from gas Marketers who submitted weekly natural gas
offers to the OCC, since the inception of the SSO rate. I also cross-checked the
Marketer Choice rates that are reported to the OCC with the monthly Choice
offers published by the PUCO in the Apples-to-Apples chart and found the offers
to be consistent.

***Q13. WHAT WERE YOUR OBSERVATIONS OF THE COMPARISON
BETWEEN MARKETER OFFERS AND COLUMBIA'S SSO RATE?***

A13. Columbia's SSO rate, with a few limited exceptions, has consistently been the
lowest publicly offered prices for natural gas to residential consumers since the

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On Behalf of the Office of the Ohio Consumers' Counsel
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1 inception of the rate in April, 2010 as shown on Attachment GS-1.⁴ The SSO rate
2 has not only been one of the lowest offers, but it appears to have been the
3 benchmark price for many Choice Marketer offers.

4
5 ***Q14. WHAT DO YOU MEAN THE SSO RATE HAS BEEN A BENCHMARK***
6 ***PRICE FOR CHOICE OFFERS?***

7 ***A14.*** What I mean is that the Marketers have provided offers designed to compete with
8 the SSO rate or they have provided offers that appeared to keep their rates within
9 tolerable limits of the SSO rate. The loss of the SSO rate will eliminate a
10 significant factor that has kept Choice offers competitive. My concern about the
11 loss of the SSO rate option increases when trying to imagine Marketer offers in a
12 market void of a regulated Company wholesale rate. The loss of a regulated
13 utility rate in Georgia resulted in higher gas rates for residential customers as I
14 discuss later in my testimony. In addition, based on my experience, certified
15 governmental aggregation groups have routinely used the published SSO rate to
16 monitor the effectiveness of their aggregation programs.

17
18 ***Q15. HAVE THE MARKETERS' RATE OFFERS HISTORICALLY BEEN BASED***
19 ***ON THE SSO RATE?***

20 ***A15.*** Yes, at least some of the Choice offers were designed to compete with the
21 Columbia SSO wholesale rate. Initially there were a few Marketers offering rates
22 tied to a percentage off the SSO rate. At the beginning of the SSO period, Direct

⁴ Data developed from weekly price offers provided by Choice Marketers to the OCC and from PUCO historical Apples to Apples. See Attachment No. GS-1.

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1 Energy and MXenergy both had offers of 10% off the SSO rate. However,
2 neither Direct Energy nor MXenergy have offered a rate based on a percentage
3 off the SSO rate since September 10, 2010.
4

5 ***Q16. DID THESE PERCENT OFF THE SSO RATE OFFERS SAVE***
6 ***RESIDENTIAL CUSTOMERS MONEY COMPARED TO THE SSO RATE?***

7 ***A16.*** Yes, residential customers did save some money with the offers. However,
8 MXenergy discontinued their percent off the SSO rate in early September 2010,
9 while Direct Energy reduced their offer to 3% off the SSO rate in June 2010 and
10 then discontinued the 3% off the SSO offer in August 2010. So even though the
11 offers appeared attractive at the beginning of the SSO period, they were only
12 available during the summer period when residential customers' gas usage was
13 minimal. It appears the timing of the percent off offers was structured as more of
14 a marketing tool than a program to offer any substantial savings for residential
15 customers. Once the winter heating period started and customer usage was at its
16 highest, the percent off the SSO rate offers were no longer available.
17

18 ***Q17. HAVE THE MONTHLY VARIABLE RATES OFFERED SINCE***
19 ***SEPTEMBER 2010 BEEN COMPETITIVE WITH THE SSO RATE?***

20 ***A17.*** Yes, at times a few of the Marketer monthly variable rate offers have been
21 competitive with the SSO rate. For example, in February 2011, The Energy
22 Cooperative, Ohio Natural Gas and Gateway Energy Services all offered variable
23 rates which were slightly lower than the SSO rate for that month. However, even

1 though the variable rates offered by these Marketers in February 2011 were
2 slightly lower than the SSO rate, when the higher SCO sales tax rate is included,
3 the rates would be virtually identical as shown in attachment GS-6. In addition,
4 as Attachment GS-12 illustrates, the vast majority of variable rate offers were
5 typically well above the SSO rate.

6
7 ***Q18. ARE THERE ANY CURRENT VARIABLE RATE OFFERS THAT ARE***
8 ***COMPETITIVE WITH THE SSO RATE?***

9 ***A18.*** No. In addition to the rate offers in February 2011 discussed above, Ohio Natural
10 Gas began offering a monthly variable rate in November 2010 that was slightly
11 lower than the SSO rate. However, taking into consideration the difference in the
12 tax rates, the SSO rate was still cheaper for the majority of Columbia's customers.
13 However, Ohio Natural Gas increased their rate offer in early April 2011 and its
14 rate is now higher than the SSO rate.

15
16 ***Q19. HAVE THE CHOICE OFFERS BEEN EFFECTIVE IN INCREASING THE***
17 ***NUMBER OF CUSTOMERS SIGNING WITH NATURAL GAS***
18 ***MARKETERS?***

19 ***A19.*** No. From the graph shown on Attachment GS-2,⁵ there was a noticeable increase
20 in residential customer Choice participation from June 2010 to July 2010. This
21 increase may have been due in a very small part to the percentage off the SSO rate
22 offers that existed at the time. However, the main reason for the increase was due

⁵ Data compiled from Columbia Gas of Ohio's monthly report "Standard Service Offer (SSO) Program Data"

1 to a large aggregation group (with more than of 50,000 residential customers)
2 starting service with a Marketer in July 2010. Since the increase in customers in
3 July 2010, the residential Choice participation rate has been almost flat for the
4 past year.

5
6 ***Q20. HAS THE IMPLEMENTATION OF THE SSO AUCTION REDUCED COSTS***
7 ***FOR RESIDENTIAL CUSTOMERS SERVED BY COLUMBIA?***

8 ***A20.*** Results to date have shown that residential customers benefited from the low rates
9 produced by the SSO wholesale auction. A comparison of natural gas costs in
10 Ohio with natural gas costs for the United States is shown on Attachment GS-4
11 and Attachment GS-5.⁶ As Attachment GS-4 illustrates, from 1984 through 2004,
12 natural gas prices for residential customers in Ohio were equivalent to, or lower
13 than, the national average. In 2005, gas prices in Ohio exceeded the national
14 average, due in part to a large percentage of Choice customers signing fixed
15 contracts (typically for a one year term) during periods of spiking natural gas
16 commodity prices. As commodity prices moderated in 2009 and 2010, fixed price
17 contracts were no longer negatively impacting the average price of natural gas in
18 Ohio and for the first time in five years, Ohio's average natural gas price dropped
19 below the national average. The SSO wholesale auction implemented by
20 Columbia (the largest natural gas utility in Ohio) in April 2010 also positively
21 impacted the 2010 results.

⁶ Graph developed from Energy Information Administration data

1 ***Q21. ARE YOU OPPOSED TO THE CUSTOMER CHOICE PROGRAM?***

2 ***A21.*** No. I support residential customers having more options, and I support the
3 options available in the Choice program for customers. However, the Choice
4 program is not for all Columbia customers as evidenced by the large percentage
5 of customers who have retained the Company SSO wholesale rate option. Some
6 customers do not like the Choice program and other do not understand it.
7 Therefore, I oppose replacing the SSO wholesale auction rate with an SCO retail
8 auction rate because this would eliminate a low cost option that residential
9 customers have elected to participate in, and benefited from. Eliminating the SSO
10 rate is counter to the concept of customer Choice. Not only would eliminating the
11 SSO rate be eliminating the most popular option for customers, but it would also
12 be eliminating what has generally been the least costly option for Columbia's
13 residential customers.

14
15 ***Q22. DOES AN SCO RATE PROVIDE THE SAME BENCHMARK FOR***
16 ***MARKETERS AS THE SSO RATE?***

17 ***A22.*** It provides a benchmark, but the SCO rate forces customers to pay the higher
18 sales tax rate and thus will increase costs to customers. In addition, as discussed
19 in testimony submitted in this proceeding by Bruce Hayes, the SCO will result in
20 customer confusion without providing additional benefit to residential customers.
21 Marketers have long claimed that the SCO would provide significant benefits for
22 customers, but to date they have provided no objective, tangible and/or
23 quantifiable evidence to support such alleged benefits. In discovery in this case,

1 Dominion Retail admitted that it has done no studies that might quantify the
2 alleged benefits of an SCO retail auction.⁷ Similarly the Ohio Gas Marketer
3 Group has not provided such support.⁸
4

5 ***Q23. IS THE CURRENT CHOICE PROGRAM EXPERIENCING INCREASED***
6 ***COMPETITION AMONG MARKETERS TO ACQUIRE ADDITIONAL***
7 ***RESIDENTIAL CHOICE CUSTOMERS?***

8 ***A23.*** No, not only are additional customers not signing up for the Choice program, as I
9 previously discussed, but an extremely high percentage of the residential
10 customers that are currently enrolled with a Choice Marketer are served by a very
11 limited number of suppliers. As shown in Attachment GS-7, the three largest
12 Marketers⁹ serve approximately 75% of all residential Choice customers, and the
13 top five serve approximately 87%. More disturbing is the fact that there has been
14 little or no market penetration by the other 18 Choice Marketers (see Attachment
15 GS-8) on Columbia's system since the start of the SSO period. The concentration
16 of so much of the market with such a small number of suppliers can also
17 negatively impact any resulting price offers.

⁷ See Attachment GS-10 - Dominion Retail response to OCC Interrogatory 22

⁸ See Attachment GS-11 - Ohio Gas Marketer Group response to OCC Interrogatory 22

⁹ Interstate Gas Supply Inc. ("IGS") is one of the three largest Marketers in the Columbia Choice program, however these numbers do not include customers served by IGS under the Columbia Retail Energy name. If these additional customers were included, the percentages would be greater.

1 **Q24. IF COLUMBIA GAS OF OHIO EXITED THE MERCHANT FUNCTION,**
2 **WOULD THIS RESULT IN MORE MARKETERS ENTERING THE**
3 **MARKET AND COMPETE FOR RESIDENTIAL CUSTOMERS?**

4 **A24.** No, not based on the outcome experienced in a similar situation by Atlanta Gas
5 Light (AGL) residential customers. AGL completely exited the merchant
6 function in 1999 and all residential customers were required to take their service
7 from Marketers instead of the utility. All 1.5 million residential customers in
8 AGL's service territory purchase their natural gas supplies from Gas Marketers.¹⁰
9

10 **Q25. WHAT HAPPENED TO GAS PRICES AND MARKETER PARTICIPATION**
11 **WHEN ATLANTA GAS LIGHT EXITED THE MERCHANT FUNCTION?**

12 **A25.** AGL is the largest natural gas distribution company in Georgia and serves
13 approximately 80% of all residential customers in the state.¹¹ As shown on
14 Attachment GS-9,¹² the annual price of natural gas for residential customers in
15 Georgia has exceeded the national average price for each of the past 10 years. For
16 the last six years, the Georgia price has been more than \$4.00 per Mcf higher than
17 the national average, which equates to an additional \$320 per year for each
18 Columbia residential gas customer in Ohio, based on the average usage of 80.4
19 Mcf per year.¹³

¹⁰ U.S. Energy Information Administration: Retail Unbundling – U.S. summary

¹¹ U.S. Energy Information Administration: Retail Unbundling - Georgia

¹² Graph developed from data provided by the U.S. Energy information Administration – Natural Gas Pricing History by Year

¹³ PUCO Apples to Apples Natural Gas Rate Comparison Chart – Self-Calculation Worksheet for Columbia Gas of Ohio

1 ***Q26. WHAT HAS HAPPENED TO MARKETER PARTICIPATION IN GEORGIA***
2 ***SINCE AGL EXITED THE MERCHANT FUNCTION?***

3 ***A26.*** At the same time that natural gas prices for residential customers in Georgia were
4 exceeding the national rate, by 2009 the number of approved gas Marketers in the
5 state dropped from a high of 19 to 11.¹⁴ In addition, by as early as 2002 four
6 Marketers served 93% of the residential customer base,¹⁵ which is not unlike the
7 current marketer penetration rate for Columbia, as I previously discussed.

8

9 ***V. CONCLUSION***

10

11 ***Q27. WHAT IS YOUR RECOMMENDATION?***

12 ***A27.*** I recommend the Commission reject this application to move from an SSO
13 wholesale auction rate to an SCO retail auction rate.

14

15 ***Q28. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?***

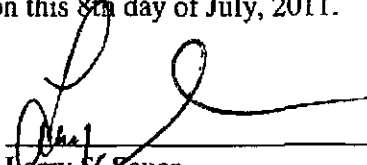
16 ***A28.*** Yes, however, I reserve the right to incorporate new information that may
17 subsequently become available.

¹⁴ U.S. Energy Information Administration: - Retail Unbundling - Georgia

¹⁵ Blue Ribbon Natural Gas Task Force – Final Report to State of Georgia

CERTIFICATE OF SERVICE

I hereby certified that a true copy of the foregoing Prepared Testimony of Gregory Slone, on behalf of the Office of the Ohio Consumers' Counsel, was served by electronic mail to the persons listed below, on this 8th day of July, 2011.


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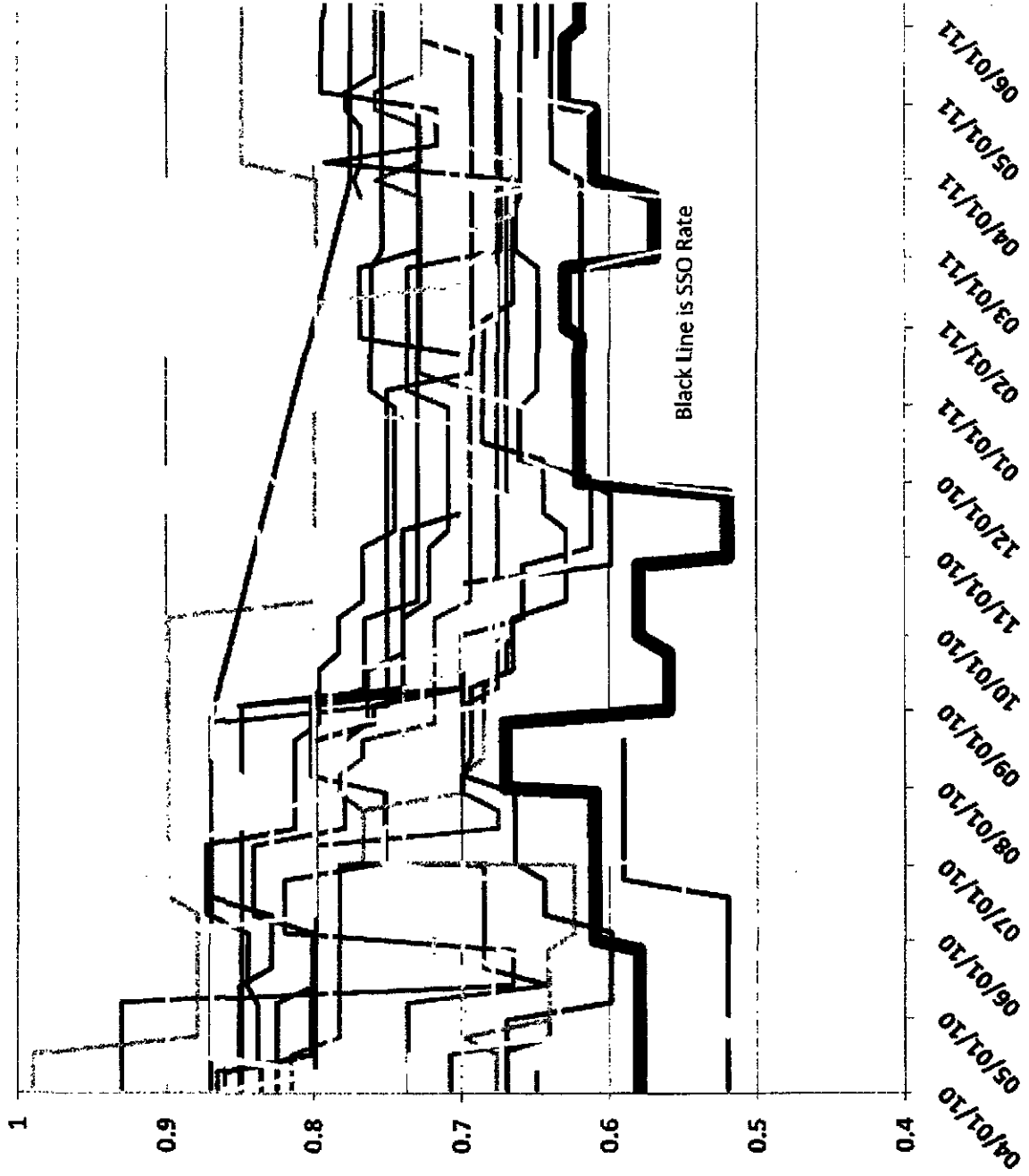
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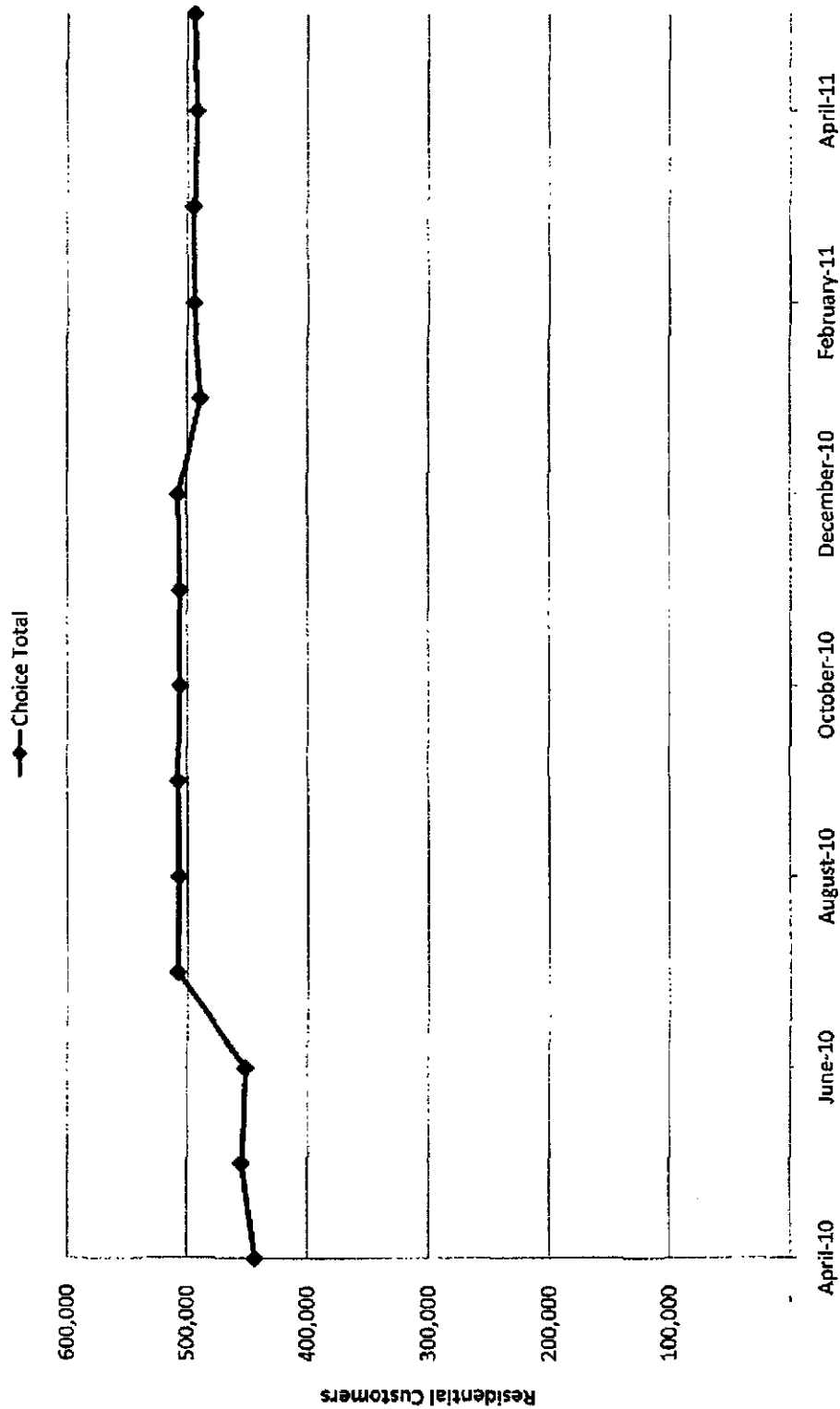
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SSO AND GAS MARKETER RATE COMPARISON



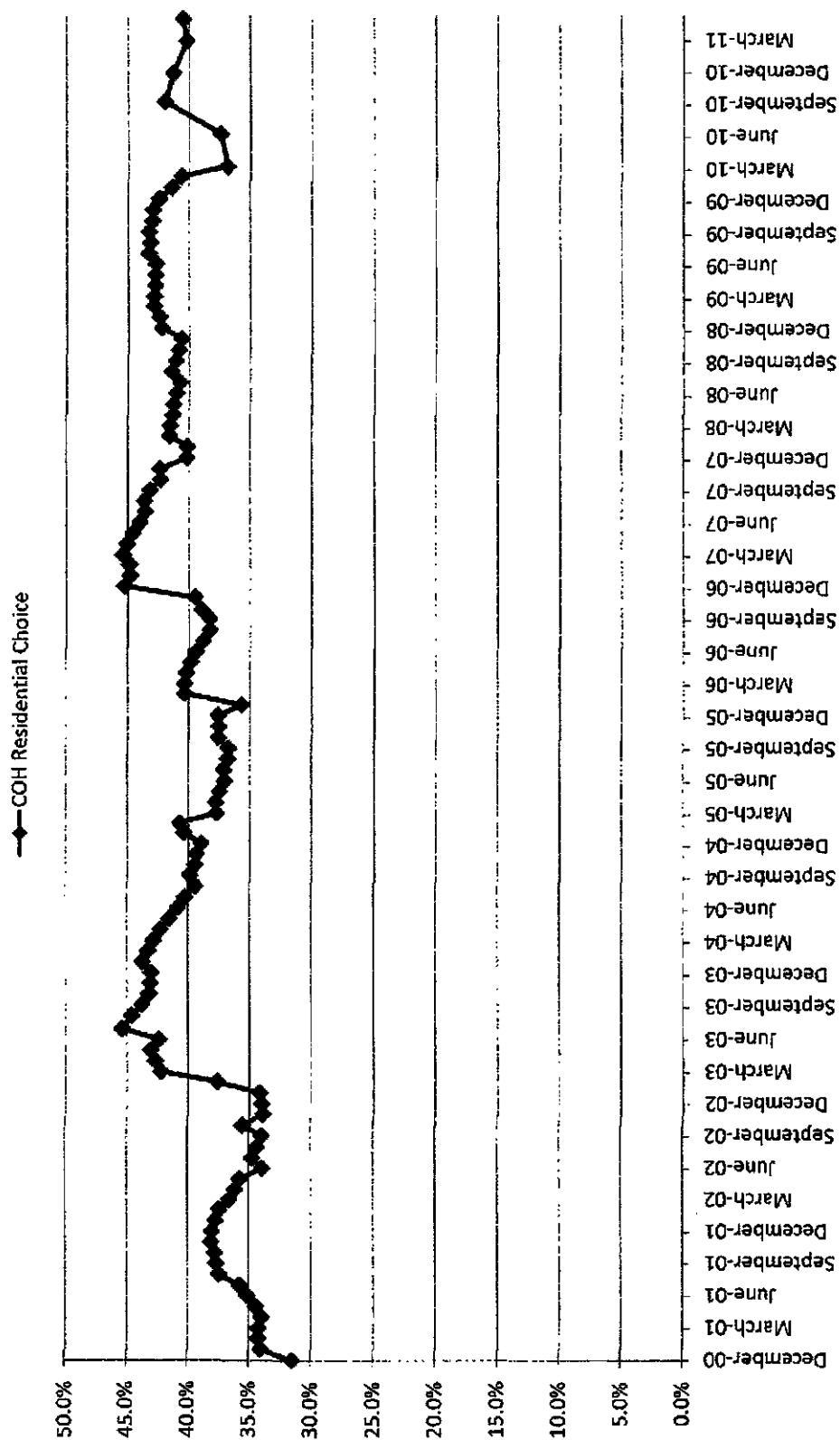
Source: Weekly price offers provided by Choice Marketers to the OCC and from PUCO historical Applies to Apples

COH RESIDENTIAL CHOICE CUSTOMER TOTALS



Source: Columbia's monthly report "Standard Service Offer (SSO) Program Data"

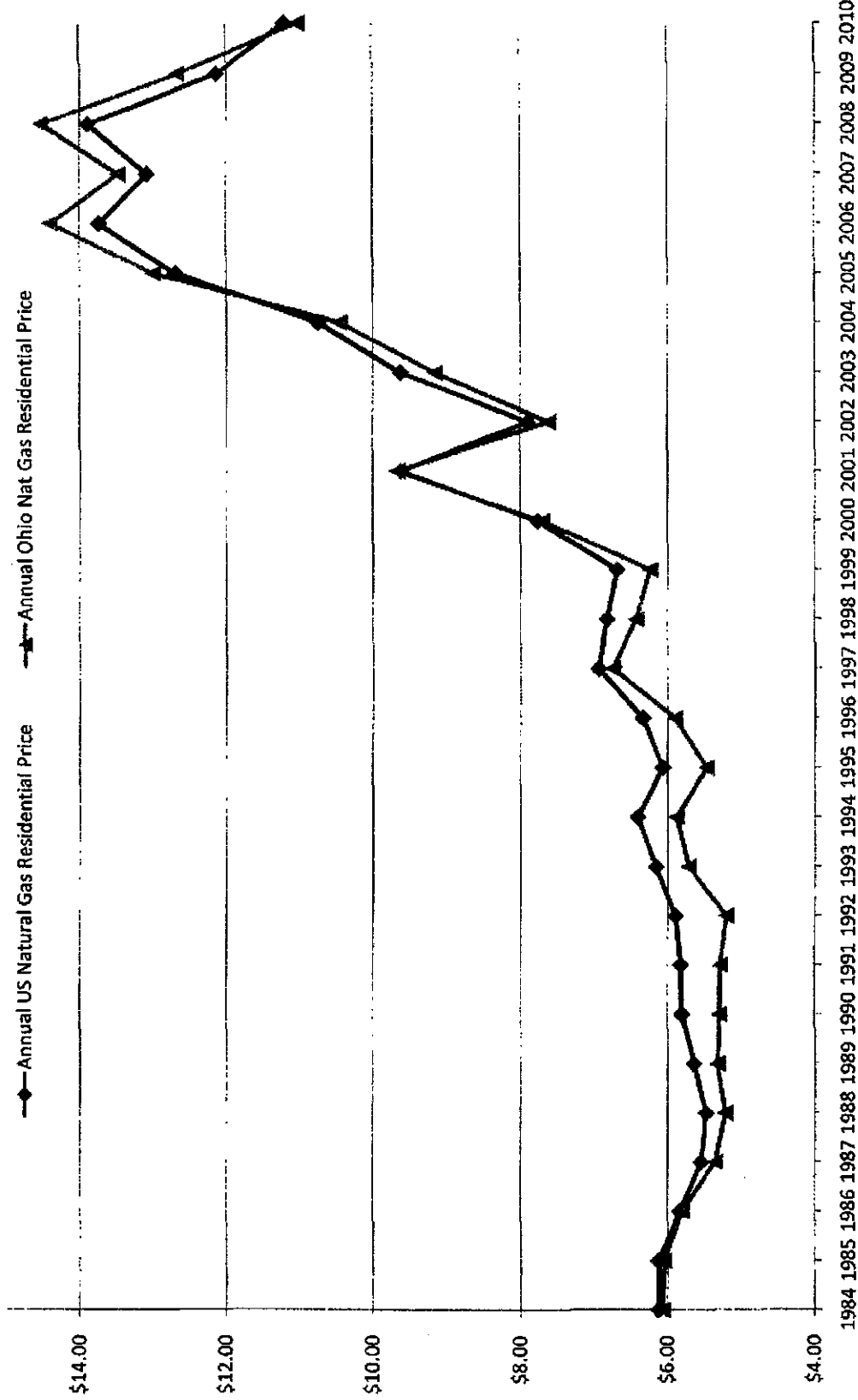
Active Percentage of Eligible Residential Choice Customers - COH



Source: Columbia Gas of Ohio monthly
Standard Service Offer (SSO) Program Data

U.S. Residential Gas Price vs Ohio Residential Gas Price

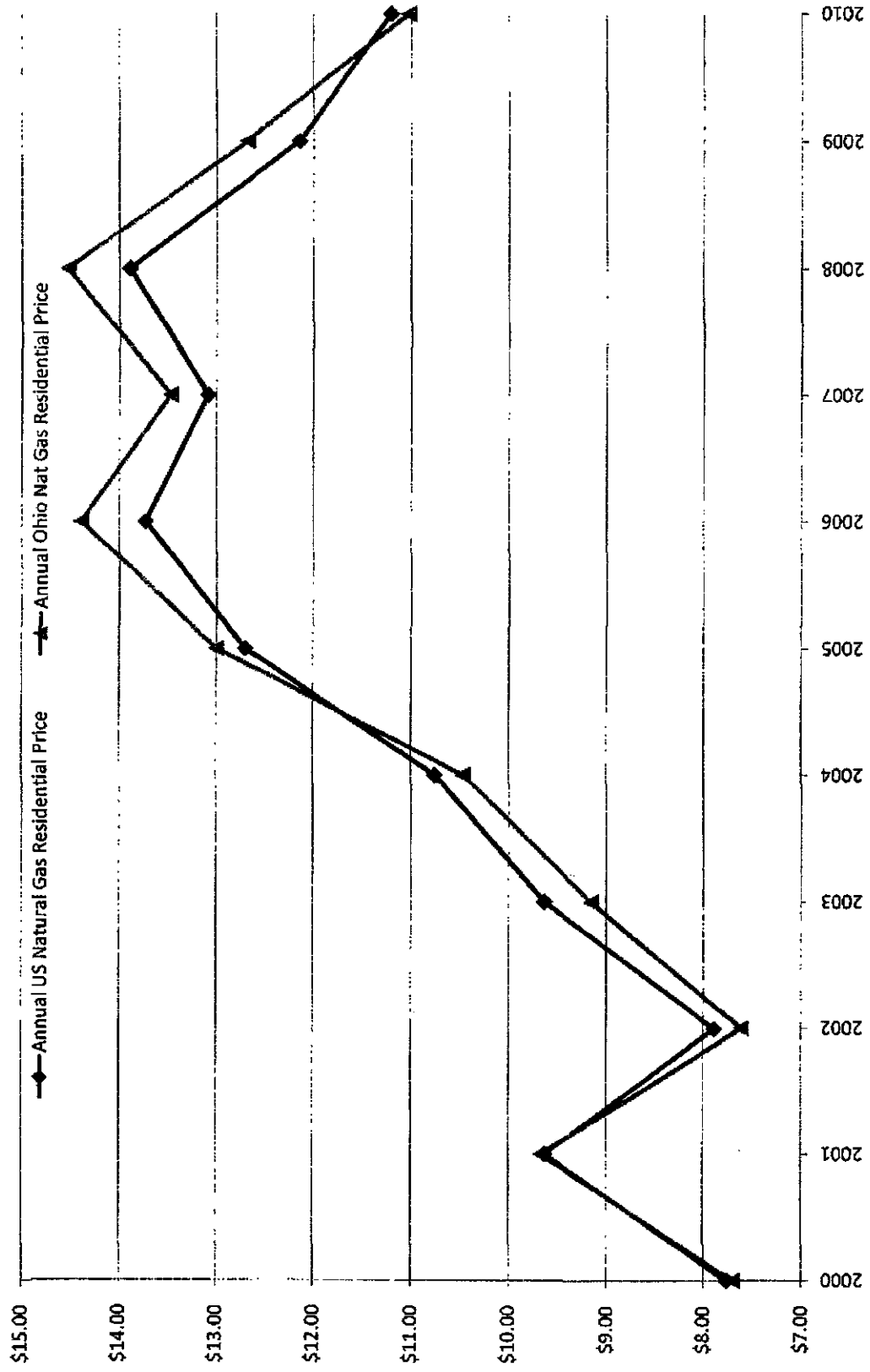
Attachment GS-4



Source: U.S. EIA Natural Gas Prices - Annual Residential Prices

U.S. Residential Gas Price vs Ohio Residential Gas Price

Attachment GS-5

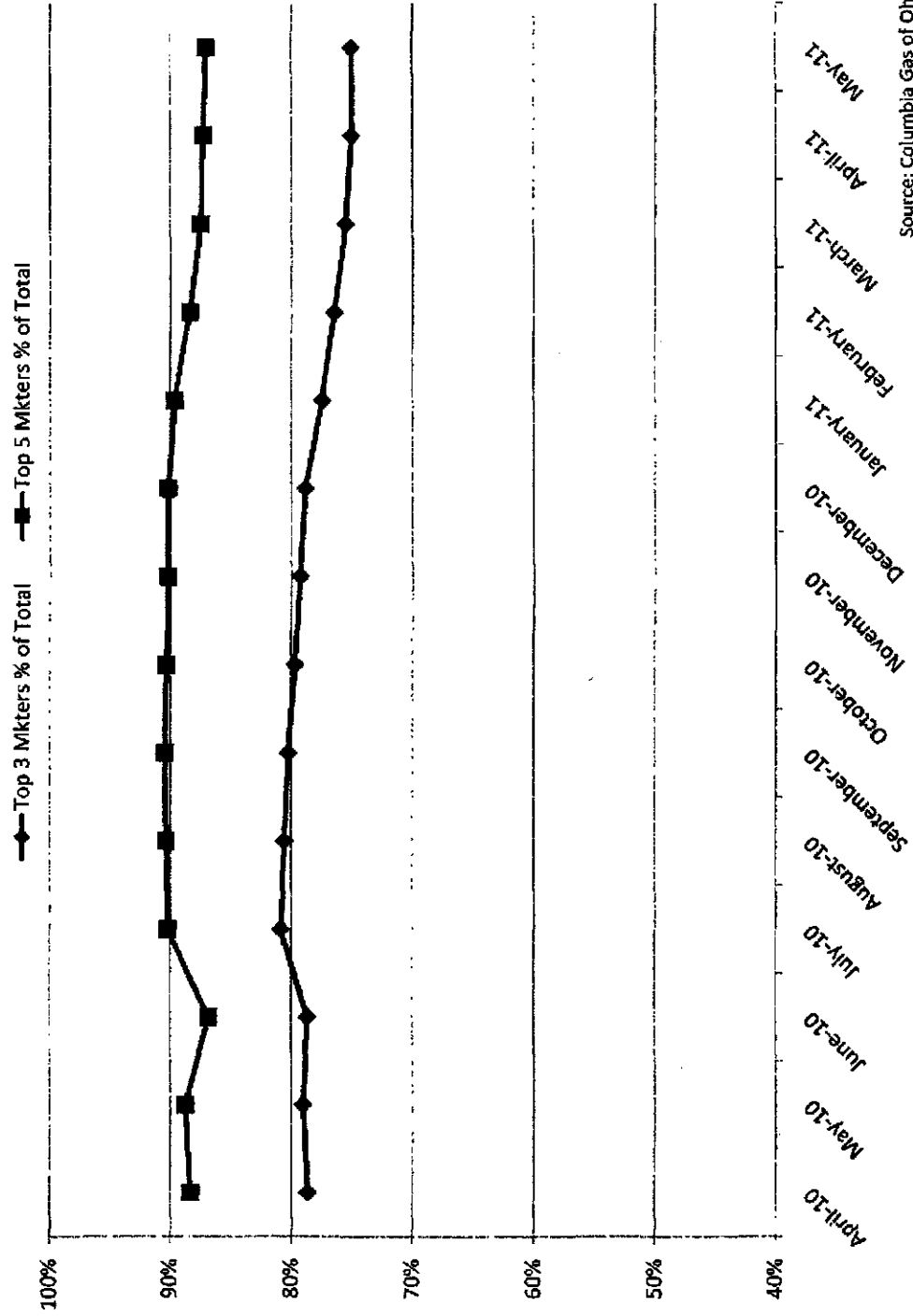


Source: U.S. EIA Natural Gas Prices - Annual Residential Prices

Ohio Gross Receipts Tax vs Sales Tax Comparison

February 2011 rate	SSO	Energy Cooperative	Energy Cooperative	Gateway Energy Service	Gateway Energy Service	Ohio Natural Gas	Ohio Natural Gas
Sales Tax Rate		6.50%	7.00%	6.50%	7.00%	6.50%	7.00%
Monthly Customer Usage Ccf	100	100	100	100	100	100	100
February 2011 Rate \$/Ccf	0.6250	0.6190	0.6190	0.6156	0.6156	0.6145	0.6146
Tax Rate	4.75%	6.50%	7.00%	6.50%	7.00%	6.50%	7.00%
Tax Rate Multiplier	1.04987	1.0650	1.0700	1.0650	1.0700	1.0650	1.0700
Supplier commodity cost, including tax	\$65.62	\$65.92	\$66.23	\$65.56	\$65.87	\$65.45	\$65.76

Percent of Total Residential Choice Customers by Largest Marketers



Source: Columbia Gas of Ohio Monthly SSO Program Data

Columbia Gas of Ohio
NATURAL GAS CUSTOMER CHOICE PROGRAM DATA

Date: June 10, 2011
Reporting Month: May, 2011

Enrollment			
	Enrolled	Eligible	% of Eligible
Residential	493,907	1,220,080	40%
Commercial	54,213	108,113	50%
Industrial	240	1,104	22%
Total	548,360	1,329,297	41%

Choice Marketers 23

Marketer	Number of Enrolled Customers & Market Share Ranking				Volumes (Mcf)			
	Residential	Commercial	Industrial	Total	Residential	Commercial	Industrial	Total Mcf
AZ	4,941	102	1	5,044	27,884	1,387	8	29,278
C	13,460	1,232	4	14,696	73,735	19,532	324	93,591
ED	91,903	12,981	38	104,922	504,534	168,763	2,263	675,560
EM	2,547	1,787	15	4,449	15,299	21,927	435	37,661
GP	611	213	0	824	3,816	4,522	0	8,338
IB	1	38	0	39	0	3,287	0	3,287
IX	151	1,003	3	1,157	1,719	38,404	87	40,210
K	231	6	2	239	1,287	64	32	1,383
LJ	14,387	3,279	22	17,688	80,200	102,241	1,332	183,772
MA	8	156	1	165	85	7,609	200	7,894
Q	199,046	15,287	81	214,414	1,136,970	341,441	6,227	1,484,637
QQ	13	115	1	129	233	4,849	35	5,118
QR	10,360	552	2	10,914	57,651	7,840	24	65,515
RA	79,914	4,256	13	84,183	457,162	43,656	1,406	502,224
TA	33,567	966	1	34,234	168,431	9,231	4	167,666
TZ	0	11	0	11	0	6,787	0	6,787
U	440	3,444	22	3,906	3,243	306,874	1,566	311,482
UA	14,549	1,317	2	15,867	77,930	46,594	5	124,530
VA	25,413	7,077	30	32,520	123,429	145,256	1,605	270,289
WP	520	55	1	576	2,567	1,480	75	4,122
X	1,639	611	1	2,251	8,875	21,032	19	29,926
YV	0	25	0	25	0	1,990	0	1,990
ZR	107	0	0	107	460	0	0	460
Total	493,907	54,213	240	548,360	2,735,510	1,304,542	15,845	4,055,897

NOTE: All numbers above include Governmental Aggregation customers (details are listed below)

Includes Co-Ops served by Retail Natural Gas Suppliers

Governmental Aggregators	# of Customers
Canfield Township	52
City of Alliance	1,950
City of Bowling Green	4,724
City of Canfield	1,180
City of Clyde	517
City of Columbiana	894
City of Fostonia	888
City of Gallipolis	749
City of Marion	3,873
City of Mt Vernon	2,790
City of Pickerington	2,781
City of Rittman	139
City of Salem	994
Erle County	3,376
Fairfield Township	183
Stark County	728
St Clairsville	922
Village of Albany	154
Village of Barnesville	520
Village of Bethesda	181
Village of Bradner	25
Village of Brewster	257
Village of Bridgeport	392
Village of Cadiz	298
Village of Elmore	159
Village of Fredericktown	455
Village of Grafton	350
Village of Milan	165
Village of Navarre	224
Village of Pomeroy	135
Village of Warsaw	114
Village of Woodville	216
NOAC	
City of Genoa	22
City of Martin	4
City of Maumee	4,035
City of Northwood	1,083
City of Oregon	2,472
City of Rossford	18
City of Sylvania	4,888
City of Toledo	35,572
Lake Township (Walbridge; Milbury; Perrin)	2,124
Lucas County (Curtice)	58
Village of Holland	2,147
NOPEC	73,561
TOTAL	156,179

**Columbia Gas of Ohio
STANDARD SERVICE OFFER (SSO) PROGRAM DATA**

Date: June 10, 2011

Reporting Month: May, 2011

SSO Rider: 6.2570

SSO Suppliers: 7

SSO Supplier Defaults: 0

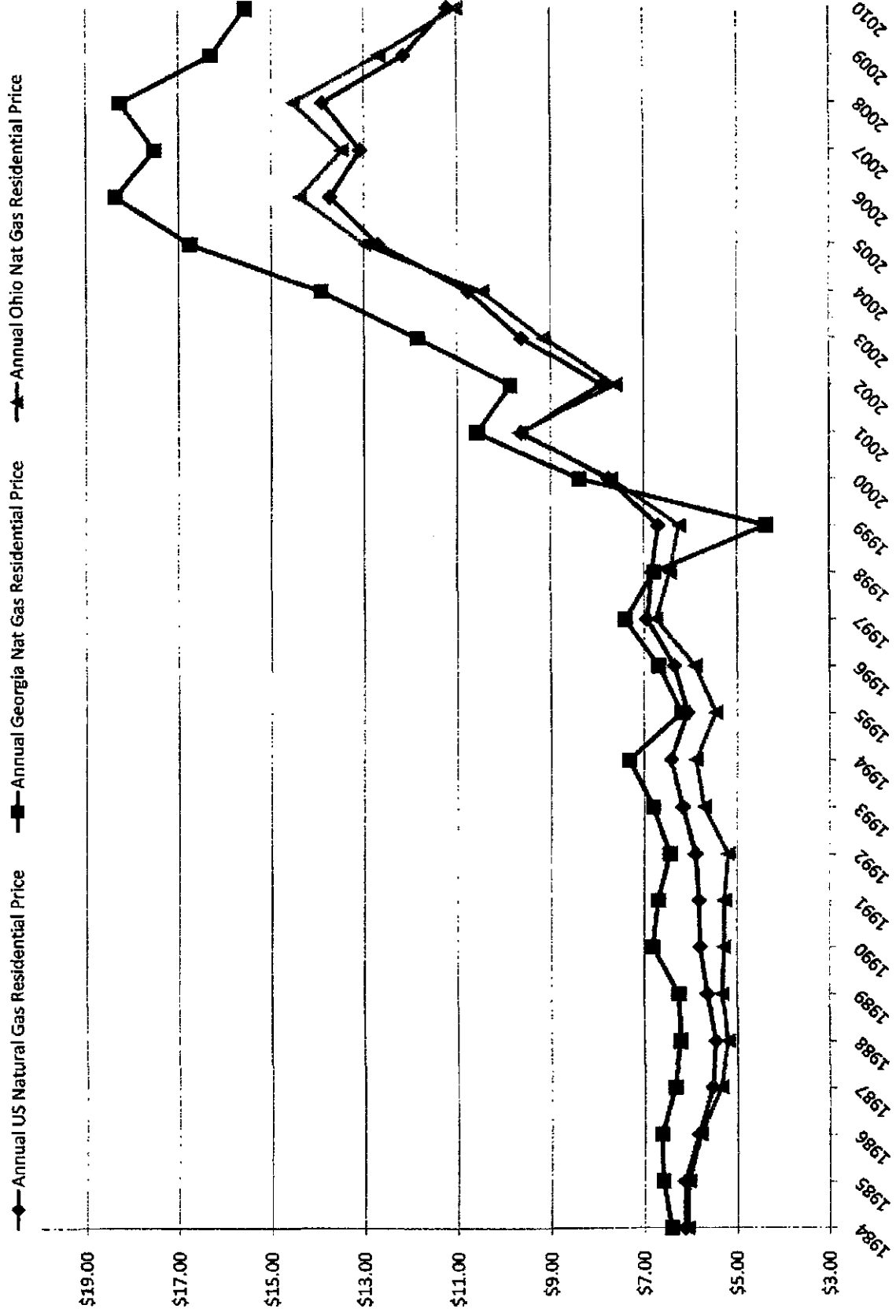
Number of SSO Customers					SSO Volumes (Mcf)				
Residential*	Commercial	Industrial	Public Utility	Total	Residential*	Commercial	Industrial	Public Utility	Total Mcf
793,064	51,130	1,126	1	845,321	3,721,999	765,294	18,430	18,435	4,525,158

* Residential includes 78,700 PIPP Customers & 527,003 PIPP Volumes.

Suppliers	Tranche	Non Compliance	
	Number	Volumes Dth	Dollars
S5	4	0	\$0
S7	4	0	\$0
S8	1	0	\$0
S9	2	0	\$0
S10	2	0	\$0
S11	2	0	\$0
S12	1	0	\$0
Total	16	0	\$0

COMPARISON OF RESIDENTIAL GAS PRICES – U.S. – GEORGIA - OHIO

Attachment GS-9



Source: U.S. EIA Price of Natural Gas
Delivered to Residential Customers (\$/Mcf)

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbia :
Gas of Ohio, Inc. for Approval of a General :
Exemption of Certain Natural Gas Commodity :
Sales Services or Ancillary Services from : Case No. 08-1344-GA-EXM
Chapters 4905, 4909, and 4935 except Sections :
4905.10, 4035.01 and 4935.03, and from :
specified sections of Chapter 4933 of the :
Revised Code. :

RESPONSES OF DOMION RETAIL, INC.
TO
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
OF
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL
(First Set dated June 15, 2011)

Pursuant to Rules 4901-1-19 and 4901-1-20, Ohio Administrative Code ("OAC"),
Dominion Retail, Inc. ("Dominion Retail") hereby provides the following responses to the First
Set of Interrogatories and Requests for Production of Documents of the Office of the Ohio
Consumers' Counsel ("OCC") dated June 15, 2011.

GENERAL OBJECTIONS

1. Dominion Retail objects to each Interrogatory and Request for Production of Documents to the extent the information or documents sought are protected by the attorney-client privilege or constitute attorney work product.
2. The scope of this phase of the above-captioned proceeding has been narrowly defined by the Commission's June 1, 2011 entry, and is limited to the presentation of evidence regarding the relative merits of proceeding with a Standard Contract Offer ("SCO") auction as

22. If the response to OCC Interrogatory No. 21 is affirmative please quantify the anticipated benefits that Columbia's customers will realize by transitioning from an SSO auction to an SCO auction?

RESPONSE:

As a general proposition, Dominion Retail anticipates that the an SCO auction will produce a lower price per Mcf on a pretax basis for default customers. However, Dominion Retail has not conducted a study to quantify this benefit.

23. Who are the Dominion Retail's witnesses (i.e. please identify) that will file testimony on behalf of Dominion Retail and what are the subject matters to which each person will testify?

RESPONSE:

Dominion Retail does not anticipate presenting a witness in this proceeding. If Dominion Retail were subsequently to determine that it would present a witness, Dominion Retail will timely supplement this response.

24. Please identify the efforts you have undertaken to educate residential customers regarding the Choice program.

RESPONSE:

Objection. This Interrogatory seeks information that is not reasonably calculated to lead to the discovery of admissible evidence.

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Columbia)	
Gas of Ohio, Inc. for Approval of a General)	
Exemption of Certain Natural Gas Commodity)	Case No. 08-1344-GA-EXM
Sales Services or Ancillary Services from)	
Chapters 4905, 4909, and 4935 except Sections)	
4905.10, 4035.01 and 4935.03, and from)	
specified sections of Chapter 4933 of the)	
Revised Code.)	

**RESPONSE OF THE OHIO GAS MARKETERS GROUP TO THE OFFICE OF
THE OHIO CONSUMERS' COUNSEL'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
FIRST SET**

Pursuant to Rules 4901-1-19 and 4901-1-20 of the Ohio Administrative Code, the Ohio Gas Marketers Group (OGMG) provides responses for the seven members (Commerce Energy, Inc.; Direct Energy Services, LLC; Integrys Energy Services, Inc.; Interstate Gas Supply, Inc.; Vectren Retail LLC; and Constellation NewEnergy, Inc.) who were served with identical discovery requests save for the name. Although the OCC served its discovery on the members of the OGMG individually, the true party in interest is the OGMG. All pleadings have been in the name of the OGMG and each pleading contains the advisory that the positions represented are those of the OGMG and not any individual member. During the course of the proceedings the membership of OGMG has changed so that individual members have come or gone. Similarly, for the past three years the OGMG has participated in the Columbia Collaborative, once again presenting the voice of the OGMG and not the position of any particular member.

available, would be burdensome to produce, and constitutes sensitive, confidential and proprietary information which is of a trade secret nature.

Without waiving the objections, the Respondent believes that an SCO auction will yield lower costs per Mcf on a pretax basis for default customers as well as provide them with additional service options not offered in SSO method of outsourcing default natural gas supplies.

22. If the response to OCC Interrogatory No. 21 is affirmative please quantify the anticipated benefits that Columbia's customers will realize by transitioning from an SSO auction to an SCO auction?

RESPONSE: Objection. This Interrogatory seeks information which is not reasonably calculated to lead to the discovery of admissible evidence, is not readily available, would be burdensome to produce, and constitutes sensitive, confidential and proprietary information which is of a trade secret nature.

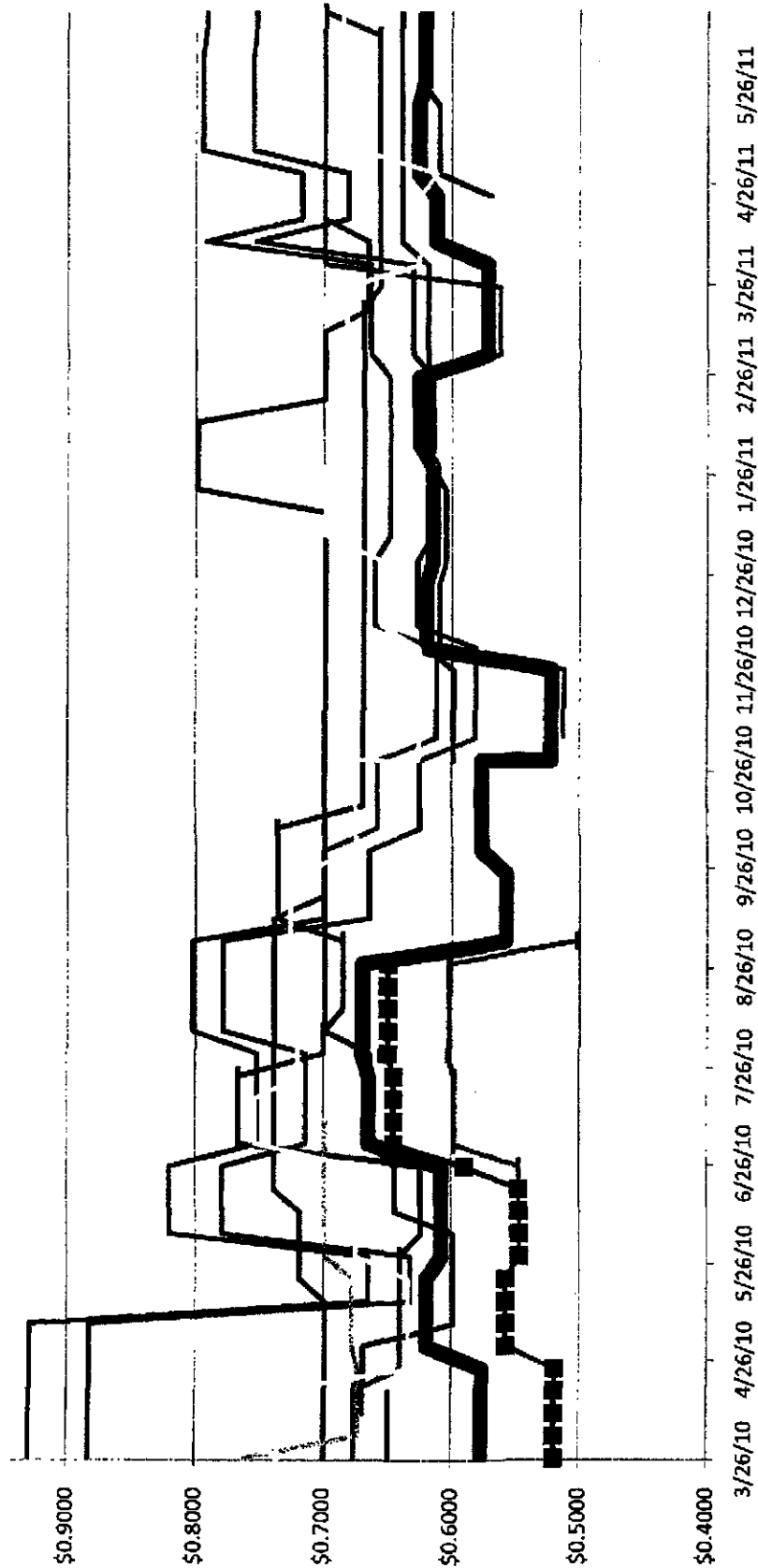
Without waiving the above objections, the OGMG has not conducted a study or quantified the anticipated monetary benefits of the SCO over the SSO auction to the public, but believes them to be substantial.

23. Who are the OGMG's witnesses (i.e. please identify) that will file testimony on behalf of OGMG and what are the subject matters to which each person will testify?

RESPONSE: The Respondent has not yet identified any witness(es) who will testify on its behalf and states that it will identify any expert witnesses in accordance with

SSO & GAS MARKETERS VARIABLE RATE OFFERS

- SSO RATE
- Direct Energy - Variable 10/3% off
- Gateway Energy Services - Variable
- Mxenergy - Variable 10% off
- Vectren Source - Variable
- Energy Cooperative of Ohio - Variable
- Gateway Energy Services - Variable
- Mxenergy - Variable 10% off
- Vectren Source - Variable
- Columbia Retail Energy - Variable w/cap
- Integrus Energy Services - Variable
- Ohio Natural Gas - Variable
- Mxenergy - Variable
- Volunteer Energy Services - Variable



Source: Weekly price offers provided by Choice Marketers to the OCC and from PUCO historical Apples to Apples

EXHIBIT 12

Deposition of **Larry Freeman**

July 26, 2011

The Office of the Ohio Consumers' Counsel, et al v. Int
Case Number: 10-2395-GA-CSS



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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Complaint of

THE OFFICE OF THE OHIO CONSUMERS'
COUNSEL, et al.,

Complainants,

vs.

INTERSTATE GAS SUPPLY D/B/A
COLUMBIA RETAIL ENERGY,

Respondent.

CASE NO.
10-2395-GA-CSS

VOLUME I

Deposition of: LARRY FREEMAN

Pursuant to: Notice

Date and Time: Tuesday, July 26, 2011
2:15 p.m.

Place: Stand Energy Corporation
1077 Celestial Street
Suite 110
Cincinnati, Ohio 45202

Reporter: Shandy Ehde, RPR
Notary Public - State of Ohio

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1 APPEARANCES OF COUNSEL:

2

3 For the complainants:

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10 For the respondent:

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18 zkravitz@cwsllaw.com

15

16

Also Present:

17

18 Matthew S. White, Esq.
19 Judith Phillips

19

20

- - -

21

22

23

24

25

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I N D E X

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1

LARRY FREEMAN

2

a witness herein, having been duly sworn, was examined

3

and deposed as follows:

4

EXAMINATION

5

BY MR. KRAVITZ:

6

Q. Morning, Mr. Freeman. My name is Jack

7

Kravitz. I represent Interstate Gas Supply, or -- I'll

8

be calling it IGS. With me is Matt White, who is

9

in-house counsel for IGS.

10

I'm going to be asking you a series of

11

questions, and I would like you to answer -- you're

12

under oath -- but as you would in a hearing for this

13

case or the trial.

14

Your attorney, Mr. Dosker, may object, and I

15

believe he has requested that when you -- when he

16

objects that you stop your answer, wait for Mr. Dosker

17

and I to confer about the objection, after which, we'll

18

either instruct you to answer the question or not

19

answer the question.

20

All that sound okay so far?

21

A. Yes.

22

Q. Okay. If something's not clear that I ask,

23

let me know, and I will try and clear it up. If you

24

answer, I will assume that you understood the question.

25

Is that acceptable?

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1 A. Say that again.

2 Q. If you do answer my question, I'm going to
3 assume that you understood what the question was. So
4 if something is not clear, tell me, and I'll rephrase.

5 A. Okay.

6 Q. Is that acceptable?

7 A. Okay.

8 MR. KRAVITZ: Okay. Mr. Dosker, did I --

9 MR. DOSKER: That's fine. You correctly
10 stated the procedure.

11 MR. KRAVITZ: Okay.

12 BY MR. KRAVITZ:

13 Q. Could you please state your full name?

14 A. Larry Freeman.

15 Q. And who are you employed by?

16 A. Stand Energy.

17 Q. And what is your position with Stand
18 Energy?

19 A. Executive vice president.

20 Q. Have you held any other positions with Stand
21 Energy?

22 A. Yes.

23 Q. And what are those positions?

24 A. Vice president, gas operations; manager, gas
25 control; and gas analyst.

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1 Q. How long have you been with Stand?

2 A. 17 years.

3 Q. Do you have any prior experience in the gas
4 industry before you came to Stand?

5 A. No.

6 Q. Starting with the gas analyst position, could
7 you tell me a little bit about what you did in that
8 role and how long were you there, approximately?

9 A. Everyone in the company at the time that I
10 was hired --

11 Q. What year was that? I'm sorry, I'm testing
12 your math skills. I'm not coming to the plate to
13 answer that.

14 A. Do you want me to answer the first question
15 first or the second one?

16 Q. What year was it that you came to Stand?

17 A. 1994.

18 Q. Okay. And at that point in time you were
19 describing how you started as a gas analyst.

20 A. Could you repeat the question? I got
21 confused there.

22 Q. What were your job duties as a gas analyst?
23 What did you do?

24 A. Invoicing, gas control, accounts payable,
25 inventory, some sales. That's probably a pretty

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1 complete review.

2 Q. Okay. What is invoicing?

3 A. Invoicing to customers.

4 Q. Just accounts receivable, accounting type of
5 stuff?

6 A. Not accounts receivable.

7 Q. Okay.

8 A. Preparing --

9 Q. Just bills?

10 A. Preparing invoices.

11 Q. Okay. Gas control, what is that?

12 A. Scheduling on the interstate pipelines,
13 scheduling on the various local distribution, capacity
14 procurement.

15 Q. Inventory, can you elaborate on that at
16 all?

17 A. Monitoring different balances on the various
18 interstate pipelines and utilities.

19 Q. And also sales, is there any elaboration
20 there you can give us?

21 A. Marketing to customers and perspective
22 customers.

23 Q. At the time when you were in a gas analyst
24 position, who were those -- what types of customers
25 were you marketing to?

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1 A. Natural gas customers.

2 Q. Residential?

3 A. Given the fact that there's 17 years, we'd
4 have to narrow down at what point we're in.

5 Q. I'm talking about when you were a gas
6 analyst.

7 A. I don't know the specific years in which, you
8 know, I held this title versus that title. But when I
9 was first employed, the thresholds to market to
10 customers, those that were eligible, was not at a level
11 that smaller residential-type customers were able to
12 participate in 1994.

13 Only relatively large industrial and
14 commercial customers were eligible for transportation.
15 And then that evolved over the course of time.

16 Q. Okay. We'll get back to that.

17 I believe you said manager of gas control.
18 Could you tell me your job duties and responsibilities
19 as a manager of gas control and about how long you were
20 doing that?

21 A. I don't recall the specific year. If I had
22 to take a guess, it was probably around the year 2000,
23 but that would be really to the best of my
24 recollection.

25 Q. About how long you were a manager of gas

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1 control for Stand Energy?

2 A. Again, just as a recollection -- I can't say
3 with specificity, but I would guesstimate until 2005,
4 2006. Again that's very rough, very approximate.

5 Q. And what about your duties as manager of gas
6 control, what type of things would you do?

7 A. I would say they were very similar, with the
8 difference, obviously, as the name implies, that there
9 was more managerial functions associated with it versus
10 an entry-level or starting position.

11 Q. So you had employees under you, for
12 instance?

13 A. That would be a fair representation.

14 Q. Okay. And I believe there was one other
15 position you had before your current position. It was
16 vice president of gas -- I'm sorry.

17 A. Operation.

18 Q. Vice president of gas operations. Could you
19 tell me what your job duties were for that position?

20 A. Again, I would say, you know, roughly very
21 similar, you know, as we continued to grow, you know,
22 with the difference that some of the other
23 responsibilities such as inventory and things like
24 that, you know, others were doing. You know, but again
25 it was just a different level in the company.

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1 Q. And I assume from the dates you've given me,
2 you recently became the executive vice president?

3 A. That's correct.

4 Q. When did that happen?

5 A. Approximately January of this year.

6 Q. And it's executive vice president of what?

7 A. Stand Energy.

8 Q. Okay. There's no other title, just executive
9 vice president of Stand Energy?

10 A. Yes.

11 Q. And can you talk about your job duties and
12 responsibilities as the executive vice president?

13 A. Again, as a smaller company, you know, we're
14 all required to do different things within the company.
15 We don't have set job descriptions, you know. But my
16 involvement is still in all areas of the company except
17 for general accounting, you know, accounts receivable,
18 and things like that.

19 I still do a lot of the roles I've always
20 done, but, again, maybe more of a supervisory level for
21 some things.

22 Q. Are you making decisions that affect company
23 policy in this position where you may not have had that
24 responsibility before this?

25 A. Could you clarify the question or be more

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1 specific?

2 Q. Sure. Are your -- have your responsibilities
3 grown or expanded in a sense that you are now making
4 the types of business decisions that affect Stand
5 Energy and how they choose to operate its business?

6 A. Well, there's only two owners to the company,
7 and the decision ultimately lies with them. I believe,
8 based upon my length of the time at the company and
9 various positions, that I have a significant amount of
10 input into the decisions that are made.

11 Q. And who are those owners of Stand Energy that
12 you just referred to?

13 A. I don't know the specifics in terms of
14 defining the word owners, but the two principal owners
15 that I'm aware of are Judith Phillips and Matt Tobin.

16 Q. And they confer with you, generally speaking,
17 when they're making business decisions?

18 A. Generally speaking, yes.

19 Q. And you mentioned earlier, in 1994 there was
20 some sort of evolution that took place at Stand Energy
21 where you may have taken on more eligible customers.
22 Could you describe that, please?

23 A. No, I did not say that. I said there was an
24 evolution within the industry over the course of time
25 that when I first started, customers that were eligible

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1 for transportation gas were primarily limited to
2 commercial and industrial customers of a relatively
3 large size.

4 Then over the course of time, as regulations
5 evolved at both the federal and state levels, more
6 customers were eligible for transportation gas.

7 Q. And eventually the rules and laws about who
8 you could supply gas to expanded to that lower
9 threshold of residential consumers as well; is that
10 correct?

11 A. At one point -- at a certain point in time,
12 yes, they were made eligible.

13 Q. And were you working for Stand when that
14 happened?

15 A. Yes.

16 Q. And after that happened, did Stand market to
17 residential customers?

18 A. Yes.

19 Q. And were you involved in the marketing to
20 residential customers?

21 A. I was involved, yes.

22 Q. What type of marketing did Stand participate
23 in to specifically residential customers, do you
24 recall?

25 A. I don't understand the question. What do you

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1 mean by marketing?

2 Q. How did you get residential customers to sign
3 up with Stand Energy's gas supply?

4 A. I recall there being various marketing
5 methods via telephone, print advertising, mailers,
6 various events.

7 MR. DOSKER: I'd like to interpose an
8 objection. I would like to ask you to define the
9 service territory that you're asking him about,
10 because we engaged, as Mark described, in many
11 states and lots of different rate classes or
12 service classes.

13 MR. KRAVITZ: Okay.

14 BY MR. KRAVITZ:

15 Q. When I asked you that previous question,
16 would your answer apply to specifically Ohio, marketing
17 to residential customers in Ohio?

18 A. I gave four or five different marketing
19 approaches that we used. In some states or some areas
20 those would not apply. That was a generality in terms
21 of all the areas.

22 Q. And specifically in Ohio, do you recall if
23 you used those techniques?

24 A. Yes, yes.

25 Q. Did you offer fixed rates to customers,

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1 residential customers at that time?

2 A. I don't recall, specifically. It's
3 possible.

4 Q. And is that something that you could find out
5 if you were to confer with your colleagues or research
6 throughout your company's documents?

7 A. Quite possibly, yes.

8 Q. How does Stand Energy market today to
9 customers?

10 A. I believe in our answer to the
11 interratories we said that that is confidential and
12 proprietary information.

13 Q. You have to answer my question.

14 MR. DOSKER: You can answer in generalities
15 how we -- how we market gas to our commercial
16 industrial customers. Don't mention any specific
17 customer names but the methods we utilize.

18 MR. KRAVITZ: Or we can mark this down as
19 confidential testimony.

20 BY MR. KRAVITZ:

21 Q. How does Stand Energy market to customers
22 today?

23 A. We utilize various methods. I would
24 characterize us as more of a niche marketer. It's very
25 targeted marketing.

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1 We call on customers, you know, directly,
2 cold calling via references from existing customers,
3 attend industry trade shows, soliciting, you know,
4 various industry trade groups.

5 Q. Why did you say niche marketer? What does
6 that mean? What niche are you in, I guess?

7 A. Given the size of Stand -- the natural gas
8 industry is very, very large, and while we do have, you
9 know, a large amount of sales, we do not operate to
10 every customer everywhere.

11 We focus on segments of the market, you know,
12 in which we're able to supply customers reliably and in
13 a cost effective manner and not be a, quote, Enron
14 where we're trying to be everything everywhere. So I
15 view us as more of a niche marketer.

16 Q. Without having to tell me who the specific
17 customers are, could you give me a little more detail
18 about what makes a customer fit into that niche, what
19 makes them more attractive to Stand Energy?

20 A. I don't know if attractive would be a good
21 way to describe it, but we -- when you're supplying a
22 customer, you have to have all the components. You
23 have to have the gas supply, the transportation to get
24 to the market, and then the sales support to service
25 that customer. And if you don't have all three of

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1 those, in our view, it's very difficult, if not
2 impossible, to make that work.

3 So we look for areas where we have all three
4 of those components: the gas supply, the transport to
5 get there, and then the ability to serve that customer.

6 And, obviously, there's a profit, you know,
7 component, too, where we can be competitive and make a
8 profit.

9 Q. So the infrastructure has to be in place is
10 one issue that you're looking for as to whether or not
11 you want to supply gas to a customer?

12 A. I don't know if infrastructure would be the
13 right word, but, you know, we have to have the
14 necessary -- I think what you're referring to is the
15 necessary pipeline capacity in order to get to that
16 specific market.

17 Q. And you also said profitability. How do you
18 evaluate whether or not a customer will be
19 profitable?

20 A. I think, to a large degree, that would be
21 confidential and proprietary, but we look at whether we
22 can make sure that our, you know, sales prices are
23 going to be higher -- are going to be higher than our
24 costs.

25 Q. And earlier -- I'm sorry.

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1 A. We have to look at our, you know, expenses,
2 you know, in a certain area and, obviously, look at,
3 you know, what those sales expectations are.

4 Q. Earlier you mentioned when you were talking
5 about Stand being a niche marketer, that you call on
6 customers. Are there employees at Stand Energy that
7 are making those calls to customers or potential
8 customers?

9 A. Yes.

10 Q. And how many employees are doing that type of
11 marketing for Stand Energy?

12 A. I don't know the specific number, but I would
13 say approximately -- we currently have six in-house,
14 you know, people that are dedicated to sales.

15 Q. They're still going by cold calling and
16 references for finding customers?

17 A. And the other items that I had listed,
18 discussed.

19 Q. You also have affiliates that make calls on
20 Stand Energy's behalf; is that right?

21 A. Yes.

22 Q. And how many affiliates do you have that are
23 making these calls?

24 A. I don't know the exact number, but I would
25 say we have affiliate contracts for 15, as an

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1 approximate.

2 Q. How many of those affiliates are in Ohio?

3 A. I don't know the specific number that have
4 their incorporation in Ohio. As an estimate, again, I
5 would say five to six.

6 Q. And would that number correlate to how many
7 affiliates you have operating in Ohio? I'm sorry. You
8 mentioned that you may have five or six incorporated in
9 Ohio. How many affiliates are currently operating in
10 Ohio?

11 A. I would say the number would be large --
12 somewhat larger than that, but you may have an
13 affiliate that is based out of Indiana, as an example,
14 that would have an Ohio customer. I would estimate
15 that to be six to eight.

16 Q. What do the affiliates do? What are their
17 functions for Stand Energy?

18 A. They primarily represent our outside sales,
19 independent contractors, if you will, that primarily
20 represent the sales function of calling on customers
21 and servicing customers.

22 Q. Do you have contracts with these
23 affiliates?

24 A. Yes.

25 Q. Are they referred to as independent

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1 contractors in the agreements?

2 A. I couldn't say specifically without looking
3 at an agreement.

4 Q. How long are the contracts for? How long do
5 these affiliates -- how long are they working for you,
6 based on the contract?

7 A. I would presume that there are various
8 lengths. As an estimate, I would presume that they are
9 in three- to five-year terms.

10 Q. These affiliates have their own companies; is
11 that correct?

12 A. They are not Stand Energy.

13 Q. They are a separate entity, correct?

14 A. Correct.

15 Q. Is there any shared ownership between Stand
16 Energy and the affiliates?

17 A. To the best of my knowledge, there are only
18 two owners of Stand Energy.

19 Q. And do they have any ownership interest in
20 any of the affiliates?

21 A. Who?

22 Q. The owners. Stand Energy and the owners of
23 Stand Energy, do they have any interest in the
24 affiliates?

25 A. Not that I'm aware of.

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1 Q. Does -- when the affiliates are making sales
2 and doing what their contract requires of them, they
3 are using -- they are contacting customers as Stand
4 Energy, correct?

5 A. Not necessarily, no.

6 Q. The contracts that they sign customers up for
7 gas supply, it is contracts between Stand Energy and
8 the consumer, correct?

9 A. Correct.

10 Q. Do those contracts say anywhere on them that
11 there was an affiliate involved in bringing the
12 customer to Stand Energy?

13 A. During the sales processes that I have been
14 involved in -- obviously, I'm not on a sales call with
15 every affiliate every time that they go, but I have
16 been on sales calls with an affiliate where they
17 present their business card with their name on it
18 representing themselves and their company.

19 Q. Let me re-ask my question. Does the contract
20 that the customer -- the affiliate gets and Stand
21 Energy, does it state anywhere on there that an
22 affiliate was involved in bringing the customer to
23 Stand Energy?

24 A. Our contract is between ourselves and the
25 customer, what services and products we're going to

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1 supply and what services and supply the customer wants.
2 It does not go into detail about the processes that are
3 going to be followed between -- during the sales
4 process.

5 Q. Do any of the affiliates use the name Stand
6 Energy as their business name?

7 A. I don't know for certain.

8 Q. Just in general practice do the affiliates
9 call a consumer and say that they are so-and-so from
10 Stand Energy?

11 A. Again, I don't want to represent something
12 that someone else said. I know that I've been on sales
13 calls before with the affiliates. I have not attended
14 every single sales call that an affiliate has made to
15 either existing customers or perspective customers, but
16 I have been on sales calls before.

17 For the ones I've attended, the affiliate
18 presents their business card, you know, as themselves
19 as their company, but I don't want to certify or
20 represent that I know what every single affiliate has
21 ever said on every single sales call.

22 Q. Have you been on sales calls where affiliates
23 have said that they are from Stand Energy?

24 A. Not specifically, as I can recall, no.

25 Q. What controls does Stand Energy have here

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1 in-house to instruct -- to instruct these affiliates
2 how to represent themselves when they're out marketing
3 Stand Energy's natural gas supply?

4 A. We do have periodic affiliate meetings with
5 our affiliates and in-house salespeople where we go
6 over sales techniques, you know, industry events.

7 In terms of specifics of how marketing is
8 conducted, that should be detailed in the affiliate
9 agreements.

10 Q. And so the affiliate agreement governs how an
11 affiliate is going to act in their capacity as an
12 affiliate for Stand Energy?

13 A. Again, I'm not aware or prepared to discuss
14 every item within the affiliate agreement, but I would
15 presume that the affiliate agreement with each
16 individual affiliate would lay out the specifics of
17 what our responsibilities are as Stand Energy and what
18 their responsibilities are as an affiliate.

19 Q. Are you aware if they're permitted to say
20 that they are Stand Energy when they are marketing?

21 A. Again, I'm not prepared in the specifics of
22 what that agreement says, so I don't want to represent
23 what that agreement may or may not contain for each
24 individual affiliate.

25 MR. KRAVITZ: Go off the record for just a

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1 minute.

2 (Off the record.)

3 BY MR. KRAVITZ:

4 Q. Mr. Freeman, we're going to switch gears here
5 for a second. Does Stand Energy, in your opinion, play
6 any part in the delivery of natural gas?

7 A. Yes.

8 Q. And how so?

9 A. We secure gas and have interstate
10 transportation in our name and deliver that gas to
11 various city gates.

12 MR. KRAVITZ: At this point this time,
13 Mr. Freeman, I have no more questions. I would
14 request that the deposition be left open for the
15 possibility of future questioning. Mr. Dosker?

16 MR. DOSKER: I don't -- let me check my notes
17 here a second.

18 You had asked Mr. Freeman some questions
19 about whether or not we had ever offered fixed
20 prices on residential customers, and he indicated
21 he thought he could research that and answer that
22 question. Would you like him to do that?

23 MR. KRAVITZ: Yes.

24 MR. DOSKER: Okay. Because short of that, I
25 don't believe I have any questions for

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1 Mr. Freeman.

2 MR. KRAVITZ: Okay.

3 THE REPORTER: Do you need transcripts of
4 either or both of these today?

5 MR. KRAVITZ: I don't think so.

6 MR. WHITE: We should go ahead and get an
7 electronic version.

8 MR. KRAVITZ: Okay.

9 MR. DOSKER: We'll take a copy.

10

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DEPOSITION ADJOURNED AT 2:53 P.M.

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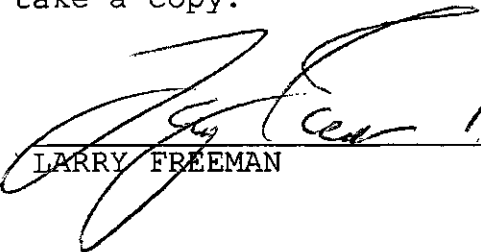
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LARRY FREEMAN 10/10/11

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E R R A T A S H E E T

DEPOSITION OF: LARRY FREEMAN

VOLUME I

TAKEN: JULY 26, 2011

Please make the following corrections to my deposition transcript:

Page Line Number

Correction Made

11 15 Toebben (spelling)

Abstract

[Signature]

Witness Signature _____ 10/7/11

Witness Signature _____ Date 7/7/11

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EXHIBIT 13



Dominion

Dominion East Ohio



Dominion

Dominion Energy Solutions

EXHIBIT 14



Vectren Energy Delivery



Vectren Source

EXHIBIT 15

FILE

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Interstate Gas Supply, Inc. for)
Certification as a Retail Natural Gas)
Supplier)

Case No. 02-1683-GA-CRS

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2010 SEP 10 PM 4:22
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**MEMORANDUM CONTRA RETAIL ENERGY SUPPLY ASSOCIATION'S AND STAND
ENERGY CORPORATION'S MOTIONS TO INTERVENE**

Pursuant to Ohio Administrative Code (O.A.C.) 4901-1-12(B)(1), Interstate Gas Supply, Inc. ("IGS") respectfully submits this Memorandum Contra the motions to intervene of the Retail Energy Supply Association ("RESA") and Stand Energy Corporation ("Stand"). As IGS stated in its Memorandum Contra the intervention of the Office of the Ohio Consumer's Counsel ("OCC"), Border Energy ("Border") and Northeast Ohio Public Energy Council ("NOPEC") (collectively the "Objecting Parties"), certification dockets are intended to assess the financial, managerial and technical capabilities of an applicant, either initially or at the bi-annual review period. A certification docket does not, and should not, include marketing issues. To the extent issues arise with respect to marketing activities, O.A.C. 4901:1-29-05(C)'s prohibition against unfair or misleading marketing practices applies to both utility affiliates and non-affiliates alike. A complaint proceeding, rather than intervention in a certification docket, would be the proper procedural mechanism for consideration of whether a supplier is in compliance with that regulation. For these reasons, and the reasons stated in IGS' prior Memoranda Contra the Objecting Parties, both Stand's and RESA's motions to intervene in IGS' certification docket should be denied.

In addition to the arguments presented by OCC, NOPEC, Stand and Border, RESA presents an additional argument which warrants response. RESA is not claiming that IGS should be unable to use the trade name "Columbia Retail Energy" but instead asserted:

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IGS has not included in its notice to the Commission how it intends, or if it intends, to distinguish its marketing of natural gas commodity supply under the "Columbia Retail" trade name from that of the incumbent natural gas company ("NGC"), Columbia Gas of Ohio. RESA Motion p. 2.

RESA is concerned that IGS's use of the "Columbia Retail" trade name, **without appropriate disclaimers**, will mislead customers to believe that their natural gas will be supplied by their NGC, Columbia Gas of Ohio, to the detriment of customer choice and a competitive retail natural gas market in Ohio. (Emphasis added). RESA Motion p. 4.

Although RESA is correct that IGS' Notice of Material Change did not include specific detail regarding disclosures IGS will make when using the trade name "Columbia Retail Energy", RESA misses two relevant points. First, the notice rules promulgated in OAC 4901:1-24-10 do not require disclosure and a review of specific marketing materials. Further, the Certification dockets of the affiliated suppliers AEP Retail Services, Dominion Retail, dba Dominion East Ohio Energy, Duke Retail Energy, First Energy Solutions, and Vectren Retail do not contain such disclosures and no party, to IGS's knowledge, including RESA or the Objecting Parties, is asserting that such disclosure is required in a Notice of Material Change filing.

Second, as IGS stated in its Memorandum Contra the Objecting Parties, IGS has relied heavily on the disclosure standards in the Commission rules (specifically O.A.C. 4901:1-29-05(C)(8)(f)) and has consulted with Commission Staff regarding appropriate disclosures in developing its marketing materials.¹

In order to allay the speculative concerns raised by RESA and the Objecting Parties, IGS has attached to this memorandum the affidavit of Vincent A. Parisi, General Counsel for

¹ In its Memorandum Contra, IGS stated: "IGS is a well established energy company with an impeccable reputation for conducting itself with the highest level of integrity in the market. In developing its marketing program for use of the CRE trade name, IGS has relied heavily upon the Commission's rules governing the use of trade names and trademarks by affiliated companies to guide its disclosures to consumers regarding its relationship with the trade name owner. IGS has also consulted with the Commission's Staff regarding appropriate disclosures related to the use of the CRE trade name." (Emphasis added, Memorandum Contra p. 6.)

IGS. As Mr. Parisi's affidavit confirms, IGS has developed the following disclaimer/disclosure language in consultation with the Commission's staff for use on its CRE marketing material:

Next to the logo at the top:

Columbia Retail Energy is not an affiliate of NiSource or Columbia Gas of Ohio.

At the bottom:

The trademark COLUMBIA RETAIL ENERGY including the starburst design is a trademark of NiSource Corporate Services Company and is used under license by Interstate Gas Supply, Inc. Interstate Gas Supply, Inc., is not an affiliate of NiSource Corporate Services Company or Columbia Gas of Ohio.

IGS is committed to using one or both of these or substantially similar disclaimers/disclosures in soliciting customers for CRE and in complying with all applicable statutes and/or regulations.² These disclaimers/disclosures would more than fully comply with O.A.C. 4901:1-29-05(C)(8)(f) if IGS were a utility affiliate as well as comply with O.A.C. 4901:1-29-05(C)'s general prohibition against unfair or misleading marketing activities.

Given the applicability of existing O.A.C. 4901:1-29-05(C) to affiliates and non-affiliates, and the guidance, by analogy, provided by O.A.C. 4901:1-29-05(C)(8)(f), coupled with IGS' efforts in consulting with the Commission Staff regarding appropriate disclaimers/disclosures, there is no statutory or regulatory basis, nor any consumer related concerns, to support RESA's assertion that new regulations must be crafted for non-affiliate suppliers before IGS begins its CRE marketing program.

IGS continues to assert that a certification docket is not the appropriate forum for addressing issues outside of the applicant's financial, technical and managerial capability to conduct business in Ohio as a seller of natural gas to residential consumers. Further, marketing standards and practices are not within the items codified by the Ohio legislature as elements to be considered by the Commission when determining whether a CRNGS certification should be issued or renewed. RESA seems to acknowledge this in its filing, given its request for the

² IGS will use a disclaimer next to the CRE logo at the top of all marketing material.

Commission to open a separate docket for rulemaking to craft new rules related to disclosures for non-affiliates. Although IGS does not believe separate rules are necessary, if the Commission deems it necessary to open a new docket for a rulemaking proceeding on O.A.C. 4901:1-29-05(C)(8)(f) to add "or unaffiliated companies" to the rule, IGS would not object to such a process, although it reserves all of its rights and arguments for such a process.

However, IGS vigorously opposes RESA's assertion that IGS' use of the trade name Columbia Retail Energy should be suspended pending the outcome of a proposed rule making process. It would be unwarranted, unduly penalize IGS and be an inappropriate restraint on trade to prevent IGS from using a legally licensed service mark, with appropriate disclosures, simply to hold a proceeding that would result in requiring IGS to do the thing it has already committed to do. This is especially so since IGS is not violating any law or Commission rule by marketing under the name Columbia Retail Energy, and has gone to great lengths to comply with 4901:1-29-05(C)(8)(f).

RESA is comprised of some of the largest competitors in the retail space, many of whom directly compete with IGS for customers and all of whom are keenly aware of the best times to present offers to the public. RESA is also aware of the time it would take for a rulemaking proceeding to conclude and that a suspension of the use of the name Columbia Retail Energy would likely preclude IGS' use of the service mark this gas year, and possibly into next. If RESA's concern is that other non-affiliate suppliers would not follow the standards set forth in O.A.C. 4901:1-29-05(C)(8)(f), a rulemaking proceeding may be warranted to ensure that the rest of the market, if ever presented with such an opportunity, would be compelled to do what IGS has already committed to do. However, having followed the appropriate path, and after working with Commission Staff to craft disclosures that meet, if not exceed, the requirements of the existing Commission rules, there is no legal or other basis for restraining IGS from doing what it is clearly entitled to do as urged by RESA.

Accordingly IGS respectfully requests that the Commission deny Stand's and RESA's motions to intervene in IGS' certification docket, deny RESA's request that IGS be prohibited from using the Columbia Retail Energy trade name until the conclusion of any future non-affiliate rulemaking proceeding, and issue such other orders as the Commission deems appropriate.



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Attorneys for Interstate Gas Supply, Inc.

CERTIFICATE OF SERVICE

It is hereby certified that a true copy of the foregoing *Memorandum Contra Retail Energy Supply Association's and Stand Energy Corporation's Motions to Intervene* was served upon the following persons listed below by electronic mail and regular U.S. Mail, postage prepaid, this 10th day of September, 2010.

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Matthew S. White

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Interstate Gas Supply, Inc. for)	Case No. 02-1683-GA-CRS
Certification as a Retail Natural)	
Gas Supplier)	

AFFIDAVIT OF VINCENT A. PARISI

Vincent A. Parisi, being first duly sworn and cautioned, does swear and depose that:

- (1) I, Vincent A. Parisi, am General Counsel of Interstate Gas Supply, Inc. ("IGS"). I make this affidavit on my own personal knowledge regarding the matters stated in this affidavit;
- (2) I have worked to develop, with other representatives of IGS, examples (attached to this Affidavit) of disclosures ("Disclosure Examples") to be used in IGS' marketing material regarding the use of the service mark Columbia Retail Energy;
- (3) IGS has received the Public Utilities Commission of Ohio ("Commission") Staff's ("Staff") input and recommendations as to the type of disclosures IGS should make while marketing under the service mark Columbia Retail Energy;
- (4) IGS has used Staff's recommendations and input to craft the Disclosure Examples;
- (5) IGS has submitted the Disclosure Examples to Staff and Staff has indicated that the Disclosure Examples appear to comply with the Commission rules regarding disclosures of the use of a service mark of an Ohio public utility;

- (6) IGS' marketing materials under the service mark Columbia Retail Energy will contain one or both of the Disclosure Examples, or substantially similar disclosures. IGS will use a disclaimer next to the CRE logo at the top of all marketing material.

Further affiant sayeth naught.




Vincent A. Parisi
General Counsel
Interstate Gas Supply, Inc.

STATE OF OHIO
COUNTY OF FRANKLIN, SS:

On this 10th day of September 2010, Vincent A. Parisi appeared before me, a notary public for the State of Ohio, and subscribed and swore that the foregoing is true and accurate to the best of his knowledge and belief.



Christine L. Schulenberg
Notary Public, State of Ohio
My Commission Expires on 10/24/12



Notary Public

DISCLOSURE EXAMPLES

Next to the logo at the top:

Columbia Retail Energy is not an affiliate of NiSource or Columbia Gas of Ohio.

At the bottom:

The trademark COLUMBIA RETAIL ENERGY including the starburst design is a trademark of NiSource Corporate Services Company and is used under license by Interstate Gas Supply, Inc. Interstate Gas Supply, Inc. is not an affiliate of NiSource Corporate Services or Columbia Gas of Ohio.