BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Implementation of Section 749.10 of Amended Substitute House Bill 153.	)))	Case No. 11-5384-AU-UNC

COMMENTS OF COLUMBIA GAS OF OHIO, INC. AND THE EAST OHIO GAS COMPANY D/B/A DOMINION EAST OHIO

The Commission initiated this proceeding by Entry dated October 12, 2011. In the Entry the Commission directed its Staff to propose a distribution methodology for the decrease in the amount of the Office of the Ohio Consumers' Counsel ("OCC") assessment paid under Rev. Code § 4911.18.

On November 22, 2011, the Staff filed its proposed methodology. Staff recognized that the difference between the total of the OCC assessments paid by all utilities and amounts that would have otherwise been assessed amounted to $2,856,907.[1] Staff recommended that the entire amount be assessed to the utilities and credited to the electric Percentage of Income Payment Plan ("PIPP") operated by the Ohio Department of Development.

Pursuant to the Commission's Entries in this docket Columbia Gas of Ohio, Inc. ("Columbia") and The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO") file these Comments, and object to the Staff's proposed distribution methodology because it provides an inequitable and anti-competitive benefit to electric companies and their customers at the expense of natural gas distribution companies and their customers.

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[1] The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO") notes that its assessment was incorrect. According to DEO's records, OCC invoiced DEO on September 30, 2011, for a total FY 2012 reduced budget assessment of $159,204.24, which is $95.06 greater than the amount recorded in Attachment A to OCC's filing in this case.

Columbia and DEO agree with Staff's finding that issuing credits to individual customers would provide little impact on customer bills and is not administratively efficient. Columbia and DEO also have no objection to crediting the full amount of the additional OCC assessment to reduce PIPP arrearages. However, Columbia and DEO object to crediting the full amount of the additional OCC assessment solely to the electric PIPP program.

Staff's recommendation is premised upon its conclusion that "the majority of Ohioans pay electric costs."[2] While this is an accurate observation, it does not justify crediting all of the additional OCC assessment to the electric PIPP. Crediting natural gas company OCC assessments to the electric PIPP creates a subsidy flowing to the electric companies from the natural gas companies, and the Commission should avoid such cross-subsidization.

The subsidy that Staff would create is also anti-competitive. Very often the natural gas companies compete with the electric companies for various types of customers. Taking natural gas company OCC assessments and using them to reduce electric PIPP arrearages will reduce the electric companies' PIPP rates. At the same time the natural gas companies' PIPP rates will be higher than they would have been absent the credit for the OCC assessment. This disparity in PIPP rates created by Staff's artificial subsidy will work to the competitive disadvantage of the natural gas companies, and for this reason the Commission should not adopt Staff's proposed methodology.

The OCC has identified the additional OCC assessment for each utility.[3] Rather than having all of the additional OCC assessment applied to electric PIPP arrearages, the better approach is have each utility apply its additional OCC assessment to its own PIPP arrearages. This better matches the return to customers of the additional OCC assessment with cost causation, and eliminates the anti-competitive subsidy that would be created by the Staff's methodology. If a utility does not have a PIPP program, then the electric PIPP fund should be a default option for the additional OCC assessment.

Columbia and DEO also note that to the extent utilities have collection of any part of the OCC assessment embedded in base rates, there could be an ongo-

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[2] PUCO Staff Recommendation on the Distribution Methodology for the Decrease in the Amount of the OCC Assessment, Case No. 11-5384-AU-UNC (November 22, 2011) at 3.

[3] Response to the PUCO's Request for Assessment Data by the Office of the Ohio Consumers' Counsel, Case No. 11-5384-AU-UNC (November 4, 2011).

ing overcollection of the OCC assessment. Columbia and DEO therefore suggest that OCC should be required to annually report on the amount of the additional OCC assessment for each utility as it did in the instant docket this year. On an annual basis, once the Commission has reviewed the OCC report, the Commission should direct each utility to credit the utility's additional OCC assessment against the utility's PIPP arrearages, or default into the electric PIPP fund.

Respectfully submitted by,
COLUMBIA GAS OF OHIO, INC.

/s/ Stephen B. Seiple
Stephen B. Seiple (Counsel of Record)

Stephen B. Seiple, Asst. General Counsel
Brooke E. Leslie, Counsel
200 Civic Center Drive
P.O. Box 117
Columbus, OH 43216-0117
Telephone: 614-460-4648
Fax: 614-460-6986
Email: sseiple@nisource.com
bleslie@nisource.com

Attorneys for
COLUMBIA GAS OF OHIO, INC.

THE EAST OHIO GAS COMPANY D/B/A DOMINION EAST OHIO

/s/ Mark A. Whitt
Mark A. Whitt (Counsel of Record)

Mark A. Whitt
Melissa L. Thompson
CARPENTER LIPPS & LELAND LLP
280 Plaza, Suite 1300
280 North High Street
Columbus, OH 43215
Telephone: 614-365-4100
Fax: 614-365-9145
Email: whitt@carpenterlipps.com
thompson@carpenterlipps.com

Attorneys for
THE EAST OHIO GAS COMPANY D/B/A

DOMINION EAST OHIO

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments of Columbia Gas of Ohio, Inc. and The East Ohio Gas Company d/b/a Dominion East Ohio were served upon the parties listed in the Service List below by regular U.S. mail this first day of December 2011.

/s/ Stephen B. Seiple
Attorney for
COLUMBIA GAS OF OHIO, INC.

SERVICE LIST

William Wright
Chief, Public Utilities Section
Public Utilities Commission of Ohio
180 East Broad Street 6th Floor
Columbus, Ohio 43215

Thomas McNamee
Attorney General Section
Public Utilities Commission of Ohio
180 East Broad Street 6th Floor
Columbus, Ohio 43215

Melissa R. Yost
Kyle L. Kern
Assistant Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, OH 43215-3485

Mark A. Whitt
Melissa L. Thompson
Carpenter Lipps & Leland LLP
280 Plaza, Suite 1300
280 North High Street
Columbus, OH 43215