

FILE

BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of )  
the Ohio School Consortium ) Case No. 11-6011-GA-WVR  
for a Requested Clarification or Waiver )

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COMMENTS FILED ON BEHALF OF  
THE STAFF OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO

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On December 2, 2009, the Commission approved a Stipulation in Case No. 08-1344-GA-EXM (Stipulation) in which Columbia Gas of Ohio (Columbia) was granted an exemption pursuant to Ohio Rev. Code § 4929.04, from certain natural gas commodity sales services or ancillary services. The Stipulation provided that Columbia would conduct two Standard Service Offer (SSO) auctions in which winning auction bidders would supply natural gas commodity service to Columbia's city gate on a wholesale basis. The two approved auctions were for 12 month periods beginning April 1, 2010 and April 1, 2011. The stipulation provided that Columbia would proceed to a Standard Choice Offer (SCO) auction beginning April 1, 2012 and continuing thereafter. Under the SCO, winning bidders would directly serve Columbia's Choice eligible sales customers on a retail basis as well as provide wholesale commodity service to Choice ineligible sales customers. Among other things, the Stipulation also provided for a change in the eligibility requirements for non-Choice Transportation Service customers. Beginning April 1, 2012, non-residential customers consuming less than 6,000 Mcf per year would

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be required to purchase 100% Standby Service from Columbia. The charge for this standby service is approximately eighty cents per Mcf. In order to eliminate the potential burden this additional charge would place on already cash-strapped school systems, the Stipulation created an exemption to this requirement for “Public School Districts that are receiving Transportation Service as of the date of this Stipulation...”. The Small General Schools Transportation Service and General Schools Transportation Service tariff provisions, which contain the transportation provisions applicable to schools, were modified provide this exemption. On November 22, 2011, the Commission approved the tariffs implementing these changes effective April 1, 2012.

On December 21, 2011, the Ohio School Consortium (Consortium) filed an application requesting clarification or in the alternative a waiver permitting participating parochial and private schools and public libraries to continue general transportation service. According to the application, the Consortium is an ad hoc association of several school councils that have joined together over the past seventeen years to jointly bid out their natural gas service. The Consortium’s natural gas service comes from a single provider, selected by public bid, and is distributed by Columbia in accordance with its General Transportation Tariffs. The application states that the Consortium consists of more than 200 Ohio school districts including parochial and private schools as well as public libraries with more than ninety percent of the Consortium’s natural gas load being for public school districts. The application requests the Commission to consider all the schools and libraries in the Consortium pool as falling within the public school

exemption, or in the alternative, grant a waiver to the tariff provisions for those private and parochial schools and public libraries that are part of the Consortium.

On January 5, 2012, Columbia filed a Memorandum Contra to the Consortium's application. Columbia argues that the language in the stipulation that specifically exempts "public schools" from the standby service requirement is clear and does not need clarification by the Commission. Columbia further argues that a waiver of the Stipulation requirements at this time will force Columbia to make manual adjustments to automated processes established pursuant to the Stipulation, thus increasing Columbia's costs to the detriment of its customers.

Staff agrees with Columbia that the Consortium's request for the Commission to clarify the meaning of "public schools" to incorporate the non-public members of the Consortium is inappropriate. The meaning of "public schools" is clear and is not in need of interpretation. The Staff does however believe the request for a waiver of those tariff provisions for the non-public members of the Consortium is warranted in this particular instance. Staff is persuaded by the representation that the Consortium has been purchasing natural gas as a single entity, from a single provider selected through a public bid process and it pays a single invoice for the natural gas service. To strictly enforce the tariff language limiting the waiver to public schools only would amount to kicking out the non-public school members of the Consortium. In Staff's view this was an unforeseen and unintended consequence of the use of the term "public schools" that is not in the public interest. Staff believes this interest supersedes any additional costs Columbia might incur to implement this waiver. The Staff recommends the Commission grant the

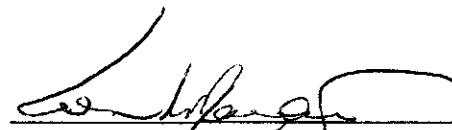
Consortium's request for a waiver of the tariff provisions to permit the Consortium to continue to purchase natural gas as it is currently configured.

Staff intends that this recommendation for an exemption be applied only to those non-public schools within the Consortium and is not intended as a blanket recommendation for all non-public schools. The Staff is persuaded by the specific facts of this case regarding the predominantly public school makeup of the Consortium as well as the long history of the Consortium acting as a single entity in procuring natural gas service.

Respectfully submitted,

**Mike DeWine**  
Attorney General

**William L. Wright**  
Section Chief

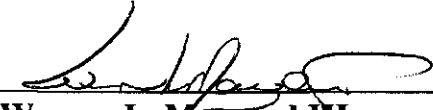


**Werner L. Margard III**  
Assistant Attorney General  
Public Utilities Section  
180 East Broad Street, 6th Floor  
Columbus, Ohio 43215-3793  
(614) 466-4395  
Fax: (614) 644-8764

**Attorney for the Staff of the  
Public Utilities Commission of Ohio**

## **CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the foregoing Comments were served by regular U.S. mail, postage pre-paid, or hand-delivered and sent by facsimile, to the following parties of record, this 12<sup>th</sup> day of January, 2012.

  
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**Werner L. Margard III**  
Assistant Attorney General

### **Parties of Record:**

**M. Howard Petricoff**  
**Stephen M. Howard**  
Vorys, Sater, Seymour and Pease LLP  
52 E. Gay Street  
Columbus, OH 43215  
614-464-5414  
[mhpetricoff@vorys.com](mailto:mhpetricoff@vorys.com)  
[smhoward@vorys.com](mailto:smhoward@vorys.com)

**ATTORNEYS FOR OHIO SCHOOL  
CONSORTIUM**

**Brooke E. Leslie, Counsel**  
**Stephen B. Seiple, Asst. General Counsel**  
200 Civic Center Drive  
Columbus, OH 43216-0117  
614-460-5558  
[bleslie@nisource.com](mailto:bleslie@nisource.com)  
[sseiple@nisource.com](mailto:sseiple@nisource.com)

**ATTORNEYS FOR COLUMBIA GAS OF  
OHIO, INC.**