

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Co- )  
lumbia Gas of Ohio, Inc. for Approval ) Case No. 11-5515-GA-ALT  
of an Alternative Form of Regulation. )

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**REPLY MEMORANDUM  
OF COLUMBIA GAS OF OHIO, INC.  
TO THE MEMORANDUM CONTRA OF  
OHIO PARTNERS FOR AFFORDABLE ENERGY**

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This Reply Memorandum is part of a series of motions and responses to motions that center around a single issue – i.e., whether Columbia Gas of Ohio, Inc. (“Columbia”) may file an alternative regulation plan application to extend its Infrastructure Replacement Program (“IRP”) without the simultaneous filing of a base rate case.

On December 9, 2011, Columbia filed a Notice of Intent in which Columbia stated that it planned to file an Alternative Regulation Plan application. The primary purpose of the Alternative Regulation Plan application would be to extend Columbia’s IRP after the expiration of its initial five-year term.

On December 22, 2011, Columbia filed a Motion for Waiver, in which it requested that it not be required to file those Standard Filing Requirement exhibits that relate to the filing of a base rate case. This request was premised upon the fact that Ohio law no longer requires that alternative regulation plan applications be filed in conjunction with a base rate case. However, the Commission’s rules have not yet been revised to comport with statutory changes regarding the filing of alternative regulation plan applications.

On January 6, 2012, the Office of the Ohio Consumers’ Counsel (“OCC”) filed a Memorandum Contra Columbia’s Motion for Waiver. Columbia filed a Reply Memorandum on January 11, 2012.

On January 11, 2012, Ohio Partners for Affordable Energy (“OPAE”) filed a pleading in this docket styled as a “Reply to the Memorandum Contra.” The

pleading explained that it is a reply to the memorandum contra filed by the OCC on January 6, 2012. On January 13, 2012, Columbia filed a Motion to Strike OPAE's Reply to Memorandum Contra because the substance of the OPAE pleading was in no sense a reply to any of the OCC arguments, but was instead a response to the substance of Columbia's January 11 Reply Memorandum. As noted in Columbia's Motion to Strike, the Commission's rules do not permit responses to Reply Memoranda.

On January 19, 2012, OPAE filed a Memorandum Contra Columbia's Motion to Strike. Pursuant to Ohio Admin. Code § 4901-1-12(B)(2), Columbia files this Reply Memorandum in response to OPAE's Memorandum Contra. Columbia will not further belabor the procedural defects in OPAE's January 11 Reply to Memorandum Contra, having sufficiently addressed those in the earlier Motion to Strike. However, OPAE in its latest pleadings has made other incorrect substantive assertions to which Columbia must respond.

OPAE continues to claim that an extension of Columbia's IRP after its initial five-year term must be filed in conjunction with a base rate case, and claims that had the contrary been true the Stipulation in Case No. 08-72-GA-AIR et al. would have said so.<sup>1</sup> As noted in earlier pleadings, the 2008 Rate Case Stipulation does clearly state that an extension of Columbia's IRP beyond the original five-year term may be sought through either "an application for an increase in rates pursuant to Section 4909.18, Revised Code, *or* Columbia's filing for an alternative method of regulation pursuant to Section 4929.05, Revised Code."<sup>2</sup> Had the parties intended to require the filing of both a rate case and an alternative regulation case they would have used the conjunctive word "and" instead of "or."

OPAE also contends that Columbia should not be able to request an extension of its IRP until the end of the initial five-year term.<sup>3</sup> This interpretation of the 2008 Rate Case Stipulation is impractical. If Columbia has to wait until the end of the initial five-year program before it can request an extension, then there will be a gap of several months, perhaps as long as a year, where the IRP would have to be suspended pending Commission review and action upon an extension request. Such a suspension of the program would serve no practical purpose, and would put dozens, if not hundreds, of Columbia's IRP contractors' employ-

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1 Ohio Partners for Affordable Energy Memorandum Contra (January 19, 2012) at 3.

2 Case Nos. 08-0072-GA-AIR et al., Joint Stipulation and Recommendation (October 24, 2008) at 9 (emphasis added).

3 Ohio Partners for Affordable Energy Memorandum Contra (January 19, 2012) at 3-4.

ees temporarily out of work during the period between the end of the initial five-year IRP and eventual Commission reauthorization to extend the IRP. OPAE's interpretation would also add unnecessary length to the overall duration of Columbia's IRP (originally estimated at 25 years), and that is certainly not in the public interest given the safety concerns that the IRP is intended to address.

Columbia's IRP will be in effect, as agreed upon in the 2008 Rate Case Stipulation, and as approved by the Commission, for its initial five-year term. That being so, the 2008 Rate Case Stipulation does not require the filing of base rate case to extend the IRP after the expiration of its initial five-year term.

Due to the procedural deficiencies and the substantive errors in OPAE's January 11, 2012 Reply Memorandum, the Commission should grant Columbia's Motion to Strike OPAE's January 11 Reply Memorandum.

Respectfully submitted,

**COLUMBIA GAS OF OHIO, INC.**

/s/ Stephen B. Seiple

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## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Reply Memorandum of Columbia Gas of Ohio, Inc. was served upon all parties of record by electronic mail this 23rd day of January, 2012.

/s/ Stephen B. Seiple

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Summary: Memorandum Reply Memorandum of Columbia Gas of Ohio, Inc. to the  
Memorandum Contra of Ohio Partners for Affordable Energy electronically filed by B. Scott on  
behalf of Columbia Gas of Ohio