

FILE

Before
The Public Utilities Commission of Ohio

In the Matter of the Application of)
the Ohio School Consortium)
for a Requested Clarification or Waiver)

Case No. 11-6011-GA-WVR

REPLY COMMENTS OF THE OHIO SCHOOL CONSORTIUM

I. INTRODUCTION

On December 21, 2011, the Ohio School Consortium, an association of educational institutions who have collectively bid for natural gas for the past 17 years, filed a request for clarification or in the alternative a waiver permitting participating parochial and private schools and public libraries to continue with general transportation service without having to buy Standby Service from Columbia Gas of Ohio. The Ohio School Consortium natural gas service all comes from a single provider, selected by public bid, and is distributed by Columbia Gas of Ohio as General Transportation. The single bidder pays all of the Columbia Gas of Ohio transportation fees so that the participants in the Ohio School Consortium only pay a single invoice for natural gas service. The Ohio School Consortium submitted that the same rationale for allowing public school districts to receive Transportation Service should also be applicable to allow private and parochial schools and libraries to receive such Transportation Service.

On January 5, Columbia Gas of Ohio, Inc. submitted a memorandum contra to the request for clarification or waiver by the Ohio School Consortium. Columbia argued that the language of the October 7, 2009 Stipulation filed in Case No. 08-1344-GA-EXM which was approved by the Commission on December 2, 2009 was clear and did not require any clarification. Columbia also argued that the timing of the Ohio School Consortium's request would, if granted, cause increased uncertainty and confusion for potential suppliers under

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Columbia's initial SCO auction. Columbia also argued that the applicant should not be permitted to change the language of the stipulation prior to the expiration of the initial term of this stipulation. Finally, Columbia argued that counsel for the Ohio School Consortium was a key participant in the settlement negotiations and was intimately familiar with the provisions of the Stipulation.

On January 12, 2011, the Staff filed comments in this case indicating that the request for clarification was inappropriate but that the request for a waiver of those tariff provisions for the non-public members of the Ohio School Consortium was warranted. The Staff stated that it was persuaded by the representation that the Ohio School 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. The Staff believed that 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 Ohio School Consortium. The Staff felt that this was an unforeseen and unintended consequence of the use of the term "public schools" that was not in the public interest.

On January 12, 2012, the Ohio Consumers' Counsel moved to intervene in this matter.

On January 12, 2012, the Ohio School Consortium filed its reply to the January 5, 2012 memorandum contra of Columbia Gas of Ohio, Inc.

By Entry of January 30, 2012, the attorney examiner established a deadline for the filing of motions to intervene by February 10; a deadline for the filing of memorandum contra motions to intervene by February 14; a deadline for the filing of comments on the application of February 16; and a deadline for the filing of reply comments on February 22, 2012.

The only party to file comments on the application was the Ohio Consumers' Counsel.

II. REPLY COMMENTS

Because Columbia Gas of Ohio, Inc. did not file comments on February 16, the Ohio School Consortium incorporates by reference its January 12 reply to the January 5, 2012 memorandum contra filed by Columbia.

The only party to file comments on February 16 was the Ohio Consumers' Counsel. These reply comments are submitted in response to the OCC comments of February 16, 2012.

OCC states that it will respect Columbia's reliance on the settlement that the PUCO Staff has described as "clear" on the point at issue. OCC goes on to state that if the Commission were to decide to grant the applicant's request, then such a granting of the application should not in any way impair the status of residential consumers under the settlement at issue. OCC maintains that it settled the case in question, with a consideration of what the settlement would cost Ohio consumers. That settlement, or a result related to it, should not now (or later) cost consumers anything more. OCC states that under the Settlement, the residential customer class was obviously not paying the revenues related to Standby Service. Thus, under no circumstances should residential customers be responsible for any additional costs or charges, such as Columbia's potential loss of Standby Service revenues.

The Ohio School Consortium appreciates the position of OCC and is in agreement with it. With the introduction of the Standard Service Offer auction (SSO) which was part of this proceeding Columbia eliminated its GCR calculation and replaced it with a calculation where it recovers/refunds the cost of pipeline capacity and commodity. The amount of capacity Columbia purchases from upstream pipelines for Choice and SCO customers has been fixed. That capacity is then assigned to the Choice and SCO customers. As General Transportation Customers no capacity was set aside for the Parochial Schools and Public Libraries in the School Pool. Thus,

should the Parochial Schools and Public Libraries now buy Standby Service Columbia would have to go out and purchase the additional capacity. Columbia in turn would then bill the Parochial Schools and Libraries for that additional capacity via the Standby Service rate and both the new charges and the new revenue from the Standby Service rate would come through the Reconciliation Rider. Thus, residential customers then should be unaffected by the outcome of the matter at bar. The bottom line is that by granting the waiver, there is no additional risk to the residential customer class and that private and parochial schools and public libraries should be treated in the same manner as public schools, a theme the OCC does not oppose.

As the Ohio School Consortium was completing this set of Reply Comments at 4 PM today, it was served with Reply Comments by Columbia Gas of Ohio. These comments, though called Reply, are really comments on the Application and as such are out of time. The Entry required comments on the Application to be filed on February 16th and Replies to such comments today February 22nd. By filing its comments at 4 PM on the reply date Columbia has left the Consortium with an hour to reply. Thus, the Columbia Reply Comments filed today should be struck as they apply to the Application. To the degree that the Columbia Reply Comments are permitted, the Ohio School Consortium makes the following observations. First, Columbia's argument that allowing Parochial Schools and Libraries to continue to be part of the exempt School Pool will open the flood gate for new participants has no merit. The exemption only applies to School Districts that were participating on or before October 7, 2009 (Columbia Tariff PUCO No. 2 5th revised sheet 50 (small schools) also 5th revised sheet 54 (general schools). So there cannot be a flood of new school districts joining the Consortium. New buildings and replacement buildings however are permitted.

The fact that it was a specific service that was being grandfathered also defeats Columbia's other argument that the term "Public School" ought to have a dictionary definition; namely, that a "Public School" means a government run institution of learning. The Ohio Consortium argues that "Public School" in the Stipulation ought to refer to the grandfathered school arrangement for transporting gas in existence on October 7, 2009, which was generally called the Public School Pool because 100% of the load in the Pool were from state tax supported learning institutions of which 90% were government run.

Columbia argues that it will hurt the integrity of the process if the undefined term "Public School" is not read to exclude tax supported schools with a religious affiliation. That is an argument without merit, for even if term "Public School" was not open to interpretation as noted by the Staff the intent is easy to ascertain and the Commission should grant a waiver.

WHEREFORE, the Ohio School Consortium respectfully requests that the Commission grant the requested waiver and permit and direct Columbia Gas of Ohio to allow those private and parochial schools and those libraries that were receiving Transportation Service as of October 7, 2009, including any new or existing facility placed into service prior to March 31, 2013, regardless of Backup Service, to remain as eligible Transportation Customers.

Respectfully submitted,

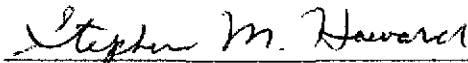


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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing document was served via electronic mail on the following persons this 22nd day of February, 2012.


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