#### BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of to Implement a Capital Expenditure Program.	) ) )	Case No. 11-5351-GA-UNC
In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval to Change Accounting Methods.	) ) )	Case No. 11-5352-GA-AAM

## OHIO PARTNERS FOR AFFORDABLE ENERGY'S REPLY COMMENTS

Ohio Partners for Affordable Energy ("OPAE") hereby submits to the Public Utilities Commission of Ohio ("Commission") these reply comments in the applications made by Columbia Gas of Ohio, Inc. ("Columbia") for approval to implement a \$76 million capital expenditure program commencing October 1, 2011 and ending December 31, 2012. Herein, OPAE replies to comments made by the Staff of the Public Utilities Commission ("Staff") on February 17, 2012.

The Staff states in its comments, at 13-14, that natural gas companies had maintained that the adoption of HB 95 was vital to attracting capital to Ohio. The natural gas companies suggested that their parent companies may not invest capital in Ohio absent the possibility of extra returns on their investment. However, as the Staff points out, the capital spending that Columbia is proposing in its program is not incremental to what Columbia has historically spent on capital projects. Columbia's historical capital spending over the five-year period 2006-2010 averaged \$58,960,000 per year. Columbia only budgeted \$49,286,000 in capital spending for 2011, which is the basis for the estimated \$53 million for 2012 in its program. Staff Comments at 14. In short, as the Staff states, Columbia's capital spending under the program is not incremental.

In spite of its comments, the Staff does not recommend that the Commission deny Columbia's applications. At this point, OPAE renews its comments that the applications should be dismissed. The Commission should not approve this program under the circumstances. Columbia is not, in fact, proposing to spend more on capital projects in 2012 than it has spent in previous years. Therefore, the need for additional returns and special deferral treatment as authorized by HB95 for this program is not proven. Columbia has in the past five years spent just as much without the need for any special ratemaking or regulatory treatment as it plans to spend in 2012. Given that Columbia does not in fact actually plan to spend any more in 2012 than it has in previous years for its capital projects, there seems to be no need for approval of this program under the special regulatory treatment as provided in HB95. The applications should be dismissed.

Respectfully submitted,

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### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of these Reply Comments was served by

electronically upon the persons identified below in these cases on this 27th day of

February 2012.

William Wright

<u>/s/Colleen Mooney</u> Colleen L. Mooney

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Summary: Reply Comments electronically filed by Ms. Colleen L Mooney on behalf of Ohio Partners for Affordable Energy