

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Columbia Gas of Ohio, Inc. for Recovery of) Case No. 13-778-GA-UNC
Base Chip Transition Costs.)

ENTRY

The attorney examiner finds:

- (1) Columbia Gas of Ohio, Inc. (Columbia or the Company) is a public utility as defined in Section 4905.02, Revised Code, and a natural gas company under Section 4905.03, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) On April 1, 2013, Columbia filed an application for authority to recover the base chip portion of a transition adjustment resulting from the Company's transition from the purchase gas adjustment (PGA) mechanism to the gas cost recovery (GCR) mechanism as the means to recover the Company's gas costs. Columbia proposes to recover its base chip transition costs through the Choice Standard Service Reconciliation Rider, which includes a provision for the collection of unrecovered gas costs and is applicable to the same customer classes for which the base chip transition costs were originally incurred.

In its application, Columbia notes that, effective December 4, 1979, the Commission authorized the Company to terminate the PGA mechanism and instead recover its gas costs through the GCR mechanism, which necessitated several gas cost adjustments, including a transition adjustment of \$24,867,888 that resulted from a large under-recovery of November 1979 gas costs. Columbia explains that the transition adjustment is comprised of a base chip portion of \$8,199,476 from base load consumption and a seasonal portion of \$16,668,412 from heating load consumption. Columbia states that, in Case No. 80-212-GA-GCR,¹ the Commission authorized recovery of the seasonal portion of the transition adjustment. Columbia

¹ *In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained Within the Rate Schedules of Columbia Gas of Ohio, Inc. and Related Matters*, Case No. 80-212-GA-GCR, Opinion and Order (April 14, 1981).

further states that, with respect to the base chip portion, the Commission found that, should the GCR mechanism continue until the Company goes out of business, recovery of the base chip portion should be addressed at that time.

Columbia notes that, as the result of a stipulation approved by the Commission in Case No. 08-1344-GA-EXM,² the Company's GCR mechanism terminated on April 1, 2010, at which point the Company began purchasing and selling gas by means of an auction process. According to Columbia, the stipulation provided that Columbia may apply for recovery of the base chip portion of the transition adjustment at the end of the initial term of the stipulation, or March 31, 2013, if a pattern of auctions has taken place such that it appears that Columbia will not be returning to the GCR mechanism. Columbia further notes that three successful auctions have already occurred and that the Commission approved, in Case No. 12-2637-GA-EXM,³ an extension of the auction process for an additional five years. In light of the success of the auction process, Columbia states that it has no plans to return to the GCR mechanism and that it is, therefore, appropriate for the Company to recover the base chip portion of the transition adjustment at this time.

- (3) In order to assist the Commission in its review of Columbia's application, the attorney examiner finds that the following procedural schedule should be established:
 - (a) May 31, 2013 - Deadline for the filing of motions to intervene.
 - (b) May 31, 2013 - Deadline for the filing of comments on the application by Staff and intervenors.
 - (c) June 14, 2013 - Deadline for all parties to file reply comments.

² *In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of a General Exemption of Certain Natural Gas Commodity Sales Services or Ancillary Services*, Case No. 08-1344-GA-EXM, Opinion and Order (December 2, 2009).

³ *In the Matter of the Application to Modify, in Accordance with Section 4929.08, Revised Code, the Exemption Granted Columbia Gas of Ohio, Inc., in Case No. 08-1344-GA-EXM*, Case No. 12-2637-GA-EXM, Opinion and Order (January 9, 2013).

It is, therefore,

ORDERED, That the procedural schedule set forth in finding (3) be adopted. It is, further,

ORDERED, That a copy of this entry be served upon all parties and other interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

s/Sarah Parrot

By: Sarah J. Parrot
Attorney Examiner

JRJ/sc

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in

Case No(s). 13-0778-GA-UNC

Summary: Attorney Examiner Entry ordered procedural schedule set forth in finding (3). - electronically filed by Sandra Coffey on behalf of Sarah Parrot, Attorney Examiner, Public Utilities Commission of Ohio