

In the Matter of the Application of)
Columbia Gas of Ohio, Inc. for) Case No. 16-2422-GA-ALT
Approval of an Alternative Form of)
Regulation.

Pursuant to Ohio Revised Code (“O.R.C.”) Section 4929.05 and Ohio Administrative Code (O.A.C.) Rule 4901:1-19-07(F), Ohio Partners for Affordable Energy (“OPAE”) herein files these objections to the application of Columbia Gas of Ohio, Inc. (“Columbia”) for approval of an alternative form of regulation for its Infrastructure Replacement Program (“IRP”). Herein, OPAE also files objections to the Staff Report on the IRP application.

The application is unreasonable because Columbia's will have completed 15 years of its original 25-year program in 2022 but its annual Operations and Maintenance ("O&M") savings will still not have attained the levels that other utilities achieved in the first five years. Staff Report at 9. OPAE agrees with the Staff Report recommendation that the Commission should direct Columbia to work with the Staff and interested parties to ascertain the reasons why Columbia is not achieving O&M savings comparable to other utilities.

The application is unreasonable because Columbia's current methodology for determining O&M savings and minimum O&M savings do not meet

expectations for O&M savings produced by other utilities' accelerated main replacement programs. Columbia's proposal to keep the minimum O&M savings at \$1.25 million per year is unreasonable because such savings are insufficient when compared to other utility accelerated replacement programs. Staff Report at 8. The Commission should direct Columbia to work with the Staff and interested parties to recommend a new methodology for determining O&M savings before January 1, 2018, when the proposed IRP renewal period begins. Staff Report at 9.

Columbia's proposal for increases to the annual Rider IRP rate cap for small general service ("SGS") customers is unreasonable because Columbia has never reached its allowed rate cap in any year of the IRP. In the most recent IRP filing for 2016, the IRP rider rate was still below the cap for SGS customers. Therefore, OPAE agrees with the Staff that the Commission should not allow for the application's cap increases. Staff Report at 11. Setting the cap too high may provide Columbia enough capital to finish the IRP project sooner than 25 years, which would cause current customers to subsidize future customers by paying too much for IRP costs today for benefits that will accrue to future customers. Columbia's incentive for cost containment is also jeopardized. Columbia should have an incentive to control costs, especially when it renegotiates its construction contracts with contractors for the IRP program in 2021 and 2022. Staff Report at 11. The Commission should maintain the current cap increase of \$1.00 per SGS customer per month cap for the renewal period 2018 to 2022.

III. O.A.C. Rule 4901:1-19-07(F)(2)(a) Objections to the Staff Report

The Staff Report is unreasonable in recommending the following maximum SGS customer IRP rider rate per month of \$11.20 in 2018, \$12.20 in 2019, \$13.20 in 2020, \$14.30 in 2021, and \$15.40 in 2022. Staff Report at 12. The IRP Rider rate is a fixed rate that applies to each SGS customer bill regardless of a customer's usage.

Pursuant to O.R.C. 4929.04, 4929.05 and O.A.C. Rule 4901:1-19-06, an alternative rate plan must be in substantial compliance with the policies of the state of Ohio specified in O.R.C. Section 4929.02. The applicant for an alternative rate plan must provide a detailed discussion of how the applicant is in substantial compliance with the policies of the state specified in O.R.C. 4929.02 and a detailed discussion of how the applicant expects to continue to be in substantial compliance with the policies of the state after implementation of the rate plan. The applicant must also demonstrate that the alternative rate plan is just and reasonable. O.A.C. Rule 4901:1-19-06(C)(5). The state policy at O.R.C. 4929.02(A)(1) is to promote the availability to consumers of adequate, reliable, and reasonably priced natural gas services and goods.

The Commission considered Columbia's straight-fixed variable ("SFV") rate design in Columbia's last base rate case, Case No. 08-72-GA-AIR, et al. The Commission heard testimony that lower-income households live in smaller housing structures and have lower gas consumption than higher-income households. The move to the SFV rate design resulted in the placement of an unjust burden of revenue responsibility upon low-income and low-use

households. Lower-income households live in higher density housing and impose a lower distribution cost and therefore the change to a SFV rate design shifted costs from higher-income to lower-income households. Case No. 08-72-GA-AIR et al., Opinion and Order (December 13, 2008) at 19. In addition, under a SVF rate design, customers are inclined to consume rather than conserve natural gas because the increased cost of consumption is de minimis. Id. at 20.

However, the Commission found that a SFV rate design was appropriate. In the last rate case, the Commission moved from a \$6.50 per month fixed customer charge with a volumetric charge of \$1.3669 per Mcf to a \$12.16 per month fixed delivery charge with a volumetric charge of \$0.7911 per Mcf and after December 1, 2009, a monthly delivery charge of \$17.81 and the volumetric charge was eliminated. Id. at 21. In short, there is now no volumetric component to Columbia's SGS monthly delivery charge and the charge is the same regardless of gas consumed for each SGS customer.

The IRP rider rate is also a fixed charge per SGS customer. The IRP rider only adds to the fixed charges with no volumetric component so that the charge is the same regardless of gas consumed for each SGS customer.

The Staff Report is unreasonable in that it did not consider that the current fixed monthly charges will increase under the proposed alternative rate plan. The Staff recommends an increase in the SGS customer IRP rider rate cap per month to \$11.20 in 2018, \$12.20 in 2019, \$13.20 in 2020, \$14.30 in 2021 and \$15.40 in 2022. Staff Report at 12. These increased fixed charges may be added to the current \$17.81 fixed delivery charge. As can be seen in OPAE's

attachment to these objections, the current fixed delivery charge of \$17.81 and the current fixed IRP charge of \$8.96 make up almost the entirety of a low-use SGS customer bill. Even using only 2 Ccf in a month results in a bill of \$29.59 of which \$28.26 are fixed charges and only \$1.33 are usage-based charges. The fixed charge portion of Columbia's bills remains too high and will be even higher under the alternative rate plan. Application Exhibit G, Sheet 1 of 17.

Volumetric charges are preferable to fixed charges, which place an unjust burden of revenue responsibility upon low-income and low-use households. Fixed charges shift costs from higher income to lower income households. Case No. 08-72-GA-AIR et al., Opinion and Order (December 13, 2008) at 19. Fixed charges, in contrast to volumetric charges, cause customers to consume rather than conserve natural gas because the increased cost of consumption is de minimis. Id. at 20.

The Staff did not address the high fixed delivery charges in Columbia's current rates and the near absence of volumetric charges. The Staff did not consider that the IRP rider rates only add to the fixed charges. This is unjust and unreasonable.

Respectfully submitted,

/s/Colleen Mooney

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(electronically subscribed)

Contact Us

Phone
Emergency Service 24/7
1-800-344-4077
For gas leaks or odors of gas

Customer Service
1-800-344-4077
7 a.m. - 7 p.m. Mon. - Fri.
8 a.m. - 12 p.m. Sat.

For hearing-impaired relay call 711.

Web
Make payments and access your account at ColumbiaGasOhio.com

Mobile
Make payments and access your account at m.ColumbiaGasOhio.com

Mail Payments
Columbia Gas of Ohio
P.O. Box 742510
Cincinnati, OH 45274-2510

Authorized Payment Locations
Find locations online at ColumbiaGasOhio.com

Your Safety

In case of an emergency, such as odor of gas, carbon monoxide or fire:

1. Leave the area immediately.
2. Leave windows and doors in their positions and avoid doing anything that could cause a spark.
3. From a safe area, call **911** and Columbia Gas at **1-800-344-4077**.

Always Call 8-1-1 Before You Dig
If you're planning a home or landscaping project, call O.U.P.S. at 8-1-1 at least two business days before digging. A representative will mark the approximate location of underground utility lines for free.



Employee Identification

All of our employees and contractors carry photo identification. If someone claims to represent us, ask to see identification. Call the police if you see suspicious activity.

Account Profile

Customer Name:
Coleen L. Mooney

Your Contact Information:
1431 Mulford Rd
Columbus OH 43212-3404

Type of Customer:
Residential
Customer CHOICE Program
Automatic Payment

Account Number:
[REDACTED]

- Is your contact information correct? Make all changes on the reverse side.

Account Summary

Previous Amount Due on 07/24/2017 \$30.96
Payments Received by 07/24/2017 Thank you -\$30.96

Balance on 08/07/2017 \$0.00
Charges for Gas Service This Period +\$29.59

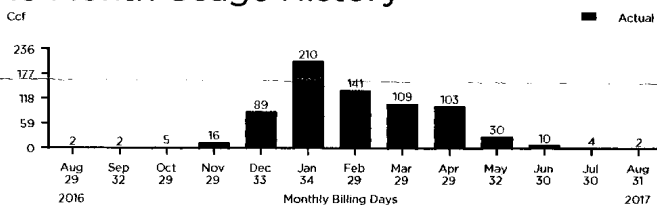
Current Charges Due by 08/22/2017 \$29.59

- An Automatic Payment of \$29.59 will be made on 08/22/2017 by your bank.
- If paid after 08/22/17, a late payment charge of 1.5% may be applied.
- For more information regarding these charges, see the Detail Charges section.

Budget Payment Plan

Remember winter heating bills? Get a jump on next winter and spread the cost of heating more evenly over the year. Since you participate in Autopay, call us at least five days before your due date and authorize us to submit to your bank the budget amount of \$79.00 for your natural gas service, plus any charges for a security deposit, Optional Services, or HeatShare contribution instead of the amount due this month, and you'll be enrolled in the Budget Payment Plan automatically.

13 Month Usage History



Meter Number:
5897572

Service Address:
1431 Mulford Rd
Columbus OH 43212-3404

Meter Readings - 31 Billing Days

Actual Reading on 8/7 5764
Actual Reading on 7/7 5762
Gas Used (Ccf) 2

Usage Comparison - Ccf

Month	Ccf	Avg Temp	Ccf Per Day
Aug 16	2	77.3°	0.1
Jul 17	4	73.8°	0.1
Aug 17	2	74.2°	0.1

Your Average Monthly Usage = 60 Ccf.
Your Total Annual Usage = 721 Ccf.
Your next meter reading date is 09/06/2017.

▼ Please fold on the perforation below, detach and return with your payment.

Account Number: [REDACTED]

Statement Date: 08/08/2017

32888

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Helpful Definitions

Ccf is equal to 100 cubic feet and is used to measure your gas usage.

Estimated Readings are calculated based on your typical monthly usage rather than on an actual meter reading.

Fixed Monthly Delivery Charge covers a portion of the fixed costs required to ensure that natural gas service is available to your home. This amount is the same with each bill.

Usage Based Charges are basic charges for natural gas supply services to retail customers, excluding natural gas distribution services.

Legal Information

Public Utilities Commission of Ohio

If your complaint is not resolved after you have called Columbia Gas of Ohio, or for general utility information, residential and business customers may contact the Public Utilities Commission of Ohio (PUCO) for assistance at 1-800-686-7826 (toll free) from 8 a.m. to 5 p.m. weekdays, or at <http://www.puco.ohio.gov>. Hearing or speech impaired customers may contact the PUCO via 7-1-1 (Ohio relay service).

Office of Ohio Consumers' Counsel

The Ohio Consumers' Counsel (OCC) represents residential utility customers in matters before the PUCO. The OCC can be contacted at 1-877-742-5622 (toll free) from 8 a.m. to 5 p.m. weekdays, or at <http://www.pickocc.org>.

Rights and Responsibilities

A summary of customer rights and responsibilities is available at ColumbiaGasOhio.com or by calling 1-800-344-4077. Information covers rules regarding service installation, security deposits, billing and payment, payment plans, low-income assistance, disconnection and reconnection of service, meter reading and testing, usage and payment history, natural gas safety, maintenance of customer owned service lines, employee identification, rate information and alternatives, Customer CHOICE, privacy rights, and complaint procedures. You may obtain a copy of the full minimum gas service standards at the PUCO website or phone numbers shown above.

Apples to Apples

For a comparison of available competitive natural gas suppliers, visit the PUCO website at www.energychoice.ohio.gov or call 1-800-686-7826.

Bankruptcy Notices

Mail to Columbia Gas of Ohio, Revenue Recovery, PO Box 117, Columbus, OH 43216.

Other Correspondence (except payments)

Mail to Columbia Gas of Ohio, P.O. Box 2318, Columbus, OH 43216-2318 or contact us at ColumbiaGasOhio.com.

Detail Charges

Fixed Monthly Delivery Charge	\$17.81
Infrastructure Replacement Program Rider	\$8.96
Infrastructure Development Rider	\$0.14
Usage Based Charges	\$0.15

Delivery - Columbia Gas of Ohio **+\$27.06**

Gross Receipts Tax @ 4.987% \$1.35

Taxes & Fees **+\$1.35**

Customer CHOICE Program
Gas Supply Cost Incl Sales Tax \$1.18

Supply - Energy Cooperative of Ohio Inc **+\$1.18**

Total Current Utility Charges **\$29.59**

- Current billing charges include Energy Cooperative of Ohio Inc gas supply costs of \$1.10 at the rate of \$0.54900 per Ccf and sales tax of \$0.08.

Customer CHOICE Program

As a participant of the Columbia Gas Customer CHOICE Program, your gas is being supplied by Energy Cooperative of Ohio Inc. This bill reflects Columbia Gas charges for service and delivery of natural gas and your supplier's charges for the gas supply. For questions about your gas supply charges, please contact Energy Cooperative of Ohio Inc, 790 B Windmiller Dr, Pickerington OH 43147, at 1-888-541-4646. If your questions are not resolved after you have called your supplier or Governmental aggregator, you may call the Public Utilities Commission of Ohio (PUCO) or the Ohio Consumers' Counsel (OCC) toll free number(s) listed under Legal Information in the left column of your bill.

Message Board

- Enjoy the convenience of managing your account online by enrolling in Paperless Billing. Monthly email alerts, 24/7 account access and up to two years of past bills and payment history! Enroll today at ColumbiaGasOhio.com/PaperlessBilling.
- Want to reduce your natural gas usage by as much as 30%? For a \$50 audit fee, a trained Home Energy Auditor will identify ways to help save you money, while not sacrificing comfort.

Schedule your audit today by calling 1-877-644-6674 or visit ColumbiaGasOhio.com/HPS. Some restrictions apply. Available on first-come, first-serve basis.

CERTIFICATE OF SERVICE

A copy of the foregoing Objections to the Staff Report and the Application will be served on this 15th day of August 2017 by the Commission's e-filing system to these parties who have electronically subscribed to this case.

/s/Colleen Mooney
Colleen L. Mooney

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This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

8/15/2017 10:29:25 AM

in

Case No(s). 16-2422-GA-ALT

Summary: Objection to the Application and the Staff Report electronically filed by Colleen L Mooney on behalf of Ohio Partners for Affordable Energy