

FAX

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Columbia Gas of Ohio, Inc. for Authority)
Filed Tariffs to Increase the Rates and)
Charges for Gas Service.)

Case No. 94-987-GA-AIR

In the Matter of the Application of)
Columbia Gas of Ohio, Inc. to Establish)
The Columbia Customer Choice)
Program.)

Case No. 96-1113-GA-ATA

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. 98-222-GA-GCR

In the Matter of the Application of)
Columbia Gas of Ohio, Inc. to Revise)
Its Tariffs to Establish a New Gas)
Transfer Service.)

Case No. 03-1459-GA-ATA

**MOTION TO INTERVENE, MEMORANDUM IN SUPPORT,
MOTION TO PRACTICE PRO HAC VICE BEFORE THE COMMISSION,
MOTION TO FILE COMMENTS OUT OF TIME, AND COMMENTS OF
OHIO PARTNERS FOR AFFORDABLE ENERGY**

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December 9, 2003

**Counsel for Ohio Partners
for Affordable Energy**

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BEFORE

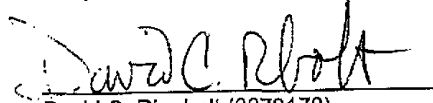
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**MOTION TO INTERVENE OF
OHIO PARTNERS FOR AFFORDABLE ENERGY**

Ohio Partners for Affordable Energy ("OPAE") hereby respectfully moves for leave to intervene in the above-captioned matter pursuant to R.C. 4903.221 and Section 4901-1-1-11 of the Commission's Code of Rules and Regulations, with full powers and rights granted, by the Commission specifically, by statute or by the provisions of the Commission's Code of Rules and Regulations, to intervening parties. The reasons for granting this motion are contained in the memorandum attached hereto and incorporated herein.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David C. Rinebolt", written over a horizontal line.

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**MEMORANDUM IN SUPPORT OF THE MOTION TO INTERVENE
OF
OHIO PARTNERS FOR AFFORDABLE ENERGY**

Ohio Partners for Affordable Energy ("OPAE") should be permitted to intervene in these matters pursuant to Section 4903.221, Revised Code, and the Commission's Rules and Regulation, specifically Section 4901-01-11(B), Ohio Administrative Code. As required by those provisions, OPAE is a real party in interest herein, whose interest is not now represented, who can make a contribution to the proceeding and will not unduly delay the proceeding nor prejudice any existing party. In support of this Motion to Intervene, OPAE notes that as an Ohio corporation with a stated purpose of "advocating for affordable

energy policies for low and moderate income Ohioans", it has a real and substantial interest in this proceeding. OPAE's membership includes nonprofit organizations located in the service territories that will be affected by the stipulation filed by Columbia Gas of Ohio (Columbia) and other parties both as providers of services to low-income customers through programs funded by Columbia and as individual customers of electric distribution utilities of Columbia in the State of Ohio.

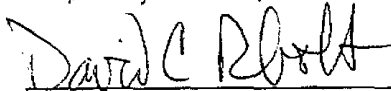
Columbia seeks approval of a new gas transportation service and approval for a stipulation designed to resolve a number of outstanding issues in multiple dockets including rates, pipeline capacity, choice program issues, and the extension of the current freeze on distribution rates through 2010. Many OPAE members have facilities located in the Columbia service territory and will be affected by the provisions of the stipulation. The stipulation also fails to address issues associated with the administration of the Percentage of Income Payment Program (PIPP) and the appropriateness of the current funding level for the WarmChoice low-income weatherization program. OPAE members are directly involved in activities related to Columbia's PIPP and WarmChoice.

For the above reasons, OPAE has a direct, real and substantial interest in this proceeding. This matter will have a major impact on the adequacy of funding for low-income assistance programs in the Applicant's service territories, the affordability of natural gas service for low-income households and the agencies which serve them, and the transition to a competitive market. These are all critical issues on which OPAE has a unique perspective and can contribute to the prompt resolution of this matter. The disposition of this proceeding may impair or impede the ability of OPAE to protect its interests.

OPAE's participation in these proceedings will not cause undue delay, will not unjustly prejudice any existing party, and will contribute to the just and

expeditious resolution of the issues and concerns raised in these proceedings. Furthermore, other parties to the proceedings will not adequately represent the interests of OPAE. Therefore, OPAE is entitled to intervene in these proceedings with the full powers and rights granted, by the Commission specifically, by statute, and by the provisions of the Commission's Codes of Rules and Regulations, to intervening parties.

Respectfully submitted,



David C. Rinebolt (0073178)

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**MOTION TO ADMIT DAVID C. RINEBOLT TO PRACTICE
PRO HAC VICE BEFORE THE COMMISSION**

Pursuant to Rule 4901-1-08(B) of the Ohio Administrative Code, Michael Smalz (0044897), an attorney licensed to practice in the State of Ohio, respectfully petitions the Public Utilities Commission of Ohio ("Commission") to permit David C. Rinebolt to practice *pro hac vice* before the Commission in the above-referenced proceedings. Mr. Rinebolt represents Ohio Partners for Affordable Energy, an Ohio corporation engaged in advocating for affordable energy policies.

Mr. Rinebolt graduated for the Columbus School of Law of the Catholic University of American in May 1981. As an active member of the District of

Columbia Bar, Bar No. 367210, Mr. Rinebolt is licensed to practice before the federal courts of the District of Columbia. Furthermore, Mr. Rinebolt has practiced law continuously since being admitted to the District of Columbia Bar in October 1982. Mr. Rinebolt is also registered with the Ohio Bar under provisions granting corporate status, Ohio Bar No. 0073178.

WHEREFORE, Michael Smalz respectfully requests that David C. Rinebolt be permitted to practice before the Commission in the aforementioned proceedings.

Respectfully submitted,

Michael Smalz *DCB via
telephone
authorization*
Michael Smalz (0044897)
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Fax No. (614) 221-7625

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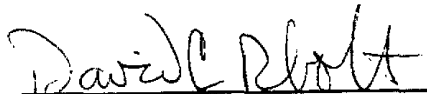
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MOTION OF OHIO PARTNERS FOR AFFORDABLE ENERGY TO FILE
COMMENTS OUT OF TIME

On behalf of Ohio Partners for Affordable Energy (OPAE), I respectfully
move that the Public Utilities Commission of Ohio accept comments filed one day
late from the timetable ordered by the Entry in this case filed November 13, 2005.
OPAE has been in discussion with Columbia Gas of Ohio regarding several
matters relating to the Stipulation filed in this case on October 9, 2003. OPAE
wishes to file comments to ensure these issues which are relevant to but not
covered by the Stipulation are before the Commission for consideration. The

press of our recent workload prevented a response consistent with the timetable required by the Entry.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read "David C. Rinebolt", is written over a horizontal line.

David C. Rinebolt (0073178)

Executive Director and Counsel

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COMMENTS OF OHIO PARTNERS FOR AFFORDABLE ENERGY

On July 1, 2003, Columbia Gas of Ohio (Columbia) filed an Application in Case No. 03-1459-GA-ATA to establish a new natural gas transfer service. Subsequently, on October 9, 2003, Columbia and twelve (12) members of the 'Columbia Collaborative' filed a stipulation covering the new natural gas transfer service, the rate docket, the gas choice docket, and the 1998 gas cost recovery docket. Tariffs accompanying the stipulation were filed on October 31, 2003. By Entry dated November 13, 2003, the Public Utilities Commission of Ohio (PUCO) established a schedule for comments from interested parties on the proposed stipulation.

Ohio Partners for Affordable Energy (OPAE) is a nonprofit Ohio corporation whose members provide weatherization, energy education and bill payment assistance to low-income Ohioans. OPAE members provide services in all 88 Ohio counties. OPAE's corporate mission is to ensure that essential energy services are available to all Ohioans at affordable costs.

OPAE respectfully submits the following comments to the stipulation and accompanying tariffs filed by Columbia.

I. The Stipulation Should be Amended to Provide Increased Funding for the Columbia WarmChoice Low-Income Weatherization Program.

Columbia has a long history of funding low-income weatherization initiatives to the benefit of all ratepayers. The nature of the program has evolved over time, reflecting the increased sophistication of weatherization techniques. Beginning with home energy audits in 1984, the program evolved into weatherization program funded jointly by Columbia and the Ohio Department of Development (ODOD) from 1988 through 1992. The current WarmChoice program has been funded on an annual basis solely by Columbia since 1993.¹

WarmChoice customers receive "inspection services, space and water heating system repair and/or replacement, insulation, air sealing, and health and safety measures."² The program operates as a piggyback program in conjunction with the federally-funded Home Weatherization Assistance

¹ For a more thorough summary see *In the Matter of the Long-Term Forecast Report of Natural Gas Demand of Columbia Gas of Ohio, Inc.*, Case No. 02-121-GA-FOR, June 3, 2002, pages 24-28. Ohio Department of Development funding for the period of 1988 through 1992 was made possible by the receipt of oil overcharge restitution funds, which have since been exhausted.

² *Ibid.* at page 26.

Program (HWAP) administered by ODOD. The program was designed with significant contributions from the nonprofit agencies that provide the services and serves as a model for other programs operated in the Dominion East Ohio service territory, a one proposed for the Vectren Energy Delivery of Ohio service territory.

Three separate analyses have documented the cost effectiveness of the program. A usage reduction analysis published in 1997 found the average savings per customer to be 472 Ccf.³ A study released by ODOD using 1994-95 data found an average reduction in natural gas use for heating of 29%.⁴ This study, which also analyzed the impact of weatherization in the context of the ratepayer-funded *Percentage Income Payment Plan (PIPP)*, found that 39% of the benefits of weatherization program flowed to natural gas ratepayers, while 12% flowed to electric ratepayers, for a total of 51%.⁵ The most recent analysis, using data from the 1997-98 heating season found an average savings of 429 Ccf or 30.5% of the energy consumed and an average net reduction in customer arrears of \$251.00, or a 23.8% reduction from the pre-program level.⁶ This confirms that weatherization makes the bills customers see more affordable, improving payment behavior which, in turn, is an advantage to all ratepayers.⁷

³ *Ibid.*, at page 28.

⁴ Ohio Department of Development, *Ohio's Home Weatherization Assistance Program: An Independent Evaluation*, 1997, page 2.

⁵ *Ibid.*, at page 10.

⁶ Zimmer, Tom and Richard Sims, *WarmChoice Columbia Gas Home Weatherization Service: Impact Evaluation of the 1997-98 Program Years*, 2000. Khawaja, M. Sami, *Impact of the 1997-1998 WarmChoice Weatherization Program on Arrearages*, 2002.

⁷ This is particularly true to the extent utilities are permitted to implement a bad debt tracker/rider which varies based on debt. The same logic extends to the PIPP Rider.

Clearly, the services provided through WarmChoice are meeting the needs of low-income customers and ratepayers. Unfortunately, under the stipulation proposed in this case they will continue to provide these services at the roughly the same level of funding that has been committed annually since 1993, approximately \$5 million per year. During the past ten years, the original Columbia Collaborative agreement will have been amended four times. Agency costs to deliver the program have increased. Materials costs have increased. The average cost per unit has increased from \$900 in 1988 to approximately \$2,600 in 2001, meaning that far fewer eligible customers are receiving services today compared to a decade ago. And, the wholesale price of natural gas has more than doubled, rendering the need for and cost-effectiveness of weatherization more compelling.

Clearly, the time has come to increase the funding commitment to this program. OPAE respectfully requests that the stipulation be amended to include such an increase. We are currently in discussions with Columbia to determine the capacity of the delivery network to spend increased funding and hope to develop a recommendation based on capacity and other factors.

II. The Stipulation Should be Amended to Provide Ongoing Reimbursements to Nonprofit Agencies for Services Associated with Columbia's Percentage Income Payment Program.

For the past two years OPAE has been concerned about the increased workload of its nonprofit members associated with natural gas PIPP run by the various utilities. The Office of Community Services (OCS) of the Ohio Department of Development has attempted over the years to mediate a

solution that would compensate nonprofit agencies for work they provide outside of the Emergency Home Energy Assistance Program (E-HEAP) which directly benefits natural gas utilities, particularly since the closure of their customer service offices. Documents filed by OPAE in conjunction with Case No. 03-888-AU-ORD indicate that clients seeking assistance solely related to PIPP account for 20% of our client contacts.

Specific services OPAE-member agencies are currently providing by not being compensated for include the following:

- Enrollment of customer in PIPP outside of the Emergency Home Energy Assistance Program (E-HEAP)/PUCO Winter Reconnect Order;
- Verification of changes in income that result in changes in the natural gas PIPP payment amount;
- Annual income reverification to remain a participant in natural gas PIPP;
- Monthly income reverification to remain a participant in natural gas PIPP when customer has a 'zero' income;
- Provide assistance to customers eligible for participation in arrearage crediting programs that are a part of natural gas PIPP; and,
- Correction of billing errors related to natural gas PIPP.

OPAE members administer the E-HEAP which provides a payment of \$175 to customers possessing a disconnect notice for one or both regulated utilities. In most cases, these customers have arrearages in excess of the E-HEAP funding received and thus utilize the annual PUCO Winter Reconnect Order. For the past 19 years, local agencies processing E-HEAP requests for clients using the Order have also processed enrollments for these customers in PIPP, verifying income, calculating the required PIPP payment and transferring this information and information regarding the E-HEAP payment to the utility.

Local agencies did not handle all customer PIPP inquiries, however. Until recently, utilities had local customer service offices which handled enrollments of customers outside of the E-HEAP process. Local utility offices also handled requests to alter PIPP payments because of changes in income, enrolling customers in arrearage crediting programs and reverifying income, particularly for the 'zero' income customers. Over the years, our nonprofit members did enroll customers in PIPP and provide some of these other services outside of the E-HEAP process without compensation from the utilities because of a desire to aid our clients. However, many customers used the utility offices for these matters, so the volume of activity was not onerous.

The situation changed when the utility industry chose to close customer services center. Customers had no where to turn, so they flooded community action agencies. In fact, customers calling utility customer service numbers were often directed to OPAE member agencies to enroll in PIPP or for related services.

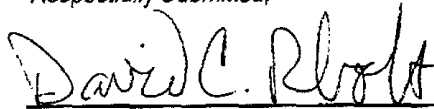
During this heating season, 2003-2004, the resources available from the federally-funded Low Income Home Energy Assistance Program are declining significantly. Funding levels in the current FY 2004 Omnibus Appropriations Bill will reduce funding to Ohio by 7.2% or \$7,742,530. In turn, funding for administration of the program will be reduced by as much as \$774,253. From the standpoint of nonprofit agencies, continuing to provide free services to natural gas utilities is no longer possible.

On November 18, 2003, OPAE provided guidance to member agencies regarding the cessation of uncompensated services to Columbia PIPP customers. Subsequently, OPAE has met with Columbia, OCS and a representative of the PUCO to attempt to negotiate an outcome acceptable to all parties. These discussions are continuing. We expect that good faith negotiations will ultimately result in an acceptable outcome which may be included in the stipulation if appropriate.

Conclusion

OPAE respectfully requests that these two comments to the stipulation and tariffs filed in these dockets be considered as issues that warrant a resolution. The proposed stipulation would obviate the need for a rate case until 2010, eliminating the primary forum for addressing these issues. As a result, this comment process offers the only opportunity for the Commission to formally address these issues. OPAE looks forward to continuing to work with Columbia and other interested parties to develop recommendations to resolve these matters.

Respectfully Submitted,



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