

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Application of)
Columbia Gas of Ohio, Inc. for Authority) Case No. 21-637-GA-AIR
to Increase the Rates and Charges for Gas)
Services and Related Matters.)**

**In the Matter of the Application of)
Columbia Gas of Ohio, Inc. for Approval) Case No. 21-638-GA-ALT
of an Alternative Form of Regulation.)**

**In the Matter of the Application of)
Columbia Gas of Ohio, Inc. for Approval)
of a Demand Side Management Program) Case No. 21-639-GA-UNC
for Its Residential and Commercial)
Customers.)**

**In the Matter of the Application of)
Columbia Gas of Ohio, Inc. for Approval) Case No. 21-640-GA-AAM
to Change Accounting Methods.)**

**MEMORANDUM CONTRA
OF
THE RETAIL ENERGY SUPPLY ASSOCIATION TO
COLUMBIA GAS OF OHIO, INC.’S MOTION TO STRIKE OBJECTIONS**

I. Introduction

On May 6, 2022, the Retail Energy Supply Association¹ (“RESA”) filed Objections to the Application of Columbia Gas of Ohio (“Columbia Gas”) and the Staff Report of Investigation filed in this docket on April 6, 2022. On May 13, 2022, Columbia Gas moved to strike several of the RESA’s Objections.² Columbia Gas’ arguments should be rejected because the challenged RESA

¹ The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

² Columbia Gas’ Motion to Strike also addressed objections filed by Interstate Gas Supply, Inc. RESA is not addressing that part of Columbia Gas’ motion.

Objections appropriately take issue with matters omitted from the Staff Report and relate to Columbia Gas' provision of services.

II. The Law

Ohio Adm.Code 4901-1-28(B) states that, in rate proceedings like these, any party may file objections to the Staff's report of investigation. Those objections may relate to the findings, conclusions, or recommendations contained in the report, or to the failure of the report to address one or more specific items. The objections must be specific.

III. Argument

Columbia Gas challenges certain objections filed by RESA, namely those objections related to tariff provisions and a fee that Columbia Gas proposes not to revise,³ and to the manner in which Columbia Gas handles certain customer enrollments. The Staff Report confirms that only a selective review of Columbia Gas' Tariff was conducted ("Staff's Tariff Analysis addresses changes specific to individual rate schedules, changes which apply to more than one specific rate class, and tariff additions and deletions").⁴ All of the challenged RESA Objections relate to the manner in which Columbia Gas will provide its services going forward under the full Tariff.

A. Because the Tariff terms and conditions will be used to render services going forward, the Staff Report and the Application erroneously failed to recommend Tariff changes that should have been proposed, and those Tariff changes are relevant to these proceedings.

RESA Objections 2 and 8 allege that Tariff Section VII should have been reviewed in full, to ensure compliance with the Commission's competitive market rules and policies.⁵ RESA cited

³ Columbia Gas' application included only select pages from its Tariff – only those pages on which it proposed a revision. Columbia Gas, however, is proposing to retain the other pages of its Tariff and provide service under the rates, terms and conditions contained on those retained pages.

⁴ Staff Report at 28.

⁵ Those two RESA objections state:

Objection 2: The Staff Report failed to review and ensure that all of Columbia Gas' Tariff Section VII conforms to the applicable competitive market rules, including the contract assignment rules. (Staff Report at 28-31)

an example in Columbia Gas' Tariff (Section VII, Sheet 9, paragraph 9.4) that is not consistent with Ohio law including Ohio Adm.Code 4901:1-29-10(D)(1). That Tariff section prohibits a supplier from assigning a customer contract to another supplier without first providing notice to Columbia Gas at least 45 days in advance of the assignment. Columbia Gas proposes to retain that provision "as is" in its Tariff, as well as many other provisions in Section VII addressing "Competitive Retail Natural Gas Service."

RESA Objections 4 and 10 similarly contend that Columbia's Choice Program Outline should have been reviewed in full and the terms of the Outline not already in the Tariff be incorporated into the Tariff because there is already much overlap between the two.⁶ RESA noted that the Outline contains a host of terms and conditions for the SCO auctions, SCO rider, capacity release, storage, and balancing, among other things.

Columbia Gas contends that these RESA Objections are not relevant because Columbia Gas has not proposed in its Application to change these areas in its Tariff. Motion to Strike at 6-7. Columbia Gas' argument is misguided for several reasons. First, in these proceedings, the Commission and its Staff are reviewing the utility finances and services overall, which is not limited to just the changes Columbia Gas proposed in the Application. R.C. 4909.15(E) establishes that the Commission's authority in rate cases like these is to fix and determine the rates, terms and conditions for services to be rendered, charged, demanded, exacted, or collected for the performance or rendition of the service.⁷ The Staff Report in these cases confirms that the Staff is

Objection 8: Columbia Gas failed to ensure that all of Tariff Section VII comports with the applicable competitive market rules, including the contract assignment rules. (Tariff Section VII)

⁶ Specifically, those two RESA objections state:

Objection 4: The Staff Report failed to review the terms/conditions of the Choice Program Outline and failed to recommend that they be incorporated into Columbia Gas' Tariff.

Objection 10: Columbia Gas failed to recommend that the Choice Program Outline be incorporated into its Tariff.

⁷ The Commission is required, for example, to review management policies, practices and organization. R.C. 4909.154. The Commission can review efficiency, sufficiency and adequacy of the facilities provide and the services

presenting for the Commission’s consideration the results of a broad-based Staff’s investigation⁸ – that investigation looked at rate base, operating income, rate of return, rates, tariffs, customer service, and management and operations, among other things.⁹

Second, Ohio Adm.Code 4901-1-28(B) expressly permits a party to object to matters that the Staff Report failed to address. Importantly, there is no requirement in the rule limiting objections to the Staff Report to be something in the utility’s rate case application.

Third, RESA’s objections are directly related to the parts of Columbia Gas’ Tariff that it is proposing to retain for purposes of providing services going forward.¹⁰ RESA is taking issue with the Staff’s investigation failing to review and consider the retention of Tariff terms and conditions for the services to be rendered. For all of these reasons, RESA’s Objections 2, 5, 8, and 10 are relevant and should not be stricken.

B. Because the switching fee was collected in rendering services during the test year, the Staff Report and the Application erroneously failed to review and

rendered by the utility. R.C. 4909.152. The Commission is required to have an investigation made of “the facts set forth in said application and the exhibits attached thereto, and of the matters connected therewith.” R.C. 4909.19(C).

⁸ Staff Report at 2.

⁹ The Staff Report of Investigation has addressed matters beyond what a utility proposed in other rate increase applications too. For example, in *In the Matter of the Application Duke Energy Ohio, Inc. for an Increase in Electric Distribution Rates, etc.*, Case Nos. 21-887-EL-AIR et al., Staff Report at 21 (May 19, 2022) (Staff reviewed tariff provisions involving the eligible-customer list and billing/payment, and recommended changes although the utility did not originally propose to change those provisions); and *In the Matter of the Application of Ohio Power Company for an Increase in Electric Distribution Rates, etc.*, Case Nos. 20-595-EL-AIR et al, Staff Report at 28-29 (November 18, 2020) (Staff reviewed and recommended a revision to AEP Ohio’s pole attachment rate although the utility did not originally propose to change it in its rate case application).

¹⁰ The Application (at page 2) states in part that it:

... submits this Application to change its distribution rates, modify its rate class structure, make various other changes to its tariffs and accounting methods, recover approved cost deferrals since the last rate case, and adopt new riders, all of which are further described in this Application and the attached schedules. This Application applies to every customer that Columbia currently serves, and every customer to which it may offer service in the future....

then recommend its removal, and the switching fee is relevant to these proceedings.

Columbia Gas claims that RESA's Objections 3 and 9 are irrelevant to Columbia Gas' Application. Motion to Strike at 6-7. Those Objections state:

RESA Objection 3: The Staff Report failed to review and recommend removal of the switching fee from the Tariff, or alternatively, to recommend applying the switching fee in a nondiscriminatory manner.

RESA Objection 9: Columbia Gas' switching fee is not justified or nondiscriminatory, and should be rejected. (Tariff Sheet Section VII, Sheet 25, paragraph 25.3; Sheet 27, paragraph 27.3; and Sheet 28, paragraph 28.3)

The switching fee is a rate in Columbia Gas' tariff today¹¹ and that fee has been a source of revenue for Columbia for years – including during the test year. While the Staff Report analyzed Columbia Gas' cost of service, and determined a revenue requirement and income, the Staff Report did not and should have reviewed the switching fee like the many other sources of revenue for Columbia Gas. RESA's switching fee objections are squarely related to the rate evaluation being conducted in these proceedings.¹² As allowed by Ohio Adm.Code 4901-1-28(B), RESA properly objected to the omission of an analysis of the switching fee and the omission of any justification for the fee.

Columbia Gas' attempt to strike consideration of one of its rates would improperly narrow the scope of these rate case proceedings, and could result in the utility manipulating the financial analysis. As RESA noted in its objections, Ohio law requires that charges made or demanded for

¹¹ Section VII, Sheet 25, paragraph 25.3; Sheet 27, paragraph 27.3; and Sheet 28, paragraph 28.3 (“Without limiting any rights or remedies of a Retail Natural Gas Supplier, Customers may leave a Retail Natural Gas Supplier's Aggregation Pool and join any other Aggregation Pool upon assessment of a \$5.00 switching fee to the succeeding Retail Natural Gas Supplier by the Company, or revert to sales service from Company for which there will be no switching fee.”).

¹² RESA also pointed out in its Objections that the switching fee is applied in one direction only, which discriminates against customers who elect to shop relative to the customers who elect to return to the utility's default service. RESA objected, in the alternative, to the failure to review and recommend applying the switching fee apply in a nondiscriminatory manner.

any service rendered, or to be rendered, are required to be just and reasonable.¹³ These proceedings are evaluating the rates and charges for Columbia Gas' services. RESA's switching fee Objection is appropriate and should not be stricken.

- C. Because Columbia Gas will add/enroll customers in supplier rates in rendering services going forward, the Staff Report and the Application erroneously failed to address incidents involving no supplier enrollment request or consent, and those incidents are relevant to these proceedings.**

Columbia Gas claims that RESA's Objections 5 and 11 are irrelevant to Columbia Gas' applications. Motion to Strike at 6-7. Those Objections state:

Objection 5: The Staff Report failed to identify and address incidents in which Columbia Gas added/enrolled, at the request of a customer, accounts at a specific supplier rate without an enrollment request or consent from the supplier.

Objection 11: Columbia Gas failed to address steps it will take to prevent incidents in which it added/enrolled, at the request of a customer, accounts to a specific supplier rate without an enrollment request or consent from the supplier.

The Staff Report summarized the customer service audit conducted in June 2020 regarding the customer service performance, practices, and procedures of the company, and determined that the utility's overall customer service practices and policies, as reviewed and observed, "generally comply with the applicable rules and regulations set forth by the Commission." Staff Report at 56. RESA Objections 5 and 11 take issue with the manner in which Columbia Gas has added/enrolled customers to a specific supplier rate. This issue is directly related to the utility's customer service performance, practices, and procedures and to the Staff Report's finding of general rule compliance as well. RESA Objections 5 and 11 are relevant to these proceedings and they should not be stricken.

¹³ R.C. 4905.22. See also R.C. 4909.22 and 4909.15.

IV. Conclusion

Columbia Gas mistakenly attempts to strike Objections legitimately raised by RESA because they directly relate to: (a) the appropriate Tariffed terms and conditions of Columbia Gas' services, (b) a fee that Columbia Gas charges and intends to continue charging, and (c) the appropriateness of an existing customer service practice. Each of these Objections is directly related and relevant to the issues in these proceedings, as well as the manner in which Columbia Gas will render services in the future. Columbia Gas' motion to strike should be denied as to all of the identified RESA Objections.

Respectfully Submitted,

/s/ Gretchen L. Petrucci

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CERTIFICATE OF SERVICE

The Public Utilities Commission of Ohio’s e-filing system will electronically serve notice of the filing of this document on the parties referenced on the service list of the docket cards who have electronically subscribed to the case. In addition, the undersigned certifies that a courtesy copy of the foregoing document is also being served (via electronic mail) on the 23rd day of May 2022 upon all persons/entities listed below:

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AAM**

Summary: Memorandum Contra to Columbia Gas of Ohio, Inc.'s Motion to Strike
Objections electronically filed by Mrs. Gretchen L. Petrucci on behalf of Retail
Energy Supply Association