# Proposed Columbia auction- What customers should know

In January 2009, Columbia Gas of Ohio filed a request with the Public Utilities Commission of Ohio (PUCO) to join two other major natural gas companies in Ohio - Dominion East Ohio and Vectren Energy Delivery of Ohio - by changing the method it uses to purchase natural gas for its customers. The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, intervened in this case on behalf of Columbia's residential customers and is providing the following information to assist them in understanding the impending changes.

## What does Columbia propose?

Currently, Columbia uses a monthly gas cost recovery (GCR) method to calculate the price it charges its non-choice customers for the natural gas commodity. If the PUCO approves its request, this will change.

Instead of submitting a monthly GCR estimate to the PUCO, Columbia has requested to auction its natural gas supply for its remaining customers. The GCR would be replaced on customers' bills by a Standard Service Offer, which would consist of the monthly price calculated from the New York Mercantile Exchange (NYMEX) plus a retail price adjustment or "adder" price, which would be determined at the auction.

The price of the actual gas would vary with changes to the NYMEX price, but the "adder" would remain constant for one year from the time the auction price is accepted by the PUCO. Columbia has proposed a second auction to be held at that time to determine a new "adder," which would need PUCO approval.

Customers who participate in the Energy Choice program will see **NO** changes to their bills and be charged according to their contractual arrangement with their individual supplier.

## What is the OCC's view?

The OCC supports the concept of the wholesale auction. In the most recent wholesale auction held by Dominion in February, customers realized savings to their natural gas bills as a result of the competitive bidding process.

## What options are available?

Columbia customers have several options of purchasing natural gas available to them. In all cases, the utility will continue the functions of delivering the gas to residents' homes, billing, meter reading and making repairs. However, customers have the ability to:

1. Continue purchasing gas from Columbia, which would bill them through the Standard Service Offer, if approved.

2. Participate in a gas choice program and have their gas purchased through an independent supplier.

3. Participate in a community aggregation group. Ohio law allows local governments such as cities, townships and counties to pool residents and businesses together as a buying group for the purchase of natural gas. The aggregator will enter into an agreement with a certified natural gas supplier on behalf of all members of the aggregated group.

4. Be part of an affinity aggregation group, which makes group buying power available to associations and other organizations such as churches, schools and membership-based groups. A supplier will make an offer available only to members of that group.

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## Customers can speak out

Columbia customers with concerns or questions about the proposed changes can voice their opinions at four public hearings scheduled by the PUCO on the following dates:

- **Columbus, Tuesday, June 9**, at 6 p.m., Wolfe Park Shelter House, 105 Park Drive.
- **Parma, Thursday, June 11**, at 6 p.m., Parma City Hall, Council Chambers, 6611 Ridge Road.
- **Toledo, Tuesday, June 23,** at 6 p.m., Michael V. Disalle Government Center, One Government Center, Commissioners Hearing Room, 1st Floor, 640 Jackson St.
- **Athens, Thursday, June 25,** at 6 p.m., Athens Community Center, 701 East State St., Suite 201

Staff members from the OCC will attend each public hearing to offer assistance to consumers and answer questions. In addition, a fact sheet titled "How to Testify at Local Public Hearings" will be made available to assist consumers who wish to testify in preparing their statements. All public comments will be entered into the case record and considered as the PUCO makes its decision. The fact sheet is also available at the OCC Web site at www.pickocc.org.

## For more information

The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, offers a variety of utility information to meet consumers' changing needs. The OCC is available to provide you with up-to-date information so consumers can ask the right questions and make informed choices.

For more information about any of the topics discussed, please call the OCC toll free at 1-877-PICKOCC (1-877-742-5622) or visit the OCC Web site at www.pickocc.org.

The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts. The state agency also educates consumers about electric, natural gas, telephone and water issues and resolves complaints from individuals. To receive utility information, brochures, schedule a presentation or file a utility complaint, residential consumers may call 1-877-PICKOCC (1-877-742-5622) toll free in Ohio or visit the OCC Web site at www.pickocc.org .

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**For additional information from the Office of the Ohio Consumers' Counsel:**

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