

Columbia's Standard Service Offer: Questions & Answers

Q: What is the Standard Service Offer (SSO)?

A: The SSO is the price which will replace the current Gas Cost Recovery (GCR) charge in April 2010 for customers who buy their gas directly from Columbia Gas of Ohio.

Q: What is a wholesale gas supply auction?

A: A process in which natural gas marketing companies bid on the right to supply gas to the local utility. Columbia Gas will purchase the gas from the winning bidders at the auction-set price, and then re-sell it to customers at no profit to Columbia.

Q: I currently buy gas directly from Columbia. Would the auction change that?

A: No. Customers who buy their gas directly from Columbia would continue to do so. There's no signing up, shopping for a supplier or opting out required.

Q: Would my bill go up or down under this system?

A: Gas prices would depend on the auction results and market conditions. Columbia's delivery charges – which represent less than half your bill – would not change. Auctions have been supported by the Office of the Ohio Consumers Counsel (OCC), Ohio Partners for Affordable Energy (OPAE), natural gas marketers, and some Columbia customers. The Public Utilities Commission of Ohio (PUCO) earlier approved auctions at Dominion East Ohio and Vectren.

Q: I purchase gas from a CHOICE[®] supplier. Would the auction affect me?

A: No. Contracts between CHOICE customers and their suppliers would not be affected. SSO customers would have the option of switching to a CHOICE marketer, and CHOICE customers would have the option of switching to the SSO.

Q: Would the SSO be a deregulated price?

A: No. The SSO price would be set each month based on the wholesale market price, plus a retail price adjustment that would be determined by the auction. The auction process and resulting prices are subject to PUCO approval.

Q: Will Columbia Gas earn a profit on natural gas sales through the auction?

A: No. Columbia will continue to be prohibited by state law from earning a profit on gas sales, just as it is today under the GCR system.

Q: What happens if an SSO marketer goes out of business? Will I still receive my gas?

A: Yes. Columbia Gas would step in and replace the supply that the marketer was supposed to provide. No customer would lose service due to a marketer default.

Q: Is Columbia Gas of Ohio getting out of the gas business?

A: No! Columbia Gas will continue to buy gas and re-sell it directly to customers who want to buy their gas directly from Columbia. And we will continue to deliver gas to all 1.4 million of our customers and respond to emergencies, read meters, issue bills and answer customer calls.