



# SEC

## STAND ENERGY CORPORATION

1077 Celestial Street • Rookwood Bldg • Suite 110  
Cincinnati, Ohio 45202-1629  
(513) 621-1113  
(800) 598-2046  
(513) 621-3773 Fax

June 7, 2012

**VIA UPS NEXT DAY AIR SAVER**

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

RECEIVED

JUN 08 2012

PUBLIC SERVICE  
COMMISSION

**Re: Case No. 2012-00136**

Dear Mr. Derouen:

Enclosed for filing in the above-captioned matter with the Commission are Stand Energy Corporation's Original Motion To Intervene and Supporting Memorandum totaling six (6) pages and 10 copies for filing.

Thank you for your prompt attention to this filing. If you have any questions you may contact me at (513) 621-1113.

Sincerely,

John M. Dosker  
General Counsel

Encls.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 08 2012

In The Matter of:

PUBLIC SERVICE  
COMMISSION

AN ADJUSTMENT OF THE PIPE )  
REPLACEMENT PROGRAM RIDER OF )  
DELTA NATURAL GAS COMPANY )

CASE NO. 2012-00136

---

MOTION OUT-OF-TIME OF STAND ENERGY CORPORATION  
FOR FULL INTERVENTION

---

Pursuant to KRS 278.310 and 807 KAR 5:001 §3(8), Stand Energy Corporation ("Stand Energy") moves the Kentucky Public Service Commission for full intervenor status in the above-named and numbered action. A memorandum in support of this motion is filed herewith and attached hereto.

Respectfully Submitted,



JOHN M. DOSKER (KBA #82089)  
GENERAL COUNSEL  
Stand Energy Corporation  
1077 Celestial Street, Suite #110  
Cincinnati, OH 45202-1629  
(Phone) (513) 621-1113  
(Fax) (513) 621-3773  
jdosker@stand-energy.com

**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing was mailed, first class postage prepaid, this 7<sup>th</sup> day of June 2012, to the following parties of record:

Matthew Wesolosky  
Vice-President, Controller  
Delta Natural Gas Company, Inc.  
3617 Lexington Road  
Winchester, Kentucky 40391

Dennis Howard, II, Esq.  
Lawrence W. Cook, Esq.  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601-8204  
Assistant Attorneys General  
Utility & Rate Intervention Division

  
\_\_\_\_\_  
JOHN M. DOSKER

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In The Matter of:**

<b>AN ADJUSTMENT OF THE PIPE</b>	)	
<b>REPLACEMENT PROGRAM RIDER OF</b>	)	<b>CASE NO. 2012-00136</b>
<b>DELTA NATURAL GAS COMPANY</b>	)	

---

**MEMORANDUM SUPPORTING MOTION OF  
STAND ENERGY CORPORATION FOR FULL INTERVENTION**

---

Stand Energy Corporation submits the following Memorandum in support of the Motion to Intervene. Stand Energy has differing commercial goals and direction than Delta Natural Gas, the Kentucky Attorney General, or any other party or prospective party in the above-captioned case. Therefore, no other participant can or will adequately represent or protect the interests of Stand Energy Corporation or its customers behind Delta Natural Gas in this proceeding.

Stand Energy's participation in this proceeding will lead to the presentation of relevant facts and issues that will assist the Kentucky Public Service Commission in its consideration of the matters raised herein without unduly complicating, disrupting or delaying the proceedings. Stand Energy agrees to accept the record as it currently exists and to be bound by all procedural schedules and Orders.

Stand Energy is a private gas marketer and Kentucky corporation with its offices located at 1077 Celestial Street, Rookwood Building 3, Suite 110, Cincinnati, Ohio 45202-1629.

Stand Energy is engaged in the marketing of natural gas to a unique blend of public and private customers in over 13 states (including Kentucky), with experience delivering natural gas behind more than 33 local distribution companies (including, but not limited to customers behind Delta Natural Gas Company). Stand Energy has absolutely no connection to any regulated utility in any state.

The undersigned General Counsel has been licensed to practice law in Kentucky for 25 years since 1987, has appeared before the Commission in past proceedings, and is a former member of the Executive Committee of the North American Energy Standards Board (NAESB), Gas Supplier Segment. Stand Energy has almost twenty-eight (28) years of experience in federal and state regulatory proceedings involving natural gas.

The filing by Delta Natural Gas proposes to adjust the rates of all classes of service within the Delta system: residential, small non-residential, large non-residential and interruptible service customers. As such, it is appropriate for Delta and the Commission to consider proposals to adjust the volumetric threshold requirements for customers to transport natural gas on the Delta system which was one of the topics of Case No. 2010-00146, *An Investigation of Natural Gas Retail Competition Programs*:

As for expanded transportation services to commercial and industrial consumers, and governmental and other public entities that do not currently qualify for existing transportation services, the Commission finds it appropriate to encourage Atmos, Delta, Duke Kentucky and LG&E to evaluate their existing transportation tariffs with the context of the operation of their distribution systems and the maintenance of system integrity. **The EIA data on marketer and LDC prices for commercial customers, reflects that the average marketer price was lower than the average LDC price in the majority (sic\*) of states.** See Appendix C. Therefore, the Commission will review the reasonableness of the existing transportation tariffs of each of the above-named LDC's and any proposed changes in rate design and product and service availability in their next general rate proceeding. (Emphasis Added)

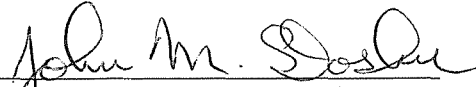
\*Exhibit C, *Consumer Prices Table 24* from a 2008 EIA Report lists 9 “selected states” Florida, Georgia, Maryland, Michigan, New York, Ohio, Pennsylvania, Virginia and the District of Columbia. Of these 9 states **only** in Georgia was the marketer price higher for commercial customers than the LDC price. **In the other 8 states (8 out of 9) the marketer price was lowest for commercial customers.**

Stand Energy proposes that Delta should use this opportunity in this proceeding to expand its Gas Transportation programs for commercial, industrial, governmental and other public entities by establishing lower volumetric thresholds for customers to transport gas. Delta Natural Gas Marketing, the unregulated arm of the LDC, serves the overwhelming majority of transportation accounts behind the Delta LDC. Testimony in the Retail Investigation case determined that employees of Delta Natural Gas Company (the LDC) also served as employees of Delta Natural Gas Marketing, a clear conflict of interest.

Additional grounds supporting Stand Energy’s Intervention in this proceeding is the April 17, 2012 Commission Order suspending Delta’s tariffs for five month until September 22, 2012 to allow the Commission time to consider the “reasonableness of the proposed revisions”. During this suspension time, it would be possible to perform a class cost of service study on the Delta system to properly determine appropriate volumetric transportation thresholds and align the various service classifications accordingly.

WHEREFORE, Stand Energy Corporation respectfully requests that the Commission grant it full Intervenor status.

Respectfully Submitted,



JOHN M. DOSKER (KBA #82089)  
GENERAL COUNSEL  
Stand Energy Corporation  
1077 Celestial Street, Suite #110  
Cincinnati, OH 45202-1629  
(Phone) (513) 621-1113  
(Fax) (513) 621-3773  
jdosker@stand-energy.com

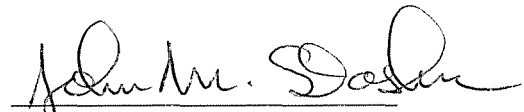
**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing was mailed, first class postage prepaid, this 7<sup>th</sup> day of

June 2012, to the following parties of record:

Matthew Wesolosky  
Vice-President, Controller  
Delta Natural Gas Company, Inc.  
3617 Lexington Road  
Winchester, Kentucky 40391

Dennis Howard, II, Esq.  
Lawrence W. Cook, Esq.  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601-8204  
Assistant Attorneys General  
Utility & Rate Intervention Division

  
JOHN M. DOSKER