COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF KENTUCKY-OHIO GAS COMPANY FOR APPROVAL OF SPECIAL CONTRACT AND CERTIFICATE OF CONVENIENCE AND NECESSITY	)	CASE NO. 92-317

O R D E R

This matter arises upon the September 14, 1992 filing by Columbia Gas of Kentucky ("Columbia") requesting full intervention in this proceeding. The response of the petitioner, Kentucky-Ohio Gas Company ("KOG"), was filed with the Commission September 15, 1992. After consideration of the motion of Columbia and the response filed by KOG, the Commission denies the requested intervention for the reasons and grounds set forth below.

807 KAR 5:001, Section 3, provides that intervention shall be granted "[I]f the commission determines that a person has a special interest in the proceeding which is not otherwise adequately represented or that full intervention by a party is likely to present issues or to develop facts that assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings such person shall be granted full intervention." The basis for Columbia's requested intervention is that on June 25, 1992 Columbia filed with the Commission an application requesting approval to acquire certain facilities of the Inland Gas Company ("Inland"). That application is currently

pending before the Commission in Case No. 92-274.[1] Columbia states that upon approval of that application and receipt of any other necessary regulatory approvals, the facilities of Inland which currently serve FCI will become part of Columbia's distribution system. If the Commission grants approval to Columbia to acquire those certain Inland facilities and other necessary regulatory approvals are obtained, KOG service to FCI would then be in direct competition with service rendered in the Ashland area by Columbia. Columbia argues that the facilities which KOG must construct to serve FCI would duplicate the existing facilities now operated by Inland and which would be acquired by Columbia if all regulatory approvals are obtained.

In its response, KOG argues first that Columbia's intervention is not timely as required by 807 KAR 5:001, Section 3, since it was filed 56 days after the filing of KOG's petition to serve FCI. KOG represents that both KOG and Inland submitted proposals through a competitive bidding process to FCI through the Government Services Administration. KOG was a successful bidder and was awarded the contract on July 1, 1992, which by one of its terms requires the successful bidder to render service within 120 days of the award of the contract. KOG argues that Columbia had no direct interest in

---

1 Case No. 92-274, The Application of Columbia Gas of Kentucky, Inc. For Authority to Acquire Certain Facilities of the Inland Gas Company, Inc. And for a Certificate of Public Convenience and Necessity to Serve Customers Located in Carter and Boyd Counties, Kentucky.

the FCI contract or service at the present time and had none at the time of awarding the contract. At the time of the filing of KOG's petition, there was no duplication of facilities. KOG further argues "the anticipated acquisition of certain facilities by Columbia cannot retroactively make unregulated facilities regulated and cannot retroactively provide it with rights it currently does not have."

The Commission notes that in Case No. 92-274 wherein Columbia is requesting approval to acquire the Inland facilities, Inland advised Columbia, and Columbia acknowledged, the loss of FCI as a customer. Inasmuch as Columbia has known of the awarding of the FCI contract to KOG, was not a bidding party to that contract, and has no facilities at the present time which would be used or duplicated in providing service to FCI, Columbia does not have a sufficient interest to justify the granting of full intervention.

IT IS THEREFORE ORDERED that Columbia's motion to intervene be and it hereby is denied.

Done at Frankfort, Kentucky, this 21st day of September, 1992.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Executive Director