

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF COLUMBIA GAS)	CASE NO.
OF KENTUCKY, INC.)	2007-00008

O R D E R

On February 14, 2007, Interstate Gas Supply, Inc. ("IGS") filed a motion for full intervention in this proceeding. On March 8, 2007, Columbia Gas of Kentucky, Inc. ("Columbia") filed its response opposing IGS's request for full intervention. IGS, on March 20, 2007, filed a response to Columbia's March 8 filing.

The four parties that have requested intervention in this case are: the Attorney General of the Commonwealth of Kentucky ("AG"), through his Office of Rate Intervention, the Lexington-Fayette Urban County Government ("LFUCG"), Kentucky Industrial Utility Customers, Inc. ("KIUC"), and IGS. The AG was granted intervention on February 26, 2007 and LFUCG and KIUC were granted intervention on March 13, 2007.

In order to determine intervenor status, we must consider the application of 807 KAR 5:001, Section 3(8). Section 3(8)(b) states that a person seeking full intervention must show to the Commission that he has a special interest which is not otherwise adequately represented in the proceeding or is likely to present issues that will assist the Commission without unduly complicating the proceedings.

IGS is a third-party natural gas supplier participating in Columbia's Customer Choice Program ("Choice Program").¹ Under the Choice Program, IGS solicits and contracts with Columbia's customers to supply the customer natural gas using Columbia's system. However, Columbia continues to be responsible for the delivery function and is the supplier of last resort. The Choice Program is a pilot program and has been extended through March 31, 2009.²

IGS seeks full intervention to explore the possibility that "the proposed rate adjustment may be unequally allocated between Choice Program customers and non-Choice Program customers." In Columbia's response to the motion of IGS, Columbia basically states that any impact on customers will be adequately addressed by the AG.³ However, the AG has filed comments in which he urges the Commission to approve the motion of IGS for intervention.⁴

IGS has pointed to two areas that it alleges will adversely affect customers participating in the Choice Program. In granting full intervenor status to IGS we will limit the participation of IGS to those areas it has identified in its request, in that

¹ Case No. 1999-00165, The Tariff Filing of Columbia Gas of Kentucky, Inc. to Implement a Small Volume Gas Transportation Service, to Continue its Gas Cost Incentive Mechanisms, and to Continue its Customer Assistance Program.

² Case No 2004-00462, Application of Columbia Gas of Kentucky, Inc. to Implement a Small Volume Gas Transportation Service.

³ Response of Columbia to IGS motion, filed March 8, 2007.

⁴ Comment of AG filed February 19, 2007.

the proposed rate adjustment may be unequally allocated between Choice Program customers and those not participating in the Choice Program.

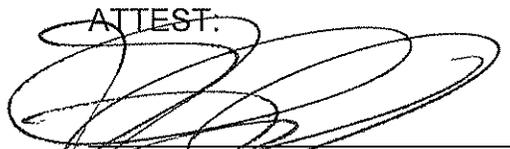
Based on the motion, and being otherwise sufficiently advised, the Commission finds that IGS has demonstrated that it has an interest in this case that would not otherwise be adequately represented and should be granted full intervenor status.

The Commission, being sufficiently advised, HEREBY ORDERS that the motion of IGS for full intervention is granted subject to the issues identified herein.

Done at Frankfort, Kentucky, this 2nd day of April, 2007.

By the Commission

ATTEST:



Executive Director