

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

Adjustment of Rates of Columbia Gas of)
Kentucky, Inc.) Case No. 2016-00162

**OBJECTION AND RESPONSE OF COLUMBIA GAS
OF KENTUCKY, INC. TO MOTION OF INTERSTATE
GAS SUPPLY, INC. TO RECONSIDER**

Columbia Gas of Kentucky, Inc. (“Columbia”) hereby submits its objection and response to the motion of Interstate Gas Supply, Inc. (“IGS”) to reconsider the Commission’s order denying intervention in this proceeding. Columbia respectfully requests that the Commission deny the motion of IGS to reconsider because IGS has raised no new issues supporting its request for intervention and the Commission’s order denying intervention was correct.

IGS Raises No New Issues.

While IGS is perhaps more emphatic about its request for intervention in its Motion to Reconsider, it raises no new issues that were not considered by the Commission when it denied IGS’s Motion to Intervene. The Commission duly noted and considered IGS’s argument about proposed changes to Columbia’s Delivery Service

Rate Schedule relating to delivery points and the cash out mechanism.¹ Those arguments are repeated in the Motion to Reconsider. IGS argues that it is not a competitor of Columbia. That issue was argued and disposed of in the order denying intervention.² IGS argues that it has an interest in the rates and service of Columbia. In the order denying intervention, the Commission specifically found that “IGS does not receive natural gas service from Columbia and is not a customer of Columbia.”³ The customers of IGS may also be customers of Columbia and, thus, would have an interest in the rates and services of Columbia, but IGS is not a customer of Columbia and has no such interest. Those customers of IGS who are also customers of Columbia are adequately represented in this proceeding by the Attorney General. IGS argues that intervention in prior Columbia cases justifies intervention in this proceeding in its Motion to Reconsider. The Commission noted that IGS had intervened in Case No. 2013-00167.⁴ Of course, that intervention was authorized by the report attached to the order of December 28, 2010, in Case No. 2010-00146⁵ and was limited to CHOICE and transportation threshold issues. The Commission is obviously aware of IGS’s participation in prior cases at different times and with different issues.

¹ Order dated July 21, 2016, at pp. 1 and 2.

² Order herein at p. 3.

³ *Id.*

⁴ *Application of Columbia Gas of Kentucky, Inc. for an Adjustment of Rates for Gas Service*, cited in the Order herein at p. 2.

⁵ *An Investigation of Natural Gas Retail Competition Programs*.

When no new issues are raised in motions to reconsider, the Commission has consistently denied the motions. See, for example, Case No. 2000-089, in which the Commission denied the motion of NOW Communications, Inc. for rehearing because it raised no new issues which were not previously considered by the Commission.⁶ Similarly, IGS's Motion to Reconsider should be denied.

The Order Denying Intervention Was Correct.

The order denying intervention by IGS was correct in all respects and supported by ample authority. Base rate cases are not proper proceedings for gas marketers to advocate for tariff changes that enhance their competitive positions unless the Commission specifically authorizes examination of such tariffs as it did in Case No. 2010-00146. The Commission has denied intervention by gas marketers in cases involving Columbia⁷, Louisville Gas and Electric Company⁸, The Union Light, Heat and Power Company⁹, Duke Energy Kentucky, Inc.¹⁰ and Delta Natural Gas Company, Inc.¹¹

⁶ *Petition for Arbitration of the Interconnection Agreement Between Bellsouth Telecommunications, Inc. and NOW Communications, Inc. Pursuant to the Telecommunications Act of 1996*, Order dated June 7, 2000, at p. 1.

⁷ *Adjustment of Rates of Columbia Gas of Kentucky, Inc.*, Case No. 2007-00008, Order dated May 3, 2007.

⁸ *Application of Louisville Gas and Electric Company for an Adjustment of the Gas and Electric Rates, Terms and Conditions*, Case No. 2003-00433, Transcript Vol. I, page 51-52 (May 4, 2004); *Joint Application of Powergen Plc, LG&E Energy Corp., Louisville Gas and Electric Company, and Kentucky Utilities Company for Approval of a Merger*, Case No. 2000-00095, Order dated April 5, 2000.

⁹ *Adjustment of Gas Rates of The Union Light, Heat & Power Company*, Case No. 2001-092, Order dated August 6, 2001, pp.1-2; Order dated September 13, 2001, at p. 2.

¹⁰ *Joint Application of Duke Energy Corporation, Cinergy Corp., Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., Diamond Acquisition Corporation, and Progress Energy, Inc. for Approval of the Indirect Transfer of Control of Duke Energy Kentucky, Inc.*, Case No. 2011-00124, Order dated May 12, 2011.

¹¹ *An Adjustment of the Pipe Replacement Rider of Delta Natural Gas Company, Inc.*, Case No. 2012-00136 Order dated June 25, 2012, rehearing denied by Order dated July 12, 2012.

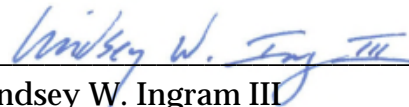
The Commission properly denied the motions by all three gas marketers, including IGS, that sought intervention in this proceeding.

The Commission should affirm its orders of July 21, 2016, in this proceeding denying intervention by the gas marketers by denying the motion of IGS for reconsideration.

Dated August 4, 2016

Respectfully submitted,

**COLUMBIA GAS OF KENTUCKY,
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CERTIFICATE

This certifies that Columbia Gas of Kentucky, Inc.'s electronic filing is a true and accurate copy of the documents to be filed in paper medium; that the electronic filing has been transmitted to the Commission on August 4, 2016; that a paper copy of the filing will be delivered to the Commission within two business days of the electronic filing; and that no party has been excused from participation by electronic means.

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By:  _____

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