

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 INTERVENE**

Columbia Gas of Kentucky, Inc. (“Columbia”) hereby submits its objection and response to the motion of Interstate Gas Supply, Inc. (“IGS”) to intervene in this proceeding. Columbia respectfully requests that the Commission deny the motion of IGS to intervene in this proceeding for the following reasons: (i) IGS seeks intervention to address issues with Columbia’s Small Volume Gas Transportation Service (“Choice Program”), but Columbia proposes no changes to the Choice Program; (ii) IGS does not have a special interest that should be protected or represented; (iii) IGS will not assist the Commission in fully considering this matter; and (iv) IGS’s intervention will unduly complicate and disrupt this proceeding. IGS does not satisfy the requirements of 807 KAR 5:001, Section 4(11)(b) and its Motion to Intervene should be denied.

No Changes Are Proposed To the Choice Program.

The thrust of IGS's Motion to Intervene is that it supplies natural gas to customers utilizing Columbia's Choice Program and proposed changes to that program could have an impact on IGS. For example, IGS states, "In its Application Columbia is proposing changes to its tariff that would allow Columbia to modify the delivery points for Choice suppliers which could affect the costs suppliers pay to deliver gas to Columbia."¹ That statement is incorrect; Columbia is proposing no changes to its Choice Program, other than changes to correct the headings on some of the tariff sheets. In the same paragraph, IGS goes on to state, "Further, Columbia is proposing changes to the cash-out mechanism for transportation customers that are served by competitive suppliers."² That proposed change does not affect the Choice Program, but rather the General Terms and Conditions applicable to Delivery Service Rate Schedule customers only.

When IGS was permitted to intervene in Columbia's last base rate case, its "intervention was limited to participation on the issues of Columbia's Customer Choice Program and its transportation thresholds and any other matters related thereto."³ In that case, Columbia had proposed changes to its Choice Program. The inquiry into transportation thresholds was pursuant to the final order in Administrative Case No.

¹ Motion to Intervene, p. 1.

² *Id.*

³ *In the Matter of: Application of Columbia Gas of Kentucky, Inc. for an Adjustment of Rates for Gas Service*, Case No. 2013-00167, Order of August 9, 2013, at p. 4.

2010-00146, *In the Matter of: An Investigation of Natural Gas Retail Competition Programs*, (Ky. P.S.C. Dec. 28, 2010). Neither of those circumstances exists in the present proceeding.

IGS Does Not Have a Special Interest.

Other than customers in Columbia's Choice Program, IGS only serves five traditional transportation customers on Columbia's system. IGS competes with Columbia for the sale of natural gas to those customers.

The Commission's jurisdiction is limited to the rates and service of utilities.⁴ The Commission ruled in 2011 that a gas marketer's interest as a competitive supplier of commodity gas to customers of a local distribution company is not sufficient to justify intervention.⁵ In that case, Stand Energy Corporation sought to intervene in a Duke Energy Kentucky change of control proceeding. The Commission rejected Stand's motion as lacking a sufficient interest in Duke's rates or service:

Thus, the only interest that Stand Energy arguably has in the natural gas rates and service of Duke Kentucky is as a competitor, and even that interest is too remote to justify intervention here. There is nothing in the Joint Application, including the voluminous exhibits and prepared testimony, to suggest that Duke Kentucky is now requesting, or will at some definitive time in the future request, authority to establish a fully competitive natural gas market within its

⁴ KRS 278.040(2).

⁵ *In the Matter of: 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.

service area or for Duke Retail to sell natural gas in Kentucky.

The Commission further finds that an investigation of expanding retail natural gas competition in Kentucky markets was recently concluded in Administrative Case No. 2010-00146, a case in which Stand Energy was granted intervention and fully participated. The Commission's decision in that investigation was to not mandate competitive retail natural gas programs in Kentucky without additional statutory authority and consumer protections. Consequently, the Commission will not revisit those issues in this merger case, and Stand Energy's status as a competitive supplier of natural gas does not justify its intervention in this case.⁶

The same reasoning applies here. IGS's interest in Columbia's traditional transportation rates and service is only that of a competitor. IGS, therefore, has no special interest that should be protected or represented in this proceeding.⁷

IGS Will Not Assist the Commission And Will Unduly Complicate and Disrupt the Proceeding.

IGS asserts that it will assist the Commission because "IGS has experience in proceedings such as this current one and will likely present expert testimony regarding the Choice Program and other issues relevant to this case."⁸ Since no substantive changes are proposed to the Choice Program, expert testimony about the Choice Program will be irrelevant. Such testimony will not assist the Commission and will

⁶ *Id.* p. 4-5.

⁷ See also, *In the Matter of: Adjustment of Rates of Columbia Gas of Kentucky, Inc.*, Case No. 2007-00008, Order dated May 3, 2007 (denying motion of Constellation New Energy-Gas Division, LLC to intervene for failure to demonstrate a special interest not otherwise adequately represented).

⁸ Motion to Intervene, p. 2

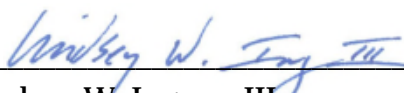
unduly complicate and disrupt the proceeding by injecting irrelevant information into the record.

For all of the foregoing reasons, IGS's Motion to Intervene should be denied.

Dated July 1, 2016

Respectfully submitted,

**COLUMBIA GAS OF KENTUCKY,
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