

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF PNG COMPANIES)
LLC, DRAKE MERGER SUB INC., AND) **CASE NO: 2017-00125**
DELTA NATURAL GAS COMPANY INC.)
FOR APPROVAL OF AN ACQUISITION OF)
OWNERSHIP AND CONTROL OF DELTA)
NATURAL GAS COMPANY, INC.)

MOTION TO INTERVENE OF THE
KENTUCKY LABORERS DISTRICT COUNCIL

Pursuant to K.R.S. §278.040(3) and §278.310 and 807 KAR 5:001 Section 4(11), the Kentucky Laborers District Council and affiliated Local Unions in Kentucky (“KLDC” or “the Union”) requests that it be granted full intervenor status in the above-captioned merger proceeding jointly initiated by PNG Companies LLC (PNG), Drake Merger Sub Inc. (Drake), and Delta Natural Gas Company (Delta) (jointly, Applicants). The Union states as follows:

Facts

1. KLDC is a labor organization representing five local unions in the state of Kentucky.
2. KLDC is affiliated with the Laborers International Union of North America (LIUNA).
3. KLDC’s Local Unions are the bargaining agents for over 3600 employees in the state of Kentucky, at least one third of whom are in pipeline and power plant work.
4. The main office of KLDC is located at 1996 Bypass S., Lawrenceburg KY 40342.

5. Members of the Union reside and work throughout Kentucky, including the service territory and regions impacted by this merger proceeding. The interest of the Union and its members in this matter is unique and different from the public interest.
6. Applicants are asking the Commission to approve a transaction in which PNG will acquire Delta as a direct, wholly owned subsidiary of PNG. KLDC has a significant interest in the merger proceeding, and its members will be affected by any order entered by the Commission in this matter.
7. The attorney for KLDC authorized to represent it in this proceeding and to take service of all documents are:

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8. KLDC believes that it has a special interest in the proceeding not otherwise represented, and that its intervention is likely to present issues or to develop facts to assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings.
9. KLDC members install natural gas distribution pipelines, and build and maintain oil and natural gas transmission infrastructure.
10. Nationally, about one quarter of the work performed by LIUNA members is related to energy.

11. LIUNA also invests in companies and private equity funds that finance equity infrastructure through its pension funds.
12. KLDC conducts extensive hands-on training through its labor-management funds.
13. Pipeline work conducted by LIUNA members has generated tens of millions in state tax revenue across the country. In 2016, energy-related work by LIUNA members generated approximately \$24 million in taxable income in Kentucky.
14. LIUNA members have built the biggest pipeline in the most formidable terrain in the country.
15. States where LIUNA has been the most active in pipeline construction have experienced much lower significant pipeline incidents than other states such as Louisiana or Texas.
16. Nationally, LIUNA members perform millions of hours in gas distribution work annually for some of the largest gas utility companies.

Petition

807 KAR 5:001 Section 4(11)(b) requires this Commission to grant full intervenor status to a person if it finds either 1) that the person “has a special interest in the case that is not otherwise adequately represented” or 2) that “intervention 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.” KLDC satisfies both conditions. It has a special and not otherwise adequately represented interest in this case. Its intervention is likely to present issues and develop facts that assist the commission in fully considering Applicants’ merger application, and it will not unduly complicate or disrupt the proceedings. Accordingly, the Union requests that the Commission grant it full intervenor status.

A. KLDC has a special interest in this case that is not otherwise adequately represented.

Intervenors in proceedings before this Commission must possess and express an interest in either the rates or services of a utility.¹ KLDC has a special interest in the services of PNG and Delta. The Union has extensive experience working with some of the nation's largest gas utilities on matters of workforce development and worker safety. When workplaces are safe, there are fewer significant pipeline incidents. PNG has made commitments to Delta as a condition of this merger regarding economic development. Workforce development cannot be divorced from economic development, and there is no organization that knows more about workforce development in this industry than the Union.

The Union's interest is distinguishable from that of the general public or of other parties because it is a major participant in the industry as an advocate for workers. Workforce development issues at all employers, whether union or non-union, impact workers across the industry. The Union's concerns regarding workforce development and safety are not business- or consumer-driven, but worker-driven. While safer workers means more reliable service for consumers and better business performance, the Union's interest is workplace safety for its own sake.

The Union's interest is unique to the natural gas industry and those employed within it. The Parties intend to enable Delta to provide reasonable service to Delta's customers, and that existing customers will benefit from PNG's substantial expertise in the ownership and operation of gas distribution companies. The Union's experience representing workers in this industry

¹ 807 KAR 5:001 Section 4(11)(a).

makes it specially situated to provide a perspective as to whether the proposed merger will accomplish that goal.

B. KLDC's intervention is likely to present issues or develop facts that will assist the commission in fully considering the matter.

Currently, the parties to this case are the Applicants and the Attorney General. The Applicants are, naturally, representing their own business interests. The Attorney General is representing the interests of Kentucky consumers. However, none of these parties have as their primary purpose to evaluate and provide input as to the effect of the proposed merger on Kentucky's natural gas utility workers.

Enshrined in Commission's mission is a commitment to the "provision of safe and reliable service." Implied here is a commitment to safety and reliability not only for the consumer, but for the worker as well. The Commission is also tasked with enforcing pipeline safety laws. Who better to assist the Commission in evaluating this merger's impact on safety than an organization whose members have performed natural gas work for over a half century, which provides extensive safety training, and whose members perform millions of hours of work in the industry across the country?

The Union's interest in this matter cannot be fully served, and it cannot optimally assist the Commission, by mere comment. It must have full intervenor status to be able to make data requests and review any information filed confidentially.

C. KLDC's intervention will not unduly complicate or disrupt the proceedings.

KLDC would represent a crucial interest in this proceeding, but will not unduly complicate or disrupt the proceedings. The Union's interest is fairly limited as developed by this petition. As this motion is timely filed, it does not seek to interfere with the Commissions

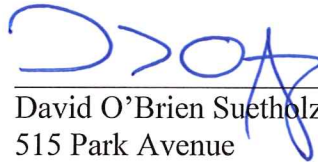
scheduling order at this time, nor does it anticipate requesting changes to the schedule in the future.

Conclusion

Because its intervention would satisfy all the requirements described in 807 KAR 5:001 Section 4(11), the KLDC requests that it be granted full intervenor status in the above-captioned proceeding.

Respectfully submitted,

KIRCHER, SUETHOLZ & ASSOCIATES, PSC



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CERTIFICATE OF COMPLIANCE

In accordance with 807 KAR 5:001, Section 8(7), this is to certify that the Motion to Intervene electronic filing is a true and accurate copy of the documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on April 3, 2017; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; that an original and six copies of the filing are being delivered to the Commission within two business days.



David O'Brien Suetholz

CERTIFICATE OF SERVICE

A copy of the foregoing Petition for Full Intervention has been served by electronic mail and United States mail on the following persons this the 3rd day of April, 2017:



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