

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	)	
Columbia Gas of Ohio, Inc. for Approval to	)	Case No. 14-1615-GA-AAM
Change Accounting Methods.	)	

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**OHIO PARTNERS FOR AFFORDABLE ENERGY’S REPLY TO THE  
MEMORANDUM CONTRA OF COLUMBIA GAS OF OHIO, INC.**

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On September 12, 2014, Columbia Gas of Ohio, Inc., (“Columbia”) filed this application requesting the Public Utilities Commission of Ohio (“Commission”) to authorize the deferral of certain distribution costs associated with establishing a pipeline safety program developed in response to the U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration’s regulations that require all operators of gas distribution pipelines to develop and implement a gas Distribution Integrity Management Program. On September 29, 2014, Ohio Partners for Affordable Energy (“OPAE”) filed a motion to intervene in the case pursuant to R.C. §4903.221 and Section 4901-1-11 of the Commission’s Code of Rules and Regulations, as well as a motion to dismiss the application. On October 14, 2014, Columbia filed a memorandum contra OPAE’s motion to intervene and motion to dismiss. In its memorandum contra OPAE’s motion to intervene Columbia offered two primary arguments: 1) that the application is for a deferral and as such will not increase current rates because it is not a request for cost recovery and 2) that OPAE fails to meet the criteria for intervention established by R.C. §4903.221 and Section 4901-1-11 of the Commission’s Code of Rules and Regulations.

Specific to the arguments, Columbia contends that OPAE cannot be adversely affected by a deferral and that the Commission has denied motions to intervene when the application merely requests modification of accounting

procedures. In support of the argument that the Commission has denied motions to intervene in applications for accounting authority, Columbia cites a 1991 case, *In the Matter of the Application of Dayton Power and Light Company for Authority to Capitalize and Defer Interest Expense on Certain Capitalized and Deferred Costs Relating to the Wm. H. Zimmer Generation Station Investment and Operating Costs*, PUCO Case No. 91-200-EL-AAM, Entry (March 14, 1991).

Columbia's criticism ignores recent Commission precedents regarding interventions and OPAE's unique ability to represent the interests of ratepayers that could be negatively affected if the application is granted. As OPAE makes clear in its motion for intervention, OPAE's corporate purpose is to "advocate for affordable energy policies" on behalf of its members who are ratepayers of Columbia and the low-income clients OPAE members serve. OPAE is well positioned to assist in ensuring a just and expeditious resolution of the proceeding by advancing the concerns of its members and their clients in order to ensure the costs associated with the deferral are just and reasonable and are recovered in a like manner. Columbia does not address the issues of whether OPAE's participation will unduly delay the proceeding or unjustly prejudice any existing party. As OPAE was the first party to intervene, it is difficult to prejudice an existing party, and OPAE's experience in the regulatory field makes clear it does not use dilatory tactics to prevent a timely resolution of a matter before the Commission. Columbia ignores that the Commission has long recognized OPAE's right to intervene in Commission proceedings on behalf of its members and their clients.

Columbia argues that because its application is merely for an accounting change to authorize a deferral, there is no need to permit an intervention. Columbia cites the outdated 1991 Zimmer case mentioned above, but more recent proceedings belie Columbia's argument. OPAE has been granted intervention in a

number of cases involving an accounting application to authorize the deferral of expenses. In Case No. 09-712-GA-AAM, *In the Matter of the Application of Duke Energy Ohio, Inc. for Authority to Defer Environmental Investigation and Remediation Costs*, wherein OPAE also filed a motion to intervene and a motion to dismiss, the Commission granted OPAE intervention. Case No. 09-712-GA-AAM, Finding and Order at 2 (November 11, 2009). Likewise, OPAE's request to intervene in Case No. 07-294-GA-AAM, *In the Matter of the Application for Authority to Modify Accounting Procedures to Provide for the Deferral of Expenses Related to the Commission's Investigation of the Installation, Use and Performance of Natural Gas Service Risers*, a case bearing a remarkable resemblance to the matter at hand, was also granted by the Commission based on a motion to intervene and memorandum in support that was substantially similar to those filed in the instant case. Case No. 07-294-GA-AAM, Finding and Order at 6 (December 19, 2007). OPAE's motion to intervene was also granted in Case No. 07-125-GA-AAM, *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Modify its Accounting Procedures to Provide for the Deferral of Expenses Related to the Commission's Investigation of Natural Gas Service Risers*, Finding and Order (March 26, 2008 at 5), despite Dominion East Ohio's memorandum contra OPAE's motion for intervention.

Perhaps the most relevant precedent is Case No. 07-237-GA-AAM, *In the Matter of the Application of Columbia Gas of Ohio, Inc. for Authority to Modify Accounting Procedures to Provide for the Deferral of Expenses Related to the Commission's Investigation of the Installation, Use and Performance of Natural Gas Service Risers*. In that case, OPAE moved to intervene and Columbia filed a memorandum contra, yet the Commission again granted OPAE's motion. Case No. 07-237-GA-AAM, Opinion and Order at 36 (April 9, 2008). The 2007 case was very

similar in nature to the instant matter in that it involved distribution lines and safety issues, along with a request to defer costs for later recovery.

Clearly, the Commission has in cases similar to the instant case granted OPAE the right to intervene based on the requirements of the Revised Code and Commission rules. We urge the Commission to continue to provide nonprofit agencies and their clients a voice in proceedings which, while not for an increase in rates, defer expenses for future recovery.

In its memorandum contra, Columbia also argued that OPAE failed to discuss its legal position relative to the merits of the case. Preventing the authorization of an illegal deferral, as OPAE seeks to do in this case, will obviate the need to deal with this issue in a future case, thus contributing to the resolution of the issue consistent with the need for judicial economy. In furtherance of the latter goal, OPAE will not at this time respond to Columbia's arguments in its memorandum contra OPAE's motion to dismiss the application. OPAE will instead file comments in this case on November 17, 2014 in accordance with the Entry issued in this proceeding by the attorney examiner on October 3, 2014.

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing *Reply to the Memorandum Contra of Columbia Gas of Ohio* was served electronically upon the parties identified below on this 21<sup>st</sup> day of October 2014.

/s/Colleen L. Mooney  
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**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**10/21/2014 12:18:58 PM**

**in**

**Case No(s). 14-1615-GA-AAM**

Summary: Reply to Memorandum Contra electronically filed by Colleen L Mooney on behalf of Ohio Partners for Affordable Energy