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BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO 2007 JUN 26 PM 4:26

**In the Matter of the Application of  
Columbia Gas Of Ohio, inc. for  
Approval of Tariffs to Recover  
Through An Automatic Adjustment  
Clause Costs Associated with the  
Establishment of an Infrastructure  
Replacement Program and for  
Approval of Certain Accounting  
Treatment**

**MOTION TO INTERVENE AND COMMENTS OF  
INTERSTATE GAS SUPPLY, INC.**

Pursuant to Section 4903.221 of the Ohio Revised Code and Rule 4901-1-11 of the Ohio Administrative Code, Interstate Gas Supply, Inc. ("IGS") moves to intervene in the above-captioned proceeding.

IGS has a real and substantial interest in the proceeding, which is not being adequately represented by any other party to the proceeding. IGS is requesting intervention in this proceeding not only to protect its interests as the same may be impacted by this proceeding, but also to preserve the right to intervene and be a party in any subsequent proceeding on this matter. IGS also submits comments on Columbia Gas of Ohio's proposal in this proceeding.

For the reasons stated above, as well as those more fully developed in the attached Memorandum in Support and Comments, IGS respectfully moves to intervene in this proceeding.

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Respectfully submitted,

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## **MEMORANDUM IN SUPPORT AND COMMENTS**

### **I. Introduction**

On April 25, 2007, Columbia Gas of Ohio, Inc. ("Columbia") filed an application requesting approval of tariff changes that would permit an automatic adjustment mechanism, for recovery of costs associated with repair and replacement of outside gas lines, specifically those repairs and replacements associated with the riser issues currently under investigation in Case No. 05-463-GA-COI. Columbia seeks approval of recovery

of dollars costs associated with identification of risers, as well as the possible repair and replacement of those risers and the replacement of customer-service lines constructed or installed by Columbia as risers or service lines are replaced. In addition, Columbia seeks accounting authority to permit the capitalization treatment of the repair and replacement through the assumption of financial responsibility for these facilities and deferral of related costs for subsequent recovery through the automatic adjustment mechanism.

Interstate Gas Supply, Inc. ("IGS") through an affiliated company, The Manchester Group, LLC ("Manchester") offers warranty lines and services, including outside gas lines throughout Ohio. Although Manchester is new to the market, its efforts have been reduced as a result of the uncertainty related to the riser issue, and the ultimate financial responsibility for outside natural gas lines, and as a result has a substantial interest in this proceeding.

First, IGS does not take exception to the requested resolution that Columbia seeks, but rather is concerned that if the Commission rules in favor of Columbia with respect to this treatment, it would eliminate all other parties' efforts to assist in the repair and replacement of these lines, which is not to the consumers benefit, unless the Commission also makes it clear that consumers can be proactive and make their own arrangements for repair or replacement of affected risers without risking loss of recovery through a later approved socialized program for costs.

Columbia has been conducting an inventory of its service territory to identify those lines that have the potential issue that is being addressed in a separate docket before the Commission. As the customers are located that have the identified riser, a notice is posted on the customers' home or left with the customers informing them that they might

have an issue with their customer owned natural gas service line, that the riser may need to be replaced and that they are responsible for such replacement. IGS believes that companies such as Manchester are currently in the market and can and will offer solutions to consumers both now and in the future that will assist them in replacing risers as needed, and repairing faulty risers. However, unless the Commission makes it clear that consumers that proactively look for and find solutions, like that which is offered by Manchester, will be able to recover costs from Columbia if the Commission decides to approve Columbia's application, consumers are not likely to take advantage of other solutions and proactively repair and replace affected lines. In addition, even after Commission approval, consumers should still be able to seek their own solution and resolve the riser issue and still be permitted to recover the costs of such services directly from Columbia. Therefore, IGS believe that it is critical that the Commission makes it clear in any decision approving Columbia's application that consumers will be entitled to a specified amount, as suggested by Columbia \$500.00, if they can demonstrate, either directly or through their agent, that they have replace or repaired an affected line. This will enable consumers to look to other sources beyond Columbia to seek resolution to their concerns regarding the riser issue, without waiting for Columbia to get to the repair and/or replacement.

**II. IGS meets the standards of ORC §4903.221 and OAC §4901-1-11, and, therefore its Motion to Intervene should be granted.**

Ohio Revised Code § 4903.221 establishes the items which the Commission should consider when ruling on a Motion to Intervene. Those items are as follows:

- (1) The nature and extent of the prospective intervenor's interest;
- (2) The legal position advanced y the prospective intervenor and its probable

relation to the case;

- (3) Whether intervention by the prospective intervenor will unduly prolong or delay the proceedings; and
- (4) Whether the prospective intervenor will significantly contribute to the full development and equitable resolution of the factual issues.

Pursuant to the Ohio Administrative Code, the Commission is instructed to permit any person to intervene in a proceeding upon a showing that "the person has a real and substantial interest in the proceeding, and the person is so situated that the disposition of the proceeding may, as a practical matter, impair or impede his or her ability to protect that interest, unless the person's interest is adequately represented by existing parties." O.A.C. §§4901:1-19-09; 4901-1-11(A)(2). IGS has a real and substantial interest in this proceeding and will be impaired or impeded if not permitted to intervene and protect its interests, and is not otherwise adequately represented in the above referenced case.

As stated *supra*, IGS has a substantial interest in this proceeding, and its interest are not adequately represented by other parties. If the Commission decides to grant Columbia's application, although consumers will be able to obtain repairs and replacement from Columbia, it will be on the time table Columbia establishes and under Columbia's control and discretion. Since Columbia has established an approximate cost of repair and replacement of the affected lines, it seems appropriate to allow consumers to decide if they would like to take proactive steps toward completing the repair and replacement through an authorized third party. Warranty companies like Manchester are uniquely situated to provide the services, but will be able to provide those services to consumers only if the consumer is confident that in doing so it will not be denied

recovery of the repair or replacement costs by Columbia. If the Commission makes it clear that lines that are repaired or replaced by the homeowner through a third party like Manchester, who uses only licensed and bonded contractors, up to the \$500 repair costs established by Columbia, then customers will be free to find solutions to the repair and replacement without risking paying for the repair twice (once directly and a second time through the socialization of the costs for all others).

### **III. Conclusion**

For the foregoing reasons, IGS has a real and substantial interest in this case and should be granted intervention. As stated above, if the Commission is going to approve the application submitted by Columbia in this proceeding, it should also make it clear that consumers are free to take proactive steps toward repair and replacement of affected risers, so long as such is conducted by an acceptable third party, such as Manchester.

Wherefore, IGS respectfully moves for intervention in this case and the filing of the incorporated comments in this proceeding.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing pleading was served upon the following parties of record or as a courtesy, via U.S. Mail postage prepaid, express mail, hand delivery, or electronic transmission, on June 26, 2007.

  
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