



BEFORE RECEIVED-DOCKETING DIV THE PUBLIC UTILITIES COMMISSION OF OHIO JUL -6 PM 5: 00

In the Matter of the Application of Duke Energy Ohio, Inc. for Authority to Establish a Standard Service Offer Pursuant to § 4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan, Accounting Modifications, and Tariffs for Generation Service.)))))	PUCO Case No. 11-3549-EL-SSO
In the Matter of the Application of Duke Energy Ohio for Authority to Amend its Certified Supplier Tariff, P.U.C.O. No. 20.)))	Case No. 11-3550-EL-ATA
In the Matter of the Application of Duke Energy Ohio for Authority to Amend its Corporate Separation Plan.)	Case No. 11-3551-EL-UNC

INTERSTATE GAS SUPPLY, INC.'S MOTION TO INTERVENE AND MEMORANDUM IN SUPPORT

Pursuant to O.R.C. § 4903.221 and O.A.C. 4901-1-11, Interstate Gas Supply, Inc. ("IGS") moves to intervene in the above captioned proceeding, in which Duke Energy Ohio, Inc. ("Duke Ohio") seeks approval of its proposed electric security plan ("ESP").

As set forth in the attached Memorandum in Support, IGS submits that it has a direct, real, and substantial interest in the issues and matters involved in the above-captioned proceeding, and that it is so situated that the disposition of this proceeding without IGS's participation may, as a practical matter, impair or impede IGS's ability to protect that interest. IGS further submits that its participation in this proceeding will not cause undue delay, will not unjustly prejudice any existing party, and will contribute to the just and expeditious resolution of the issues and concerns raised in this proceeding.

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IGS's interests will not be adequately represented by other parties to the proceeding and therefore, IGS is entitled to intervene in this proceeding with the full powers and rights granted to intervening parties.

Respectfully submitted,

Vincent Parisi (073283)

Email: vparisi@igsenergy.com Matthew White (0082859)

Email: mswhite@igsenergy.com

Interstate Gas Supply, Inc. 6100 Emerald Parkway

Dublin, Ohio 43016

Telephone: (614) 659-5000 Facsimile: (614) 659-5073

Attorneys for Interstate Gas Supply, Inc.

MEMORANDUM IN SUPPORT

IGS respectfully submits that it is entitled to intervene in these proceedings because IGS has a real and substantial interest in the proceedings, the disposition of which may impair or impede IGS's ability to protect that interest. For purposes of considering requests for leave to intervene in a Commission proceeding, the Ohio Administrative Code provides that:

Upon timely motion, any person shall be permitted to intervene in a proceeding upon a showing that: ... (2) 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.

OAC 4901-1-11(A).

Further, RC § 4903.221(B) and OAC 4901-1-11(B) provide that the Commission, in ruling upon applications to intervene in its proceedings, shall consider the following criteria:

(1) The nature and extent of the prospective intervener's interest; (2) The legal position advanced by the prospective intervener and its probable relation to the merits of the case; (3) Whether the intervention by the prospective intervener will unduly prolong or delay the proceedings; (4) Whether the prospective intervener will significantly contribute to full development and equitable resolution of the factual issues.

In the above-captioned proceeding, Duke Ohio is seeking authority from the Commission to establish a standard service offer ("SSO") in the form an electric security plan ("ESP"). IGS is a certified retail natural gas supplier in the state of Ohio. IGS also recently received certification as a retail electric supplier in the states of Illinois, Maryland and Pennsylvania. IGS has been closely monitoring the competitive retail electric market in Ohio, and expects to seek certification as an Ohio retail electric

supplier. Accordingly, IGS has a substantial interest in the Duke ESP proceeding, insofar as the ESP proceeding will establish the generation rates, including a nonbypassable capacity charge for Duke customers, which are the rates that IGS will likely compete against as it enters the competitive retail electric markets of Ohio.

In addition to IGS's interest in competitive electric markets in the Duke service territory, IGS supplies a significant amount of natural gas load to Duke natural gas customers. In 2011 Duke announced plans for a merger with Progress Energy ("Progress") which will involve both the Duke electric distribution company and the Duke natural gas distribution company. IGS has a substantial interest in the merger between Duke and Progress as it may affect the natural gas customers IGS serves. Further, in FirstEnergy ESP proceeding, the Commission effectively approved the merger between FirstEnergy and Allegheny Power. ¹ In light of precedent for merger issues being resolved in ESP proceedings, it is important that IGS is able to intervene in the Duke ESP proceeding as any resolution of the Duke Progress merger may affect IGS natural gas customers.

If the Commission approves Duke Ohio's application, the rights of IGS could be affected by the ESP's impact on the competitive retail electricity and natural gas markets. Accordingly, IGS has direct, real, and substantial interests in this proceeding. IGS's intervention will not unduly delay this proceeding and is filed in accordance with this Commission's procedural Order in this case dated June 21, 2011. Further, IGS is so situated that without IGS's ability to fully participate in this proceeding, IGS's

¹ In the FirstEnergy ESP proceeding, the Commission approved a Stipulation entered into between the Parties agreeing, inter ailia, that the Commission will not assert review of the FirstEnergy Allegheny merger. See, In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan. PUCO Case No. 10-0388; Opinion and Order (Aug. 25, 2010) at p. 17.

substantial interest will be prejudiced. Others participating in this proceeding do not represent IGS's interests. Inasmuch as others participating in this proceeding cannot adequately protect IGS's interests, it would be inappropriate to determine this proceeding without IGS's participation.

Finally, the Supreme Court of Ohio has held that intervention should be liberally allowed for those with an interest in the proceeding.² In light of the liberal interpretation of the intervention rules, IGS clearly meets the standards for intervention in this proceeding.

CONCLUSION

For the reasons set forth above, IGS respectfully requests the Commission grant this Motion to Intervene.

Respectfully submitted,

Vińcent Parisi (073283)

Email: vparisi@igsenergy.com Matthew White (0082859)

Email: mswhite@igsenergy.com

Interstate Gas Supply, Inc. 6100 Emerald Parkway

Dublin, Ohio 43016

Telephone: (614) 659-5000 Facsimile: (614) 659-5073

Attorneys for Interstate Gas Supply, Inc.

² Ohio Consumers' Counsel v. Pub. Util. Comm., (2006) 111 OhioSt.3d 384, 388.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing *Interstate Gas Supply, Inc.'s Motion to Intervene and Memorandum in Support* was served this <u>6</u>th day of July, 2011 via electronic mail upon the following:

Amy B. Spiller Elizabeth H. Watts Duke Energy Ohio 155 E. Broad Street, 21st Floor Columbus. Ohio 43215

Email: amy.spiller@duke-energy.com Email: elizabeth.watts@duke-energy.com

John Jones
Steven Beeler
Ohio Attorney General's Office
Public Utilities Section
180 E. Broad Street, 9th Floor
Columbus, Ohio 43215-3793
Email: John.Jones@puc.state.oh.us
Email: Steven.Beeler@puc.state.oh.us

Samuel C. Randazzo
Frank P. Darr
Joseph E. Oliker
McNees Wallace & Nurick
21E. State Street, 17th Floor
Columbus, Ohio 43215
Email: sam@mwncmh.com
Email: fdarr@mwncmh.com
Email: joliker@mwncmh.com

Thomas J. O'Brien
Bricker & Eckler
100 South Third Street
Columbus, Ohio 43215
Email: tobrien@bricker.com

David F. Boehm
Michael L. Kurtz
Boehm, Kurtz & Lowry
36 E. Seventh Street, Suite 1510
Cincinnati, Ohio 45202
Email: dboehm@BKLlawfirm.com
Email: mkurtz@BKLlawfirm.com

Christine M.T. Pirik
Katie Stenman
Attorney Examiners
The Public Utilities Commission of Ohio
180 E. Broad Street
Columbus, Ohio 43215
Email: Christine.Pirik@puc.state.oh.us
Email: Katie.Stenman@puc.state.oh.us

Jeffrey L. Small
Joseph P. Serio
Melissa R. Yost
Office of Ohio Consumer's Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215
Email: small@occ.state.oh.us
Email: yost@occ.state.oh.us
Email: yost@occ.state.oh.us

Colleen L. Mooney
Ohio Partners for Affordable Energy
231 W. Lima Street
Findlay, Ohio 45840
Email: cmooney2@columbus.rr.com

Trent A. Dougherty Nolan Moser E. Camille Yancey Ohio Environmental Council 1207 Grandview Avenue, Suite 201 Columbus, Ohio 43212-3449

Email: trent@theoec.org
Email: Nolan@theoec.org
Email: Camille@theoec.org

Allison E. Haedt Jones Day 325 John H. McConnell Boulevard Suite 600 Columbus, Ohio 43215 Email: aehaedt@jonesday.com

James F. Lang
Laura C. McBride
N. Trevor Alexander
Calfee, Halter & Griswold, LLP
1400 KeyBank Center
800 Superior Avenue
Cleveland, Ohio 44114
Email: jlang@calfee.com
Email: lmcbride@calfee.com
Email: talexander@calfee.com

Lisa G. McAlister
Matthew W. Warnock
Bricker & Eckler LLP
100 South Third Street
Columbus, Ohio 43215
Email: Imcalister@bricker.com
Email: mwarnock@bricker.com

Tara C. Santarelli Environmental Law & Policy Center 1207 Grandview Avenue, Suite 201 Columbus, Ohio 43212 Email: tsantarelli@elpc.org Mary W. Christensen Christensen & Christensen LLP 8760 Orion Place, Suite 300 Columbus, Ohio 43240 Email: mchristensen@columbuslaw.org

Mark A. Hayden
FirstEnergy Service Company
76 South Main Street
Akron, Ohio 44308
Email: haydenm@firstenergycorp.com

David A. Kutik Jones Day North Point 901 Lakeside Avenue Cleveland, Ohio 44114 Email: dakutik@jonesday.com

Joseph M. Clark
Director of Regulatory Affairs and
Corporate Counsel
Vectren Retail, LLC d/b/a Vectren Source
6641 North High Street, Suite 200
Worthington, Ohio 43085
Email: jmclark@vectren.com

Douglas E. Hart 441 Vine Street Suite 4192 Cincinnati, Ohio 45202 Email: dhart@douglasehart.com M. Howard Petricoff
Michael J. Settineri
Stephen M. Howard
Vorys, Sater, Seymour & Pease LLP
52 East Gay Street
Columbus, Ohio 43216
Email: mhpetricoff@vorys.com

Email: mhpetricoff@vorys.com Email: mjsettineri@vorys.com Email: smhoward@vorys.com

Mark S. Yurick
Zachary D. Kravitz
Chester Willcox & Saxbe LLP
65 E. State Street, Suite 1000
Columbus, Ohio 43215
Email: myurick@cwslaw.com
Email:zkravitz@cwslaw.com

John W. Bentine Chester Willcox & Saxbe LLP 65 E. State Street, Suite 1000 Columbus, Ohio 43215 Email: jbentine@cwslaw.com Matthew J. Satterwhite Eric C. Miller

Anne M. Vogel

American Electric Power Service Corporation

1 Riverside Plaza, 29th Floor Columbus, Ohio 43215

Email: mjsatterwhite@aep.com Email: ecmiller1@aep.com Email: amvogel@aep.com

Gregory J. Poulos EnerNOC, Inc. 101 Federal Street, Suite 1100 Boston, MA 02110

Email: gpoulos@enernoc.com

Matthew S. White