

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Joint Motion to Modify)
the December 2, 2009 Opinion and Order)
and the September 7, 2011 Second Opinion) Case No. 12-2637-GA-EXM
and Order in Case No. 08-1344-GA-EXM)

**STAND ENERGY CORPORATION'S REPLY TO COLUMBIA GAS OF OHIO'S
MEMORANDUM CONTRA STAND ENERGY'S MOTION TO INTERVENE**

Stand Energy Corporation, by and through the undersigned counsel, pursuant to Rule 4901-1-12(B)(2), files this reply to the *Memorandum Contra Stand Energy Corporation's Motion to Intervene* filed by Columbia Gas Ohio on October 26, 2012.

Columbia's Memorandum Contra suggests that Stand Energy failed to articulate a "real and substantial interest" justifying intervention in its Motion and that Stand was only intervening to "protect the interests of other persons. . ." (Memorandum Contra at p. 1). This is a false and misleading characterization of Stand Energy's Motion and Memorandum and one which should be rejected by the Commission. At page 4 of Stand's Memorandum Supporting the Motion To Intervene Stand stated:

"Stand Energy seeks leave to intervene in this proceeding to protect our customers with gas transportation issues and to attempt to prevent any further changes or reductions to Columbia Gas of Ohio transportation services that may be discussed in this docket that would be detrimental to current Columbia transportation customers and to the competitive market for natural gas in the Columbia service territory."

Stand Energy's interests are synonymous with those of its customers. A change to the Columbia Gas Transportation program which makes the program more restrictive harms both customers and suppliers, like Stand Energy Corporation. A recent example is Case 07-221-GA-

GCR. In the current case, the same core group of parties presenting this joint motion (Columbia Gas of Ohio, Ohio Gas Marketer Group, OCC and PUCO Staff), obtained Commission approval to a 20 percent reduction in the amount of Columbia Gas of Ohio on-system "bank" available to large GTS transportation customers. **This result occurred even though there were no transportation customers or representatives of transportation customers or any transportation customer group that participated in Case 07-221-GA-GCR.**

Stand Energy Corporation was clearly harmed by this substantial 20% reduction in the on-system bank by: more restrictive balancing requirements applicable to customer accounts than had previously existed; more frequent cash outs for larger monetary amounts resulting in reduced profitability. These are substantial ongoing costs being paid by Stand Energy as a result of an agreement in that 2007 GCR case by the utility; residential gas marketers; residential customer advocates and the Commission Staff to reapportion a significant asset of Columbia that had been dedicated to large customers and their suppliers - back to Columbia in exchange for agreeing to other items requested by the Ohio Gas Marketer Group and OCC. Stand Energy learned a valuable lesson in that case - in PUCO Gas matters, if you are not at the table - you are on the menu. Stand Energy further indicated at p.2 of its Motion to Intervene,

"The proposed Joint Stipulation raises other important customer issues such as changes to the allocation of revenues from Columbia's off-system sales and the renewal or non-renewal of legacy interstate pipeline capacity from the Gulf of Mexico to Ohio that many have argued is 'excess capacity'. The Columbia Gulf capacity does not appear to Stand Energy to provide a benefit to Ohio ratepayers when compared to its cost."

Obviously negotiations involving the interstate pipeline capacity agreements contained in the stipulation affect Stand Energy directly and affect its ability to compete in Ohio because Suppliers and not large transportation customers pay the cost of interstate pipeline capacity to the

city gate of Columbia Gas of Ohio. Although less than artfully stated, the interstate capacity issue only directly affects Stand Energy, not customers.

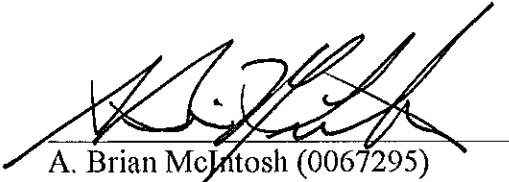
Further justification for Stand Energy's intervention in this case is the fact that this case seeks to modify the Second Opinion and Order in Case No. 08-1344-GA-EXM. Stand Energy filed a Motion to Intervene on February 12, 2009 and was granted leave to intervene in that case by Entry dated June 9, 2009. Based on that historical fact alone Stand Energy should be granted leave to intervene in this proceeding. Stand Energy will be improperly denied due process of law if it is excluded from participation in this case.

Lastly, Stand Energy submits that simultaneous to this proceeding, the Commission is considering the adoption of new rules for applications by gas utilities to exit the merchant function (Case No. 11-5590-GA-ORD). The timing of a filing to Exit the Merchant Function while the rules to Exit the Merchant Function are under consideration by the Commission, and arguably in legal limbo - could not appear any more opportunistic and therefore could not be any more suspect. For this reason, these two public proceedings must be completely transparent to protect the integrity of the Commission and its processes from even the hint of impropriety.

WHEREFORE, Stand Energy Corporation respectfully submits that its interests will be affected by this Stipulation if it is accepted by the Commission and for these reasons the Commission should grant Stand Energy leave to intervene in this case.

Respectfully submitted,

STAND ENERGY CORPORATION



A. Brian McIntosh (0067295)
McIntosh & McIntosh
1136 Saint Gregory Street, Suite 100
Cincinnati, Ohio 45202
(513) 929-4040 (Phone)
brian@mcintoshlaw.com (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that a copy of Stand Energy Corporation's Reply to Columbia Gas of Ohio's Memorandum Contra Stand Energy's Motion to Intervene was served upon the following parties of record electronically on November 2, 2012.

Cheryl A. MacDonald, Esq.
NiSource Corporate Services
200 Civic Center Drive
Columbus, Ohio 43215
cmacdonald@nisource.com

Debra Hight
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43231
Debra.Hight@puc.state.oh.us

Patti Mallarnee
Joe Serio
Ohio Consumers' Counsel
10 West Broad Street
Suite 1800
Columbus, Ohio 43215
mallarnee@occ.state.oh.us
jserio@occ.state.oh.us

Colleen L. Mooney
David Rhinebolt
Ohio Partners For Affordable Energy
231 West Lima Street
Findlay, Ohio 45840
cmooney2@columbusrr.com
drinebolt@ohiopartners.org

Matthew Warnock
Teresa Orahod
Bricker & Eckler, LLP
100 South Third Street
Columbus, Ohio 43215

Dane Stinson
Bailey Cavalieri, LLC
10 West Broad Street
Suite 2100
Columbus, Ohio 43215
dane.stinson@baileycavalieri.com

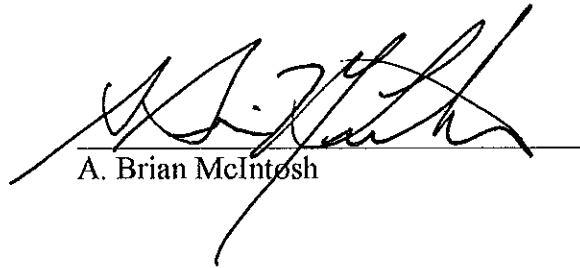
mwarnock@bricker.com
torahood@bricker.com

Cheryl A. MacDonald
NiSource Corporate Services Company
200 Civic Center Drive
Columbus, Ohio 43215
cmacdonald@nisource.com

Eric B. Gallon
Porter, Wright, Morris & Arthur LLP
41 S. High Street
Suite 3000
Huntington Center
Columbus, Ohio 43215
egallon@porterwright.com

Sandra Coffey
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215
Sandra.Coffey@puc.state.oh.us

John L. Einstein, IV
Attorney at Law
790 Windmill Drive
Pickerington, Ohio 43147
jeinstein@volunteerenergy.com



A. Brian McIntosh

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Summary: Reply Reply of Stand Energy to Columbia Gas of Ohio's Memorandum Contra Stand Energy's Intervention. electronically filed by Mr. John M. Dosker on behalf of Mr. Brian McIntosh