BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval to Change Accounting Methods.

Case No. 12-3224-GA-AAM

MOTION TO INTERVENE BY THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

The Office of the Ohio Consumers' Counsel ("OCC") moves to intervene in this case where residential customers may be required to pay higher rates as a result of the filing made by Columbia Gas of Ohio, Inc. ("Columbia" or "the Company").¹ OCC is filing on behalf of all of Columbia's 1.3 million residential utility customers. The reasons the Public Utilities Commission of Ohio ("PUCO" or "the Commission") should grant OCC's Motion are further set forth in the attached Memorandum in Support.

Respectfully submitted,

BRUCE J. WESTON OHIO CONSUMERS' COUNSEL

<u>/s/ Joseph P. Serio</u> Joseph P. Serio, Counsel of Record Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel 10 West Broad Street, Suite 1800 Columbus, Ohio 43215-3485 Telephone: (Serio) (614) 466-9565 serio@occ.state.oh.us

¹ See R.C. Chapter 4911, R.C. 4903.221 and Ohio Adm. Code 4901-1-11.

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MEMORANDUM IN SUPPORT

Through its Application, Columbia is requesting authority to modify its accounting procedures to establish a regulatory asset and defer for accounting and financial reporting purposes the related startup expenditures associated with the redesign and upgrade of financial processes and information systems for all of the NiSource Inc. operating companies (which include Columbia). OCC has authority under law to represent the interests of all the 1.3 million residential utility customers of Columbia, pursuant to R.C. Chapter 4911.

R.C. 4903.221 provides, in part, that any person "who may be adversely affected" by a PUCO proceeding is entitled to seek intervention in that proceeding. The interests of Ohio's residential customers may be "adversely affected" by this case, especially if the customers were unrepresented in a proceeding where Columbia's rates may be impacted by the proposed \$115-\$125 million NiFiT financial system upgrade, which may impact Columbia customers by \$4.5 million in one-time startup operation and maintenance costs. Thus, this element of the intervention standard in R.C. 4903.221 is satisfied.

R.C. 4903.221(B) requires the Commission to consider the following criteria in ruling on motions to intervene:

(1) The nature and extent of the prospective intervenor's interest;

- (2) The legal position advanced by the prospective intervenor and its probable relation to the merits of the case;
- (3) Whether the intervention by the prospective intervenor will unduly prolong or delay the proceeding; and
- (4) Whether the prospective intervenor will significantly contribute to the full development and equitable resolution of the factual issues.

First, the nature and extent of OCC's interest is representing the residential customers of Columbia in this case involving a proposed significant information system upgrade, that includes \$4.5 million in up front costs for Columbia's customers.². This interest is different than that of any other party and especially different than that of the utility whose advocacy includes the financial interest of stockholders.

Second, OCC's advocacy for residential customers will include advancing the position that the PUCO is limited in granting rate increases to amounts that are just and reasonable to charge Columbia's residential customers and the PUCO must ensure an adequate quality of utility service for Ohioans. Also, all procedural safeguards to protect residential customers must be followed. OCC's position is therefore directly related to the merits of this case that is pending before the PUCO, the authority with regulatory control of public utilities' rates and service quality in Ohio.

Third, OCC's intervention will not unduly prolong or delay the proceedings. OCC, with its longstanding expertise and experience in PUCO proceedings, will duly allow for the efficient processing of the case with consideration of the public interest.

Fourth, OCC's intervention will significantly contribute to the full development and equitable resolution of the factual issues. OCC will obtain and develop information

² Columbia Application at 3.

that the PUCO should consider for equitably and lawfully deciding the case in the public interest.

OCC also satisfies the intervention criteria in the Ohio Administrative Code (which are subordinate to the criteria that OCC satisfies in the Ohio Revised Code). To intervene, a party should have a "real and substantial interest" according to Ohio Adm. Code 4901-1-11(A)(2). As the advocate for residential utility customers, OCC has a very real and substantial interest in this case where the ultimate rates paid by residential customers may be impacted by the proposed information system upgrade.

In addition, OCC meets the criteria of Ohio Adm. Code 4901-1-11(B)(1)-(4). These criteria mirror the statutory criteria in R.C. 4903.221(B) that OCC already has addressed and that OCC satisfies.

Ohio Adm. Code 4901-1-11(B)(5) states that the Commission shall consider the "extent to which the person's interest is represented by existing parties." While OCC does not concede the lawfulness of this criterion, OCC satisfies this criterion in that it uniquely has been designated as the state representative of the interests of Ohio's residential utility customers. That interest is different from, and not represented by, any other entity in Ohio.

Moreover, the Supreme Court of Ohio confirmed OCC's right to intervene in PUCO proceedings, in deciding two appeals in which OCC claimed the PUCO erred by denying its interventions. The Court found that the PUCO abused its discretion in denying OCC's interventions and that OCC should have been granted intervention in both proceedings.³

³ See Ohio Consumers' Counsel v. Pub. Util. Comm., 111 Ohio St.3d 384, 2006-Ohio-5853, ¶¶13-20 (2006).

OCC meets the criteria set forth in R.C. 4903.221, Ohio Adm. Code 4901-1-11,

and the precedent established by the Supreme Court of Ohio for intervention. On behalf

of Ohio residential customers, the Commission should grant OCC's Motion to Intervene.

Respectfully submitted,

BRUCE J. WESTON OHIO CONSUMERS' COUNSEL

<u>/s/ Joseph P. Serio</u> Joseph P. Serio, Counsel of Record Assistant Consumers' Counsel

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CERTIFICATE OF SERVICE

I hereby certify that a copy of this *Motion to Intervene* was served on the persons stated below *via* electronic mail this 16th day of January 2013.

/s/ Joseph P. Serio

Joseph P. Serio Assistant Consumers' Counsel

SERVICE LIST

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Summary: Motion Motion to Intervene by the Office of the Ohio Consumers' Counsel electronically filed by Ms. Gina L Brigner on behalf of Serio, Joseph P. Mr.