

**In the Matter of the Application of )  
Columbia Gas of Ohio, Inc. for Approval of ) Case No. 17-2202-GA-ALT  
an Alternative Form of Regulation. )**

## I. Introduction

RESA<sup>1</sup> should be allowed to intervene in this proceeding so RESA can protect its interests. Columbia Gas of Ohio is asking this Commission to not only collect deferred costs but also to allow for continued deferrals under its capital expenditure program (the “CEP”). RESA has a strong interest in the nature, priority, and timing of collection of Columbia’s CEP investments, both past and future because they can impact the development of the competitive markets. For example, has Columbia invested appropriately in information technology such as its billing and gas scheduling systems?<sup>2</sup> Likewise, will Columbia be making future investments through the CEP program in information technology to upgrade its billing and gas scheduling systems? Investments like these would enhance the competitive markets, and RESA’s participation in this proceeding would ensure that the nature, priority, and timing of Columbia’s CEP investments (and prudence) are properly explored and resolved.

<sup>1</sup> The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at [www.resausa.org](http://www.resausa.org).

<sup>2</sup> Information technology is one category of CEP investments, along with replacement/public improvement/betterment; growth, and support services. *See*, Amended Application at Exhibit A, page 2-3.

Contrary to Columbia's and OCC's claims, RESA's interest in this proceeding is substantial and no other parties represent its interests. Moreover, RESA will be adversely affected if it is unable to participate as a full party of record, including losing the opportunity to ensure that CEP dollars are used, at least in part, to make appropriate information technology upgrades that further enhance the development of the natural gas competitive retail market in Ohio. RESA, knowledgeable from the supplier perspective, will significantly contribute to this proceeding. Additionally, since RESA timely filed its motion to intervene in accordance with the Attorney Examiner's September 19, 2018 Entry, granting RESA intervention will not result in any *undue* delay in the resolution of the issues. RESA meets the intervention criteria in Revised Code Section 4903.221 and Ohio Administrative Code Rule 4901-1-11, which this Commission liberally construes. RESA's motion to intervene should be granted.

## **II. Argument**

RESA thoroughly explained in its motion to intervene RESA's primary interests in this proceeding. Those interests included questioning the type of expenditures raised by Columbia, raising the issue of early recovery of the deferral costs versus investments in other areas, and using the CEP program to avoid investments in other areas. Just as important, is RESA's concern that the application requests authorization for new deferrals, which could result in preferential treatment to certain investments over other investments or programs that more directly enhance the competitive markets. Columbia and OCC disagree, claiming that RESA does not have a real or substantial interest, that RESA has not explained why its interests would be adversely affected, and that neither will help to develop or resolve the facts in this case. As explained below, RESA has met the criteria for intervention which must be liberally construed. *Ohio Consumers' Counsel v. PUC*, 111 Ohio St. 3d 384, 388, 2006 Ohio LEXIS 3280.

**A. RESA has a real and substantial interest in this proceeding and its disposition could adversely affect RESA.**

Notably, this matter is not limited to how the past capital expenditure program costs and deferrals should be recovered in a new rider that is charged to ratepayers, as Columbia and OCC claim on page 1 of their memorandum contra. Columbia's application proposes not only recovery for past costs **but also recovery for future and new deferrals**. Indeed, the Commission is taking a much broader and more in-depth review in this proceeding. It has audited the CEP – it is looking at whether the CEP expenditures were necessary, reasonable and prudent, and **also how it should operate going forward, including such questions as (a) whether to defer post-2017 CEP expenditures and costs, and (b) whether there should be future CEP audits**. *See*, Audit Report at 12-13; Amended Application at Exhibit A, page 6-7.

There can be no dispute that RESA members and other CRNGS providers (like IGS) are affected by the replacements and improvements (or not) of the CEP-qualifying facilities and systems through which Columbia and CRNGS providers interact. CEP-qualifying facilities such as meters and information technology system can affect the marketplace. The CEP and recovery of its costs/deferrals should not be allowed to give preferential treatment to the detriment of CRNGS providers or the competitive marketplace, or allow Columbia to sidestep development of the competitive marketplace.

For example, decisions on how much to invest and where to invest in information technology both within the CEP program and outside the CEP program could impact the development of the competitive natural gas retail market. RESA has a strong interest in system upgrades and the priority of those upgrades. Likewise, if future deferrals are allowed, RESA has a strong interest in the mechanism for evaluation of those future deferrals and when recovery would be allowed.

Thus, contrary to Columbia's and OCC's claims, RESA does have a substantial interest in this proceeding where Columbia is seeking to recover not only past deferred costs but also future deferrals on items such as infrastructure replacement/expansion and information technology. Those items are important to the development of the competitive natural gas market in Ohio and important to RESA. Denying RESA intervention would adversely affect RESA, and deny it an opportunity to present its views and issues on the CEP program including Columbia's requested deferrals of future capital investments.

An alternative rate plan should help grow the competitive market particularly since the utility must be in substantial compliance with Ohio natural gas policy after implementing the alternative rate plan. *See*, Revised Code Section 4929.05(A)(2). RESA should be allowed to intervene as a full party of record in order to protect its substantial business interests.

**B. RESA will significantly contribute to the full development and equitable resolution of the factual issues.**

Columbia and OCC also contend on pages 5-6 of their memorandum contra that RESA will not help "develop or resolve any factual issues in this case." For many years, RESA has participated in numerous Commission proceedings and presented knowledgeable, experienced witnesses. The Commission has relied on RESA's voice in the past and should continue to hear RESA's voice. For example, as recently as 2016, the Commission was persuaded by a RESA witness who identified improvements and modernization of the FirstEnergy grid, such as meters and system design, that can be essential for not just customers but also the competitive marketplace.<sup>3</sup> That same input would be very valuable in this proceeding where an audit has

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<sup>3</sup> *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Authority to Provide for a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan*, Case No. 14-1297-EL-SSO, Fifth Entry on Rehearing at ¶¶116-117 (October 12, 2016).

been issued on Columbia's past capital investment decisions and where Columbia seeks to put in place deferrals for future capital investments.

Simply put, Columbia and OCC have no basis for claiming that RESA would not contribute in this proceeding. This is not simply a proceeding seeking to recover costs that were approved for deferral. It also includes consideration of the nature of the deferred costs and importantly, seeks to put in place a framework for the deferral of costs incurred in the future for capital investments. Like OCC, OPAE, IEU, OEG and OMAEG, RESA also has an interest in this program. RESA's interest may not be the same as OCC's, OPAE's, IEU's, OEG's and OMAEG's interests, but that is not a reason to deny intervention. RESA's interests fall squarely within the scope of this proceeding and the issues that will be considered by the Commission.

**C. RESA's intervention should not be limited, and will not create any delay in this proceeding.**

Lastly, Columbia and OCC advocate at page 6 of their memorandum contra the Commission should somehow limit RESA's intervention request. This should be denied because, as noted earlier, this proceeding is not as narrow as Columbia and OCC try to portray. Moreover, RESA has demonstrated how the amended application and issues raise concerns that affect CRNGS providers. All of RESA's stated interests fall squarely for consideration within this proceeding – especially given Columbia's statement in its application that it is seeking early collection given the current low cost of gas prices as well as its desire to put in place a future deferral framework.<sup>4</sup> Moreover, given that a number of other parties have intervened and since RESA's intervention request was timely filed, there can be no claim in good faith that RESA's participation will create delay in these proceedings. RESA has demonstrated its interest in this

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<sup>4</sup> The two decisions cited in footnote 25 upon which they rely are factually distinguishable and not controlling.

proceeding is substantial and that it could be adversely affected. It should be granted intervention as a full party of record.

### **III. Conclusion**

RESA has a real and substantial interest in this proceeding and will contribute to this proceeding. Its intervention will not unduly delay a resolution of the issues, and **no other parties can represent its interests** at hearing or in any settlement discussions that may take place in this proceeding. RESA satisfies the standard for intervention in this proceeding and its motion to intervene should be granted and RESA should be made a full party of record.

Respectfully Submitted,

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## **CERTIFICATE OF SERVICE**

The Public Utilities Commission of Ohio's e-filing system will electronically serve notice of the filing of this document on the parties referenced in the service list of the docket card who have electronically subscribed to these cases. In addition, the undersigned certifies that a courtesy copy of the foregoing document is also being served upon the persons below via electronic mail this 4th day of October 2018.

/s/ Gretchen L. Petrucci

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Summary: Reply in Support of the Motion to Intervene electronically filed by Mrs. Gretchen L. Petrucci on behalf of Retail Energy Supply Association