

**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Application of** )  
**Columbia Gas of Ohio, Inc. for an** ) **Case No. 03-643-GA-UNC**  
**Adjustment in its Gas Cost Recovery Rate** )

**In the Matter of the Application of** )  
**The East Ohio Gas Company dba Dominion** ) **Case No. 03-654-GA-UNC**  
**East Ohio to Revise its Gas Cost Recovery Rate** )

**In the Matter of the Application of** )  
**The Cincinnati Gas & Electric Company to** ) **Case No. 03-644-GA-UNC**  
**Revise its Gas Cost Recovery Rate Effective** )  
**April 1, 2003** )

**MOTION FOR INTERVENTION  
AND COMMENTS OF THE  
NATIONAL ENERGY MARKETERS ASSOCIATION**

Now comes the National Energy Marketers Association (NEM) and moves for intervention as a limited party of record pursuant to Section 4903.221, Revised Code and Rule 4901-01-

11. NEM requests that the Motion be granted for the reasons set forth below.

**I.**

Communications and correspondence concerning this Motion should be directed to the following:

Craig G. Goodman, Esq.  
President  
NATIONAL ENERGY MARKETERS ASSOCIATION  
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## **II.**

The National Energy Marketers Association (NEM) is a national, non-profit trade association representing both wholesale and retail marketers of energy and energy-related products, services, information and technologies throughout the United States. NEM's membership includes: small regional marketers, large traditional international wholesale and retail energy suppliers (as well as wind and solar power), billing and metering firms, Internet energy providers, energy-related software developers, risk managers, energy brokerage firms, information technology providers and manufacturers and suppliers of advanced distributed generation. Membership includes both affiliated and unaffiliated companies.

This regionally diverse, broad-based coalition of energy and technology firms has come together under the NEM auspices to forge consensus and to help eliminate as many issues as possible that would delay competition. NEM is committed to working with representatives of state and federal governments, large and small consumer groups and utilities to devise fair and effective ways to implement the competitive restructuring of natural gas and electricity markets. NEM and its members appear before state Public Utility Commissions, the Federal Energy Regulatory Commission and legislative bodies throughout the nation.

## **III.**

Columbia Gas of Ohio (Columbia), Dominion East Ohio (DEO), and Cincinnati Gas & Electric (CG&E) filed applications on March 7, 2003, to adjust their Gas Cost Recovery (GCR) for the month of April. Columbia seeks an increase from the current GCR of \$7.5774/Mcf to \$9.9558/Mcf. DEO seeks an increase from the current GCR of \$6.006/Mcf to \$7.359/Mcf. CG&E seeks an increase from the current GCR of \$5.688/Mcf to \$7.440/Mcf.

NEM members Shell Energy Services Company, LLC and Energy America, LLC [hereinafter "Marketers"] filed a "Motion for Commission-Ordered Investigation into the Gas Cost Recovery Rules" in the above-captioned proceedings. NEM files these comments in support of the Motion of the Marketers. Additionally, NEM suggests that as part of the investigation it is time for the Commission to examine the utilities' timely exit from the merchant function.

As noted by the Marketers, multiple utility filings to adjust the GCR over a nine-month period indicate that the GCR process is not working effectively. The multiple changes in the GCR, administered on an ad hoc, uncertain basis, have unfairly hindered competitive suppliers' ability to compete in the natural gas market. NEM maintains that consumers must be provided with accurate pricing signals. Accurate price signals are necessary to support a competitive market that efficiently matches demand with supply, prevents shortages and price spikes, and encourages conservation. The GCR mechanism was instituted over twenty years ago. NEM asserts that this mechanism is outdated and undermines the proper functioning of competitive markets. NEM would suggest that in order for consumers to

receive proper pricing signals, one proposal for Commission consideration would be the implementation of a monthly-adjusted GCR. The GCR process must be made more reflective of market conditions, must send better price signals to consumers and must be set in a consistent manner that provides market participants with requisite certainty.

Additionally, an inherent problem with the GCR mechanism stems from retention of the utility in the merchant function as the Provider of Last Resort (POLR). NEM submits that attempts to maintain a GCR mechanism gives a signal to the marketplace that competitive suppliers will be forced to compete against incumbent utilities for the foreseeable future. While a more accurate GCR will always be better than a less accurate GCR, the GCR mechanism itself implies that utilities remain in the merchant function. The ultimate goal of the PUCO should be to facilitate utility exit from the merchant function via a competitive bidding process for POLR. Accordingly, the Commission must should this issue attendant with an examination of the GCR process.

For the foregoing reasons, NEM supports the Motion of the Marketers and also urges the Commission to investigate the utilities exit from the merchant function.

#### **IV.**

NEM, as a representative of a regionally diverse group of providers of energy and energy-related services, has an interest to advocate the implementation of rates, tariffs, operating procedures, standards of conduct, rules, and policies that will ensure the development and maintenance of an efficient, reliable and price competitive gas market on the systems of the Columbia, CG&E, and DEO and in Ohio generally. As gas marketers and providers of

energy-related services and technologies, various NEM members are serving and intend to serve customers in the Ohio gas market, including the residential, commercial, and industrial customer segments in all of the utilities' service territories. The ability of NEM's members to fairly compete in the restructured gas industry and thus bring the benefits of additional competition to Ohio gas consumers will be affected by the outcome of this proceeding.

The National Energy Marketers Association, as a national trade organization, will be able to bring a wide range of experiences, as well as a broad perspective, to the deliberative process, and its participation in this proceeding will aid the Commission by enhancing the quality of the record to be developed here. NEM can lend a unique perspective to this proceeding because its membership represents a diverse cross-section of market participants.

NEM's interests and position are significant and unique given its industry diversity, its interest in serving Ohio's commercial, industrial, and residential customers, its current and past participation in restructuring in multiple jurisdictions on similar issues, and the substantial business interests of its members in the development of a viable gas market in Ohio. NEM accepts the record as it is and does not contest the implementation of the requested amendments to the GCR. Thus, NEM's participation in these proceedings will not cause undue delay, will not unjustly prejudice the local distribution companies who have asked for relief.

As such, the interests of NEM and its members in this proceeding cannot be adequately represented or protected by any other party hereto. Under all these circumstances, then, NEM submits that good cause exists to grant it leave to intervene in this proceeding.

V.

WHEREFORE, for the reasons explained above, NEM respectfully requests that the Commission permit it to intervene in the above-captioned proceedings and be made a party for all purposes.

Respectfully Submitted,

Craig G. Goodman, Esq.  
President  
NATIONAL ENERGY MARKETERS  
ASSOCIATION  
3333 K Street, N.W., Suite 110  
Washington, D.C. 20007

Counsel for  
The National Energy Marketers Association

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the foregoing Motion for Intervention and Comments, and Motion for Admission Pro Hac Vice via first class mail, postage prepaid, upon each person listed below.

Dated: March x, 2003.

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