

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Suburban)	
Natural Gas Company For Approval of An)	Case No. 17-594-GA-ALT
Alternative Form of Regulation to Initiate a)	
Revenue Decoupling Mechanism)	

**THE SUBURBAN NATURAL GAS COMPANY'S
OBJECTIONS TO STAFF REPORT**

On April 25, 2017, the Suburban Natural Gas Company (Suburban) filed with the Public Utilities Commission of Ohio (Commission) an application pursuant to Sections 4929.05, 4929.051, and 4909.18 of the Revised Code for approval of an alternative rate plan seeking to initiate a revenue decoupling mechanism that provides for a straight fixed variable (SFV) rate design, as an application not for an increase in rates, to be phased in over a two-year period (Application). Suburban's Application also proposes bifurcation of its General Service schedule into a Small General Service rate schedule and a Large General Service rate schedule. In addition, Suburban's Application seeks approval of an Energy Efficiency Program Pilot consistent with Section 4929.051(A), Revised Code. Suburban supported its Application with exhibits and testimony.

On September 20, 2017, the Staff of the Commission filed its Staff Report, recommending that Suburban implement the SFV rate design, but that Suburban's Application be modified to reflect redesigned rates based upon the 2007 test year billing determinants and base revenues established in its last rate case. For purposes of resolving this matter, Suburban hereby accepts Staff's modification to implement the SFV rate design utilizing the 2007 test year billing determinants and base revenues established in its last rate case. Suburban also accepts the other recommendations submitted by Staff with two exceptions. (See the attached revised tariffs

to reflect the application and Staff's modification and recommendations as amended herein, which are attached hereto as Exhibit A, and Suburban's current, existing tariff pages redlined to reflect the application and Staff's modification and recommendations as amended herein, which are attached hereto as Exhibit B). Accordingly, pursuant to Section 4909.19(C) of the Revised Code, Rule 4901-1-28 of the Ohio Administrative Code, and the Attorney Examiner's Entry dated August 30, 2017, Suburban respectfully submits the following Objections to the Staff Report (Objections).

Suburban reserves the right to supplement or modify these Objections in the event that the Staff makes additional findings, conclusions, or recommendations, or modifies its position with respect to any findings, conclusions, or recommendations contained in the Staff Report. Suburban further reserves the right to contest issues that are newly raised between the filing of the Staff Report and the closing of the record in these proceedings.

OBJECTIONS TO STAFF REPORT

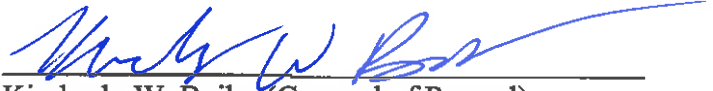
Objection 1: Suburban objects to the Staff Report's recommendation to require Suburban to file a full rate case pursuant to Section 4909.18, Revised Code, by June 1, 2019. Although Suburban does not object to the Staff Report's recommendation that "Suburban should file a rate case within the next two years," the June 1, 2019 recommended deadline currently is approximately four months less than the two years initially recommended by Staff. In addition, the Commission has not yet issued its decision on Suburban's application, and Suburban has not yet implemented its SFV rate design. By the time the above actions occur, more time will have passed. Therefore, Suburban respectfully requests that it be afforded at least full two years after it has implemented the SFV rate design to file a rate case. Accordingly, Suburban requests that the Commission establish December 31, 2019 as the deadline for Suburban to file a rate case.

Objection 2: Suburban objects to the Staff Report's failure to recommend an effective date for its revised and new tariffs in order to implement the SFV rate design proposed in the Application and Staff Report. Suburban's Application requested implementation of the alternative rate plan by October 1, 2017, so that the alternative rate plan would take effect for the 2017-2018 winter heating season. Suburban continues to stress the importance of implementing the SFV rate design as soon as possible so that Suburban's customers will receive the benefit of the alternative rate plan for the 2017-2018 winter heating season. As such, Suburban respectfully requests that the attached SVF tariffs implementing the alternative rate plan become effective for all services rendered on or after November 1, 2017 (or November 1, 2018 for year two).¹

¹ See Exhibit A, which are Suburban's proposed revised tariffs to its April 25, 2017 Application (as supplemented on May 15, 2017, and as corrected by an Errata to the Application on July 28, 2017). The proposed revised tariffs attached as Exhibit A reflect and incorporate Staff's recommended modification and recommendations to Suburban's application, as set forth in Staff's Report dated September 20, 2017, and as amended herein. Suburban's current, existing tariff pages redlined to reflect Staff's modification and recommendations as amended herein are attached hereto as Exhibit B.

Suburban has contacted Staff's counsel and has been authorized to state that Staff does not object to the establishment of a December 31, 2019 deadline to file Suburban's next rate case or the establishment of November 1, 2017 (or November 1, 2018 for year two) as the effective date of the revised and new tariffs.

Respectfully submitted,



Kimberly W. Bojko (Counsel of Record)

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(willing to accept service by email)

Counsel for The Suburban Natural Gas Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing was served on October 11, 2017, by electronic mail upon the persons listed below.



Kimberly W. Bojko

*One of the Attorneys for
The Suburban Natural Gas Company*

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EXHIBIT A

Proposed Revised Tariffs

See attached.

SECTION V – RATES

GENERAL SERVICE TARIFF SCHEDULE

Applicability:

Applicable to small general service and large general service sales volumes.

Small General Service Rate (applicable to customers with annual usage less than 300 Mcf):

All Mcf per meter, per month, \$1.41996333 per Mcf.

A Customer Charge of \$19.30 per meter, per month, regardless of usage.

Large General Service Rate (applicable to customers with annual usage of 300 Mcf or more):

All Mcf per meter per month, \$2.30910463 per Mcf.

A Customer Charge of \$79.59 per meter, per month, regardless of usage.

Gas Cost Recovery:

All gas consumed is subject to the Gas Cost Recovery (GCR) per Mcf applied to the customer's monthly consumption. The final GCR *rates shall be determined under the provisions of the uniform* purchased gas adjustment as set forth in Ohio Administrative Code Chapter 4901:1-14 and any subsequent revisions thereof, and by the lawful orders of the Public Utilities Commission of Ohio.

Gross Receipts Tax Rider:

The amount due on all bills shall be adjusted for the Ohio gross receipts excise tax at the rate of 4.9810%.

MCF Tax Rider:

The amount on all bills shall be adjusted for the Ohio Excise (Mcf) tax as follows:

First 100 Mcf per account per month	\$.1593 per Mcf
Next 1900 Mcf per account per month	\$.0877 per Mcf
Over 2000 Mcf per account per month	\$.0411 per Mcf

Issued: _____, 2017

Effective: November 1, 2017

Filed pursuant to the Opinion and Order of the
Public Utilities Commission of Ohio in
Case No. 17-594-GA-ALT, dated _____, 2017

ISSUED BY ANDREW J. SONDERMAN, PRESIDENT

SECTION V – RATES

GENERAL SERVICE TARIFF SCHEDULE

Applicability:

Applicable to small general service and large general service sales volumes.

Small General Service Rate (applicable to customers with annual usage less than 300 Mcf):

A Customer Charge of \$29.42 per meter, per month, regardless of usage.

Large General Service Rate (applicable to customers with annual usage of 300 Mcf or more):

All Mcf per meter per month, \$1.77791925 per Mcf.

A Customer Charge of \$150.00 per meter, per month, regardless of usage.

Gas Cost Recovery:

All gas consumed is subject to the Gas Cost Recovery (GCR) per Mcf applied to the customer's monthly consumption. The final GCR *rates shall be determined under the provisions of the uniform* purchased gas adjustment as set forth in Ohio Administrative Code Chapter 4901:1-14 and any subsequent revisions thereof, and by the lawful orders of the Public Utilities Commission of Ohio.

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Issued: _____, 2017

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Public Utilities Commission of Ohio in
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ISSUED BY ANDREW J. SONDERMAN, PRESIDENT

ENERGY EFFICIENCY PROGRAM RIDER

APPLICABILITY:

Applicable to all Small General Service Customers.

DESCRIPTION:

An additional charge to fund the costs associated with the implementation of cost-effective weatherization measures made available to high usage residential Percentage of Income Plan Program (PIPP) customers served under the General Service (GS) Rate Schedule.

RATE:

A charge of \$0.00 per month to be applied to GS rate schedule accounts.

Issued: _____, 2017

Effective: November 1, 2017

Filed pursuant to the Opinion and Order of the
Public Utilities Commission of Ohio in
Case No17-594-GA-ALT, dated _____, 2017

ISSUED BY ANDREW J. SONDERMAN, PRESIDENT

Net Monthly Bill:

Computed in accordance with following charges:

Administrative Charge: Two Hundred fifty dollars (\$250).

Transportation Charge: Not to exceed \$2.84029 per Mcf for each Mcf transported, less all related gas costs. This rate shall be in addition to any applicable monthly customer charge and late payment charge. The minimum rate shall cover the variable costs of service, plus make a contribution to total Company fixed costs. Unless otherwise agreed by the Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder. In addition, Customers are also subject to the Demand Charge and other charges described herein, including imbalance charges.

Imbalances:

- (a) In the months when Customer's cumulative daily receipts, less retainage, are less than Customer's cumulative usage, the Company shall sell gas associated with this negative imbalance to Customer at the Company's Asset Manager's current month's invoices weighted average costs of gas (WACOG) times one hundred twenty percent (120%). The WACOG would include cost of gas, firm transportation charges, commodity and demand charges and, if applicable, asset management payments.
- (b) In the months when Customer's cumulative delivery receipts, less retainage, are greater than Customer's cumulative usage, the Company shall purchase the excess volumes associated with this positive imbalance, at a rate determined by the Asset Manager's current month's invoices weighted average cost of gas (WACOG) times eighty percent (80%). In such case, the WACOG includes only the volumetric cost of gas.
- (c) In addition, if in any month the Company incurs a storage overrun or excess storage injection penalty from an applicable interstate or intrastate pipeline in that month, Customer is subject to its pro rata share of that penalty. All imbalance charges shall be applied to Customer's next monthly bill.
- (d) As an alternative to the monthly reconciliation procedure set forth in the proceeding paragraphs of this Section, the Company and Customer may enter into a special arrangement for the balancing of receipts and deliveries subject to the approval of the Public Utilities Commission of Ohio pursuant to Ohio Revised Code Section 4905.31.
- (e) Excess daily deliveries or receipts in violation of subsection (c)(iii) of Section VI, Nominations shall be charged or credited as a monthly imbalance hereunder.

Issued: _____, 2017

Effective: November 1, 2017

Filed Pursuant to the Opinion and Order
of the Public Utilities Commission in
Case No. 17-594-GA-ALT, dated _____, 2017

ISSUED BY ANDREW J. SONDERMAN, PRESIDENT

EXHIBIT B

Existing Tariffs--Redlined

See attached.

SECTION V – RATES

GENERAL SERVICE TARIFF SCHEDULE

Applicability:

~~Applicable to all small~~ Applicable to all small general service and large general service sales volumes.

Small General Service Sales Rate (applicable to customers with annual usage less than 300 Mcf):

~~All Mcf per meter, per month, \$2.840291.~~ All Mcf per meter, per month, \$2.41996333 per Mcf.

~~A Customer Charge of \$9.4819.30~~ A Customer Charge of \$19.30 per meter, per month, regardless of usage.

Large General Service Rate (applicable to customers with annual usage of 300 Mcf or more):

All Mcf per meter per month, \$2.30910463 per Mcf.

A Customer Charge of \$79.59 per meter, per month, regardless of usage.

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Gas Cost Recovery:

All gas consumed is subject to the Gas Cost Recovery (GCR) per Mcf applied to the customer's monthly consumption. The final GCR rates shall be determined under the provisions of the uniform purchased gas adjustment as set forth in Ohio Administrative Code Chapter 4901:1-14 and any subsequent revisions thereof, and by the lawful orders of the Public Utilities Commission of Ohio.

Gross Receipts Tax Rider:

The amount due on all bills shall be adjusted for the Ohio gross receipts excise tax at the rate of 4.9810%.

MCF Tax Rider:

The amount on all bills shall be adjusted for the Ohio Excise (Mcf) tax as follows:

First 100 Mcf per account per month	\$.1593 per Mcf
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Over 2000 Mcf per account per month	\$.0411 per Mcf

Issued: ~~July 1, 2011~~ June 1, 2017

Effective: ~~July 1, 2011~~ November 1, 2017

Filed pursuant to the Opinion and Order of the
Public Utilities Commission of Ohio in

Case No. ~~08-947-GA-ABN17-594-GA-ALT~~, dated ~~June 29, 2011~~ June 29, 2017

ISSUED BY ~~DAVID L. PEMBERTON, JR.~~ ANDREW J. SONDERMAN, PRESIDENT

SECTION V – RATES

GENERAL SERVICE TARIFF SCHEDULE

Applicability:

~~Applicable to all small general service and large general service~~ sales volumes.

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Small General Sales-Service Rate (applicable to customers with annual usage less than 300 Mcf):

~~All Mcf per meter, per month, \$2.84029 per Mcf.~~

~~A Customer Charge of \$9.1829.42 per meter, per month, regardless of usage.~~

Large General Service Rate (applicable to customers with annual usage of 300 Mcf or more):

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~~All Mcf per meter per month, \$1.77791925 per Mcf.~~

~~A Customer Charge of \$150.00 per meter, per month, regardless of usage.~~

Gas Cost Recovery:

All gas consumed is subject to the Gas Cost Recovery (GCR) per Mcf applied to the customer's monthly consumption. The final GCR rates shall be determined under the provisions of the uniform purchased gas adjustment as set forth in Ohio Administrative Code Chapter 4901:1-14 and any subsequent revisions thereof, and by the lawful orders of the Public Utilities Commission of Ohio.

Gross Receipts Tax Rider:

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MCF Tax Rider:

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Issued: ~~July 1, 2011~~ , 2017

Effective: ~~July 1, 2011~~ November 1 , 2018

Filed pursuant to the Opinion and Order of the
Public Utilities Commission of Ohio in

Case No. ~~08-947-GA-ABN17-594-GA-ALT~~, dated ~~June 29, 2011~~ , 2017

ISSUED BY ~~DAVID L. PEMBERTON, JR.~~ ANDREW J. SONDERMAN, PRESIDENT

{RESERVED}
ENERGY EFFICIENCY PROGRAM RIDER

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APPLICABILITY:

Applicable to all Small General Service Customers.

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DESCRIPTION:

An additional charge to fund the costs associated with the implementation of cost-effective weatherization measures made available to high usage residential Percentage of Income Plan Program (PIPP) customers served under the General Service (GS) Rate Schedule.

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RATE:

A charge of \$0.00 per month to be applied to GS rate schedule accounts.

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Issued: April 17, 2008, 2017 Effective: April 17, 2008 November 1—, 2017

Filed pursuant to the Opinion and Order of the
Public Utilities Commission of Ohio in

Case No. 07-689-GA-AIR17-594-GA-ALT, dated March 19, 20008, 2017

ISSUED BY DAVID L. PEMBERTON, JR. ANDREW J. SONDERMAN, PRESIDENT

Net Monthly Bill:

Computed in accordance with following charges:

Administrative Charge: Two Hundred fifty dollars (\$250).

Transportation Charge: Not to exceed ~~\$2.84029 per Mcf for each Mcf transported-base rate then in effect~~, less all related gas costs. This rate shall be in addition to any applicable monthly customer charge and late payment charge. The minimum rate shall cover the variable costs of service, plus make a contribution to total Company fixed costs. Unless otherwise agreed by the Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder. In addition, Customers are also subject to the Demand Charge and other charges described herein, including imbalance charges.

Imbalances:

- (a) In the months when Customer's cumulative daily receipts, less retainage, are less than Customer's cumulative usage, the Company shall sell gas associated with this negative imbalance to Customer at the Company's Asset Manager's current month's invoices weighted average costs of gas (WACOG) times one hundred twenty percent (120%). The WACOG would include cost of gas, firm transportation charges, commodity and demand charges and, if applicable, asset management payments.
- (b) In the months when Customer's cumulative delivery receipts, less retainage, are greater than Customer's cumulative usage, the Company shall purchase the excess volumes associated with this positive imbalance, at a rate determined by the Asset Manager's current month's invoices weighted average cost of gas (WACOG) times eighty percent (80%). In such case, the WACOG includes only the volumetric cost of gas.
- (c) In addition, if in any month the Company incurs a storage overrun or excess storage injection penalty from an applicable interstate or intrastate pipeline in that month, Customer is subject to its pro rata share of that penalty. All imbalance charges shall be applied to Customer's next monthly bill.
- (d) As an alternative to the monthly reconciliation procedure set forth in the proceeding paragraphs of this Section, the Company and Customer may enter into a special arrangement for the balancing of receipts and deliveries subject to the approval of the Public Utilities Commission of Ohio pursuant to Ohio Revised Code Section 4905.31.

Issued: ~~May 10, 2011~~, 2017 Effective: ~~May 10, 2011~~ November 1, 2017

Filed Pursuant to the Opinion and Order
of the Public Utilities Commission in

Case No. ~~11-87-GA-ATA~~ 17-594-GA-ALT, dated ~~May 4, 2011~~, 2017

ISSUED BY ~~DAVID L. PEMBERTON, JR.~~ ANDREW J. SONDERMAN, PRESIDENT

- (e) Excess daily deliveries or receipts in violation of subsection (c)(iii) of Section VI, Nominations shall be charged or credited as a monthly imbalance hereunder.

Issued: ~~May 10, 2011~~ _____, 2017 Effective: ~~May 10, 2011~~ November 1 _____, 2017

Filed Pursuant to the Opinion and Order
of the Public Utilities Commission in

Case No. ~~11-87-GA-ATA~~ 17-594-GA-ALT, dated ~~May 4, 2011~~ _____, 2017

ISSUED BY ~~DAVID L. PEMBERTON, JR.~~ ANDREW J. SONDERMAN, PRESIDENT

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in

Case No(s). 17-0594-GA-ALT

Summary: Objection The Suburban Natural Gas Company's Objections To Staff Report
electronically filed by Mrs. Kimberly W. Bojko on behalf of Suburban Natural Gas Company