

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Columbia Gas of Ohio, Inc. for an Adjustment)	Case No. 17-2374-GA-RDR
to Rider IRP and Rider DSM Rates.)	

**COMMENTS OF
OHIO PARTNERS FOR AFFORDABLE ENERGY**

Ohio Partners for Affordable Energy (“OPAE”) respectfully submits to the Public Utilities Commission of Ohio (“Commission”) these comments in the above-captioned application made by Columbia Gas of Ohio, Inc. (“Columbia”) for rate adjustments to Columbia’s Rider IRP (Infrastructure Replacement Program) and Rider DSM (Demand-Side Management). This application is to adjust charges for programs whose spending caps and budgets have already been approved in other Columbia proceedings.

Columbia’s IRP and Rider IRP were first approved by the Commission for a five-year period in Case No. 08-72-GA-AIR, et al., Opinion and Order, December 3, 2008. The IRP was further extended for another five-year period in Case No. 11-5515-GA-ALT, Opinion and Order, November 28, 2012. The IRP was further extended for another five-year period from 2018 to 2022 in Case No. 16-2422-GA-ALT, Opinion and Order, January 31, 2018. In Case No. 16-2422-GA-ALT, the Commission approved a decrease in the maximum monthly Rider IRP rate to be paid by Columbia’s Small General Service customers and an increase in the minimum level of Operations and Maintenance (“O&M”) savings that are passed

back to customers. On March 2, 2018, Columbia filed a notice of intent to implement the IRP approved by the Commission in Case No. 16-2422-GA-ALT.

Rider DSM was also established in Case No. 08-72-GA-AIR, et al., for Small General Service customers to provide for the recovery of costs incurred in the implementation of DSM programs approved by the Commission in its Finding and Order dated July 23, 2008 in Case No. 08-833-GA-UNC. Case No. 08-72-GA-AIR, et al., Opinion and Order at 10. The current DSM programs and budgets for them were approved by the Commission in its Opinion and Order dated December 21, 2016 in Case Nos. 16-1309-GA-UNC and 16-1310-GA-AAM. Therefore, the DSM programs have already been approved as well as the budgets for the DSM programs.

The procedures for applications to adjust Riders IRP and DSM were also set forth in Case No. 08-72-GA-AIR, et al. In a new case each year, Columbia files a Rider IRP pre-filing notice which contains estimated schedules for the Rider IRP to become effective the following May 1. The Staff of the Commission (“Staff”) conducts an investigation of the annual filing, and parties may file objections. If the Staff determines that the application is unjust or unreasonable, or if any party files an objection, a hearing is established to allow the party to present its evidence. Case No. 08-72-GA-AIR, et al., Opinion and Order (December 3, 2008) at 9. For Rider DSM rates to become effective each May 1, the procedure for filing of Rider DSM adjustments is identical to the filing procedure applicable to Rider IRP. Id.

Therefore, with regard to both Riders IRP and DSM, even though the Commission approved the riders under R.C. 4929.11 as “automatic” adjustment

mechanisms in gas alternative rate proceedings under R.C. 4929.05, the Commission has established a process that includes annual filings by Columbia, a Staff investigation, objections by parties, and a hearing. The parties may object and recommend adjustments to costs intended to be recovered, and the Commission will determine the justness and reasonableness of the cost recovery upon the objection of any party. While the Staff and parties may object to unjust and unreasonable costs intended for recovery, the IRP program, rider caps, and passed-back savings mechanism have already been approved through December 31, 2022 pursuant to the Opinion and Order in Case No. 16-2422-GA-ALT (January 31, 2018). In the same way, the DSM programs and the budgets for the programs have been approved through December 31, 2022 in Case Nos. 16-1309-GA-UNC and 16-1310-GA-AAM. The findings of the Staff investigation will determine OPAE's future course regarding the costs and savings recovered and passed back to customers as a result of this application.

In the Opinion and Order in Case No. 16-2422-GA-ALT, the Commission noted that the application was filed prior to the enactment of the recent federal tax legislation, the Tax Cuts and Jobs Act. The Commission reminded Columbia that the Commission had directed in another case, Case No. 18-47-AU-COI, that all utilities record on their books as a deferred liability the estimated reduction in federal income taxes resulting from the new legislation. Opinion and Order, Case No. 16-2422-GA-ALT at 34.

The Commission should be concerned in this case that the recent corporate tax reduction be properly reflected in the cost recovery charges approved in this

case. The federal income tax rate for corporations was reduced effective January 1, 2018 from 35% to 21%. Columbia has filed a Schedule T, Page 3 of 3, showing the new federal income tax rate of 21%. Any rates or charges approved in this case should reflect the new 21% income tax rate. The impact of the new tax law as of January 1, 2018 must be reflected in the approved charges. There is no doubt that the actual tax rate in effect as of January 1, 2018 is the rate that must be used in the calculation of the charges and that any over-recovery based on the wrong tax rate as of January 1, 2018 will be refunded to customers through adjustments to the charges determined in this case.

Respectfully submitted,

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CERTIFICATE OF SERVICE

A copy of the foregoing Comments will be served electronically by the Commission's Docketing Division upon the parties identified below on this 23rd day of March 2018.

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Summary: Comments electronically filed by Colleen L Mooney on behalf of Ohio Partners for Affordable Energy