

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
SUBURBAN NATURAL GAS COMPANY FOR
AN ADJUSTMENT TO ITS INFRASTRUCTURE
REPLACEMENT PROGRAM RIDER.

CASE NO. 19-1272-GA-RDR

FINDING AND ORDER

Entered in the Journal on October 23, 2019

I. SUMMARY

{¶ 1} The Commission finds Suburban Natural Gas Company's application to recover costs associated with its infrastructure replacement program rider moot due to the Commission's approval of an increase in the Company's rates in Case Nos. 18-1205-GA-AIR, et al.

II. DISCUSSION

{¶ 2} Suburban Natural Gas Company (Suburban or the Company) is a natural gas company as defined by R.C. 4905.03 and a public utility as defined by R.C. 4905.02, and, as such, is subject to the jurisdiction of the Commission pursuant to R.C. 4905.04, 4905.05, and 4905.06. Suburban provides natural gas service to approximately 17,793 residential and commercial customers in Henry, Wood, Delaware, and Marion counties, Ohio. Suburban also serves a small number of transportation customers under a transportation service tariff or special arrangements approved by the Commission.

{¶ 3} In Case No. 07-689-GA-AIR, the Commission authorized Suburban, among other things, to establish an infrastructure replacement program (IRP) rider at a zero-dollar level. *In re Suburban Natural Gas Co.*, Case No. 07-689-GA-AIR (2007 Rate Case), Opinion and Order (Mar. 19, 2008).

{¶ 4} In Case No. 09-573-GA-UNC, the Commission approved Suburban's IRP. *In re Suburban Natural Gas Co.*, Case No. 09-573-GA-UNC (2009 IRP Case), Finding and Order (Sept. 15, 2009). Suburban's IRP provides for the accelerated replacement of aging pipelines and timely replacement of prone-to-fail risers, as well as Suburban's assumption of

responsibilities associated with the installation, repair, and maintenance of customer service lines. The Commission directed that Suburban complete replacement of all prone-to-fail risers within four years of the date of the Finding and Order. Under the terms of the IRP, Suburban will recover 50 percent of the program's cost, with a return based on Suburban's cost of debt, on an accelerated basis, over a four-year period. The amounts subject to accelerated recovery will be accounted for as a deduction from rate base, as adjustments to the appropriate plant-in-service accounts. The remaining 50 percent of the cost will be accounted for in the appropriate plant-in-service and expense accounts, while associated revenue, including a return based on the return on equity determined in the *2007 Rate Case*, will be recovered through the IRP rider. Pursuant to the approved IRP, Suburban must submit an application to recover the costs associated with the IRP by August 31 of each year. In addition, Suburban must file a prefiling notice by May 31 of each year.

{¶ 5} Suburban's current IRP rider rate, which is \$0.18 per month per customer, was approved in *In re Suburban Natural Gas Co.*, Case No. 18-977-GA-RDR, Finding and Order (Oct. 24, 2018).

{¶ 6} In accordance with the procedure approved by the Commission in the *2009 IRP Case*, Suburban filed its prefiling notice on May 31, 2019, in the above-captioned case.

{¶ 7} On August 30, 2019, Suburban filed its application to adjust its IRP rider, reflecting costs associated with capital investments made by Suburban during the period of July 1, 2018, through June 30, 2019.

{¶ 8} By Entry dated September 4, 2019, the attorney examiner set a procedural schedule in this matter, including scheduling a hearing in this matter on October 15, 2019, in the event the parties did not resolve all issues raised in the comments and reach a stipulation. The attorney examiner also noted that Suburban had a pending application to increase its rates in Case Nos. 18-1205-GA-AIR, et al. A stipulation was filed in that case on May 23, 2019. The Company represents that, if the stipulation is approved, the remaining

costs associated with IRP investments already made by Suburban would be folded into and recovered through base distribution rates. Consequently, Suburban states that the IRP rider would be eliminated, and the charge would be reduced to \$0.00.

{¶ 9} On September 19, 2019, Staff filed a review and recommendation (Staff Report). In the Staff Report, Staff recommends that a monthly rate of \$0.17 per bill be permitted to go into effect on November 1, 2019, and remain in effect until October 31, 2020, or until the Commission approves Suburban's base rate case, whichever occurs first.

{¶ 10} On September 23, 2019, Suburban filed a statement on the docket. In the statement, Suburban indicates that no motions to intervene have been filed in this proceeding and the deadline for such intervention has passed. Moreover, Suburban notes that it has no issue with the Staff Report. As such, Suburban avers that a hearing and filing of testimony in this matter is unnecessary.

{¶ 11} On September 26, 2019, the Commission issued an Opinion and Order in Case Nos. 18-1205-GA-AIR, et al., adopting the joint stipulation filed in that case and resolving all issues related to Suburban's application to increase its natural gas distribution rates.

{¶ 12} On September 27, 2019, Suburban filed revised tariff schedules in the docket for Case Nos. 18-1205-GA-AIR, et al.

{¶ 13} By Entry dated October 8, 2019, the attorney examiner canceled the hearing in this matter scheduled for October 15, 2019.

{¶ 14} On October 18, 2019, Suburban filed a tariff sheet, Original Sheet No. 9, which demonstrates that, effective September 30, 2019, Suburban has reduced the IRP rider to zero.

{¶ 15} After reviewing Suburban's application, the Opinion and Order in Case Nos. 18-1205-GA-AIR, et al., and the revised tariff schedules filed in that case and this proceeding, we find that Suburban's application in this proceeding is moot. Original Sheet No. 9, which was filed by Suburban in Case Nos. 18-1205-GA-AIR, et al., and this case, indicates that

Suburban has reduced the IRP rider to \$0.00, effective September 30, 2019. Consequently, as Suburban will be recovering any remaining costs associated with IRP investments through its newly approved base distribution rates, this application is no longer warranted.

III. ORDER

{¶ 16} It is, therefore,

{¶ 17} ORDERED, That Suburban's application to recover IRP costs is deemed moot due to the Commission's approval of an increase in the Company's rates in Case Nos. 18-1205-GA-AIR, et al. It is, further,

{¶ 18} ORDERED, That a copy of this Finding and Order be served upon all parties and interested persons of record.

COMMISSIONERS:

Approving:

Sam Randazzo, Chairman
M. Beth Trombold
Daniel R. Conway
Dennis P. Deters

AS/kck

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Case No(s). 19-1272-GA-RDR

Summary: Finding & Order that the Commission finds Suburban Natural Gas Company's application to recover costs associated with its infrastructure replacement program rider moot due to the Commission's approval of an increase in the Company's rates in Case Nos. 18-1205-GA-AIR, et al. electronically filed by Docketing Staff on behalf of Docketing