THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF NORTHEAST OHIO NATURAL GAS CORP. FOR APPROVAL OF AN INCOME TAX CREDIT MECHANISM RIDER.	**CASE NO. 20-146-GA-ATA**

ENTRY

Entered in the Journal on April 6, 2020

{¶ 1} Northeast Ohio Natural Gas Corp. (NEO) is a natural gas company as defined by R.C. 4905.03 and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 2} R.C. 4909.18 provides, in relevant part, that, where an application is not for an increase in any rate, but is for a new service, the application shall fully describe the new service and the Commission may permit the filing of the schedule proposed in the application and fix the time when such schedule shall take effect.

{¶ 3} The Tax Cuts and Jobs Act of 2017 (TCJA), signed into law on December 22, 2017, provides for a number of changes in the federal tax system. Most notably, the federal corporate income tax rate is reduced from 35 percent to 21 percent, effective January 1, 2018.

{¶ 4} On January 10, 2018, the Commission opened an investigation in order to study the impacts of the TCJA on the Commission's jurisdictional rate-regulated utilities and determine the appropriate course of action to pass benefits on to ratepayers. *In the Matter of the Commission's Investigation of the Financial Impact of the Tax Cuts and Jobs Act of 2017 on Regulated Ohio Utility Companies*, Case No. 18-47-AU-COI.

{¶ 5} Furthermore, on September 26, 2019, the Commission approved a Stipulation that, inter alia, adopted Staff's recommendation that NEO file an application not for an increase in rates to establish a credit mechanism to refund all tax savings associated with

the TCJA. *In re Northeast Ohio Natural Gas Corp.*, 18-1720-GA-AIR, et al. (*Rate Case*), Opinion and Order (Sept. 26, 2019).

{¶ 6} On January 23, 2020, NEO filed an application to adopt a new tariff regarding the Income Tax Credit Mechanism Rider (ITCM Rider). In its application, NEO requests tariff amendment approval under R.C. 4909.18 to flow back the tax benefits of the TCJA to NEO customers. The ITCM Rider is designed to provide a credit to base distribution rates for NEO's natural gas distribution customers to capture the reduction in federal income taxes and excess accumulated deferred income taxes related to natural gas service resulting from the TCJA. The annualized credit amount for the ITCM Rider shall be split between each rate class based on the final split of revenue from base rates in the *Rate Case*.

{¶ 7} On March 4, 2020, Staff filed its review and recommendation.

{¶ 8} By Entry issued on March 9, 2020, the attorney examiner opened this case for comment and established the following procedural schedule: April 3, 2020, as the deadline for all interested persons to file motions to intervene; April 8, 2020, as the deadline for intervenors to file comments; April 23, 2020, as the deadline for reply comments to be filed.

{¶ 9} On March 20, 2020, the Ohio Consumers' Counsel (OCC) filed a motion to intervene. No memoranda contra were filed. The attorney examiner finds that the motion for intervention filed by OCC is reasonable and should be granted.

{¶ 10} On April 6, 2020, the parties filed a joint motion to extend the time to submit comments. In support of their motion, the parties state that they have been negotiating a potential settlement in the case, obviating the need for comments and reply comments and thereby increasing administrative efficiency. The parties request a two-week extension so that comments, if needed, would be due on April 22, 2020, and reply comments would be due on May 7, 2020.

{¶ 11} The attorney examiner finds the parties' joint motion to extend the time to

submit comments reasonable and, therefore, grants the joint motion. Accordingly, comments by intervenors should be filed by April 22, 2020, and reply comments should be filed by May 7, 2020.

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That the motion for intervention filed by OCC be granted. It is, further,

{¶ 14} ORDERED, That the parties' joint motion to extend the time to submit comments be granted. It is, further,

{¶ 15} ORDERED, That interested persons file comments and reply comments in accordance with Paragraph 11. It is, further,

{¶ 16} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Matthew J. Sandor

By: Matthew J. Sandor
Attorney Examiner

JRJ/kck

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Case No(s). 20-0146-GA-ATA

Summary: Attorney Examiner Entry OCC's motion for intervention is granted; the parties joint motion to extend time to submit comments is granted; comments by intervenors should be filed by 4.22.20 and reply comments should be filed by 5.7.20. electronically filed by Mrs. Kelli C King on behalf of Matthew Sandor, Attorney Examiner, Public Utilities Commission of Ohio