

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
SUBURBAN NATURAL GAS COMPANY TO
ESTABLISH THE TAX CREDIT RIDER.

CASE NO. 20-43-GA-ATA

IN THE MATTER OF THE APPLICATION OF
SUBURBAN NATURAL GAS COMPANY'S
IMPLEMENTATION OF CERTAIN MATTERS
RELATING TO THE TAX CUTS AND JOBS
ACT OF 2017.

CASE NO. 20-44-GA-UNC

ENTRY

Entered in the Journal on April 9, 2020

{¶ 1} Suburban Natural Gas Company (Suburban) 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 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, among other things, required that Suburban file an application not for an increase in

rates to establish a tax credit rider to return to customers the over-collection of income taxes resulting from the enactment of the TCJA. *In re Suburban Natural Gas Co.*, 18-1205-GA-AIR, et al. (*Rate Case*), Opinion and Order (Sept. 26, 2019) at ¶ 75.

{¶ 6} On January 10, 2020, pursuant to R.C. 4909.18, Suburban filed an application to resolve matters relating to the TCJA and establish the TCJA Credit Rider (TCJA Rider). In the application, Suburban states that it has partially implemented the impact of the TCJA by agreeing to a stipulated revenue requirement in the *Rate Case*, which included necessary adjustments to the federal current income tax rates and gross revenue conversion factor. Suburban indicates that the TCJA Rider will resolve remaining issues associated with the TCJA, which include all distribution-related excess accumulated deferred income taxes and any potential regulatory liability. The TCJA Rider will be allocated to customer classes based on a percentage of base distribution revenues and will be trued-up annually. The TCJA Rider will be populated with an amount calculated on a projected level for the calendar year. Finally, Suburban requests that the Commission approve its application without a hearing.

{¶ 7} On January 29, 2020, the Office of the Ohio Consumers' Counsel (OCC) filed a motion to intervene. No memoranda contra were filed. Upon review, the attorney examiner finds that OCC's motion is reasonable and should be granted.

{¶ 8} On April 6, 2020, Staff filed its review and recommendation.

{¶ 9} Upon review of Suburban's application and Staff's filing, the attorney examiner finds that it is necessary to allow interested persons to file motions to intervene, comments, and reply comments to assist the Commission in its review of the application. Consequently, all interested persons should file motions to intervene in this proceeding by May 8, 2020. Comments by intervenors should be filed by May 15, 2020. Reply comments should be filed by May 29, 2020.

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That OCC's motion for intervention be granted. It is, further,

{¶ 12} ORDERED, That interested persons file motions to intervene, comments, and reply comments in accordance with Paragraph 9. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/Anna Sanyal

By: Anna Sanyal
Attorney Examiner

SJP/kck

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Case No(s). 20-0043-GA-ATA, 20-0044-GA-UNC

Summary: Attorney Examiner Entry OCC's motion for intervention is granted; interested parties shall file motions to intervene by 5.8.20, comments to be filed by 5.15.20 and reply comments by 5.29.20. electronically filed by Mrs. Kelli C King on behalf of Anna Sanyal, Attorney Examiner, Public Utilities Commission of Ohio