

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
OHIO GAS COMPANY FOR AUTHORITY
TO ESTABLISH A RIGHT-OF-WAY RIDER.

CASE NO. 21-943-GA-RDR

IN THE MATTER OF THE APPLICATION OF
OHIO GAS COMPANY FOR TARIFF
APPROVAL.

CASE NO. 21-944-GA-ATA

IN THE MATTER OF THE APPLICATION OF
OHIO GAS COMPANY FOR APPROVAL TO
CHANGE ACCOUNTING METHODS.

CASE NO. 21-945-GA-AAM

ENTRY ON REHEARING

Entered in the Journal on February 9, 2022

I. SUMMARY

{¶ 1} The Commission grants the application for rehearing filed by Ohio Consumers' Counsel for the purpose of further consideration of the matters specified in the application for rehearing.

II. DISCUSSION

{¶ 2} Ohio Gas Company (Ohio Gas or the Company) is a natural gas company and a public utility as defined by R.C. 4905.03 and R.C. 4905.02, respectively. As such, Ohio Gas is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4939.07 governs a public utility's recovery of public way fees. Pursuant to R.C. 4939.07(B), a public utility subject to the rate-making jurisdiction of the Commission may file an application for timely and full recovery of a public way fee levied upon and payable by the utility both after January 1, 2002, and after the test year of the utility's most recent rate proceeding or the initial effective date of rates in effect but not established through a proceeding for an increase in rates. R.C. 4939.07(B) further states that the Commission shall authorize by order the applied-for recovery, and the Commission order shall establish a cost recovery mechanism, such as a rider, for recovering the amount to be recovered; specify that amount; limit the amount to not more and not less than the amount

of the total public way fee incurred; and require periodic adjustment of the mechanism based on revenues recovered. Unless the public way fee levied on and payable by the public utility being recovered is determined to be unreasonable, unjust, unjustly discriminatory, or unlawful by the Commission, cost recovery under R.C. 4939.07(B) shall be from all customers of the public utility generally. R.C. 4939.07(B)(2).

{¶ 4} Pursuant to R.C. 4939.07(D)(1), a public utility subject to the rate-making jurisdiction of the Commission may file an application with the Commission for such accounting authority as may be reasonably necessary to classify certain costs as regulatory assets for the purpose of recovering those costs. Under R.C. 4939.07(D)(2), a cost is eligible for recovery only when it is both (a) directly incurred by the public utility as a result of local regulation of its occupancy or use of a public way or an appropriate allocation and assignment of costs related to implementation of this section, excluding any cost arising from a public way fee levied upon and payable by the public utility, and (b) incurred by the public utility both after January 1, 2002, and after the test year of the utility's most recent rate proceeding or the initial effective date of rates in effect but not established through a proceeding for an increase in rates. As with an application under R.C. 4939.07(B), the Commission is statutorily obligated to authorize the applied-for accounting authority. R.C. 4939.07(D)(1).

{¶ 5} If the Commission determines that classification of a cost described in R.C. 4939.07(D)(2) as a regulatory asset is not practical or that deferred recovery of the cost would impose a hardship on the utility or its customers, the Commission shall establish a charge and collection mechanism to permit the public utility full recovery of that cost. Hardship is presumed for any public utility with less than 15,000 bundled sales customers and for any utility for which the annualized aggregate amount of additional cost that otherwise may be eligible for such classification exceeds the greater of \$500,000 or 15 percent of the total costs that are described in R.C. 4939.07(D)(2)(a) and were considered by the Commission for the purpose of establishing rates in the public utility's most recent rate case proceeding. R.C. 4939.07(D)(3).

{¶ 6} Finally, R.C. 4939.07(E) mandates that any application submitted under R.C. 4939.07(B) or (D) be processed as an application not for an increase in rates under R.C. 4909.18. Additionally, the Commission shall conclude its consideration of the application and issue a final order not later than 120 days after the application's filing date. A final order regarding a recovery mechanism authorized under the statute shall provide for any retroactive adjustment deemed appropriate by the Commission.

{¶ 7} On September 15, 2021, pursuant to the above-cited authority, Ohio Gas filed an application for authority to establish a right-of-way rider (ROW Rider), along with corresponding applications for authority to change accounting methods and revise its tariffs (Application).

{¶ 8} On September 22, 2021, Ohio Consumers' Counsel (OCC) filed a motion to intervene on behalf of Ohio Gas's residential customers in Case No. 21-943-GA-RDR.

{¶ 9} On November 22, 2021, Staff filed its review and recommendation regarding the Company's Application (Staff Report). Therein, Staff recommended the Commission approve the Application subject to Staff's stated recommendations.

{¶ 10} On December 13, 2021, OCC filed comments requesting that the Commission reject Staff's recommendation and not approve the Application.

{¶ 11} By Finding and Order dated December 15, 2021, the Commission approved the Application, subject to Staff's recommendations. The Commission also granted OCC's motion to intervene.

{¶ 12} R.C. 4903.10 provides that any party who has entered an appearance in a Commission proceeding may apply for rehearing with respect to any matters determined in the proceeding by filing an application within 30 days of the entry of the order upon the Commission's journal.

{¶ 13} On January 14, 2022, OCC filed an application for rehearing in Case No. 21-943-GA-RDR. Ohio Gas filed a memorandum contra the application for rehearing on January 24, 2022.

{¶ 14} The Commission believes that sufficient reason has been set forth by OCC to warrant further consideration of the matters specified in the application for rehearing. Accordingly, the application for rehearing filed by OCC should be granted for the purpose of further consideration of the matters specified therein.

III. ORDER

{¶ 15} It is, therefore,

{¶ 16} ORDERED, That OCC's January 14, 2022 application for rehearing be granted for further consideration of the matters specified therein. It is, further,

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

COMMISSIONERS:

Approving:

Jenifer French, Chair
M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis Deters

PAS/hac

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Case No(s). 21-0943-GA-RDR, 21-0944-GA-ATA, 21-0945-GA-AAM

Summary: Entry granting the application for rehearing filed by Ohio Consumers' Counsel for the purpose of further consideration of the matters specified in the application for rehearing electronically filed by Heather A. Chilcote on behalf of Public Utilities Commission of Ohio