THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Energy Cooperative of Ohio for a Certificate to Provide Competitive Retail Natural Gas Service in Ohio.	**Case No. 02-1891-GA-CRS**

ENTRY

Entered in the Journal on April 12, 2022

{¶ 1} The East Ohio Gas Company d/b/a Dominion Energy Ohio (Dominion) and Columbia Gas of Ohio, Inc. (Columbia) (collectively, Gas Companies) are each 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, are subject to the jurisdiction of this Commission.

{¶ 2} Energy Cooperative of Ohio (ECO) is a retail natural gas supplier as defined in R.C. 4929.01, is certified to provide competitive retail natural gas service (CRNGS) under R.C. 4929.20, and is subject to the jurisdiction of this Commission pursuant to R.C. 4929.24. Accordingly, ECO is required to comply with the Commission's minimum CRNGS standards set forth in Ohio Adm.Code Chapter 4901:1-29 and is subject to the certification provisions of Ohio Adm.Code Chapter 4901:1-27. Moreover, as a certified CRNGS supplier, ECO is subject to the terms of the supplier agreement and tariff of each of the Gas Companies, including provisions governing the relationship with certified retail natural gas suppliers pursuant to R.C. 4929.22 and Ohio Adm.Code 4901:1-13-14.

{¶ 3} ECO's most recent certification renewal application was filed in this case on November 10, 2020, and stated that ECO intended to provide service to residential, commercial, and industrial customers in the service areas of Dominion and Columbia. The application was approved and ECO's CRNGS certificate was renewed until December 11, 2022.

{¶ 4} Ohio Adm.Code 4901:1-13-14(J) provides that, in the event of a material default, as defined by a natural gas company's tariff or by an agreement between the natural gas company and the retail natural gas supplier, the natural gas company shall serve a written notice of such default in reasonable detail and with a proposed remedy to the retail natural gas supplier and the Commission. The rule also states that, on or after the date the default notice has been served, the natural gas company may file with the Commission a written request for authorization to terminate or suspend the retail natural gas supplier from participation with the natural gas company's supplier program. The rule specifies that, if the default is due to underdelivery or nondelivery, and, if the Commission or an attorney examiner does not act within five business days after receipt of the request, the natural gas company's request to terminate or suspend will be deemed authorized on the sixth business day, although all terminations or suspensions are to be authorized by the Commission.

{¶ 5} On April 1, 2022, Columbia filed correspondence to inform the Commission that Columbia was authorized by ECO to begin transferring its customers to Columbia's default sales service. Columbia notes that ECO was served by Volunteer Energy Services, Inc. (VESI), which filed a voluntary petition for Chapter 11 bankruptcy on March 25, 2022. Columbia states that it, therefore, began to incrementally transition customers on March 30, 2022, from ECO's rates to Columbia's default sales service rate and that it will complete the transition of ECO's customers by the end of the April billing cycle.

{¶ 6} On April 5, 2022, Dominion filed an application requesting authorization to terminate ECO's participation in Dominion's Energy Choice supplier program. Dominion also requests expedited treatment of the application and an order from the Commission on or before April 12, 2022, in order to permit an orderly transition of all of ECO's customers to Dominion's provider-of-last-resort supply service effective with April billing and to its standard default service offerings effective with May billing. In the application, Dominion states that CRNGS suppliers participating in its Energy Choice program must execute an Energy Choice Pooling Service (ECPS) Agreement with Dominion, which, among other things, establishes certain conditions of supplier default. Dominion further states that, in accordance with the Commission's rules, Dominion served, on April 1, 2022, a written notice of material default on ECO, which outlines ECO's failure to meet gas delivery requirements and to perform its obligations under the ECPS Agreement, as well as provides Dominion's proposed remedy. Dominion adds that a copy of the notice was provided to the Commission and Staff. Dominion also states that, on April 5, 2022, ECO's counsel responded to Dominion's notice by confirming that ECO remains without a new source of supply for its existing customers, that it is financially unable to migrate its customers to a new supplier, that it is currently working on a notice of material change and request to abandon its certificate, and that its customers should be assigned directly to Dominion. Dominion states that it does not believe that ECO either intends or is able to remain in business or to arrange for supply for its customers. Dominion considers ECO to be in material default of its supplier obligations and, therefore, requests authorization to terminate ECO as an Energy Choice supplier and to begin serving ECO's customers under Dominion's default service provisions.

{¶ 7} On April 6, 2022, ECO filed, pursuant to Ohio Adm.Code 4901:1-27-11(A), a notice of material change to its business operations. In the notice, ECO states that it is without supply resources as a result of a petition filed by VESI on March 25, 2022, in the United States Bankruptcy Court for the Southern District of Ohio seeking relief under Chapter 11 of the United States Bankruptcy Code.

{¶ 8} Also on April 6, 2022, ECO filed an application to abandon its CRNGS certificate. The application indicates that ECO ceased its operations as of March 31, 2022, and that its customers will be switched back to Columbia or Dominion beginning with the April billing cycle. Additionally, ECO filed correspondence to provide a draft customer notice. ECO's correspondence states that VESI provided notice to ECO that, effective immediately, it would no longer be supplying ECO with gas. ECO notes that, because it lacks sufficient funds to switch to a different supplier, it has elected to wind down its business and cease operations.

{¶ 9} Upon review, the attorney examiner finds, pursuant to Ohio Adm.Code 4901:1-13-14(J), that the Gas Companies should be authorized to terminate ECO's participation in their respective supplier programs. ECO and the Gas Companies should work together to effectuate an orderly transition of ECO's customers to the default service provided by each of the Gas Companies or to an alternate supply option requested by the customer. The Gas Companies should delay the termination of ECO's participation in their respective supplier programs until all existing customers have been transitioned. The attorney examiner emphasizes that the customers being served by ECO will not experience any interruption of natural gas supply while they are transitioned to default service or to an alternate supply option requested by the customer.

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That, consistent with this Entry, the Gas Companies be authorized to terminate ECO from their respective supplier programs. It is, further,

{¶ 12} ORDERED, That ECO and the Gas Companies work together to effectuate an orderly transition of ECO's customers to the default service provided by each of the Gas Companies or to an alternate supply option requested by the customer. It is, further,

{¶ 13} ORDERED, That ECO and each of the Gas Companies continue to advise the Commission's Service Monitoring and Enforcement Department, as to their progress in transitioning customers to default service or to an alternate supply option requested by the customer. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Sarah J. Parrot

By: Sarah J. Parrot
Attorney Examiner

GAP/kck