

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
EASTERN NATURAL GAS COMPANY FOR
APPROVAL OF AN ALTERNATIVE RATE PLAN
PROPOSING A REVENUE DECOUPLING
MECHANISM.

CASE NO. 08-940-GA-ALT

IN THE MATTER OF THE APPLICATION OF
PIKE NATURAL GAS COMPANY FOR
APPROVAL OF AN ALTERNATIVE RATE PLAN
PROPOSING A REVENUE DECOUPLING
MECHANISM.

CASE NO. 08-941-GA-ALT

ENTRY

Entered in the Journal on July 26, 2017

I. SUMMARY

{¶ 1} The Commission grants the motion filed by Eastern Natural Gas Company and Pike Natural Gas Company on May 31, 2017, and suspends the collection of their demand-side management rider rates, until the Commission specifically orders otherwise.

II. DISCUSSION

{¶ 2} Eastern Natural Gas Company (Eastern) and Pike Natural Gas Company (Pike) (collectively, Companies) are natural gas companies as defined in R.C. 4905.03 and public utilities as defined in R.C. 4905.02, and, as such, are subject to the jurisdiction of this Commission.

{¶ 3} Under R.C. 4929.05, a natural gas company may file an application for an alternative rate plan. After an investigation, the Commission shall approve the alternative rate plan if the natural gas company demonstrates and the Commission finds the natural gas company is in compliance with R.C. 4905.35, is in substantial compliance with the policy of the state, as set forth in R.C. 4929.02, and is expected to continue to be in substantial compliance with the policy of the state specified in R.C. 4929.02 after

implementation of the alternative rate plan. The Commission must also find that the alternative rate plan is just and reasonable.

{¶ 4} R.C. 4929.051 provides that an alternative rate plan filed by a natural gas company under R.C. 4929.05 and proposing to initiate or continue a revenue decoupling mechanism shall be considered an application not for an increase in rates if the rates are based upon the billing determinants and revenue requirement authorized by the Commission in the company's most recent rate case proceeding and the plan also establishes, continues, or expands an energy efficiency or energy conservation program.

{¶ 5} On June 16, 2010, the Commission modified and approved the Companies' applications to implement alternative rate plans proposing revenue decoupling mechanisms, pursuant to a joint stipulation and recommendation, including the adoption of demand-side management (DSM) programs and associated DSM riders. The Commission approved the collection of approximately \$80,000 annually per company through the DSM riders, in addition to a contribution of \$10,000 from each company's stockholders annually, for energy efficiency and conservation projects. As approved by the Commission, the Companies' DSM programs initially focused on providing weatherization to the 30 highest-use Percentage of Income Payment Plan customers within their respective service areas. *In re Eastern Natural Gas Co. and Pike Natural Gas Co.*, Case No. 08-940-GA-ALT, et al., Opinion and Order (June 16, 2010).

{¶ 6} On July 26, 2011, Ohio Consumers' Counsel filed notices of withdrawal from these proceedings.

{¶ 7} On May 31, 2017, the Companies filed a motion to suspend the collection of the DSM riders. Eastern and Pike state the DSM programs have been implemented over the last several years; however, expenditures for the weatherization programs have not kept pace with the revenues collected by the Companies through the DSM riders. The Companies, therefore, submit it would be in the public interest to suspend collection of the DSM riders from customers, in order to afford the Commission the opportunity to

evaluate the continuation of the DSM programs or to consider other alternatives. The Companies state they have met with the remaining parties to these proceedings, Ohio Partners for Affordable Energy (OPAE)¹ and Staff, regarding this issue. The Companies propose they work with Staff and OPAE to re-evaluate the DSM programs and consider alternatives. Currently, the DSM rider rate applicable to residential and commercial customers is \$1.03 per month for Eastern customers and \$0.95 per month for Pike customers. Finally, attached to the motion, as Exhibit B, are proposed tariff sheets to suspend the collection of the DSM riders. No memorandum contra the Companies' motion to suspend collection of the DSM riders was filed.

{¶ 8} Upon review, in light of the Companies' representation that collections are outpacing expenditures for the DSM programs, the Commission finds the motion to suspend collection of the Companies' DSM riders to be reasonable and, therefore, the Companies' DSM rider rates should be suspended until the Commission specifically orders otherwise. Accordingly, the proposed tariff sheets, attached to the Companies' motion as Exhibit B, should be approved to be effective with the first billing cycle of the month following the issuance of this Entry.

{¶ 9} In the interim, to assist the Commission with its review of the Companies' DSM programs and consideration of alternatives, the Companies, Staff, and OPAE should meet to discuss and evaluate the Companies' DSM weatherization programs. Further, the Commission directs the parties to file comments and reply comments evaluating the Companies' DSM programs, including recommendations to revise or discontinue the DSM programs, or initiate other energy efficiency or conservation programs. The procedural schedule shall be established as follows:

¹ OPAE is also the administrator of the Companies' weatherization programs.

(a) Comments shall be due by September 15, 2017.

(b) Reply comments shall be due by September 29, 2017.

{¶ 10} After reviewing the comments and reply comments, the Commission will determine the course of action to be taken.

{¶ 11} The Commission directs Eastern and Pike to continue to provide the DSM weatherization programs, as approved, until the Commission specifically orders otherwise.

III. ORDER

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That the Companies' motion to suspend the collection of their DSM riders be granted. It is, further,

{¶ 14} ORDERED, That the Companies' DSM rider rates be suspended until the Commission specifically orders otherwise. It is, further,

{¶ 15} ORDERED, That the Companies be authorized to file tariffs, in final form, suspending the collection of the DSM riders. Eastern and Pike shall file one copy in these case dockets and one copy in their TRF dockets. It is, further,

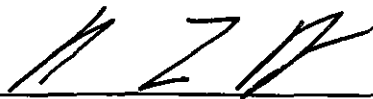
{¶ 16} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

{¶ 17} ORDERED, That the parties comply with the procedural schedule as set forth in Paragraph 9. It is, further,

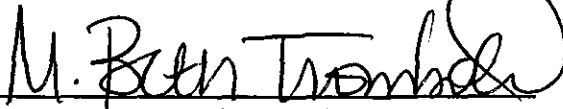
{¶ 18} ORDERED, That Eastern and Pike continue to provide the DSM weatherization programs, as approved, until the Commission specifically orders otherwise. It is, further,

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

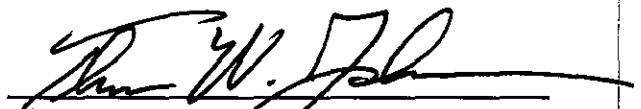
THE PUBLIC UTILITIES COMMISSION OF OHIO



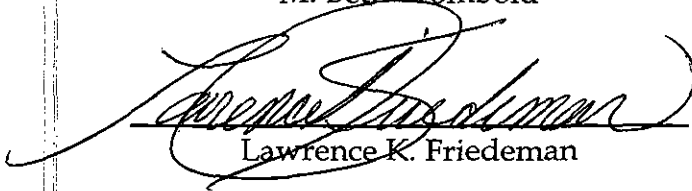
Asim Z. Haque, Chairman



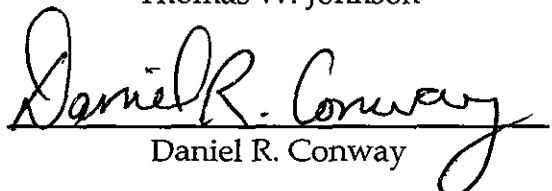
M. Beth Trombold



Thomas W. Johnson



Lawrence K. Friedeman



Daniel R. Conway

GNS/PS/dah

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Barcy F. McNeal
Secretary