

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
OHIO GAS COMPANY FOR APPROVAL OF
AN ALTERNATIVE RATE PLAN.

CASE NO. 19-1354-GA-ALT

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

CASE NO. 19-1355-GA-ATA

ENTRY

Entered in the Journal on August 28, 2019

I. SUMMARY

{¶ 1} The Commission finds, consistent with Staff's recommendation, that Ohio Gas Company's motion for waiver of certain standard filing requirements should be granted. The Commission also establishes the test year for these proceedings.

II. DISCUSSION

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

{¶ 3} Under R.C. 4929.05, a natural gas company may seek approval of an alternative rate plan by filing an application under R.C. 4909.18, regardless of whether the application is for an increase in rates. After an investigation, the Commission shall approve the plan if the natural gas company demonstrates, and the Commission finds, that the 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 that state policy after implementation of the alternative rate plan. The Commission must also find that the alternative rate plan is just and reasonable.

{¶ 4} In Case No. 15-222-GA-AAM, the Commission modified and approved Ohio Gas's application for authority to establish a regulatory asset and defer, for accounting and financial reporting purposes, up to \$925,000, excluding carrying costs, in expenditures

associated with the first phase of the implementation of a geographic information system (GIS). *In re Ohio Gas Co.*, Case No. 15-222-GA-AAM, Finding and Order (July 29, 2015). Consistent with the Commission's approval of Ohio Gas's GIS application, the Company has filed annual reports. In its annual report for 2018, which was filed on May 16, 2019, Ohio Gas states that the total deferred asset, including carrying costs, totals \$910,259.

{¶ 5} In Case No. 17-1139-GA-AIR, et al., the Commission adopted a Joint Stipulation and Recommendation resolving all the issues related to the Company's application to increase its natural gas distribution rates. However, the rate case did not include recovery for amounts deferred as part of the GIS application. *In re Ohio Gas Co.*, Case No. 17-1139-GA-AIR, et al., Opinion and Order (Feb. 21, 2018).

{¶ 6} Under Ohio Adm.Code 4901:1-19-06(C), an alternative rate plan application that is for an increase in rates must include the exhibits described in R.C. 4909.18(A) through (D) and the standard filing requirements (SFRs) prescribed in Ohio Adm.Code 4901-7-01, unless otherwise waived pursuant to Ohio Adm.Code 4901:1-19-02(D).

{¶ 7} On July 1, 2019, in the above-captioned cases, Ohio Gas filed a notice of intent to file an application for approval of an alternative rate plan, including exhibits, pursuant to R.C. 4929.05 and 4909.18. Ohio Gas seeks to initiate a charge to amortize the deferred costs associated with the implementation of its GIS, over a two-year period, plus an additional billing period for under- or over-collections. As calculated by the Company, the customer charge would be no more than \$0.86 per bill per month.

{¶ 8} Concurrently with the notice, Ohio Gas filed a motion seeking the establishment of a test period and a waiver of certain filing requirements. Ohio Gas seeks to establish the 12-month period from January 1, 2019, to December 31, 2019, as the test year for these proceedings. Ohio Gas also seeks a waiver from certain exhibits required pursuant to R.C. 4909.18(A) through (D), as well as certain provisions of the SFRs at Ohio Adm.Code 4901-7-01. Ohio Gas asserts that, as a result of the narrow scope of the current application

and the recently completed extensive audit conducted as part of its rate case, the Company seeks a waiver of certain exhibits required by R.C. 4909.18 and the SFRs. In its motion for waiver, Ohio Gas states that the Company plans to normalize its actual expenses and revenues and provide its budgeted expenses and revenues for the balance of the test year on Schedules C-2 and C-2.1. Ohio Gas commits to file supporting testimony, the alternative rate plan, and a detailed discussion of cross-subsidization issues, how the application is in compliance with R.C. 4905.35 and 4929.02, and the reasonableness of the plan. Ohio Gas also commits to filing the tariff sheets (Schedules E-1, E-2, and E-3 of the SFRs), the bill impact statement (Schedule E-5), and the proposed newspaper notice (Schedule S-3).

{¶ 9} However, Ohio Gas seeks a waiver of the remaining schedules and the establishment of a date certain. The Company reasons that the information sought by the remaining schedules and exhibits was previously provided in its rate case and contends the information sought would not provide relevant information to determine the proper charge for amortizing the GIS related expenses. In regard to establishing a date certain, pursuant to SFR Chapter 1(B)(1)(a)(iii), Ohio Gas states there is no need to establish a rate base determination in these proceedings, as all the amounts deferred are expenses and the filing would have no effect on the rate base currently used to determine base distribution rates. Additionally, Ohio Gas seeks a waiver of certain S Schedules of the SFRs, which relate to five-year capital expenditures and forecasts (Schedules S-1 and S-2), corporate processes (Schedule S-4.1), and management practices (Schedule S-4.2). Except for the newspaper notice, Ohio Gas asserts the remaining schedules would not provide information relevant to the proper level of the charge for which the Company seeks approval. For the same reason, Ohio Gas seeks a waiver of the requirement to provide supplemental information, as required by Chapter II (C), except the information required by sections (C)(6) and (C)(9), which is relevant to the proposed charge.

{¶ 10} In regard to the remaining schedules of the SFRs, Ohio Gas seeks a waiver of the requirement to provide the information required pursuant to Schedules A through E,

except as discussed above, on the basis that the information sought was recently provided and fully audited in the Company's rate case, and base rates would not be affected by the pending application. Further, Ohio Gas reasons its request for waiver of the remaining filing requirements is warranted for the following reasons. First, Ohio Gas asserts its application for a rider is similar to riders approved under an electric security plan and the Commission and Staff have reviewed applications seeking to approve such riders without requiring a detailed base rate review. In such instances, Ohio Gas proclaims that the Commission and Staff have conducted an audit to assess the reasonableness of the proposed rider charge. Second, Ohio Gas declares that, under R.C. 4903.03, Staff has tools available to it through its investigative authority to seek additional information if the need arises. Third, Ohio Gas states that none of the exhibits for which the Company seeks a waiver is necessary for the review of the application, which seeks to amortize expenses that have been deferred.

{¶ 11} On July 22, 2019, Staff filed its review and recommendation regarding Ohio Gas's motion for waiver of certain SFR and the exhibits required by R.C. 4909.18(A) through (D). After review of the Company's motion for waiver, Staff finds the waiver request to be reasonable and recommends that the request for waivers be granted. However, Staff reserves the right to request additional information in the course of its investigation, if Staff deems it necessary.

{¶ 12} Upon review of Ohio Gas's motion and Staff's review and recommendation, the Commission finds, consistent with Staff's recommendation, that the Company's motion for waiver should be granted. The Commission notes that our granting of the requested waiver does not preclude Staff from obtaining any information waived through formal data requests, if such information is subsequently deemed necessary to complete Staff's investigation effectively and efficiently. Further, with respect to Ohio Gas's request that the Commission establish the test year as proposed by the Company, the Commission finds that the request is reasonable and should be approved.

III. ORDER

{¶ 13} It is, therefore,

{¶ 14} ORDERED, That Ohio Gas's motion for waiver be granted, consistent with Staff's recommendation. It is, further,

{¶ 15} ORDERED, That the test period in this matter shall be the 12 months beginning January 1, 2019, and ending December 31, 2019. It is, further,

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

COMMISSIONERS:

Approving:

Sam Randazzo, Chairman
M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

GNS/hac

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Case No(s). 19-1354-GA-ALT, 19-1355-GA-ATA

Summary: Entry that the Commission finds, consistent with Staff's recommendation, that Ohio Gas Company's motion for waiver of certain standard filing requirements should be granted. The Commission also establishes the test year for these proceedings. electronically filed by Docketing Staff on behalf of Docketing