

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio)
Gas Company for Approval to Establish) Case No. 20-1262-GA-IDR
an Infrastructure Development Rider.)

In the Matter of the Application of)
Ohio Gas Company for Authority to) Case No. 20-1263-GA-ATA
Revise its Tariffs.)

*** * * EXPEDITED TREATMENT REQUESTED * * ***

1. APPLICANT RESPECTFULLY PROPOSES:

<input checked="" type="checkbox"/> New Service	<input checked="" type="checkbox"/> Change in Rule/Regulation
<input type="checkbox"/> New Classification	<input type="checkbox"/> Reduction in Rates
<input type="checkbox"/> Change in Classification	<input type="checkbox"/> Correction of Error
<input checked="" type="checkbox"/> Other, not involving increase in rates	

2. DESCRIPTION OF PROPOSAL:

In accordance with R.C. 4929.161 and Ohio Admin. Code 4901:1-43-04, Ohio Gas Company ("Ohio Gas") seeks approval to adopt a new Infrastructure Development Rider ("IDR") as part of its tariff. The IDR is authorized by statute and is designed to recover infrastructure development costs, as defined by R.C. 4929.16, associated with economic development projects that may later be approved under R.C. 4929.163. Ohio Gas also proposes a revision to its tariff to address transmission or distribution facility extensions funded by the IDR.

Ohio Gas also proposes several non-substantive revisions to its rate schedules to reflect the applicability of the IDR. Ohio Gas also provides updates to the tariff index.

Finally, Ohio Gas proposes to adjust its main extension deposit refund window to 7 years to mirror the proposed IDR refund mechanics.

3. TARIFFS AFFECTED:

New tariff sheet:

- Infrastructure Development Rider (“IDR”), Sheet No. 16

Existing tariff sheets:

- Physical Property Rules and Regulations, “Extension of Gas Distribution Mains,” Sheet No. 7, Pages 3-5 of 7
- Physical Property Rules and Regulations, “Extension of Service Lines,” Sheet No. 7, Pages 5-6 of 7
- Tariff Sheet Index, Sheet No. 1, Page 3
- General Service, Sheet No. 9
- Transportation Service, Sheet No. 10, Page 5 of 10

4. Attached hereto and made a part hereof are:

 X **Exhibit A** – Existing schedule sheets (to be superseded) if applicable.

 X **Exhibit B** – Proposed schedule sheets.

 X **Exhibit B-1** – Redlined tariff sheets showing changes to existing tariffs.

 X **Exhibit C-1**

- a. If new service is proposed, describe;
- b. If new equipment is involved, describe (preferably with a picture, brochure, etc.) and, where appropriate, provide a statement distinguishing proposed service from existing services;
- c. If proposed service results from customers request, so state giving, if available, the number of customers requesting proposed service.

 X **Exhibit C-2** – If a change of classification, rule or regulation is proposed, a statement explaining reason for change.

 Exhibit C-3 – Statement explaining reason for any proposal not covered in exhibits C-1 or C-2.

5. This application will not result in an increase in any rate, joint rate, toll, classification, charge or rental.

Dated: July 9, 2020

Respectfully submitted,

/s/ Matthew R. Pritchard

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(Counsel of Record)

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(Counsel willing to accept service by email)

ATTORNEYS FOR OHIO GAS COMPANY

EXHIBIT A
Existing Tariff Sheets to be Superseded

P.U.C.O. No. 2
Tariff for Gas Service

	Sheet Number
Base Rate	9
Riders	9
Recovery of Includable Cost of Gas Supplies	9
Transportation Service Rate Schedule	
Definitions	10
Applicability	10
Term	10
Capacity	10
Unaccounted-for Gas	10
Transportation Rates	10
Imbalances	10
Title to Gas	10
Best Efforts Monthly Balancing Service	10
Record Keeping and Meter Reading	10
Quality	10
General Terms and Conditions	10
Section V (Riders)	
Gross Receipts Excise Tax Rider	11
Percentage of Income Payment Plan Rider	12
Uncollectible Expense Rider	13
Uniform Purchased Gas Adjustment Rider	14
Geographical Information System Cost Recovery Rider	15

Issued: December 19, 2019

Effective: January 1, 2020

Filed Under Authority of Case No. 19-1354-GA-ALT

Issued by Cinthia Reed, President
Bryan, Ohio

P.U.C.O. No. 2
Tariff for Gas Service

risk of recovery, the Company may require different arrangements as a condition of such main extension. The required payment(s) shall be determined as follows:

1. The one-time deposit shall equal the estimated construction cost, net of the applicable entitlement extension footage for each permanent Customer initially connected to the main extension.
2. Where the Applicant has elected the monthly payment option, said monthly payment shall be billed to the Applicant or subsequent Customers at the same premises for the shorter of a period of five (5) years or until the cost of the main extension is included in the rates and charges for service and shall be considered part of the utility bill subject to disconnection of service for nonpayment. The monthly payment shall equal that amount needed to compensate the Company for the embedded cost of service associated with the main extension. Such cost of service shall include operation and maintenance expenses, including taxes, depreciation, and return on rate base reflected in the current rates on the construction cost, net of the applicable entitlement extension footage. The monthly payment amount shall be determined by an economic feasibility study based on recovery of the embedded cost of service of the main extension and related facilities. The Company shall retain for the duration of the payment period the economic feasibility study setting forth the embedded cost of service and provide it to the Customer(s) upon request.

Where a one-time deposit is received by the Company pursuant to a main extension agreement, said deposit shall be subject to refund within a period of ten (10) years from the date of the main extension agreement if additional Customers tap into the main extension paid for by such Customer(s). The amount of refund shall equal the difference between the amount deposited and the amount that would have been required to be deposited had the additional Customer agreed to take supply of gas from the Company under its applicable rates at the time the main extension agreement was entered into. In no event shall the amount of a refund of a one-time main extension deposit exceed the amount deposited. No refund of a one-time main extension deposit shall be made after ten (10) years from the date of the main extension agreement and such deposit shall, over such period, become the property of the Company. One-time main extension deposits shall bear no interest. No reimbursement applies to the further extensions or lateral extensions of the main.

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P.U.C.O. No. 2
Tariff for Gas Service

Where the Applicant has elected the monthly payment option, the Company shall credit such monthly payment commencing when each additional Customer connects to the main extension. Such credit shall be the embedded cost of service associated with the 100-foot entitlement of each additional Customer using the methodology consistent to the original monthly payment calculation. In no case shall the monthly credit for additional Customers exceed the initial monthly payment. No reimbursement applies to the further extensions or lateral extensions of the main.

The Company shall not be required to make any extension of its mains during the months of December, January, February, and March of any year.

EXTENSIONS OF SERVICE LINES

The Company shall not be required to lay service lines across paved streets or highways or lay any service lines during the months of December, January, February and March of any year.

The Company may enter into a service line extension agreement with the Applicant or Applicants providing for the recovery of such amount, as the Company deems adequate to install that portion of the service line required to furnish gas service to the Applicant. The Applicant shall be responsible for the entire cost of any service line required to furnish gas service on the Applicant's premises. All service lines shall remain the property of the Company and the Company shall have the right of access to said service lines for repairs, maintenance, leak surveys, replacement, and other reasonable purposes.

The Company shall have the option of offering the Customer one of two methods of payment for service line extensions: (a) a lump sum payment; or (b) a monthly payment. The monthly payment option shall be for up to three (3) years. Where the Customer has agreed to the monthly payment offered by the Company, the monthly payment shall be billed to the Applicant for a period of up to three (3) years and shall be considered part of the utility bill subject to disconnection of service for nonpayment. The agreement covering the service line extension must be signed by the owner of the premises to be served. If the Applicant has agreed to the monthly payment option offered by the Company, the agreement shall require the Applicant to be responsible for the balance due upon transfer of ownership of the premises.

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P.U.C.O. No. 2
Tariff for Gas Service

In addition to the cost of the service line, the Company may require the Applicant to provide a deposit with the Company of the Applicant's share of a main extension if the Company determines:

1. The service line requested by the Applicant is to be connected to a main extension that the Company installed that was the subject of a main extension agreement with a current Consumer or its successor;
2. The Applicant previously refused to enter into a main extension agreement related to the main extension to which the service line will be attached; and
3. The Applicant's request for a service line is received by the Company within ten (10) years of the completion of the main extension to which the Applicant is seeking to connect a service line.

The Applicant's deposit shall be the amount that the Applicant would have deposited with the Company for the main extension if the Applicant had agreed to a main extension agreement at the time the Applicant previously refused to enter into the main extension agreement. The Company and Applicant shall comply with all terms and conditions otherwise applicable to an extension of a gas distribution main, except that the period that the deposit is subject to refund shall extend to a date no later than the date applicable to the first deposit the Company received related to the main extension.

REMOVAL OF PROPERTY NO LONGER IN SERVICE

In instances in which the Company's pipes or other property are no longer in service, the Company shall have the right, but not the obligation, to enter the property of non-Customers to remove the Company's non-operational pipes or other property located on the non-Customer's property.

SPECIAL SERVICE

If a municipality (unless otherwise provided for in a franchise agreement) or other public authority, that possesses the requisite authority, requires the Company to relocate its pipes or other property in a right-of-way, that municipality or public authority shall be responsible for the Company's actual costs in relocating such pipes or other property.

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P.U.C.O. No. 2
Tariff for Gas Service

If a municipality (unless otherwise provided for in a franchise agreement) or other public authority, that possesses the requisite authority, requires the Company to construct its pipes or other property in a manner that differs from the Company's common practices, that municipality or public authority shall be responsible for the incremental costs, if any, incurred by the Company as a result of the specially required installation.

In all other circumstances, if an entity requests the Company to relocate any of its pipes or other property or construct its pipes or other property in a manner that differs from the Company's common practices, the Company may, in its sole discretion, agree to relocate its pipes or other property or alter its common construction practice(s) on the condition that the entity agrees to pay the Company's actual costs associated with the relocation or alteration of practices.

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P.U.C.O. No. 2
Tariff for Gas Service

GENERAL SERVICE

To any residential, commercial or industrial customer for general service, manufacturing, processing and/or building heating and/or cooling at any one location subject to any governmental restrictions which may affect the Company's ability to provide new or additional gas service. Service under this rate schedule is subject to the Rules and Regulations in this tariff (Sheet Nos. 3 to 8)

DISTRIBUTION RATE

The distribution rate under this schedule includes the base rates and rider rates provided or referenced below.

BASE RATE

Customer Charge	\$9.08 per month
For the first 10,000 Ccf used per month	\$0.15443 per Ccf
For all Ccf used over 10,000 Ccf per month	\$0.09518 per Ccf

RIDERS

Service under this rate schedule is subject to the following riders: Gross Receipts Excise Tax Rider (Sheet No. 11); Percentage of Income Payment Plan Rider (Sheet No. 12); Uncollectible Expense Rider (Sheet No. 13); and GIS Rider (Sheet No. 15).

RECOVERY OF INCLUDABLE COST OF GAS SUPPLIES

Pursuant to Chapter 4901:1-14, Ohio Administrative Code, and by the terms of this tariff, the total rate charges under this schedule consists of the distribution rate plus the appropriate gas cost recovery rate specified in the Uniform Purchased Gas Adjustment Rider (Sheet No. 14).

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P.U.C.O. No. 2

Tariff for Gas Service

Customer's supply for redelivery for the Customer's consumption of all volumes in excess of the Customer's firm capacity shall be best efforts.

UNACCOUNTED-FOR GAS ("UFG")

Unless otherwise agreed, the Customer shall have the right to retain, pursuant to this schedule, 100% of the gas delivered to the Company, less the average system-wide UFG percentage.

TRANSPORTATION RATES

The rates and charges for transportation services will be as follows:

Base Rates. Firm and interruptible service base rates shall not exceed the amounts specified below as adjusted to reflect the effect of all riders and other applicable charges. For Customers electing transportation service on and after December 31, 1996, the base rates may be adjusted by the Company to permit the Company to recover the Customer's or the Customer Group's appropriate share of unavoidable gas supply-related costs incurred by the Company to meet the requirements of the Customer or the Customer Group as those requirements would otherwise exist but for the election. The Company shall attempt to reduce and eliminate such unavoidable costs provided that such efforts do not place its other customers at an economic or service disadvantage. Base rates, at the Redelivery Point, for service before adjustment for unavoidable gas supply-related costs and applicable riders are as follows:

Customer Charge: \$9.08 per Redelivery Point per month
For the first 10,000 Ccf per month \$0.15443 per Ccf per month
For all Ccf over 10,000 per month \$0.09518 per Ccf per month

Riders. The base rates shall be subject to the following riders: Gross Receipts Excise Tax Rider (Sheet No. 11); Percentage of Income Payment Plan Rider (Sheet No. 12); Uncollectible Expense Rider (Sheet No. 13); and GIS Rider (Sheet No. 15). Service under this rate schedule is also subject to the Rules and Regulations in this tariff (Sheet Nos. 3 to 8).

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Bryan, Ohio

EXHIBIT B
Proposed Tariff Sheets

New Tariff

INFRASTRUCTURE DEVELOPMENT RIDER (“IDR”)

In addition to all other rates and charges applicable to service provided under the General Service rate schedule (Sheet No. 9) or the Transportation Service rate schedule (Sheet No. 10), Customers receiving service pursuant to said rates shall pay an additional amount per month, regardless of gas consumed, to recover costs associated with Commission-approved economic development projects.

The monthly charge shall be \$0.00 per account. The IDR is subject to reconciliation or adjustments, including but not limited to increases or refunds. Such reconciliation or adjustment shall be limited to the 12-month period of expenditures subject to annual review and audit by the Commission. The IDR may include Customer refunds if the Commission or Supreme Court of Ohio determines, as a result of an audit, that the IDR was unlawful or unreasonable or included imprudent amounts.

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Existing Tariffs

OHIO GAS COMPANY Second Revised Sheet No. 1
Replaces First Sheet No. 1 Page 3 of 3
Page 3 of 3

P.U.C.O. No. 2
Tariff for Gas Service

	Sheet Number
Base Rate	9
Riders	9
Recovery of Includable Cost of Gas Supplies	9
 Transportation Service Rate Schedule	
Definitions	10
Applicability	10
Term	10
Capacity	10
Unaccounted-for Gas	10
Transportation Rates	10
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Title to Gas	10
Best Efforts Monthly Balancing Service	10
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 Section V (Riders)	
Gross Receipts Excise Tax Rider	11
Percentage of Income Payment Plan Rider	12
Uncollectible Expense Rider	13
Uniform Purchased Gas Adjustment Rider	14
Geographical Information System Cost Recovery Rider	15
Infrastructure Development Rider	16

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P.U.C.O. No. 2
Tariff for Gas Service

risk of recovery, the Company may require different arrangements as a condition of such main extension. The required payment(s) shall be determined as follows:

1. The one-time deposit shall equal the estimated construction cost, net of the applicable entitlement extension footage for each permanent Customer initially connected to the main extension.

2. Where the Applicant has elected the monthly payment option, said monthly payment shall be billed to the Applicant or subsequent Customers at the same premises for the shorter of a period of five (5) years or until the cost of the main extension is included in the rates and charges for service and shall be considered part of the utility bill subject to disconnection of service for nonpayment. The monthly payment shall equal that amount needed to compensate the Company for the embedded cost of service associated with the main extension. Such cost of service shall include operation and maintenance expenses, including taxes, depreciation, and return on rate base reflected in the current rates on the construction cost, net of the applicable entitlement extension footage. The monthly payment amount shall be determined by an economic feasibility study based on recovery of the embedded cost of service of the main extension and related facilities. The Company shall retain for the duration of the payment period the economic feasibility study setting forth the embedded cost of service and provide it to the Customer(s) upon request.

Where a one-time deposit is received by the Company pursuant to a main extension agreement, said deposit shall be subject to refund within a period of seven (7) years from the date of the main extension agreement if additional Customers tap into the main extension paid for by such Customer(s). The amount of refund shall equal the difference between the amount deposited and the amount that would have been required to be deposited had the additional Customer agreed to take supply of gas from the Company under its applicable rates at the time the main extension agreement was entered into. In no event shall the amount of a refund of a one-time main extension deposit exceed the amount deposited. No refund of a one-time main extension deposit shall be made after seven (7) years from the date of the main extension agreement and such deposit shall, over such period, become the property of the Company. One-time main extension deposits shall bear no interest. No reimbursement applies to the further extensions or lateral extensions of the main.

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Bryan, Ohio

P.U.C.O. No. 2
Tariff for Gas Service

Where the Applicant has elected the monthly payment option, the Company shall credit such monthly payment commencing when each additional Customer connects to the main extension. Such credit shall be the embedded cost of service associated with the 100-foot entitlement of each additional Customer using the methodology consistent to the original monthly payment calculation. In no case shall the monthly credit for additional Customers exceed the initial monthly payment. No reimbursement applies to the further extensions or lateral extensions of the main.

If a main is extended or upgraded in connection with an economic development project approved by the Public Utilities Commission of Ohio under R.C. 4929.163, any deposit required may be funded, in whole or in part, by funds recovered through Ohio Gas’s Infrastructure Development Rider (“IDR”). If an IDR-funded economic development project enables Ohio Gas to serve additional new customers who require capacity from the extended facilities, and whose consumption was not taken into account in establishing the initial IDR funding, Ohio Gas will for a period of 7 years from approval of the economic development project credit incremental revenue from those customers to amounts being recovered through the IDR by way of a subsequent rate adjustment. Incremental revenues shall comprise revenues that are in excess of the revenue needed to cover the costs of incremental depreciation expense, property and other tax expenses, operating and maintenance expense, as well as a pre-tax return on rate base for any capital investment required to serve such incremental load. Incremental revenues shall be credited to the IDR up until the amount that the credit to the IDR equals that portion of the project costs previously recovered through the IDR.

The Company shall not be required to make any extension of its mains during the months of December, January, February, and March of any year.

EXTENSIONS OF SERVICE LINES

The Company shall not be required to lay service lines across paved streets or highways or lay any service lines during the months of December, January, February and March of any year.

The Company may enter into a service line extension agreement with the Applicant or Applicants providing for the recovery of such amount, as the Company deems adequate to install that portion of the service line required to furnish gas service to the Applicant. The Applicant shall be responsible for the entire cost of any service line required to furnish gas service on the Applicant’s premises. All service lines shall remain the property of the

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Bryan, Ohio

P.U.C.O. No. 2
Tariff for Gas Service

Company and the Company shall have the right of access to said service lines for repairs, maintenance, leak surveys, replacement, and other reasonable purposes.

The Company shall have the option of offering the Customer one of two methods of payment for service line extensions: (a) a lump sum payment; or (b) a monthly payment. The monthly payment option shall be for up to three (3) years. Where the Customer has agreed to the monthly payment offered by the Company, the monthly payment shall be billed to the Applicant for a period of up to three (3) years and shall be considered part of the utility bill subject to disconnection of service for nonpayment. The agreement covering the service line extension must be signed by the owner of the premises to be served. If the Applicant has agreed to the monthly payment option offered by the Company, the agreement shall require the Applicant to be responsible for the balance due upon transfer of ownership of the premises.

In addition to the cost of the service line, and subject to the conditions regarding deposits collected through the IDR for main extensions or upgrades in connection with Commission-approved economic development projects under R.C. 4929.163, the Company may require the Applicant to provide a deposit with the Company of the Applicant's share of a main extension if the Company determines:

1. The service line requested by the Applicant is to be connected to a main extension that the Company installed that was the subject of a main extension agreement with a current Consumer or its successor;
2. The Applicant previously refused to enter into a main extension agreement related to the main extension to which the service line will be attached; and
3. The Applicant's request for a service line is received by the Company within seven (7) years of the completion of the main extension to which the Applicant is seeking to connect a service line.

The Applicant's deposit shall be the amount that the Applicant would have deposited with the Company for the main extension if the Applicant had agreed to a main extension agreement at the time the Applicant previously refused to enter into the main extension agreement. The Company and Applicant shall comply with all terms and conditions otherwise applicable to an extension of a gas distribution main, except that the period that the deposit is subject to refund shall extend to a date no later than the date applicable to the first deposit the Company received related to the main extension.

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Bryan, Ohio

P.U.C.O. No. 2
Tariff for Gas Service

REMOVAL OF PROPERTY NO LONGER IN SERVICE

In instances in which the Company's pipes or other property are no longer in service, the Company shall have the right, but not the obligation, to enter the property of non-Customers to remove the Company's non-operational pipes or other property located on the non-Customer's property.

SPECIAL SERVICE

If a municipality (unless otherwise provided for in a franchise agreement) or other public authority, that possesses the requisite authority, requires the Company to relocate its pipes or other property in a right-of-way, that municipality or public authority shall be responsible for the Company's actual costs in relocating such pipes or other property.

If a municipality (unless otherwise provided for in a franchise agreement) or other public authority, that possesses the requisite authority, requires the Company to construct its pipes or other property in a manner that differs from the Company's common practices, that municipality or public authority shall be responsible for the incremental costs, if any, incurred by the Company as a result of the specially required installation.

In all other circumstances, if an entity requests the Company to relocate any of its pipes or other property or construct its pipes or other property in a manner that differs from the Company's common practices, the Company may, in its sole discretion, agree to relocate its pipes or other property or alter its common construction practice(s) on the condition that the entity agrees to pay the Company's actual costs associated with the relocation or alteration of practices.

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P.U.C.O. No. 2
Tariff for Gas Service

GENERAL SERVICE

To any residential, commercial or industrial customer for general service, manufacturing, processing and/or building heating and/or cooling at any one location subject to any governmental restrictions which may affect the Company's ability to provide new or additional gas service. Service under this rate schedule is subject to the Rules and Regulations in this tariff (Sheet Nos. 3 to 8)

DISTRIBUTION RATE

The distribution rate under this schedule includes the base rates and rider rates provided or referenced below.

BASE RATE

Customer Charge	\$9.08 per month
For the first 10,000 Ccf used per month	\$0.15443 per Ccf
For all Ccf used over 10,000 Ccf per month	\$0.09518 per Ccf

RIDERS

Service under this rate schedule is subject to the following riders: Gross Receipts Excise Tax Rider (Sheet No. 11); Percentage of Income Payment Plan Rider (Sheet No. 12); Uncollectible Expense Rider (Sheet No. 13); GIS Rider (Sheet No. 15); and Infrastructure Development Rider (Sheet No. 16).

RECOVERY OF INCLUDABLE COST OF GAS SUPPLIES

Pursuant to Chapter 4901:1-14, Ohio Administrative Code, and by the terms of this tariff, the total rate charges under this schedule consists of the distribution rate plus the appropriate gas cost recovery rate specified in the Uniform Purchased Gas Adjustment Rider (Sheet No. 14).

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Tariff for Gas Service

Customer's supply for redelivery for the Customer's consumption of all volumes in excess of the Customer's firm capacity shall be best efforts.

UNACCOUNTED-FOR GAS ("UFG")

Unless otherwise agreed, the Customer shall have the right to retain, pursuant to this schedule, 100% of the gas delivered to the Company, less the average system-wide UFG percentage.

TRANSPORTATION RATES

The rates and charges for transportation services will be as follows:

Base Rates. Firm and interruptible service base rates shall not exceed the amounts specified below as adjusted to reflect the effect of all riders and other applicable charges. For Customers electing transportation service on and after December 31, 1996, the base rates may be adjusted by the Company to permit the Company to recover the Customer's or the Customer Group's appropriate share of unavoidable gas supply-related costs incurred by the Company to meet the requirements of the Customer or the Customer Group as those requirements would otherwise exist but for the election. The Company shall attempt to reduce and eliminate such unavoidable costs provided that such efforts do not place its other customers at an economic or service disadvantage. Base rates, at the Redelivery Point, for service before adjustment for unavoidable gas supply-related costs and applicable riders are as follows:

Customer Charge: \$9.08 per Redelivery Point per month
For the first 10,000 Ccf per month \$0.15443 per Ccf per month
For all Ccf over 10,000 per month \$0.09518 per Ccf per month

Riders. The base rates shall be subject to the following riders: Gross Receipts Excise Tax Rider (Sheet No. 11); Percentage of Income Payment Plan Rider (Sheet No. 12); Uncollectible Expense Rider (Sheet No. 13); GIS Rider (Sheet No. 15); and Infrastructure Development Rider (Sheet No. 16). Service under this rate schedule is also subject to the Rules and Regulations in this tariff (Sheet Nos. 3 to 8).

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EXHIBIT B-1
Redlined tariff sheets
showing changes to
existing tariffs

New Tariff

Existing Tariffs

Deleted: First
Deleted: Original

P.U.C.O. No. 2
Tariff for Gas Service

	Sheet Number
Base Rate	9
Riders	9
Recovery of Includable Cost of Gas Supplies	9
Transportation Service Rate Schedule	
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Transportation Rates	10
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Best Efforts Monthly Balancing Service	10
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Geographical Information System Cost Recovery Rider	15
<u>Infrastructure Development Rider</u>	<u>16</u>

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Deleted: January 1
Deleted: 19-1354
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Tariff for Gas Service

risk of recovery, the Company may require different arrangements as a condition of such main extension. The required payment(s) shall be determined as follows:

1. The one-time deposit shall equal the estimated construction cost, net of the applicable entitlement extension footage for each permanent Customer initially connected to the main extension.
2. Where the Applicant has elected the monthly payment option, said monthly payment shall be billed to the Applicant or subsequent Customers at the same premises for the shorter of a period of five (5) years or until the cost of the main extension is included in the rates and charges for service and shall be considered part of the utility bill subject to disconnection of service for nonpayment. The monthly payment shall equal that amount needed to compensate the Company for the embedded cost of service associated with the main extension. Such cost of service shall include operation and maintenance expenses, including taxes, depreciation, and return on rate base reflected in the current rates on the construction cost, net of the applicable entitlement extension footage. The monthly payment amount shall be determined by an economic feasibility study based on recovery of the embedded cost of service of the main extension and related facilities. The Company shall retain for the duration of the payment period the economic feasibility study setting forth the embedded cost of service and provide it to the Customer(s) upon request.

Where a one-time deposit is received by the Company pursuant to a main extension agreement, said deposit shall be subject to refund within a period of seven, (7) years from the date of the main extension agreement if additional Customers tap into the main extension paid for by such Customer(s). The amount of refund shall equal the difference between the amount deposited and the amount that would have been required to be deposited had the additional Customer agreed to take supply of gas from the Company under its applicable rates at the time the main extension agreement was entered into. In no event shall the amount of a refund of a one-time main extension deposit exceed the amount deposited. No refund of a one-time main extension deposit shall be made after seven, (7) years from the date of the main extension agreement and such deposit shall, over such period, become the property of the Company. One-time main extension deposits shall bear no interest. No reimbursement applies to the further extensions or lateral extensions of the main.

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Tariff for Gas Service

Where the Applicant has elected the monthly payment option, the Company shall credit such monthly payment commencing when each additional Customer connects to the main extension. Such credit shall be the embedded cost of service associated with the 100-foot entitlement of each additional Customer using the methodology consistent to the original monthly payment calculation. In no case shall the monthly credit for additional Customers exceed the initial monthly payment. No reimbursement applies to the further extensions or lateral extensions of the main.

If a main is extended or upgraded in connection with an economic development project approved by the Public Utilities Commission of Ohio under R.C. 4929.163, any deposit required may be funded, in whole or in part, by funds recovered through Ohio Gas's Infrastructure Development Rider ("IDR"). If an IDR-funded economic development project enables Ohio Gas to serve additional new customers who require capacity from the extended facilities, and whose consumption was not taken into account in establishing the initial IDR funding, Ohio Gas will for a period of 7 years from approval of the economic development project credit incremental revenue from those customers to amounts being recovered through the IDR by way of a subsequent rate adjustment. Incremental revenues shall comprise revenues that are in excess of the revenue needed to cover the costs of incremental depreciation expense, property and other tax expenses, operating and maintenance expense, as well as a pre-tax return on rate base for any capital investment required to serve such incremental load. Incremental revenues shall be credited to the IDR up until the amount that the credit to the IDR equals that portion of the project costs previously recovered through the IDR.

The Company shall not be required to make any extension of it is mains during the months of December, January, February, and March of any year.

EXTENSIONS OF SERVICE LINES

The Company shall not be required to lay service lines across paved streets or highways or lay any service lines during the months of December, January, February and March of any year.

The Company may enter into a service line extension agreement with the Applicant or Applicants providing for the recovery of such amount, as the Company deems adequate to install that portion of the service line required to furnish gas service to the Applicant. The Applicant shall be responsible for the entire cost of any service line required to furnish gas service on the Applicant's premises. All service lines shall remain the property of the

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Tariff for Gas Service

Company and the Company shall have the right of access to said service lines for repairs, maintenance, leak surveys, replacement, and other reasonable purposes.

The Company shall have the option of offering the Customer one of two methods of payment for service line extensions: (a) a lump sum payment; or (b) a monthly payment. The monthly payment option shall be for up to three (3) years. Where the Customer has agreed to the monthly payment offered by the Company, the monthly payment shall be billed to the Applicant for a period of up to three (3) years and shall be considered part of the utility bill subject to disconnection of service for nonpayment. The agreement covering the service line extension must be signed by the owner of the premises to be served. If the Applicant has agreed to the monthly payment option offered by the Company, the agreement shall require the Applicant to be responsible for the balance due upon transfer of ownership of the premises.

In addition to the cost of the service line, and subject to the conditions regarding deposits collected through the IDR for main extensions or upgrades in connection with Commission-approved economic development projects under R.C. 4929.163, the Company may require the Applicant to provide a deposit with the Company of the Applicant's share of a main extension if the Company determines:

1. The service line requested by the Applicant is to be connected to a main extension that the Company installed that was the subject of a main extension agreement with a current Consumer or its successor;
2. The Applicant previously refused to enter into a main extension agreement related to the main extension to which the service line will be attached; and
3. The Applicant's request for a service line is received by the Company within seven (7) years of the completion of the main extension to which the Applicant is seeking to connect a service line.

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The Applicant's deposit shall be the amount that the Applicant would have deposited with the Company for the main extension if the Applicant had agreed to a main extension agreement at the time the Applicant previously refused to enter into the main extension agreement. The Company and Applicant shall comply with all terms and conditions otherwise applicable to an extension of a gas distribution main, except that the period that the deposit is subject to refund shall extend to a date no later than the date applicable to the first deposit the Company received related to the main extension.

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Tariff for Gas Service

REMOVAL OF PROPERTY NO LONGER IN SERVICE

In instances in which the Company's pipes or other property are no longer in service, the Company shall have the right, but not the obligation, to enter the property of non-Customers to remove the Company's non-operational pipes or other property located on the non-Customer's property.

SPECIAL SERVICE

If a municipality (unless otherwise provided for in a franchise agreement) or other public authority, that possesses the requisite authority, requires the Company to relocate its pipes or other property in a right-of-way, that municipality or public authority shall be responsible for the Company's actual costs in relocating such pipes or other property.

If a municipality (unless otherwise provided for in a franchise agreement) or other public authority, that possesses the requisite authority, requires the Company to construct its pipes or other property in a manner that differs from the Company's common practices, that municipality or public authority shall be responsible for the incremental costs, if any, incurred by the Company as a result of the specially required installation.

In all other circumstances, if an entity requests the Company to relocate any of its pipes or other property or construct its pipes or other property in a manner that differs from the Company's common practices, the Company may, in its sole discretion, agree to relocate its pipes or other property or alter its common construction practice(s) on the condition that the entity agrees to pay the Company's actual costs associated with the relocation or alteration of practices.

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Tariff for Gas Service

GENERAL SERVICE

To any residential, commercial or industrial customer for general service, manufacturing, processing and/or building heating and/or cooling at any one location subject to any governmental restrictions which may affect the Company's ability to provide new or additional gas service. Service under this rate schedule is subject to the Rules and Regulations in this tariff (Sheet Nos. 3 to 8)

DISTRIBUTION RATE

The distribution rate under this schedule includes the base rates and rider rates provided or referenced below.

BASE RATE

Customer Charge	\$9.08 per month
For the first 10,000 Ccf used per month	\$0.15443 per Ccf
For all Ccf used over 10,000 Ccf per month	\$0.09518 per Ccf

RIDERS

Service under this rate schedule is subject to the following riders: Gross Receipts Excise Tax Rider (Sheet No. 11); Percentage of Income Payment Plan Rider (Sheet No. 12); Uncollectible Expense Rider (Sheet No. 13); GIS Rider (Sheet No. 15); ~~and Infrastructure Development Rider (Sheet No. 16).~~

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RECOVERY OF INCLUDABLE COST OF GAS SUPPLIES

Pursuant to Chapter 4901:1-14, Ohio Administrative Code, and by the terms of this tariff, the total rate charges under this schedule consists of the distribution rate plus the appropriate gas cost recovery rate specified in the Uniform Purchased Gas Adjustment Rider (Sheet No. 14).

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Customer's supply for redelivery for the Customer's consumption of all volumes in excess of the Customer's firm capacity shall be best efforts.

UNACCOUNTED-FOR GAS ("UFG")

Unless otherwise agreed, the Customer shall have the right to retain, pursuant to this schedule, 100% of the gas delivered to the Company, less the average system-wide UFG percentage.

TRANSPORTATION RATES

The rates and charges for transportation services will be as follows:

Base Rates. Firm and interruptible service base rates shall not exceed the amounts specified below as adjusted to reflect the effect of all riders and other applicable charges. For Customers electing transportation service on and after December 31, 1996, the base rates may be adjusted by the Company to permit the Company to recover the Customer's or the Customer Group's appropriate share of unavoidable gas supply-related costs incurred by the Company to meet the requirements of the Customer or the Customer Group as those requirements would otherwise exist but for the election. The Company shall attempt to reduce and eliminate such unavoidable costs provided that such efforts do not place its other customers at an economic or service disadvantage. Base rates, at the Redelivery Point, for service before adjustment for unavoidable gas supply-related costs and applicable riders are as follows:

Customer Charge: \$9.08 per Redelivery Point per month
For the first 10,000 Ccf per month \$0.15443 per Ccf per month
For all Ccf over 10,000 per month \$0.09518 per Ccf per month

Riders. The base rates shall be subject to the following riders: Gross Receipts Excise Tax Rider (Sheet No. 11); Percentage of Income Payment Plan Rider (Sheet No. 12); Uncollectible Expense Rider (Sheet No. 13); GIS Rider (Sheet No. 15); and Infrastructure Development Rider (Sheet No. 16). Service under this rate schedule is also subject to the Rules and Regulations in this tariff (Sheet Nos. 3 to 8).

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EXHIBIT C
Statement Explaining the
Reason for the Proposal

EXHIBIT C-1 & C-2

Description of New Service and Statement Explaining Reason for Proposed Changes

In accordance with R.C. 4929.161 and Ohio Admin. Code 4901:1-43-04, Ohio Gas Company ("Ohio Gas") seeks approval to adopt a new Infrastructure Development Rider ("IDR") as part of its tariff. The IDR proposed herein will be a placeholder rider to recover infrastructure development costs associated with economic development projects approved by the Commission under R.C. 4929.163. In addition to establishing the IDR, Ohio Gas proposes revisions to its tariff to address mainline extensions funded by the IDR, updates to its rate schedules to reflect the applicability of the IDR, and updates to the tariff index.

The establishment of an IDR is authorized by R.C. 4929.16 and is designed to incentivize additional economic development in the state of Ohio. In accordance with R.C. 4929.162, cost recovery under the IDR will be capped at \$1.50 per month per customer, regardless of rate class. In this application, Ohio Gas proposes establishing the IDR at an initial rate of \$0.00 per customer. As economic development projects are proposed and approved, Ohio Gas shall update the rider rate in accordance with the timelines and conditions established by the Commission. The Commission-approved economic development costs will be subject to appropriate tax gross-ups in the IDR rate filings.

Infrastructure development costs, including planning, development, and construction costs, and, if applicable, any allowance for funds used during construction, for each Commission-approved economic development project will be specifically tracked.

Infrastructure development costs for an approved economic development project costs will be trued-up based on actual costs when the asset is placed in service and all costs are known, with any adjustments accounted for in subsequent annual IDR rate calculations. Once the infrastructure development costs for a particular Commission-approved economic development project are collected, the IDR rate will be reduced accordingly.

If an IDR-funded economic development project enables Ohio Gas to serve additional new customers who require capacity from the extended facilities, and whose consumption was not taken into account in establishing the initial IDR funding, Ohio Gas will for a period of 7 years from approval of the economic development project credit incremental revenue from those customers to amounts being recovered through the IDR by way of a subsequent rate adjustment. Incremental revenue will consist of revenue in excess of the revenue needed to cover the costs of incremental depreciation expense, property and other tax expenses, operating and maintenance expense, as well as a pre-tax return on rate base, for any capital investment required to serve such incremental load. Incremental revenues will be credited to the IDR up until the amount of the credit to the IDR equals that portion of the project costs previously recovered through the IDR.

To ensure that Ohio Gas is able to fully and promptly support economic development projects under consideration within its service area, Ohio Gas requests expedited approval of this application. At present, Ohio Gas is aware of several projects that may qualify for support under the IDR, and anticipates filing for approval of an economic development project with a goal to begin construction by September 1, 2020. Expedited approval of this application will alleviate potential concerns regarding both the recoverability of project costs, as well as the timeliness of recovery.

To the extent that the IDR as proposed constitutes a “rate” or “charge” under R.C. 4909.18, the Commission has held that such an application represents a “first filing” for a new service and thus should not be treated as an application for an increase in rates. See, e.g., *In re Appl. of Columbia Gas of Ohio*, Case No. 16-2067-GA-ATA, Finding & Order at 3 (May 24, 2017). As such, this application may be approved without a hearing.

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Summary: Application of Ohio Gas Company electronically filed by Mr. Matthew R. Pritchard on behalf of Ohio Gas Company