



# Public Utilities Commission

Mike DeWine, Governor  
Sam Randazzo, Chairman

## Commissioners

M. Beth Trombold  
Lawrence K. Friedeman  
Dennis P. Deters  
Daniel R. Conway

July 24, 2020

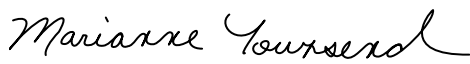
Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus OH 43215


RE: *In the Matter of the Annual Application of Ohio Gas Company for Approval to Establish an Infrastructure Development Rider, Case No. 20-1262-GA-IDR and in the Matter of the Application of Ohio Gas Company for Authority to Revise its Tariffs, Case No. 20-1263-GA-ATA.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendation in regard to Ohio Gas Company's application in Case No. 20-1262-GA-IDR for approval for the establishment of an infrastructure development rider and its application in Case No. 20-1263-GA-ATA for tariff revisions.

Sincerely,

  
Marianne Townsend  
Chief, Regulatory Utility Services  
Rates and Analysis, Dept.  
Public Utilities Commission of Ohio

  
Dorothy Bremer  
Section Chief, Regulatory Utility Services  
Rates and Analysis, Dept.  
Public Utilities Commission of Ohio

Enclosure  
Cc: Parties of Record

**Ohio Gas Company  
20-1262-GA-IDR, et al.**

**BACKGROUND:**

By Finding and Order dated January 24, 2018, in Case No. 17-1905-GA-ORD, the Public Utilities Commission of Ohio (Commission) adopted revised rules in Ohio Adm. Code 4901:1-43 concerning the recovery of infrastructure development costs for a natural gas company to implement R.C. 4929.16 - 4929.167. These rules allow natural gas companies to file applications for an infrastructure development rider (IDR) to recover costs of certain economic development projects. The rules require a natural gas company that seeks recovery of economic development project costs to first file an application for an infrastructure development rider. The rules then require natural gas companies to file a notice with the Commission, prior to beginning construction, for approval of an economic development project.

**SUMMARY OF APPLICATION:**

On July 9, 2020 in Case Nos. 20-1262-GA-IDR and 20-1263-GA-ATA, Ohio Gas Company (Ohio Gas or Company) filed an application to adopt an infrastructure development rider tariff. The Company proposed to incorporate a new rider known as Infrastructure Development Rider (IDR) into its tariff.

The IDR is a mechanism created pursuant to R.C. 4929.161 and Ohio Adm. Code 4901:1-43-04. The purpose of the rider is to recover Infrastructure Development Costs, as defined by R.C. 4929.16, associated with economic development projects approved under R.C. 4929.163. In addition to establishing the IDR, the Company is proposing a new provision in its rules to address mainline extensions funded by the IDR. Ohio Gas also proposes to modify the length of time the main extension deposit will be subject to refund from ten years to seven years.

**STAFF'S REVIEW AND RECOMMENDATIONS:**

Staff has reviewed Ohio Gas' application in this case and met with the Company to discuss implementation of the proposed tariffs. Staff notes that the proposed IDR is subject to reconciliation and includes language to indicate that the rider is subject to reconciliation and could include refunds to customers. However, in order to ensure clarity and consistency within this tariff and other local distribution company IDR tariffs, Staff proposes the following amendment:

"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."

In Staff's opinion, the application is consistent with the Commission's rules governing approval of utility tariffs. Therefore, Staff recommends that the Commission approve Ohio Gas' application as filed subject to the lone amendment to the tariff.

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**7/24/2020 1:33:32 PM**

**in**

**Case No(s). 20-1262-GA-IDR, 20-1263-GA-ATA**

Summary: Staff Review and Recommendation Staff Review and Recommendation in regard to Ohio Gas Company's application for approval to establish an infrastructure development rider and for tariff revisions electronically filed by Dorothy Bremer on behalf of PUCO Staff