

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION
OF OHIO GAS COMPANY FOR APPROVAL
TO ESTABLISH AN INFRASTRUCTURE
DEVELOPMENT RIDER.

CASE NO. 20-1262-GA-IDR

IN THE MATTER OF THE APPLICATION OF
OHIO GAS COMPANY FOR AUTHORITY
TO REVISE ITS TARIFFS.

CASE NO. 20-1263-GA-ATA

FINDING AND ORDER

Entered in the Journal on August 12, 2020

I. SUMMARY

{¶ 1} The Commission approves the application of Ohio Gas Company to establish an infrastructure development rider.

II. DISCUSSION

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

{¶ 3} R.C. 4929.161 permits a natural gas company to file an application with the Commission for approval of an infrastructure development rider (IDR) to recover prudently incurred infrastructure development costs of one or more approved economic development projects.

{¶ 4} On July 9, 2020, Ohio Gas filed an application, pursuant to R.C. 4929.161 and Ohio Adm.Code 4901:1-43-04, seeking authority to establish an IDR as part of its tariff. Ohio Gas also proposes revisions to its tariff to address transmission or distribution facility extensions funded by the IDR and to adjust its main extension deposit refund window to seven years to mirror the proposed IDR refund mechanics. Finally, Ohio Gas proposes several non-substantive revisions to various rate schedules to reflect the applicability of the IDR, as well as updates to the tariff index.

{¶ 5} With respect to the proposed IDR, Ohio Gas notes that it seeks to establish the rider at an initial rate of zero per customer and that, as economic development projects are proposed and approved, the Company will update the rider rate, consistent with the timelines and conditions established by the Commission. Ohio Gas further notes that cost recovery under the IDR will be capped, in accordance with R.C. 4929.162. Additionally, Ohio Gas states that, if an IDR-funded economic development project enables the Company 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, the Company will credit, for a period of seven years from approval of the economic development project, incremental revenue from those customers to amounts being recovered through the IDR by way of a subsequent rate adjustment. Ohio Gas further states that 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. Finally, requesting expedited treatment of its application, Ohio Gas asserts that, to the extent that the proposed IDR constitutes a rate or charge under R.C. 4909.18, the Company's application requests approval of a new service, should not be treated as an application for an increase in rates, and may be approved without a hearing.

{¶ 6} On July 24, 2020, Staff filed its review and recommendation in response to Ohio Gas's application. Based upon its review, Staff recommends that the proposed reconciliation and adjustment language within the IDR tariff be modified, in order to ensure clarity and consistency with the IDR tariffs of other natural gas companies. The modified tariff language would read as follows: "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 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." Staff also states that the application is consistent with the Commission's rules governing approval of tariffs. Staff, therefore, recommends that Ohio Gas's application be approved, subject to

the amendment of the proposed IDR tariff language.

{¶ 7} On July 28, 2020, Ohio Gas filed correspondence to note that the Company does not object to Staff's recommended tariff language.

{¶ 8} Upon consideration of Ohio Gas's application, as well as Staff's review and recommendation, the Commission finds that the proposed tariff changes do not appear to be unjust or unreasonable, are in the public interest, and are consistent with R.C. 4929.16 et seq. Accordingly, the Commission finds that Ohio Gas's application should be approved, subject to Staff's recommendation regarding the reconciliation and adjustment language in the proposed IDR tariff. We find that Ohio Gas's proposed tariff constitutes a "first filing" for a new service and, thus, the application is not an application for an increase in rates. *City of Cleveland v. Pub. Util. Comm.*, 67 Ohio St.2d 446, 424 N.E.2d 561 (1981); *Cookson Pottery v. Pub. Util. Comm.*, 161 Ohio St. 498, 120 N.E.2d 98 (1954). Therefore, consistent with R.C. 4909.18, the Commission finds that no hearing is required in these cases.

III. ORDER

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That Ohio Gas's application be approved, subject to Staff's recommendation. It is, further,

{¶ 11} ORDERED, That Ohio Gas be authorized to file tariffs, in final form, consistent with this Finding and Order. Ohio Gas shall file one copy in these case dockets and one copy in its TRF docket. It is, further,

{¶ 12} 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,

{¶ 13} ORDERED, That Ohio Gas shall notify all affected customers via a bill message or bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice

shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least ten days prior to its distribution to customers. It is, further,

{¶ 14} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

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

COMMISSIONERS:

Approving:

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

SJP/kck

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

Summary: Finding & Order approving the application of Ohio Gas Company to establish an infrastructure development rider. electronically filed by Ms. Mary E Fischer on behalf of Public Utilities Commission of Ohio