

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Suburban)
Natural Gas Company for an Increase in Gas) Case No. 18-1205-GA-AIR
Distribution Rates.)

In the Matter of the Application of Suburban) Case No. 18-1206-GA-ATA
Natural Gas Company for Tariff Approval.)

In the Matter of the Application of Suburban)
Natural Gas Company for Approval of Certain) Case No. 18-1207-GA-AAM
Accounting Authority.)

**NOTICE OF SUBURBAN NATURAL GAS COMPANY
TO IMPLEMENT
PHASE II OF ITS RATE INCREASE**

Suburban Natural Gas Company (Suburban) hereby notifies the Public Utilities Commission of Ohio (Commission) of its intent to implement Phase II of its scheduled rate increase approved by the Commission on September 26, 2019 in the above-captioned proceeding. Suburban respectfully requests approval of its revised tariff schedules implementing Phase II of its authorized rate increase. In support of its revised tariffs, Suburban states as follows:

1. On August 31, 2018, Suburban filed an Application for an Increase in Rates, which, among other things, sought the Commission's approval to increase its rates for gas distribution service, authorization of new charges and changes to existing charges, approval of the requested tariff changes, and approval of certain accounting authority. Suburban's Application for an Increase in Rates was based on a twelve-month test period ending February 28, 2019.¹

¹ Suburban's Application for an Increase in Rates at 2 (Aug. 31, 2018).

2. On September 5, 2018, the Commission approved the test period.² Following the conclusion of the test period, Suburban entered into a Stipulation and Recommendation with the Commission Staff (Stipulation) regarding the proposed increase.³ The Stipulation recommended increasing Suburban's total revenue and revenue requirement annually over a three-year period.⁴ Upon review, the Commission approved the Stipulation, including the plan to phase in the revenue increase over three years by increasing Suburban's revenue requirement over that three-year period.⁵
3. In pertinent part, the Stipulation states: "The recommended revenue increase for the second year after the Commission Order in this proceeding (Year 2) shall be \$1,532,278.00 from current rates at the time of filing of the Stipulation."⁶ "The revenue requirement for the second year after the date of the Commission Order approving rates in this matter and for one year (Year 2) shall equal \$20,165,049.00."⁷ As approved by the Commission,⁸ the revenue requirement has been adjusted for rate case expenses, resulting in a revenue requirement for Year 2 of \$20,206,802.⁹
4. The Stipulation also provides that "the 4.9 mile extension of the DEL-MAR pipeline shall be phased into rate base over a three-year period."¹⁰ During the second year of

² See Entry (Sept. 5, 2018).

³ See Stipulation and Recommendation (May 23, 2019).

⁴ *Id.* at 4-5.

⁵ Entry at ¶¶ 141, 174-78 (Sept. 26, 2019).

⁶ Stipulation and Recommendation at 4 (May 23, 2019).

⁷ *Id.* at 5.

⁸ Entry and Order at ¶ 37 (Sept. 26, 2019) ("Rate case expenses shall be amortized over five years. Suburban shall file a late filed exhibit reflecting the total amount of rate case expense to be included in rate base within 30 days of the date the hearing concludes or reply briefs are filed, whichever is later.").

⁹ See Suburban's Late-filed Exhibit Reflecting Actual Rate Case Expense (Sept. 16, 2019).

¹⁰ Stipulation and Recommendation at 5 (May 23, 2019).

the phase-in, the rate base is to include “80% of the current book value of the 4.9-mile DEL-MAR pipeline extension, including depreciation and property tax.”¹¹

Additionally,

At the time additional book value of the 4.9-mile DEL-MAR pipeline extension is added to rate base at the beginning of the second and third years following the Commission Order in this proceeding (Year 2 and Year 3), Suburban’s established revenue requirement for each applicable year shall be allocated to the customers based upon the total number of customers, as evaluated by Staff and as approved by the Commission, at the time the additional book value is added at the same revenue distribution percentage, excluding gas costs, as established in Year 1.¹²

5. Upon approval and adoption of the Stipulation, Suburban filed its tariff for Natural Gas Service on September 27, 2019. Under its filed tariff sheets for Small General Service (Rate SGS), the Customer Service Charge equals \$34.00 per meter.¹³ There is no volumetric charge for Rate SGS.
6. In accordance with its authorized phased-in rate increase, Suburban proposes to revise its tariffs for Rate SGS to allocate the authorized Year 2 revenue requirement, updated to account for the most recent number of Rate SGS customers. To reflect Year 2 of the phase-in, the adjusted Rate SGS Customer Service Charge is \$34.41 per meter.
7. Upon approval and adoption of the Stipulation, Suburban filed its tariff for Large General Service (Rate LGS) on September 27, 2019. The Rate LGS tariff sheet included a Customer Service Charge of \$175.00 per meter, and a volumetric charge of \$2.044 per Mcf.¹⁴

¹¹ *Id.* at 6.

¹² *Id.*

¹³ Tariff at Sheet No. 6, Page 1 (Sept. 27, 2019).

¹⁴ Tariff at Sheet No. 7, Page 1 (Sept. 27, 2019).

8. In accordance with its authorized phased-in rate increase, Suburban proposes to revise its tariffs for Rate LGS to allocate the authorized Year 2 revenue requirement, updated to account for the most recent number of Rate LGS customers. To reflect Year 2 of the phase-in, the adjusted Rate LGS Customer Service Charge is \$180.00 per meter, and, based on actual test year sales, the volumetric charge is \$2.350 per Mcf.
9. Upon approval and adoption of the Stipulation, Suburban filed its tariff for Large General Transportation Service (Rate LGTS) on September 27, 2019. The Rate LGTS tariff sheet included a Customer Service Charge of \$175.00 per meter, and a maximum volumetric charge of \$2.289 per Mcf.¹⁵
10. In accordance with its authorized phased-in rate increase, Suburban proposes to revise its tariffs for Rate LGTS to allocate the authorized Year 2 revenue requirement, updated to account for the most recent number of Rate LGTS customers. To reflect Year 2 of the phase-in, the adjusted Rate LGS Customer Service Charge is \$180.00 per meter, and, based on actual test year sales, the maximum volumetric charge is \$2.356 per Mcf.
11. In accordance with its authorized phased-in rate increase, Suburban's Year 2 revenue requirement has been allocated to the customers based upon the total number of customers at the time the additional book value of the DEL-MAR pipeline extension, including depreciation and property taxes (as included in the working capital 11 allowance), was included in rate base and at the same class revenue distribution percentage as established in Year 1.¹⁶

¹⁵ Tariff at Sheet No. 8, Page 4 (Sept. 27, 2019).

¹⁶ Stipulation at 6.

12. The updated Class and Schedule Revenue Summary, Schedule E-4, reflecting Year 2 of the phase-in, is attached hereto as Attachment A.

13. Suburban's revised, redlined tariff sheets to reflect these adjustments are attached hereto as Attachment B, and clean tariff sheets are attached hereto as Attachment C.

The revised tariff sheets reflecting the proposed adjustments to its rates to reflect Year 2 of the phased-in rate increase approved by the Commission on September 26, 2019 in the above-captioned proceeding are consistent with the approved Stipulation and are just and reasonable and should be approved by the Commission.

WHEREFORE, Suburban respectfully requests that the Commission approve the revised tariff sheets, effective September 30, 2020, contained in Attachment C of this Application.

Respectfully submitted,

/s/ Kimberly W. Bojko

Kimberly W. Bojko (0069402) (Counsel of Record)

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Counsel for Suburban Natural Gas Company

CERTIFICATE OF SERVICE

The Public Utilities Commission of Ohio's e-filing system will electronically serve notice of the filing of this document on the parties referenced on the service list of the docket card who have electronically subscribed to the case. In addition, the undersigned hereby certifies that a copy of the foregoing document also is being served via electronic mail on September 4, 2020 upon the parties listed below.

/s/ Kimberly W. Bojko
Kimberly Bojko
Counsel for Suburban Natural Gas Company

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SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
PROPOSED
CLASS AND SCHEDULE REVENUE SUMMARY
FOR PHASE II OF RATE IMPLEMENTATION

SCHEDULE E-4

Line No.	Rate Code (A)	Class / Description (B)	Customer Bills (C)	Sales CCF (D)	Proposed Rate (E)	Proposed Annualized		% of Revenue To Total Exclusive of Gas Costs (G)	Annualized Gas Cost Revenue (H)	Proposed Revenue Total (I)=(F)+(H)
						Proposed Revenue	Less Gas Cost Revenue			
						(F)=(C)*(E)				
1		Small General Service								
2		Customer Charge	214,680		\$34.41	\$7,387,139				
3		Commodity Charge		14,725,402	\$0.0000	0				
4		Total Small General Service				\$7,387,139		77.42%	\$8,389,209	\$15,776,348
5										
6		Large General Service								
7		Customer Charge	3,468		\$180.00	\$624,240				
8		Commodity Charge		3,934,102	\$0.2350	924,514				
9		Total Large General Service				\$1,548,754		16.23%	\$2,276,615	\$3,825,369
10										
11		Large General Service Transport								
12		Customer Charge	324		\$180.00	\$58,320				
13		Commodity Charge		1,462,054	\$0.2356	344,460				
14		Total Large General Service Transport				\$402,780		4.22%		\$402,780
15										
16		Miscellaneous Revenue				\$202,608		2.12%		\$202,608
17										
18		Total	218,472	20,121,558		\$9,541,281		100.00%	\$10,665,824	\$20,206,802

(1) Excludes Gross Receipt Tax, MCF Tax, PIPP, IRP and Uncollectible Riders

(2) Assumes Gas Cost as Filed in the Staff Report

Suburban Natural Gas Company

~~Original~~ First Revised Sheet No. 6

Page 1 of 2

P.U.C.O. NO. 4
(Cancels P.U.C.O. No. 3)
Tariff for Natural Gas Service

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF
NATURAL GAS**

SECTION IV RATES AND CHARGES

Small General Service (Rate SGS)

Applicability:

Applicable to Residential and Small Commercial Customers with annual usage less than 300 Mcf.

Customer Service Charge:

~~\$34.00~~ \$34.41 per meter, per monthly invoice regardless of usage.

Customers with fewer than eight (8) days of usage in the billing period shall not be billed for the Customer Service Charge. Customers with eight (8) or more days of usage in the billing period shall be billed for the Customer Service Charge.

Riders:

Service under this rate schedule is subject to the following Riders:

Gross Receipts Excise Tax Rider (Sheet No. 9, Page 7)
Percentage of Income Payment Plan Rider (Sheet No. 9, Page 5)
Uncollectible Expense Rider (Sheet No. 9, Page 1)
Energy Efficiency Program Rider (Sheet No. 9, Page 3)
Ohio Mcf Tax Rider (Sheet No. 9, Page 4)
Infrastructure Replacement Program Rider (Sheet No. 9, Page 2)

Recovery of Includable Cost of Gas Supplies

All gas delivered is subject to the Gas Cost Recovery (GCR) rate per Mcf applied to the Customer's monthly deliveries. The final GCR rates shall be determined under the provisions of the Uniform Purchased Gas Adjustment set forth in OAC 4901:1-14 and any subsequent revisions(s) thereof, and by the lawful orders of the Public Utilities Commission of Ohio (Sheet No. 9, Page 6).

Issued: ~~09/27/2019~~ /2020

Effective: ~~09/30/2019~~ 09/30/2020

In accordance with the Public Utilities Commission of Ohio Opinion and Order
and subsequent authority

Order Dated: 09/26/2019

Case Nos. 18-1205-GA-AIR, et al.

Issued by ~~D. Joseph Pemberton~~ Andrew J. Sonderman, President and Chief Operating Officer

Suburban Natural Gas Company

~~Original~~ First Revised Sheet No. 7

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**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF
 NATURAL GAS**

Large General Service (Rate LGS)

Applicability:

Applicable to Customers with annual usage 300 Mcf or more.

Usage Charge:

For all Mcf delivered per month: ~~\$2.044~~ 2.350 per Mcf

Customer Service Charge:

~~\$175.00~~ 180.00 per meter, per monthly invoice regardless of usage.

Riders:

Service under this rate schedule is subject to the following Riders:

- Gross Receipts Excise Tax Rider (Sheet No. 9, Page 7)
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~~Original~~ First Revised Sheet No. 8

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Customer for purposes of the application of the imbalance charges set forth in this rate schedule. Buyer shall eliminate imbalances in its account as soon as possible but in no event later than the last day of the month in which such notice is received.

Confirmation and Scheduling by Company:

No gas shall flow under any nomination until Company has confirmed, to the extent required, the nomination, awarded capacity, and scheduled the applicable quantities.

Net Monthly Bill:

Computed in accordance with following charges:

Transportation Charge: Shall consist of the following, less all related gas costs:

Maximum Usage Charge:

For all Mcf delivered per month: \$~~2.289~~2.356 per Mcf

Maximum Customer Service Charge:

\$~~175.00~~180.00 per meter, per monthly invoice regardless of usage.

The minimum Transportation Charge shall cover the variable costs of service, plus make a contribution to total Company fixed costs. Unless otherwise agreed by the Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

Demand Charge: Twenty-Five Cents (\$.25) per Mcf per month for all volumes delivered through the Customer's meter.

In addition, Customers are also subject to other charges described herein, including imbalance charges, miscellaneous charges, and all applicable riders.

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Large General Service (Rate LGS)**Applicability:**

Applicable to Customers with annual usage 300 Mcf or more.

Usage Charge:

For all Mcf delivered per month: \$2.350 per Mcf

Customer Service Charge:

\$180.00 per meter, per monthly invoice regardless of usage.

Riders:

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Transportation Charge: Shall consist of the following, less all related gas costs:

Maximum Usage Charge:

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Demand Charge: Twenty-Five Cents (\$.25) per Mcf per month for all volumes delivered through the Customer's meter.

In addition, Customers are also subject to other charges described herein, including imbalance charges, miscellaneous charges, and all applicable riders.

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in

Case No(s). 18-1205-GA-AIR, 18-1206-GA-ATA, 18-1207-GA-AAM

Summary: Notice Of Suburban Natural Gas Company to Implement Phase II of Its Rate Increase electronically filed by Mrs. Kimberly W. Bojko on behalf of Suburban Natural Gas Company