

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
NORTHEAST OHIO NATURAL GAS
CORPORATION FOR APPROVAL OF AN
ALTERNATIVE FORM OF REGULATION.

CASE NO. 20-1427-GA-ALT

ENTRY

Entered in the Journal on April 8, 2021

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

{¶ 2} 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.

{¶ 3} On October 18, 2019, NEO and Orwell-Trumbull Pipeline Co., LLC (OTP), by and through the receiver over the personal and real property of OTP, Zachary B. Burkons of Rent Due, LLC, filed a joint application in Case No. 19-1921-PL-ATR seeking Commission approval of a proposed transfer of certain pipeline assets, real property, books and records, and other non-cash items of OTP to NEO (Purchased Assets) pursuant to an asset purchase agreement dated October 15, 2019.

{¶ 4} On December 4, 2019, the Commission issued a Finding and Order in Case No. 19-1921-PL-ATR approving the transfer of the Purchased Assets to NEO. Given NEO's stated intent to pursue recovery on and of the Purchased Assets in a future proceeding, the Commission approved NEO's acquisition of the Purchased Assets from OTP, as well as

NEO's request for accounting authority to record the value of the Purchased Assets as \$13,310,881, with an associated accumulated depreciation reserve of \$4,100,921 as of September 1, 2019, subject to Staff conducting a used and useful test.

{¶ 5} On August 26, 2020, in the above-captioned case, NEO filed a notice of intent to file an application for an increase in rates and a notice for approval of an alternative rate plan, pursuant R.C. 4929.05, to recover costs associated with the acquisition of OTP. On that same date, NEO also filed a motion for waiver of certain standard filing requirements and a request to establish a test year of the 12 months ending March 31, 2021, and a date certain of June 30, 2020, in compliance with R.C. 4909.15(C)(1) and (2).

{¶ 6} On September 29, 2020, NEO filed its alternative rate plan application, along with supporting exhibits and testimony, pursuant to R.C. 4909.18 and 4929.05, seeking recovery on and of the Purchased Assets until NEO's next rate case, at which point NEO states the Purchased Assets will be included in the Company's rate base. NEO states that the application proposes to establish rates under a new rider, the Infrastructure Acquisition Adjustment Rider, to collect the revenue needed to support the Purchased Assets until the next rate case is filed.

{¶ 7} By Entry issued on December 2, 2020, NEO's application was determined to be in technical compliance with Ohio Adm.Code 4901:1-19-06(C), and the application deemed to have been filed as of September 29, 2020. In addition, the Commission approved the Company's test year of the 12 months ending March 31, 2021, and date certain of June 30, 2020.

{¶ 8} On March 30, 2021, Staff filed its report of investigation (Staff Report), pursuant to Ohio Adm.Code 4901:1-19-07(C).

{¶ 9} To assist the Commission with its review of NEO's alternative rate plan application, the following procedural schedule should be established:

- (a) All motions to intervene shall be filed by April 29, 2021.
- (b) Pursuant to Ohio Adm.Code 4901:1-19-07(F), the deadline for the filing of objections to the application or the Staff Report shall be April 29, 2021.
- (c) An evidentiary hearing, if necessary, will be scheduled by subsequent entry.

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That all persons comply with the procedural schedule established in Paragraph 9. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Greta See

By: Greta See
Attorney Examiner

SJP/hac

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in

Case No(s). 20-1427-GA-ALT

Summary: Attorney Examiner Entry ordering that all persons comply with the procedural schedule established in Paragraph 9 electronically filed by Heather A Chilcote on behalf of Greta See, Attorney Examiner, Public Utilities Commission