

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
SUBURBAN NATURAL GAS COMPANY TO
MODIFY ITS ALTERNATIVE RATE PLAN.

CASE NO. 21-124-GA-ALT

FINDING AND ORDER

Entered in the Journal on May 19, 2021

I. SUMMARY

{¶ 1} The Commission grants the joint motion of Suburban Natural Gas Company and Ohio Partners for Affordable Energy to extend the Energy Efficiency Program pilot of Suburban Natural Gas Company for 12 months, subject to final reconciliation, and consistent with this Finding and Order.

II. DISCUSSION

{¶ 2} Suburban Natural Gas Company (Suburban 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} 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.

{¶ 4} Pursuant to R.C. 4929.08 and Ohio Adm.Code 4901:1-19-11, the Commission has the authority to abrogate or modify, upon its own motion or upon the motion of any person adversely affected, any order granting alternative rate regulation authority under R.C. 4929.05, provided the Commission determines both of the following conditions are met:

(1) The findings upon which the order was based are no longer valid and the abrogation or modification is in the public interest; and (2) The abrogation or modification is not made more than eight years after the effective date of the order, unless the affected natural gas company consents.

{¶ 5} On November 1, 2017, in Case No. 17-594-GA-ALT, pursuant to R.C. 4929.05, 4929.051, and 4909.18, the Commission approved Suburban's alternative rate plan application, subject to certain modifications, to implement a revenue decoupling mechanism with a straight fixed variable rate design, to be phased in over a two-year period, including a commitment by Suburban to file, in a new docket, an Energy Efficiency Program (EEP) pilot application to weatherize the residences of Suburban's high-usage Percentage of Income Payment Plan-Plus (PIPP) customers. The associated cost recovery mechanism, Rider EEP, was initially set at a rate of zero. *In re Suburban Natural Gas Co.*, Case No. 17-594-GA-ALT (*Alt. Reg. Case*), Finding and Order (Nov. 1, 2017).

{¶ 6} On March 16, 2018, in Case No. 18-376-GA-RDR, Suburban filed its application for an EEP pilot and Rider EEP mechanism. As part of the EEP pilot, Suburban performs furnace inspections, repairs, and replacements for the Company's low-income customers as well as shell weatherization of the residences of Suburban's high-usage PIPP customers. Suburban predicted that it would complete 12 to 14 EEP projects per year of the pilot.

{¶ 7} On November 7, 2018, the Commission approved Suburban's application to establish the EEP pilot, for a term of two years, commencing on or about February 2019 through February 2021, and set the Rider EEP rate at \$0.3431 per month applicable to the Company's Small General Service rate schedule accounts. *In re Suburban Natural Gas Co.*, Case No. 18-376-GA-RDR, Finding and Order (Nov. 7, 2018).

{¶ 8} In Suburban's last annual audit of Rider EEP, the rate was set at a credit of \$0.05 per month, applicable to Small General Service rate schedule accounts, for three months. *In re Suburban Natural Gas Co.*, Case No. 21-105-GA-RDR (*2021 EEP Audit*), Finding and Order (Mar. 24, 2021).

{¶ 9} On February 10, 2021, in the above-captioned case, Suburban and Ohio Partners for Affordable Energy (OPAE), the EEP administrator, filed a joint motion requesting that the Commission issue an order modifying the Company's alternative rate plan to extend the EEP pilot for an additional 12 months, subject to final reconciliation. In the motion, Suburban and OPAE (Movants) state that, due to the ongoing global COVID-19 pandemic, all EEP weatherization and safety measures were halted. As a result, Movants were unable to complete the predicted number of weatherization projects and measures for the second 12-month period of the EEP pilot. Total expenditures for the second 12-month period amounted to \$20,685, with a balance of \$78,746 in unused EEP program funds. In order to provide the intended benefits of the program, as approved by the Commission, Movants propose to continue the EEP for an additional year without further collection of Rider EEP after the return of the credit established in the *2021 EEP Audit*. Movants note that the Commission previously determined that the EEP pilot was in the public interest. Movants declare that, without a modification of the Order in the *Alt. Reg. Case* to extend the EEP, the EEP pilot will end prior to fulfilling its objectives to provide energy efficiency, safety service, and weatherization projects to Suburban's low-income customers, thus adversely impacting low and moderate-income customers who would otherwise be eligible for the EEP. Further, Movants argue that extending the EEP pilot for one year will ensure that Suburban's customers receive the full benefits of weatherization and other projects, aligning Suburban's interests with consumer interests in energy efficiency and energy conservation and allowing Movants to expend unused funds collected. R.C. 4929.02(A)(12). Movants commit to a review of program activities and presentation of further recommendations to the Commission prior to the end of the pilot period.

{¶ 10} To assist the Commission with its consideration of the Movants' motion, by Entry issued April 6, 2021, a procedural schedule was established in the case such that motions to intervene and comments on the joint motion were due by April 16, 2021, and reply comments were due by April 23, 2021.

{¶ 11} On April 16, 2021, Staff filed its review and recommendations. Staff states that it has reviewed the joint motion to extend Suburban's EEP pilot for an additional 12 months, subject to final reconciliation, and that Staff does not object to the motion, as filed. Indeed, Staff supports the Company's extension of the EEP pilot to utilize the unused EEP funds to provide the intended benefit to Suburban's customers.

{¶ 12} No other comments or reply comments to the joint motion were filed.

III. COMMISSION'S CONCLUSION

{¶ 13} The Commission has reviewed the Order in the *Alt. Reg. Case*, Movants' motion, and Staff's review and recommendations. The Commission notes that Suburban requests modification of the Order issued in the *Alt. Reg. Case*, which was issued in 2017, less than eight years ago. The Commission finds Movants' motion to extend the EEP pilot to be consistent with Suburban's approved alternative rate plan. *Alt. Reg. Case*, Finding and Order (Nov. 1, 2017) at ¶ 20. As a result of the suspension of the EEP pilot due to the pandemic, the findings upon which the order was based are no longer valid and the extension of the EEP pilot is in the public interest. Accordingly, the Commission finds the extension of the program for one year to be reasonable. Further, recognizing that the EEP pilot ended in February 2021 and the time that has since elapsed, the Commission finds that the EEP pilot should be extended for 12 months from the date of the issuance of this Finding and Order, to ensure there is sufficient time to provide EEP pilot services to Suburban's eligible customers to expend the unused funds collected. The extension of the EEP pilot is in the public interest, as it will facilitate the continued offering of energy efficiency and safety service to Suburban's customers, particularly its low-income customers who may not otherwise be able to afford such services, and will do so without the collection of additional Rider EEP charges. Accordingly, the Commission finds that Movants' unopposed motion meets the requirements of R.C. 4929.08 and Ohio Adm.Code 4901:1-19-11(A) to modify Suburban's alternative rate plan. Further, the Commission finds that no hearing is required in this case.

IV. ORDER

{¶ 14} It is, therefore,

{¶ 15} ORDERED, That Movants' motion to extend the EEP pilot for one year is granted, consistent with this Finding and Order. It is, further,

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

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

COMMISSIONERS:

Approving:

Jenifer French, Chair

M. Beth Trombold

Lawrence K. Friedeman

Daniel R. Conway

Dennis P. Deters

GNS/hac

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Case No(s). 21-0124-GA-ALT

Summary: Finding & Order granting the joint motion of Suburban Natural Gas Company and Ohio Partners for Affordable Energy to extend the Energy Efficiency Program pilot of Suburban Natural Gas Company for 12 months, subject to final reconciliation, and consistent with this Finding and Order electronically filed by Heather A Chilcote on behalf of Public Utilities Commission of Ohio