



Public Utilities Commission

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June 2, 2021

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

RE: *In the Matter of the Annual Report of Ohio Gas Company for Approval of an Adjustment to its Infrastructure Development Rider Rate, Case No. 21-511-GA-IDR.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendation in regard to Ohio Gas Company's application filed in Case No. 21-511-GA-IDR for approval of its economic development projects annual report and request to adjust its Infrastructure Development Rider.

Sincerely,

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

Enclosure
Cc: Parties of Record

Ohio Gas Company
Case No. 21-511-GA-IDR

BACKGROUND:

By Finding and Order (Order) on January 24, 2018, in Case No. 17-1905-GA-ORD, the Public Utilities Commission of Ohio (Commission) adopted revised rules in accordance with Ohio Adm. Code 4901:1-43. These rules concern the recovery of infrastructure development costs for natural gas company infrastructure development 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 natural gas companies to file an annual report with the Commission containing a detail of infrastructure development costs related to economic development project, and to set forth the rider rate for the twelve months following the annual report. The annual report shall be filed not less than 75 days prior to the proposed effective date of the updated IDR, and the rider rate will become effective automatically on the 75th day after the filing of the annual report unless suspended by the Commission for good cause shown.

In Case Nos. 20-1263-GA-ATA and 20-1262-GA-IDR, Ohio Gas Company (Ohio Gas or Company) filed an application to adopt an IDR tariff. The Company proposed to incorporate a new rider known as IDR into its tariff. By Finding and Order on August 12, 2020, the Commission approved the Company's tariff.

On April 14, 2021, in Case No. 21-511-GA-IDR, Ohio Gas filed its annual report in an application to adjust its IDR rate.

SUMMARY OF APPLICATION:

Ohio Gas' Infrastructure Development Rider application proposes to change the IDR rate from the current \$0.00 per month to \$1.43 per month beginning with July 2021 billing. The computation of the IDR rate is based on infrastructure development costs incurred during the calendar year 2020 for Commission-approved economic development projects (EDP). According to the Company, the rate properly matches recoveries with expenses, is consistent with recovery methods proposed in Case Nos. 20-1263-GA-ATA and 20-1262-GA-IDR, does not result in over-collection of costs due to the annual true-up program requirements, and does not recover more than the annual caps for incurred infrastructure development costs from approved EDP. Ohio Gas proposes an effective date of July 2021 billing for the rider, which is not less than 75 days after the filing of the annual report.

STAFF'S REVIEW AND RECOMMENDATIONS:

Staff has reviewed the Company's annual report and rider adjustment in this case. Staff audited plant additions contained in the filing, reviewed invoices, and the general ledger. Staff also verified the calculation for the new rider rate. Staff received verification that the all IDR plant included in this filing is owned and operated by the Company. Staff also received verification that Ohio Gas did not sell incremental volumes or receive incremental revenues for the line extension projects listed in the application.

Based on this review, in Staff's opinion, including the recommendations outlined above, Ohio Gas' annual report and rider adjustment are consistent with the Commission's rules governing the IDR annual report and rider adjustment process. Therefore, Staff recommends that the Commission approve this application.

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Case No(s). 21-0511-GA-IDR

Summary: Staff Review and Recommendation in the Matter of the Annual Report of Ohio Gas Company for Approval of an Adjustment to its Infrastructure Development Rider Rate, Case No. 21-511-GA-IDR. electronically filed by Ms. Nicci Crocker on behalf of PUCO Staff