

## 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 July 14, 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 to 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} By Entry issued April 8, 2021, the procedural schedule was established in this case such that the deadline to file motions to intervene and the deadline to file objections to

the application or Staff Report was April 29, 2021. Further, the Entry provided that an evidentiary hearing, if necessary, would be scheduled by subsequent entry.

{¶ 10} Consistent with the established procedural schedule, on April 29, 2021, NEO and Ohio Consumers' Counsel (OCC), respectively, filed objections.

{¶ 11} On July 13, 2021, NEO filed a Stipulation and Recommendation (Stipulation), executed by NEO and Staff (Signatory Parties), to resolve all of the issues raised in the case. Further, the Signatory Parties represent that, although OCC, the only other party to the case, is not a signatory party to the Stipulation, OCC agrees not to oppose the Stipulation.

{¶ 12} To assist the Commission with its consideration of NEO's application and the Stipulation, an evidentiary hearing shall commence on August 10, 2021, at 10:00 a.m., in Hearing Room 11-C, at the offices of the Commission, 180 East Broad Street, 11th Floor, Columbus, Ohio 43215. The parties should register at the lobby desk and then proceed to the 11th floor to participate in the hearing. Consistent with the guidelines of the Centers for Disease Control and Prevention and the May 17, 2021 Ohio Department of Health Order, individuals who are not fully vaccinated should continue to wear a face covering and socially distance. Any accommodations necessary to ensure availability of social distancing and plexiglass dividers should be made in advance of the hearing. As pandemic restrictions are evolving, additional instructions regarding further safety requirements or accommodations for the hearing room will either be posted on the Commission's website or communicated to the parties.

{¶ 13} All written testimony in support of or in opposition to the Stipulation shall be filed by July 27, 2021.

{¶ 14} It is, therefore,

{¶ 15} ORDERED, That a hearing be scheduled as set forth in Paragraph 12. It is, further,

{¶ 16} ORDERED, That all parties comply with the due date for the filing of written testimony as set forth in Paragraph 13. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Greta See

By: Greta See  
Attorney Examiner

NJW/hac

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**7/14/2021 12:10:28 PM**

**in**

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

Summary: Attorney Examiner Entry ordering that a hearing be scheduled as set forth in Paragraph 12 and that all parties comply with the due date for the filing of written testimony as set forth in Paragraph 13 electronically filed by Heather A Chilcote on behalf of Greta See, Attorney Examiner, Public Utilities Commission