

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
SUBURBAN NATURAL GAS COMPANY TO
ESTABLISH THE TAX CREDIT RIDER.

CASE NO. 20-43-GA-ATA

IN THE MATTER OF THE APPLICATION OF
SUBURBAN NATURAL GAS COMPANY'S
IMPLEMENTATION OF CERTAIN MATTERS
RELATING TO THE TAX CUTS AND JOBS
ACT OF 2017.

CASE NO. 20-44-GA-UNC

SECOND FINDING AND ORDER

Entered in the Journal on November 17, 2021

I. SUMMARY

{¶ 1} The Commission approves Suburban Natural Gas Company's application to adjust the Tax Cuts and Jobs Act Rider, subject to Staff's recommendations.

II. DISCUSSION

{¶ 2} Suburban Natural Gas Company (Suburban) is a natural gas company as defined by R.C. 4905.03 and a public utility as defined by R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4909.18 provides, in part, that a public utility may file an application to establish or change any rate, charge, regulation, or practice. If the Commission determines that the application is not for an increase in any rate and does not appear to be unjust or unreasonable, the Commission may approve the application without the need for a hearing.

{¶ 4} The Tax Cuts and Jobs Act of 2017 (TCJA), which was signed into law on December 22, 2017, provided for a number of changes in the federal tax system. Most notably, the federal corporate income tax rate was reduced from 35 percent to 21 percent, effective January 1, 2018.

{¶ 5} In Case No. 18-47-AU-COI, a Commission-ordered investigation was opened to study the impacts of the TCJA on the Commission's jurisdictional rate-regulated utilities and to determine the appropriate course of action to pass benefits on to ratepayers. *In re the*

Commission's Investigation of the Financial Impact of the Tax Cuts and Jobs Act of 2017 on Regulated Ohio Utility Companies, Case No. 18-47-AU-COI, Entry (Jan. 10, 2018), Finding and Order (Oct. 24, 2018).

{¶ 6} On January 10, 2020, in the above-captioned cases, Suburban filed an application to resolve matters relating to the TCJA and to establish the TCJA Rider.

{¶ 7} On September 9, 2020, the Commission issued a Finding and Order that approved Suburban's application to implement the TCJA Rider, subject to Staff's recommendations.

{¶ 8} On October 22, 2021, Suburban filed a supplemental application to adjust the TCJA Rider. Specifically, Suburban proposes to adjust the TCJA Rider from a credit of 3.382 percent of the customer's applicable base distribution charges to a credit of 3.448 percent of the customer's applicable base distribution charges.

{¶ 9} On October 26, 2021, Staff filed correspondence stating that it has reviewed Suburban's supplemental application and proposed tariffs, which Staff finds to be in compliance with the September 9, 2020 Finding and Order. Staff recommends that Suburban continue to include a true-up to ensure that the correct amount of tax savings is refunded to customers.

{¶ 10} On November 2, 2021, Staff filed additional correspondence in which it recommends that, on a going-forward basis, Suburban's annual updates of the TCJA Rider be subject to review by Staff with proposed rates automatically approved after 45 days from the date of the tariff filing. Additionally, Staff recommends that the Commission permit the automatic approval process to be suspended at the recommendation of Staff, by the Commission on its own initiative, or following a recommendation by an intervening party, through an entry or decision of the Commission issued in these proceedings.

{¶ 11} Upon review of Suburban's application to update the TCJA Rider and the subsequent filings by Staff, the Commission finds that the application does not appear to be

unjust or unreasonable and that it should be approved, subject to Staff's recommendations. Accordingly, the Commission authorizes Suburban to file revised tariffs to implement the update to the TCJA Rider. The Commission further finds that it is unnecessary to hold a hearing in these matters.

III. ORDER

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That Suburban's application to adjust the TCJA Rider be approved, subject to Staff's recommendations. It is, further,

{¶ 14} ORDERED, That Suburban be authorized to file the tariff, in final form, consistent with this Second Finding and Order. Suburban shall file one copy in these case dockets and one copy in its TRF docket. It is, further,

{¶ 15} ORDERED, That the effective date of the new tariff shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

{¶ 16} ORDERED, That nothing in this Second 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 Second Finding and Order be served upon all parties and interested persons of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair
M. Beth Trombold
Daniel R. Conway
Dennis P. Deters

SJP/mef

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in

Case No(s). 20-0043-GA-ATA, 20-0044-GA-UNC

Summary: Finding & Order approving Suburban Natural Gas Company's application to adjust the Tax Cuts and Jobs Act Rider, subject to Staff's recommendations. electronically filed by Kelli C. King on behalf of The Public Utilities Commission of Ohio