



Public Utilities Commission

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April 15, 2022

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

RE: *In the Matter of the Opinion and Order of Suburban Natural Gas Company for an increase in Gas Distribution Rates, Case No. 18-1205-GA-AIR, et al.*

Dear Docketing Division:

Enclosed please find the Review and Recommendations of the Staff of the Public Utilities Commission of Ohio (Staff) in the Matter of the Opinion and Order of Suburban Natural Gas Company for an increase in Gas Distribution Rates, Case No. 18-1205-GA-AIR.

Tamara Turkenton
Director, Accounting & Finance Division
Public Utilities Commission of Ohio

Adam Burns
Accounting & Finance Division
Public Utilities Commission of Ohio

Enclosure
Cc: Parties of Record

Suburban Natural Gas Company
Case No. 18-1205-GA-AIR
Case No. 89-8027-GA-TRF

SUMMARY

On August 31, 2018, Suburban filed, pursuant to R.C. 4909.18, an application to increase its rates for natural gas distribution service in Case No. 18-1205-GA-AIR (Rate Case).

On September 26, 2019 the Public Utilities Commission of Ohio (Commission) issued an Opinion and Order adopting the Stipulation and Recommendation (Stipulation) and resolving all of the issues related to Suburban’s application to increase its natural gas rates. Among other matters, the Stipulation provided for a phase-in of the total revenue increase and revenue requirement over three years, as well as a phase-in of Suburban’s 4.9-mile DEL-MAR pipeline extension into rate base over a three-year period. More specifically, the Stipulation states that 50 percent of the current book value of the pipeline extension will be included in rate base in the first year of the phase-in, followed by 80 percent in the second year, and the full 100 percent in the third year and thereafter.

On June 22, 2020, the Ohio Consumers Counsel filed a notice of appeal to the Supreme Court of Ohio with respect to the Commission’s Opinion and Order in the Rate Case.

On September 21, 2021, the Supreme Court of Ohio (Supreme Court) determined the Commission failed to properly apply the used-and-useful standard set forth in R.C. 4909.15(A)(1) with respect to the DEL-MAR pipeline extension, specifically “by looking beyond the date certain and in considering whether the investment was prudent rather than ‘useful.’” The Supreme Court, therefore, remanded these proceedings to the Commission to “evaluate the evidence and determine whether the 4.9-mile pipeline extension was used and useful as of the date certain.”

On February 23, 2022, the Commission issued an Opinion and Order (Order on Remand) finding that the Stipulation be modified to reflect only 2.0 miles of the pipeline extension costs are to be recovered in rates. Additionally, Suburban was ordered to issue a refund to customers for any amounts collected as of September 21, 2021, that included costs associated with more than 2.0 miles of the 4.9-mile DEL-MAR pipeline extension. The refund should be made in the form of a credit to customer bills, or another reasonable method agreed upon by Staff and should be accompanied with a bill insert to explain the refund. Within 20 days of the date of the Order on Remand, Suburban was required to submit to Staff for its approval a proposed notice regarding the refund, as well as the final calculation of the exact amount to be refunded. Suburban was ordered to work with Staff to establish a mutually acceptable refund method in a timely fashion. Suburban was directed to file revised tariffs crediting back the full amount of the refund to customers over a period of no more than three billing cycles. Once the refund has been fully implemented, Suburban should again file revised tariffs to remove reference to the bill credit.

On April 14, 2022, Suburban filed revised tariffs that support the Company’s proposed credits as follows:

Suburban Customer Refunds			
Classes	Amount Refunded	Customer Charge Credit	Usage Charge Credit
Small General Service	\$82,408	\$1.45	\$0.00
Large General Service	\$32,117	\$6.67	\$0.04491 per CCF
Large General Service Transportation	\$2,815	Based upon Actual Charges Collected	
Total Refund	\$117,340		

Suburban proposes to credit customers \$117,339.95 in total over a three-month period commencing on May 1, 2022.

STAFF RECOMMENDATION

Staff has completed its review of the proposed credit calculations, the associated workpapers and supporting source documents and avers the Company has appropriately calculated the credits within the Company's proposal. Staff recommends the Commission order the Company to refund customers in the amount and manner as proposed by the Company.

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Case No(s). 18-1205-GA-AIR, 89-8027-GA-TRF

Summary: Staff Review and Recommendation in the Matter of the Opinion and Order of Suburban Natural Gas Company for an increase in Gas Distribution Rates electronically filed by Zee Molter on behalf of PUCO Staff