BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbia Gas of Ohio, Inc. for Authority to Amend its Filed Tariffs to Increase the Rates and Charges for Gas Services and Related Matters.	)	Case No. 21-637-GA-AIR
In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of an Alternative Form of Regulation.	)	Case No. 21-638-GA-ALT
In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of a Demand Side Management Program for its Residential and Commercial Customers.	)	Case No. 21-639-GA-UNC
In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval to Change Accounting Methods.	)	Case No. 21-640-GA-AAM

OBJECTIONS TO THE STAFF REPORT OF INVESTIGATION OF OHIO PARTNERS FOR AFFORDABLE ENERGY AND SUMMARY OF MAJOR ISSUES

INTRODUCTION

Ohio Partners for Affordable Energy ("OPAE"), a party to the above-captioned cases, hereby submits these objections to the Staff Report of Investigation ("Staff Report"), and a summary of major issues in these cases. The Staff Report was originally filed with the Public Utilities Commission of Ohio ("Commission") on April 6, 2022, in these matters concerning the applications of Columbia Gas of Ohio ("Columbia") for an increase in its rates, for tariff approval, and for approval to extend its demand-side management and energy efficiency ("DSM/EE") programs.

Columbia filed the Prefiling-Notice of the intent to increase rates on May 28, 2022, and the Application on June 30, 2022.

OPAE, pursuant to R.C. 4909.19 and Ohio Admin. Code 4901-1-28(B), submits the following objections to the Staff Report. OPAE reserves the right to supplement or modify these objections to the extent Staff reverses, modifies, or withdraws its position, at any time, prior to the closing of the record in these proceedings. Further, lack of an objection from OPAE does not preclude OPAE from cross-examination or introduction of evidence or arguments on any other party to the case's objections.

OBJECTIONS

I. OPAE objects to the Staff Report's recommendation of removal of $7.1 million used to fund the WarmChoice Program from base rates. Staff Report at p. 19-20.

The Staff Report recommends the removal of $7.1 million of the budget for the WarmChoice Program from base rates and to instead collect these funds through the existing Demand Side Management ("DSM") Rider going forward. Staff Report at p. 20. The Staff Report errs because the recommendation to move a portion of the funding for the WarmChoice Program from base rates to the DSM Rider will place the WarmChoice Program funding at risk. OPAE has consistently supported recovery of some of the money used to fund WarmChoice through base rates to ensure continuity in the program.

Programs like WarmChoice require consistent funding to enable the program administrators to adequately plan the program budgets, hire and train, and implement the program. Moving approximately 50% of the program funding to the DSM Rider will enable that funding to both be moved to other DSM programs or otherwise attacked in other proceedings to reallocate the funds.[1]

[1] See Pub. Util. Comm. Case No. 19-1940-GA-RDR.

Inclusion of funding in base rates provides continuity for the programs, ensuring customers continue to benefit from what is clearly an appropriate function of distribution utilities. There is no stated justification for eliminating Columbia's base rate funding for DSM programs, and the Commission should guard against the potential disruption of funding when a separate rider filing is necessary for program continuation.

II. OPAE objects to the Staff Reports failure to require adequate funding for the WarmChoice Program. Staff Report at pp. 19-20.

The Staff Report fails to recommend adequate funding for the WarmChoice program. The Staff Report recommends denial of Columbia's request for an annual funding increase of 2%, to account for inflation, for its DSM programs, including WarmChoice. Staff Report at p. 20. This recommendation against an increase is despite the Staff Report's recommendation to increase the eligibility of the WarmChoice program to customers at or below 200% of the federal poverty line.

To be clear, OPAE fully supports the expansion of the income eligibility level for WarmChoice that Columbia proposed, and the Staff Report recommends. However, it will result in an increase in eligible customers. The WarmChoice program funding should be increased correspondingly to account for the increase in eligible customers. Further, inflation is currently rising at a rate greater than 2% annually and has risen to its highest point in forty years. The Staff Report erred not only in denying the minimal annual increase requested by Columbia, but also by not requiring an adequate level of funding for the WarmChoice program given the expanded eligibility resulting from the recommendation to expand income eligibility.

III. OPAE objects to the Staff Report recommendation that Columbia's revenue increase be in the range of 6.88% to 7.39%, because it provides an excessive return when compared to the risk face by Columbia. Staff Report at p. 26.

The Staff Report recommends a revenue increase from 6.88% at the lower bound and 7.39% increase at the upper bound over test year operating revenue. Staff Report at p. 26. The Staff Report errs in not reducing the rate of return sufficiently to reflect the minimal risk faced by the Company for return on its investment.

IV. OPAE objects to the Staff Report's failure to recommend a cap on the effective monthly delivery charge for the SGS rate class. Staff Report at p. 39.

OPAE appreciates Staff's call for Columbia to rerun the COSS and repropose the fixed delivery charge for the SGS rate class. Staff Report at p. 39. However, the Staff Report erred in not acknowledging the negative impacts high fixed charges have on residential customers, specifically low-and moderate-income customers. As proposed by Columbia, by the year the 2027, the effective monthly delivery charge would be $73.07 after the inclusion of the IRP and CEP. Each customer would be required to pay $73.07 for the privilege of being connected to gas service before actually taking any service. The Staff Report erred in not recommending a cap on the effective monthly delivery charge Columbia proposed and Staff requested be recalculated and re-proposed.

V. OPAE objects to the Staff Report's failure to recommend transitioning the delivery charge, IRP rate, and CEP rate for the SGS rate class to volumetric charges similar to the Staff Report's recommendation Columbia transition those same rates for the GS and LGS rate classes. Staff Report at p. 40.

The Staff Report recommends The IRP and CEP rider rate designs for GS and LGS rate classes should not be wholly fixed monthly fees. The rates could be designed at a percentage of the customer's base distribution charge or a combination of fixed and volumetric rates. Staff Report at p. 40. However, the Staff Report makes no such recommendation for the SGS rate class. Staff acknowledges that customers within the GS and LGS classes are not homogenous and high fixed charges lead to interclass subsidies. Staff Report at p. 40. Similarly, not all residential customers are the same. And low-income and moderate-income customers are disproportionately harmed by high fixed charges.

Excessive customer charges have a number of negative impacts. Fixed charges are regressive in nature in that they incorporate variable costs into a fixed charge, thus resulting in unjust and unreasonable bills for low users; most low-income customers use less than the average customer. Excessive customer charges also serve as a barrier to energy efficiency because they increase the cost-effectiveness and payback of these technologies. This is inconsistent with Ohio's policies adopted by the Ohio General Assembly in O.R.C. 4929.02 and is unjust and unreasonable.

VI. OPAE objects to the Staff Report's recommendation that customers only receive a free meter test once every three years. Staff Report at p. 30.

Columbia currently has a $40 tariff charge for a meter test but will waive the fee if requested. The Staff Report recommends Columbia provide residential customers with one free meter test every three years. Staff Report at 30. OPAE objects to this recommendation because customers should receive a meter test, free of charge, once a year or as needed. Columbia owns customers' meters.[2] Therefore, ensuring their proper function and upkeep is the responsibility of Columbia. Customers should not be

[2] https://www.columbiagasohio.com/safety/natural-gas-safety/gas-line-responsibilities

penalized for requesting annual tests to ensure their meter is functioning properly. The Staff Report erred in failing to recommend annual free meter tests.

VII. OPAE objects to the Staff Report's recommendation that the recovery of credit/debit card and pay station convenience fees be the responsibility of the individual customers and not collected through base rates. Staff Report at p. 29.

The Staff Report rejects Columbia's request to recovery credit card and other pay station convenience fees through base rates as opposed to as an additional charge for each customer. Staff Report at p. 29. Columbia's request to collect these charges through base rates is in line with many other industries who build the cost of credit card fees into the cost of their product and do not charge them to the individual customer at the point of sale. The Staff Report's recommendation to deny Columbia's request is unreasonable because it is punitive in nature for those customers who may, from time to time, need to finance the payment of their gas bill via a credit card. These charges are more likely to negatively impact low- and moderate-income customers who already face disproportionately high energy burdens. As inflation in the U.S. hits a record 40 year high, the Commission should look for any way to ease customers' cost burden.

MAJOR ISSUES

Pursuant to Revised Code Section 4903.083, OPAE proposes the following summary of major issues:

1. The appropriate level of revenues that Columbia should be authorized to collect through rates;

2. The appropriate rate design and customer charges for residential customers;

3. The appropriate rate of return for ratemaking purposes; and

4. The appropriate level of funding for Energy Efficiency ("EE") Programs, the appropriate mix of funding through base rates and riders, and the methods of cost recovery for EE programs.

Respectfully submitted,

/s/ Robert Dove____________
Robert Dove (0092019)
Kegler Brown Hill + Ritter Co., L.P.A.
65 E State St., Ste. 1800
Columbus, OH 43215-4295
Office: (614) 462-5443
rdove@keglerbrown.com
(Willing to accept service by email)
Attorney for OPAE

CERTIFICATE OF SERVICE

I certify that this filing was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on May 6, 2022. The PUCO's e-filing system will electronically serve notice of the filing of this document on the parties subscribed to these proceedings. Additionally, notice was provided to the parties listed below.

/s/ Robert Dove
Robert Dove

SERVICE LIST

jweber@elpc.org
gkrassen@bricker.com
dstinson@bricker.com
dparram@bricker.com
joe.oliker@igs.com
michael.nugent@igs.com
angela.obrien@occ.ohio.gov
William.michael@occ.ohio.gov
mkurtz@bkllawfirm.com
kboehm@bkllawfirm.com
mlthompson@nisource.com

jkylercohn@bkllawfirm.com
bojko@carpenterlipps.com
wygonski@carpenterlipps.com
paul@carpenterlipps.com
mjsettineri@vorys.com
glpetrucci@vorys.com
josephclark@nisource.com
johnryan@nisource.com
egallon@porterwright.com
bhughes@porterwright.com
dflahive@porterwright.com