## 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

## OHIO SCHOOL COUNCIL'S OBJECTIONS TO THE STAFF REPORT

#### I. INTRODUCTION

On May 28, 2021, Columbia Gas of Ohio, Inc. ("Columbia") filed with the Public Utilities Commission of Ohio ("PUCO") separate notices of its intent to file an application for an increase in rates and an application for approval of an alternative rate plan. On June 30, 2021, Columbia filed its application for an increase in rates. PUCO Staff filed its Staff Report of Investigation ("Staff Report") in this proceeding on April 6, 2022. Pursuant to R.C. 4909.19 and O.A.C. 4901-1-28, Ohio Schools Council ("OSC") respectfully submits these objections to the Staff Report.

OSC's objections identify matters in the Staff Report in which Staff has either made, or failed to make, recommendations, resulting in rates or service terms that are unjust, unreasonable and unlawful. The lack of an objection to any aspect of the Staff Report does not preclude OSC from pursuing litigation on related issues where Staff reverses, modifies or withdraws its position as

contained in the Staff Report. OSC also reserves the right to amend and supplement its objections in the event Staff reverses, modifies or withdraws its position on any issue contained in the Staff Report.

In instances in which Staff has indicated its position on a particular issue is not known as of the date the Staff Report is issued, OSC reserves the right subsequently to supplement its objections once Staff's position is made known. OSC also reserves the right to file additional expert testimony, produce fact witnesses and introduce additional evidence. In addition, any witness called by OSC also reserves the right to amend and supplement testimony in the event Staff reverses, modifies, or withdraws its position on any issue contained in the Staff Report.

#### II. OBJECTIONS

OBJECTION 1. The Staff Report unreasonably recommended approval of Columbia's proposed distribution related rates of return and indexes for its customer classes. The proposed rate of return for GS customers is too high.

In recommending approval of Columbia's proposed distribution related rates of return and indexes for its customer classes, Staff found that Columbia's proposal "reflects a reasonable movement toward the costs to serve each class." Staff Report at 37. The GS Rate Class currently is paying a rate of return of 19.21%, and under Columbia's proposal would pay 22.53%. Instead of moving the GS Rate Class closer to the average rate of return, the Staff Report unreasonably recommends increasing the rate of return for the class, which already is paying above what would be considered the target average rate of return.

# OBJECTION 2. The Staff Report unreasonably failed to recommend a reasonable rate design based upon an appropriate COSS.

The Staff Report instructed Columbia to provide a modified COSS consistent with various Staff recommendations, and indicated that the modified COSS would serve as the basis for Staff's recommended rate design. The Staff Report unreasonably fails to recommend a rate design based

upon a reasonable COSS, including a recommended monthly delivery charges for the SGS Rate Class, and a monthly customer charge for the GS and LGS Rate Classes. Staff Report at 39-40.

# OBJECTION 3. The Staff Report is unreasonable because it failed to recommend that the monthly customer charge for the GS and LGS Rate Classes should be set no higher than the COSS calculated customer cost.

Staff rejected Columbia's methodology for calculating the customer charge for the GS and LGS rate classes as not representative of the classes' cost of service, because the methodology considered various Rider rates. Staff recommended lowering the GS and LGS customer charges "closer to COSS customer-related rates." Staff Repot at 40. OSC supports Staff's rejection of Columbia's proposal; however, Staff's recommendation to lower the customer charge "closer to COSS customer-relate rates" is vague and unreasonable. To promote conservation of resources, the monthly customer charge should be lowered, at a minimum, to the COSS calculated customer cost.

# OBJECTION 4. The Staff Report unreasonably failed to find that the 5% discount currently applied to the rates of primary and secondary schools is inadequate.

The Staff Report unreasonably failed to find that the 5% discount currently applied to the rates of primary and secondary school is inadequate. See, e.g., Staff Report at 38. Schools typically cut back their building heating consumption when students are not in the building. This occurs on weekends, vacations, and "snow days." At these times, the heat loss is greatly reduced because there is no egress or ingress. Additionally, the building temperatures are reduced anywhere from 10° to 15°. These factors result in a decreased load (demand) that is not adequately represented by a mere 5% discount.

#### III. SUMMARY OF MAJOR OBJECTIONS

The Staff Report's failure to recommend a reasonable rate design based upon an appropriate COSS.

Respectfully submitted,

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#### **CERTIFICATE OF SERVICE**

In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document upon the following parties. In addition, I hereby certify that a service copy of the foregoing *Objections to the Staff Report* was sent by, or on behalf of, the undersigned counsel to the following parties of record this <u>6<sup>th</sup></u> day of May 2022.

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Summary: Objection to the Staff Report by Ohio School Council electronically filed by Teresa Orahood on behalf of Dane Stinson