

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of the	)	
East Ohio Gas Company d/b/a	)	
Dominion Energy Ohio for Approval of	)	Case No. 20-1634-GA-ALT
an Alternative Form of Regulation to	)	
Continue Its Pipeline Infrastructure	)	
Replacement Program.	)	

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**APPLICATION FOR REHEARING  
BY  
OFFICE OF THE OHIO CONSUMERS' COUNSEL**

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May 20, 2022

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The PUCO's Opinion and Order adopting the Settlement allows Dominion to continue to charge consumers tens of millions of dollars for the utility's pipeline infrastructure replacement ("PIR") program.<sup>1</sup> The Settlement benefits Dominion. It does not benefit consumers. It is not in the public interest.

The PUCO once again allowed Dominion to charge consumers for profits that are excessive, based on an outdated, too-high 13-year-old rate of return, and a too-high cost of long-term debt. The use of outdated, excessive profits rate and cost of long-term debt has no record support and was contrary to law.

The Opinion and Order adopting the Settlement is unreasonable and unlawful and contrary to the public interest (consumer protection). The Settlement also violates important regulatory principles, and the PUCO should not have adopted it. Accordingly, under R.C. 4903.10, OCC applies for rehearing of the Order.

As explained more fully in the following memorandum in support, the PUCO's Order was unlawful and unreasonable in the following respects:

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<sup>1</sup> Case No. 20-1634-GA-ALT, Opinion and Order (April 20, 2022) ("Order").

ASSIGNMENT OF ERROR NO. 1: The PUCO erred because it failed to make a finding that Dominion's 13-year-old rate of return (including both return on equity and cost of debt) is unjust and unreasonable. The PUCO thereby violated R.C. 4905.22, R.C. 4929.05(A)(3) and R.C. 4909.18, resulting in an unreasonable and unlawful decision.

ASSIGNMENT OF ERROR NO. 2: The PUCO erred by using Dominion's 13-year-old rate of return (including both return on equity and cost of debt) in rates charged consumers without record support. The PUCO thereby violated R.C. 4903.09 and binding Ohio Supreme Court precedent in *Tongren* and *Suvon*,<sup>2</sup> resulting in an unreasonable and unlawful decision.

ASSIGNMENT OF ERROR NO. 3: The PUCO erred by approving a Settlement that does not benefit consumers and the public interest, thereby resulting in an unreasonable and unlawful decision. The only evidence in the record is that the rates the PUCO authorized Dominion to charge consumers under its pipeline infrastructure replacement program are unjust and unreasonable.

ASSIGNMENT OF ERROR NO. 4: The PUCO erred by approving a Settlement that violates important regulatory principles and practices, resulting in an unreasonable and unlawful decision. By authorizing Dominion to charge consumers rates under its pipeline infrastructure replacement program that are unjust and unreasonable, the PUCO violated important regulatory principles and practices in R.C. 4905.22, 4929.05(A)(3), and R.C. 4909.18.

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<sup>2</sup> See *Tongren v. PUC*, 85 Ohio St.3d 87, 1999-Ohio-206, 706 N.E.2d 1255 ("*Tongren*"); See *In re Suvon*, L.L.C., 2021-Ohio-3630 ("*Suvon*").

Respectfully submitted,

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**MEMORANDUM IN SUPPORT OF APPLICATION FOR REHEARING  
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**I. INTRODUCTION**

The PUCO's Order in this case fails consumers. First, R.C. 4903.09 requires that PUCO decisions must be based on *findings of fact* and written opinions setting forth the reasons prompting the decisions arrived at, based upon said *findings of fact*.<sup>3</sup> The PUCO's decision in this case to approve a Settlement that allows Dominion to continue using a 13-year-old rate of return (that includes both the return on equity (profits) and cost of long-term debt) is not based on record evidence. It cannot be because there is no record evidence to support it.

The PUCO failed to find (and could not find based on the record) that using Dominion's 13-year-old rate of return to design its pipeline infrastructure replacement program rates charged to consumers and alternative rate plan is "just and reasonable" as required under R.C. 4929.05(A)(3) and R.C. 4909.18. The PUCO's use of the outdated and inflated rate of return that was set more than 13 years ago is clearly unjust and unreasonable.

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<sup>3</sup> R.C. 4903.09.

Consumers unlawfully and unreasonably are required to pay more than they should for the PIR program. Dominion gets a windfall profit and consumers get a higher bill.

Second, the PUCO also failed to find that the Settlement violates the criteria under which Settlements are evaluated. This Settlement does not benefit consumers or the public interest. The Settlement also violates important regulatory principles and practices.

The PUCO should grant OCC's Application for Rehearing as further explained below to protect consumers from overpaying for gas utility service.

## II. MATTERS FOR CONSIDERATION

**A. ASSIGNMENT OF ERROR NO. 1: The PUCO erred because it failed to make a finding that Dominion's 13-year-old rate of return (including both return on equity and cost of debt) is unjust and unreasonable. The PUCO thereby violated R.C. 4905.22, R.C. 4929.05(A)(3) and R.C. 4909.18, resulting in an unreasonable and unlawful decision.**

In order to approve Dominion's PIR Program for a new five-year period, the PUCO must find that the Program is just and reasonable according to R.C. 4929.05(A)(3). And it must make this finding based on the record in *this* case.<sup>4</sup> The PUCO stated in its Order that it "has already found that the PIR program is just and reasonable when it initially approved the program in the 2009 Rate Case and extended the program in the 2011 ALT Case and the 2015 ALT Case."<sup>5</sup> But in order to approve the PIR Program for a new five-year period, the PUCO must find that *this* PIR Program is just and reasonable under R.C. 4929.05(A)(3).

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<sup>4</sup> See, *Tongren v. Pub. Util. Comm.*, 85 Ohio St.3d 87, 89-91, 706 N.E.2d 1255 (1999); *In re Application of FirstEnergy Advisors for Certification as a Competitive Retail Elec. Serv. Power Broker & Aggregator*, Slip Opinion No. 2021-Ohio-3630.

<sup>5</sup> Order at ¶ 61.

Specifically, for the PUCO to approve the PIR for a new five-year period in *this* case with its more than 13-year-old rate of return (getting older and more outdated each year), it must determine that the outdated and inflated rate of return is just and reasonable. It is not, and indeed, the PUCO did not make this finding. The PUCO’s reliance on so-called “past practice” (and without any explanation for relying on “past practice”) is not *a finding of fact* and is not based on the *evidence record of this proceeding*.

There is no dispute that Dominion’s rate of return—set more than 13 years ago in Case No. 07-829-GA-AIR—is outdated and inflated.<sup>6</sup> No party challenged OCC’s expert witness Dr. Daniel Duann’s testimony that the rate of return includes a 6.5% cost of debt component when Dominion’s current actual cost of debt is 2.9%.<sup>7</sup> Similarly, no party challenged or disputed Dr. Duann’s testimony that the proposed PIR rate of return includes a 10.38% return on equity<sup>8</sup> that no longer reflects Dominion’s current business risk or return on equities attained by utilities comparable to Dominion in today’s business climate<sup>9</sup> (as required by the U.S. Supreme Court’s *Bluefield*<sup>10</sup> decision). And nobody challenged Dr. Duann’s conclusion that Dominion’s rate of return in this case should be no higher than 7.2% based on Dominion’s current actual cost of debt and current business risk and business climate.<sup>11</sup>

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<sup>6</sup> OCC Ex. 1.0 (Testimony Recommending Consumer Protection from the Settlement by Daniel J. Duann, Ph.D. filed October 25, 2021) at 6-12; OCC Initial Brief at 4-8.

<sup>7</sup> *Id.*; see OCC Ex. 1.0 at 7-8.

<sup>8</sup> *Id.*; see OCC Ex. 1.0 at 6-8.

<sup>9</sup> OCC Initial Brief at 5-8, 10; see also OCC Ex. 1.0 at 6-8, 11-12.

<sup>10</sup> *Bluefield Water Works v. Public Service Comm’n*, 262 U.S. 679, 692 (1923).

<sup>11</sup> OCC Initial Brief at 6-8; OCC Ex. 1.0 at 11-12.

The parties waived cross-examination in this case. No party other than OCC sponsored any rate of return witnesses of their own in this case to challenge Dr. Duann's recommendations. No party is able to support using a rate of return set more than 13 years ago in Dominion's base rate case (Case No. 07-829-GA-AIR). And yet, the Settlement's rate of return includes a cost of debt that is nearly three times higher than Dominion's actual cost of debt and a 10.38% return on equity that is much higher than the return on equity earned by comparable utilities and no longer reflects Dominion's business risk.<sup>12</sup>

The PUCO erred in approving the Settlement. R.C. 4929.05(A)(3) provides that the PUCO should approve an alternative rate plan, like Dominion's PIR program, only if the utility has shown and the PUCO finds that the alternative rate plan is just and reasonable. Under R.C. 4909.18, the proposals in any application for establishment of change in rate must be shown by the public utility to be just and reasonable. The Settlement's use of an outdated and inflated pre-tax rate of return leads to rates that are unjust and unreasonable for consumers, thus violating Ohio law.

The PUCO's decision to approve Dominion's 13-year-old rate of return (including both return on equity and cost of long-term debt) is unreasonable and unlawful.<sup>13</sup> The PUCO's Order states that "it is the Commission's long-standing practice to utilize the cost of capital and capital structure approved in the utility's last rate case in

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<sup>12</sup> And neither Staff nor Dominion (or anyone else) challenged Dr. Duann when he made the same recommendation and took the witness stand in Case No. 19-468-GA-ALT concerning Dominion's Capital Expenditure Program—a very similar proceeding. In that proceeding nobody asked Dr. Duann any questions at all regarding his recommendations.

<sup>13</sup> R.C. 4903.10.

subsequent alternative rate plan and rider proceedings.”<sup>14</sup> But the PUCO’s past practice is not a substitute for the legal standard under Ohio law, R.C. 4929.05(A)(3) and R.C. 4909.18. This is especially the case when the PUCO failed to provide any explanation whatsoever that it should continue to rely on its past practices.

Under these statutes, the PUCO must find that this five-year pipeline infrastructure replacement program is just and reasonable, which includes the embedded rate of return. Using the outdated and inflated rate of return that was set more than 13 years ago, without any supporting evidence, fails to show that it is just and reasonable to use in 2022. (The *only* evidence in the record, was the uncontroverted testimony of OCC Witness Duann that the rates were *unjust* and *unreasonable*.)<sup>15</sup> Using an outdated and inflated rate of return in setting rates means that consumers pay more than they should for Dominion’s pipeline infrastructure replacement expenditures. Dominion gets a windfall and consumers get a higher bill.

The PUCO should grant rehearing on Assignment of Error No. 1.

**B. ASSIGNMENT OF ERROR NO. 2: The PUCO erred by using Dominion’s 13-year-old rate of return (including both return on equity and cost of debt) in rates charged consumers without record support. The PUCO thereby violated R.C. 4903.09 and binding Ohio Supreme Court precedent in *Tongren* and *Suvon*,<sup>16</sup> resulting in an unreasonable and unlawful decision.**

The PUCO’s decision authorizing Dominion to use, without record support, its 13-year-old rate of return (including both return on equity and cost of debt) in rates

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<sup>14</sup> Order at ¶ 54.

<sup>15</sup> OCC Ex. 1.0.

<sup>16</sup> See *Tongren v. PUC*, 85 Ohio St.3d 87, 1999-Ohio-206, 706 N.E.2d 1255 (“*Tongren*”); See *In re Suvon*, L.L.C., 2021-Ohio-3630 (“*Suvon*”).

charged consumers is unreasonable and unlawful. It violates R.C. 4903.09 and is inconsistent with Ohio Supreme Court (“Court”) precedent in *Tongren* and *Suvon*.<sup>17</sup>

Under R.C. 4903.09, PUCO decisions must be based on *findings of fact* and written opinions setting forth the reasons prompting the decisions arrived at, based upon said *findings of fact*.<sup>18</sup> This requirement was confirmed by the Ohio Supreme Court in *Tongren*,<sup>19</sup> and most recently in *Suvon*.<sup>20</sup>

In *Tongren* and *Suvon*, the Court determined that a PUCO order must provide “in sufficient detail, the facts in the record upon which the order is based, and the reasoning followed by the PUCO in reaching its conclusion.”<sup>21</sup> The Court also clarified that some factual support for PUCO determinations must exist in the record – an obligation that the PUCO itself has recognized in its orders.<sup>22</sup> In this case, the PUCO failed to provide “in sufficient detail, the facts in the record upon which the order is based, and the reasoning it followed in reaching its conclusion.”

The PUCO’s decision violates R.C. 4903.09, *Tongren*, and *Suvon* because it approved the Settlement without citing to *evidence* in the record that the rates charged consumers under Dominion’s pipeline infrastructure replacement program are just and reasonable. (In point of fact, it could not have. The *only* evidence in the record, was the

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<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Tongren* at 89-90.

<sup>20</sup> *Suvon* at 2-3, 9-10 (By statute, PUCO must file “findings of fact and written opinions setting forth the reasons prompting the decisions arrived at”).

<sup>21</sup> *Tongren* at 89-90; *Suvon* at 2-3, 9-10; *see also* *MCI Telecommunications Corp. v. Pub. Util. Comm.* (1987), 32 Ohio St.3d 306, 311, 513 N.E.2d 337, 344; *Allnet Communications Serv., Inc. v. Pub. Util. Comm.* (1994), 70 Ohio St.3d 202, 209, 638 N.E.2d 516, 521.

<sup>22</sup> *See* *Tongren* at 89-90; *Suvon* at 9-10; *see, e.g., In re Petition of Studer & Numerous Other Subscribers of Neapolis Exchange of ALLTEL Ohio*, PUCO Case No. 88-481-TP-PEX, Entry on Rehearing (September 6, 1990).

uncontroverted testimony of OCC Witness Dr. Duann that the rates were *unjust* and *unreasonable*.)<sup>23</sup> Instead, the PUCO simply adopted Dominion’s 13-year-old rate of return in setting the rates charged to consumers.<sup>24</sup>

To support this, the PUCO concluded that “it has been the Commission’s long-standing practice to utilize the approved rate of return from a utility’s last rate case in subsequent alternative regulation and rider proceedings.”<sup>25</sup> But the PUCO’s declaration that it is doing what it always has done is no substitute for record support (which is what the law requires). The PUCO still has to determine that rates charged to consumers now (in 2022) by using a rate of return set in a rate case 13 years ago (2008) is just and reasonable. Without record support, the PUCO’s decision is unreasonable and unlawful.

The PUCO does not cite to record *evidence* in this case to support its decision. It just cites “past precedent.” Past precedent is not sufficient to meet the requirements of R.C. 4903.09, *Tongren*, and *Suvon* for record evidence. This is particularly the case in this proceeding when the only record evidence is that provided by OCC – that using the rate of return set 13 years ago in setting rates charged to consumers now is unjust and unreasonable.

The PUCO should grant rehearing on Assignment of Error No. 2.

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<sup>23</sup> OCC Ex. 1.0.

<sup>24</sup> Order at ¶ 54.

<sup>25</sup> *Id.*

**C. ASSIGNMENT OF ERROR NO. 3: The PUCO erred by approving a Settlement that does not benefit consumers and the public interest, thereby resulting in an unreasonable and unlawful decision. The only evidence in the record is that the rates the PUCO authorized Dominion to charge consumers under its pipeline infrastructure replacement program are unjust and unreasonable.**

One of the criteria for evaluating a Settlement's reasonableness is whether the Settlement benefits consumers and the public interest.<sup>26</sup> The PUCO erred in affirming its practice of utilizing the rate of return from the last rate case for subsequent alternative rate plan and rider proceedings as being in the public interest.<sup>27</sup> Allowing Dominion to charge consumers for rates that are unjust and reasonable does not benefit consumers and the public interest.

Here, the PUCO authorized Dominion to use its 13-year-old rate of return (including both return on equity and cost of debt) in its charges to consumers for its pipeline infrastructure replacement program. But the *only* evidence in the record regarding using the 13-year-old rate of return was the uncontroverted testimony of OCC Witness Dr. Duann. He testified that the 13-year-old rates were *unjust* and *unreasonable*.<sup>28</sup>

The PUCO attempts to justify its refusal to adjust elements of the rate of return calculation because it would involve "cherry picking" and ignore other cost components that may have increased since Dominion's last rate case.<sup>29</sup> It is a twist that the PUCO believes it needs to protect the utility (not consumers) from cherry picking in this

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<sup>26</sup> See, e.g., Order at ¶ 40.

<sup>27</sup> Order at ¶ 54.

<sup>28</sup> OCC Ex. 1.0.

<sup>29</sup> Order at ¶ 54.

alternative regulation case that Dominion itself selected. Alternative regulation is, by its very nature, cherry picking in Dominion's favor. Cherry picking is exactly what the PUCO is permitting Dominion to do in the Settlement. Dominion gets the rate increase it wants with no assessment of mitigating issues, like its significantly declining cost of debt, to offset some of that rate increase. Again, this is because consumers have not had an opportunity for 13 years to examine Dominion's books in a base rate case. And that is because Dominion chose to not file a rate case.

The PUCO erred in concluding that "modifying only certain elements in the rate of return calculation would necessarily involve 'cherry picking.'"<sup>30</sup> OCC witness Duann presented complete testimony on rate of return.<sup>31</sup> OCC presented the only expert rate of return witness in this proceeding, whose testimony was not challenged by opposing testimony or cross-examination. Record support exists for the PUCO to modify the entire rate of return calculation.

OCC proposed that the PUCO adjust Dominion's entire cost of capital.<sup>32</sup> OCC Witness Dr. Duann presented detailed testimony as to the appropriate cost of debt,<sup>33</sup> cost of equity<sup>34</sup> and capital structure.<sup>35</sup> But the PUCO failed even to address it.

OCC is the only party to demonstrate that the return on equity component of Dominion's rate of return no longer reflects Dominion's current financial risks and is far higher than recent returns on equity for comparable natural gas utilities. Dr. Duann

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<sup>30</sup> *Id.*

<sup>31</sup> *See*, OCC Ex. 1.0 (Duann Testimony) at 4-7.

<sup>32</sup> OCC Ex. 1.0 at 4-7, 9-10.

<sup>33</sup> OCC Ex. 1.0 at 9-10.

<sup>34</sup> *Id.*

<sup>35</sup> OCC Ex. 1.0 at 4-7, 9-15.

testified that Dominion's return on equity should be no higher than 9.36% instead of the 10.38% embedded in Dominion's proposed rate of return.<sup>36</sup> Similarly, Dr. Duann showed that Dominion's outdated rate of return includes an embedded cost of debt component of 6.50%, since its actual cost of debt is only 2.29%, as shown in DEO's own filing with the PUCO.<sup>37</sup> Taken together (updated return on equity and current cost of debt), OCC's expert showed conclusively (and exclusively) that Dominion's updated pre-tax rate of return should be no more than 7.2%.<sup>38</sup>

Adjusting the outdated, inflated rate of return does not represent "cherry picking"<sup>39</sup> any more than updating the other elements of the PIR charge under the Settlement that the PUCO approved. The PIR charge is calculated by using the updated amount of PIR capital investments, the updated operating and maintenance expenses, the updated depreciation expenses, and the updated tax expenses. Only here, the rate of return was not updated. Essentially, the PIR charge updates every component of the program (the amounts of PIR investments, the O&M expenses, and taxes) --except the stale and unreasonably high rate of return.

It is not "cherry picking" to recommend that the PUCO adjust the rate of return component of a utility's filing when market conditions demand this review. Especially when the recommendation is supported by undisputed witness testimony.

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<sup>36</sup> OCC Ex. 1.0 at 9-10.

<sup>37</sup> *Id.* at 9, 14.

<sup>38</sup> *Id.* at 4, 9, 12.

<sup>39</sup> *See*, Order at ¶ 54.

The PUCO noted its direction that Dominion file a base rate case no later than October 2023, a year earlier than previously determined.<sup>40</sup> But there is no guarantee about the timing or the outcome of the yet-to-be-filed base rate case. The PUCO's objective of "a more expedient alignment of the Company's cost of capital and capital structure with the market conditions"<sup>41</sup> will not be achieved for approximately three more years.

It does not benefit consumers or the public interest to ask Dominion's residential consumers to continue to pay this excessive and unreasonable pre-tax rate of return of 9.91%. The PUCO's modification of the timing of the filing of the utility's next base rate case is a further indication of the need to update the rate of return sooner rather than later. Consumers continue to overpay while the PUCO waits until Dominion's next rate case to consider the rate of return embedded in the PIR revenue requirement.

Additionally, there is no record evidence for the PUCO's assertion that adopting an adjusted rate of return may lead to loss of benefits for customers that the Settlement provides.<sup>42</sup> There is no evidence in the record that Dominion cannot continue its PIR program by using a lower and reasonable rate of return as offered by OCC's witness. Dominion can continue its PIR program with a much lower rate of return than 9.91% currently charged to its gas consumers. The PUCO should not count any effects of the PIR program as benefits of the Settlement.

And any purported benefits are diminished by the excessive profits consumers are required to pay to Dominion under this Settlement. As pointed out in testimony and in

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<sup>40</sup> Order at ¶ 54 citing PUCO Case No. 21-619-GA-RDR, Opinion and Order at 28 (February 23, 2022).

<sup>41</sup> *Id.*

<sup>42</sup> Order at ¶ 54.

OCC's briefs,<sup>43</sup> customers would still get all of the purported benefits if the PUCO were to adjust Dominion's rate of return.

No law, rule, or PUCO's precedent requires that the PUCO apply the rate of return from a utility's most recent base rate case to determine a rider rate. Considering that OCC's witness testimony is undisputed, the PUCO's use of Dominion's 2008 rate of return for purposes of this proceeding was against the manifest weight of the evidence, harms consumers and was not in the public interest.

The PUCO should grant rehearing on Assignment of Error No. 3.

**D. ASSIGNMENT OF ERROR NO. 4: The PUCO erred by approving a Settlement that violates important regulatory principles and practices, resulting in an unreasonable and unlawful decision. By authorizing Dominion to charge consumers rates under its pipeline infrastructure replacement program that are unjust and unreasonable, the PUCO violated important regulatory principles and practices in R.C. 4905.22, 4929.05(A)(3), and R.C. 4909.18.**

One of the criteria for evaluating a Settlement's reasonableness is whether the Settlement violates any important regulatory principles or practices.<sup>44</sup> The Settlement here violates important regulatory principles and practices. It should not have been approved.

The PUCO erred in stating that "using the rate or return from the most recent base rate case does not violate any important regulatory principle or practice. The Commission has found as such time and time again by upholding the use of the most recent rate case's rate of return in alternative rate plan and rider proceedings."<sup>45</sup>

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<sup>43</sup> OCC Ex. 1.0 at 16; OCC Initial Brief at 5-6; OCC Reply Brief at 6-8.

<sup>44</sup> See, e.g., Order at ¶ 40.

<sup>45</sup> Order at ¶ 61.

But no law, rule, or PUCO precedent requires that the PUCO apply the rate of return from a utility's most recent base rate case to determine a rider rate. Especially when to do so contravenes Ohio law

Under applicable laws in this case,<sup>46</sup> the PUCO has an affirmative responsibility to review and make a finding on the justness and reasonableness of Dominion's application. Finding that the PIR program was "just and reasonable when it initially approved the program"<sup>47</sup> and in subsequent rider updates is not finding the program just and reasonable today.

A fundamental regulatory principle is that the rate of return authorized for a regulated utility should be based on current market conditions, thus allowing the utility's shareholders an opportunity to earn a fair return when compared to the return that they might obtain were they to invest their money elsewhere.<sup>48</sup> The application of Dominion's 2008 rate of return to the pipeline infrastructure replacement rider violates this regulatory principles and, thus, the third prong of the PUCO's standard for approving Settlements. The Settlement violates this regulatory principle because it gives Dominion's shareholders an undeserved windfall profit, and consumers get in return a much higher bill. Ohioans need the PUCO to step in as the judge and establish fairness and equity which are regulatory principles that are being trampled by the approval of the Settlement.

Ohio law governing this case – R.C. 4905.22, 4929.05(A)(3), and R.C. 4909.18– requires that the rates Dominion charges consumers for its pipeline infrastructure replacement program be just and reasonable. OCC Witness Dr. Duann testified that the

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<sup>46</sup> R.C. 4909.18; R.C. 4929.05(A)(3).

<sup>47</sup> Order at ¶ 61.

<sup>48</sup> *Bluefield Water Works v. Public Service Comm'n*, 262 U.S. 679 (1923).

13-year-old rate of return used in the Settlement and authorized by the PUCO are *unjust* and *unreasonable*.<sup>49</sup> OCC Witness Duann's testimony was uncontroverted. Overcharging consumers for utility services violates Ohio law which requires that all utility rates be just and reasonable.<sup>50</sup> Thus, there can be no doubt but that the Settlement violates important regulatory principles and practices.

The PUCO should grant rehearing on Assignment of Error No. 4.

### III. CONCLUSION

"[T]he purpose of the PUCO \* \* \* is to protect the customers of public utilities."<sup>51</sup>

The PUCO can protect consumers by granting rehearing and rejecting or modifying the Settlement and adopting OCC's consumer-protection recommendations.

Respectfully submitted,

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<sup>49</sup> OCC Ex. 1.0.

<sup>50</sup> R.C. 4905.22; R.C. 4929.05(A)(3). *See*, OCC Initial Brief at 2-3.

<sup>51</sup> *Ohio Consumers' Counsel v. Pub. Util. Comm.*, 121 Ohio St.3d 362, 372 (2009) (Pfeifer, J. dissenting).

## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of this Application for Rehearing was served on the persons stated below via electronic transmission, this 20<sup>th</sup> day of May 2022.

/s/ Amy Botschner O'Brien  
Amy Botschner O'Brien  
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Botschner O'Brien, Amy