

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
OHIO GAS COMPANY FOR AUTHORITY  
TO UPDATE ITS RIGHT-OF-WAY RIDER.

CASE NO. 22-257-GA-RDR

## FINDING AND ORDER

Entered in the Journal on July 13, 2022

### I. SUMMARY

{¶ 1} The Commission approves the application of Ohio Gas Company for authority to update its right-of-way rider, as modified by Staff's recommendation.

### II. DISCUSSION

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

{¶ 3} R.C. 4939.07 governs a public utility's recovery of public way fees. On September 15, 2021, Ohio Gas filed an application to establish a right-of-way rider (ROW Rider) pursuant to that statutory authority along with corresponding applications for authority to change accounting methods and revise its tariffs. *In the Matter of the Application of Ohio Gas Company to Establish a Right-of-Way Rider*, Case No. 21-943-GA-RDR, et al. (ROW Rider Case). By Finding and Order issued December 15, 2021, the Commission approved the application, subject to Staff's recommendations. *ROW Rider Case*, Finding and Order (Dec. 15, 2021). The Commission further authorized an annual update process that requires the Company to file an annual update application by March 31 of each year. In the absence of Commission action, the rates proposed in the annual filings would be deemed automatically approved on the 121st day after the filing; rates would become effective October 1 of each year. *Id.*

{¶ 4} On March 31, 2022, Ohio Gas filed its first annual application seeking authority to update the ROW Rider to recover costs incurred during 2021, as well as rider

implementation costs (Application). The Company's Application sets forth a revenue requirement of \$658,738, resulting in a proposed ROW Rider rate of \$1.06 per month.

{¶ 5} On June 16, 2022, Staff filed its Review and Recommendation (Staff Report) regarding the Application. In the Staff Report, Staff provides an explanation of its analysis and sets forth its conclusions and recommendations. Staff first addresses the Company's intended recovery of implementation costs. Staff explains that, in the *ROW Rider Case*, Ohio Gas proposed – and the Commission approved – a process by which the Company's costs to implement the rider be included as part of the first annual update, subject to Commission review.<sup>1</sup> Thus, in this initial annual update, Staff reviewed the \$27,089.50 in implementation costs the Company incurred during 2021, for which it now seeks recovery. Staff reports that these implementation costs consist primarily of legal fees related to the filing and processing of the Company's initial application. Staff contends that the implementation costs are not directly related to the various right-of-way projects included for recovery in the ROW Rider and additionally notes that legal fees related to the administrative work associated with filing and processing rider application are not typically included for recovery in riders. Accordingly, Staff recommends that the Commission deny recovery of the implementation costs.

{¶ 6} The Staff Report additionally identifies two items in the Company's expenses proposed for recovery that Staff recommends be removed from the revenue requirement: a single purchase of an incidental food item (\$12.00) and a \$2.09 adjustment to account for an erroneously recorded transaction. Combining these two items with the disallowance of implementation costs, Staff recommends a total adjustment of \$27,103.59, which results in a new revenue requirement of \$630,029 and a recommended rate of \$1.02.

---

<sup>1</sup> In the Staff recommendation filed in the *ROW Rider Case*, Staff reserved the right to review and comment on the implementation costs, and the Commission's approval of the implementation of the ROW Rider was granted subject to Staff's recommendations.

{¶ 7} Ultimately, Staff recommends the Commission approve the Application subject to its recommended adjustments.

{¶ 8} By Entry issued June 17, 2022, the attorney examiner directed the Company to file a response to the Staff Report on or before June 27, 2022.

{¶ 9} By letter filed June 24, 2022, Ohio Gas notified the Commission that the Company disagrees with Staff's recommendation regarding implementation costs but nonetheless accepts Staff's recommended adjustments. The Company states, however, that the adjusted revenue requirement for the ROW Rider would be \$629,935. In closing, Ohio Gas requests that the Commission approve the Application subject to Staff's recommendations.

{¶ 10} On June 29, 2022, Staff filed a reply comment to the Company's June 24, 2022 letter. Therein, Staff agrees with Ohio Gas that the revenue requirement for the ROW Rider should be \$629,935. Staff continues to recommend that the Commission approve the Application subject to Staff's recommendations.

{¶ 11} The Commission has reviewed the Application, the Staff Report, the Company's June 24, 2022 letter accepting Staff's recommendation and correcting the revenue requirement, and Staff's June 29, 2022 reply comment. Upon that review, the Commission finds that Ohio Gas's Application to adjust the ROW Rider, as modified by Staff's recommendations resulting in a \$629,935 rider revenue requirement, is reasonable and should be approved.

### III. ORDER

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That Ohio Gas's Application be approved, subject to Staff's recommendations. It is, further,

{¶ 14} ORDERED, That Ohio Gas be authorized to file tariffs, in final form, consistent

with this Finding and Order. Ohio Gas shall file one copy in this case docket 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 page is filed with the Commission. It is, further,

{¶ 16} ORDERED, That Ohio gas shall notify its customers of the changes to the tariff via bill message or bill insert within 30 days of the effective date of the revised tariff. A copy of this customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least ten days prior to its distribution to customers. It is, further,

{¶ 17} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 18} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

COMMISSIONERS:

*Approving:*

Jenifer French, Chair

M. Beth Trombold

Lawrence K. Friedeman

Daniel R. Conway

Dennis P. Deters

PAS/hac

**This foregoing document was electronically filed with the Public Utilities  
Commission of Ohio Docketing Information System on**

**7/13/2022 2:10:14 PM**

**in**

**Case No(s). 22-0257-GA-RDR**

Summary: Finding & Order approving the application of Ohio Gas Company for authority to update its right-of-way rider, as modified by Staff's recommendation electronically filed by Heather A. Chilcote on behalf of Public Utilities Commission of Ohio