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Good day to the Public Utilities Commission and thank you for coming to Zanesville, Ohio for the hearing with Columbus Gas of Ohio.

I started following energy markets when I was in high school and my father was an AEP United Mine Worker. My passion for energy led me, as Mayor in the 1980's, to negotiate separate with Columbia Gas of Ohio and subsequently to be a part of the 'Statewide rates' rolled out in the late 1980s. As you are aware, I subsequently was Chief of Oil and Gas for Ohio prior to being an Ohio Public Utilities Commissioner.

We appreciate Columbia Gas as an employer and local business. The City is working with them and attempting to coordinate the main line replacements in our community. The difficulty is that ODOT has decided for a five to six year period that I-70 will be under construction. That means primary and secondary routes are being re-routed in order to accommodate bridge replacement and similar projects. With that being stated, we are working to keep the COH contractors out of the main roads as much as possible during periods that those roads are affected by ODOT and its contractor.

Columbia's proposed \$212 million rate increase is far too high for consumers, especially with so many people still hurting from the after-effects of the pandemic. I read that the Ohio Consumers' Counsel is recommending no more than a \$10 million increase.

Please bear in mind as you set a 'Statewide Rate', that the big cities of Columbus and Cleveland are doing better economically than Southeast Ohio. Median Income Zanesville is \$30,345 while Ohio is \$58,642. Statewide poverty is 13.1% but Poverty is 30.1% in Zanesville. Households under 65 with a disability is 15.4%. Per Capita income is \$19,073. Southeast Ohio and Zanesville are less able to afford the proposed or suggested rate increases than those in the major cities.

The proposal to increase monthly fixed rates for residential consumers is way too high. Tripling monthly fixed rates and eventually more than quadrupling fixed rates is too much. Also, high fixed rates deny consumers the ability to lower their gas bills by reducing usage. Further, high monthly fixed charges have a disproportionate and adverse impact on low-income and low-use residential consumers. Customers need to be encouraged to use energy efficiency but a high fixed monthly fee does not send that message.

I support OCC's proposal for a \$10 million bill-payment assistance program for low-income and working-poor consumers, funded by Columbia's stockholders rather than rate payers. But again, I urge emphasis on funding programs in Southeast Ohio.

The PUCO needs to enhance the education related to the Gas Choice Program so consumers can understand that basics of natural gas as a commodity. Consumers need additional education and information in order to understand energy.

I question the broad request to allow all cost related to the PHMSA 'Mega Rule' to be automatically rolled into rates. It seems a strict application of allowing all costs is counter to make all decisions to invest based on 'risk', risk based decision making.

The three main parts of the Mega Rule for gas pipelines include:

1. Intensifying risk assessment and maximum allowable operating pressure requirements. Changing MAOP does not create a safer pipeline system when most damage is from third party contact.
2. Expanding integrity management program regulations to gathering lines and other previously non-regulated lines. Though this does not affect COH directly, it drives up the cost of natural gas. Regulators need to focus on urban and high consequence areas rather than rural systems.
3. Increasing reporting requirements and safety regulations- I believe there is enough paperwork presently.

I believe that consumers, both business and residential, have become accustomed to low energy prices and did not realize they needed to plan for the future. I was pleased during several of the past winters, such as in 2016 and 2020, to see low prices Appalachian natural gas in the sub \$2.00/mcf price range even when New England and eastern states were paying 2 to 3 times as much.

In fact the Henry Hub for natural gas in 2020 between January and July was well below \$2.00 and mcf, normally hovering in the \$1.70 price range. However, in 2022 the prices have gradually increased from \$4.38 to over \$9.00 per mcf. As more natural gas is used for electricity generation, this trend may be more of the norm, rather than the exception. That is why we have seen the June, July and August natural gas prices however at prices levels similar to the winter months. Natural gas transactions this time of year, at the high prices currently being posted, are likely going to electricity generation or other commercial and industrial uses- rather than winter storage.

The PUCO and Columbia Gas of Ohio need to look to the growing trends which affect natural gas prices. Besides, natural gas power generation providing more baseload, balancing and peaking generation which increases demand for natural gas, look to see an increase in exports to Europe as natural gas becomes a long term economic tool in the present Russian-Ukrainian conflict. Exports of LNG should rise from 10.7 bcf to 12.7 while exports to Mexico will go from 6.2 to 6.7 bcf.

So let me go back to my main point. When natural gas was cheap, that is the time that the PUCO, OCC and gas utilities should have been encouraging consumers to look to long term fixed contracts with natural gas marketers. That could have provided saving over the last one year. Now that prices are high for the foreseeable future, I think additional education is needed and encouraging variable rate contracts. I doubt that gas prices will continue to increase. The old adage that the fix for high prices is high prices. Which means when prices are high, producers will provide more supply and ultimately supply will drive down prices. When prices drop, it should be the signal to look to locking in fixed offerings.

At the end of the day, the PUCO, OCC and COH should all be helping consumers save money on their bottom line and a vast majority of the natural gas bill is the costs passed along relative to natural gas supply.

Again, I would like to thank the PUCO for having a hearing today in Zanesville and wish you well in your deliberations.

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