BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbia Gas 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.	)))	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

APPLICATION FOR REHEARING
OF THE CITIZENS' UTILITY BOARD OF OHIO

Pursuant to Ohio Revised Code ("O.R.C.") 4903.10 and Ohio Adm. Code 4901-1-35, the Citizens' Utility Board of Ohio ("CUB") files this application for rehearing of the January 26, 2023 Finding and Order ("Order") of the Public Utilities Commission of Ohio ("Commission" or "PUCO") in the above captioned proceeding. The Commission's Order adopted with modifications the Joint Stipulation and Recommendation ("Stipulation") concerning Columbia Gas of Ohio, Inc's (the "Company") proposed application for increases in rates to its customers. We object to the Commission's decision to approve the Amended Stipulation due to the Assignments of Error listed below, and explained more fully in the accompanying Memorandum in Support.

We urge the PUCO to grant rehearing to repeal or modify the Stipulation as it is unreasonable and contrary to Ohio law.

ASSIGNMENT OF ERROR NO. 1: The Order approving the Stipulation is unreasonable and unlawful because it fails to benefit neither ratepayers nor the public interest.

1) The Commission unreasonably approved the Stipulation based on flawed reasoning that the difference between the applied-for rate and the Stipulation rate as evidence of benefit to ratepayers.
2) The Commission unreasonably approved the Stipulation that includes an unprecedented high SFV rate that does not benefit ratepayers nor the public interest, that included the abolition of Demand Side Management programs that otherwise would have lessened the negative impact of the high fixed charges.
3) The Commission's holding that the market will provide DSM programs and thus the ratepayers and public benefit, was unreasonable and unlawful.

ASSIGNMENT OF ERROR NO.2: The approved Stipulation is unreasonable and unlawful because it violates the policies of the state of Ohio found in O.R.C. 4929.02(A)(12), and the requirements on the PUCO found in O.R.C. 4905.70.

Respectfully Submitted,

/s/Trent Dougherty
Trent Dougherty (0079817)
Counsel of Record
Hubay Dougherty
1391 Grandview Ave. #12460
Columbus, Ohio 43212
(614) 330-6752 - Telephone

Counsel for the Citizens' Utility Board of Ohio

February 27, 2023

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbia Gas 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.	)))	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

MEMORANDUM IN SUPPORT OF APPLICATION FOR REHEARING OF THE CITIZENS' UTILITY BOARD OF OHIO

I. INTRODUCTION

It seems banal to say that energy costs are getting more expensive. With *every* rate case, costs to customers rise. However, for over a million gas utility customers from Cuyahoga County to Lawrence County, the banality of high energy costs is becoming uncommonly out of control. In the state's largest natural gas utility service area, residential customers will be forced to pay increasing natural gas costs of hundreds of dollars a year for the next five years, even before they turn on their furnace to heat their homes or flip on their stoves to feed their families. What is most uncommon is that these increases in fixed monthly charges are being coupled with the loss

of energy and cost saving programs that, for decades, have been used by these same residential consumers to cushion the impact of those usual rising costs.

On January 26, 2023, the Public Utilities Commission of Ohio ("PUCO" or "the Commission") approved a Stipulation in the above captioned cases, to, among other things, continue Straight Fixed Variable ("SFV") ratemaking at an unprecedented high cost to residential customers while simultaneously removing Demand Side Management (DSM) Programs designed to save energy and save money for those residential consumers. For more than a decade, the Commission has endorsed a rate design for residential gas customers that shifts the bulk of their utility costs into fixed monthly charges. The Commission's wholesale adoption of SFV for residential consumers began in 2008. In those early cases, the Commission approved charges of between $15 and $25 per month for the major gas utilities' residential customers. *See* PUCO Case No. 07-589-GA-AIR, Duke Rate Case, Opinion and Order (May 28, 2008); Case No. 07-829-GA-AIR, Dominion East Rate Case, Opinion and Order (October 15, 2008); Case No. 08-072-GA-AIR, Columbia Gas Rate Case, Opinion and Order (December 3, 2008); and Case No.07-1080-GA-AIR Vectren Rate Case, Opinion and Order (January 7, 2009).

However, in the Commission's approved Amended Stipulation in this proceeding, the PUCO has approved the highest SFV rate design yet inflicted upon Ohio residential consumers. Here, the total fixed customer charge is made of three parts: the Monthly Delivery Charge, the Infrastructure Replacement Program Rider and the Capital Expenditure Program Rider. Based on a review of the Stipulation, the proposed fixed charges will ramp up in the fifth year to a total of $58 per month. What is more, and what was not the progeny of rate cases in 2008, is that the Commission's approval of the Stipulation, the Company's residential consumers above 200% of

the poverty line will not have utility scale Demand Side Management or Energy Efficiency programs to lean on to reduce the impact of the $58/month fee.

The ultimate issue for the Commission's consideration when presented a Stipulation is whether the agreement is reasonable and should be adopted. In considering the reasonableness of a stipulation, the Commission has followed its long-standing precedent to adopt a settlement only if it meets all the three following criteria: 1.) Is the settlement a product of serious bargaining among capable, knowledgeable parties? 2.) Does the settlement, as a package, benefit customers and the public interest? and 3.) Does the settlement package violate any important regulatory principle or practice? *Consumers' Counsel v. Pub. Util. Comm'n*. (1992), 64 Ohio St.3d 123, 126. CUB, along with Ohio Partners for Affordable Energy ("OPAE") and Environmental Law and Policy Center ("ELPC") opposed the stipulation that it violates each prong of the three part test. Despite *de minimis* amendments to the settlement, this Stipulation approved by the Commission still fails the Commission's three-part test for Stipulations. Below CUB Ohio raises Assignments of Error of the PUCO's approval of the Stipulation. Based on these Assignments of Error, the Commission should grant rehearing to repeal or modify the Stipulation as it is unreasonable and contrary to Ohio law.

II. **ASSIGNMENT OF ERROR NO. 1: The Order approving the Stipulation is unreasonable and unlawful because it fails to benefit neither ratepayers nor the public interest**.

1. The Commission unreasonably approved the Stipulation based on flawed reasoning that the difference between the applied-for rate and the Stipulation rate as evidence of benefit to ratepayers.

The second prong of the Commission's three-part test used to analyze Stipulations asks whether the settlement, as a package, benefits customers and the public interest? It should be noted that the question is not whether the stipulation benefits ratepayers and the public more than if the Company's application was approved, or if ratepayers would get more benefits than the Company had offered initially. The question is whether the package benefits the ratepayers and public. Nevertheless, the Commission found that evidence in the record demonstrates that the Stipulation, as a package, benefits ratepayers and the public interest, by relying on Company witness Thompson, OCC witness Adkins, and Staff witness Lipthratt. Order at ¶169. The Commission suggests that these witnesses identified numerous provisions that benefit the public, including that the Stipulation in this case substantially reduces Columbia's requested rate increase. *Id.* ELPC's Witness Rábago identified that supporting testimony of Company Witness Thompson, OCC Witness Adkins, and PUCO Staff Witness Lipthratt provide no evidence that allows the Commission to determine whether the differences were the product of the Company relinquishing unreasonable positions or compromising in the course of serious bargaining. ELPC Ex. 1 at 15.

The fact that the applied for rate by a utility company that has an incentive to apply for a rate as high as it can, is different than the stipulated rate, is not prima facie evidence of a benefit to ratepayers or the public. We echo ELPC's contention that the Ohio Supreme Court has used a different baseline when evaluating the benefit to ratepayers in at least one case where the Court found a stipulation carries "a benefit to ratepayers and the public interest for the parties to these cases to agree to a per-bill fee that is substantially lower than what DP&L currently charges." 110 Ohio St.3d 394, 398 (2006). Staff's position refuting the idea only suggest that the Court in

that case was merely determining that the Commission had "appropriately applied" the 3-part test. Staff Reply Brief at 17. While that it is true, it does not refute the holding that there the Court did look at the current rate and not solely on the applied for rate. In fact, Staff goes on to say that the obligation of the Commission is to approve a revenue requirement and rate design that are intended to result in new distribution rates that are reasonable and consistent with cost-causation principles.: *Id.* at 18 (citing *Ohio Power Rate Case*). We acknowledge that, but see no evidence that the comparison with the over $200 million proposal from the Company was ever seen by the Commission or the parties as reasonable. In fact the Staff Report showed a reasonable lower bound of $35,197,000 and upper bound of $57,554,000. The application's over $150 million overreach can hardly be seen as a reasonable starting point. That is why we contend that any comparison that should be done to determine whether a stipulated rates are beneficial to ratepayers is to utilize what rate payers are faced with currently and taking in the factors used by the Staff to determine its range of reasonable rates. If not, and as we stated in our brief, a mere comparison with the application creates a perverse incentive for a utility to apply for a revenue requirement, return on equity, and/or high fixed charge (all present in the Application) that it knows the Commission would not approve as unreasonable, and is unnecessary to provide reliable service and provide reasonable profit, knowing that any movement less than that will automatically pass the test.

2. The Commission unreasonably approved the Stipulation that includes an unprecedented high SFV rate that does not benefit ratepayers nor the public interest, that included the abolition of Demand Side Management programs that otherwise would have lessened the negative impact of the high fixed charges.

The Commission relies on Columbia Witness Feingold's testimony that the SFV promotes "fairness to all customers because the customer's bill reflects the actual average cost of providing gas delivery service." Order at ¶172 . However, it is the benefit to customers and the public interest, and not "fairness" that is the subject of the second prong of the three part test. In fact, fairness does not equate to benefit to all customers and the public, especially as it relates to a residential class with over a million differently situated customers. Witness Feingold's testimony goes on to suggest that rates track embedded costs more accurately, eliminating intra class subsidies and undue discrimination. A similar argument was offered by Commission Staff, who stated that the Stipulation's rates are reasonable because all similarly situated customers are treated the same.

Keeping the costs the same and relatively high (very high depending on the customer), however is ultimately only fair to the Company who is guaranteed its return on costs. The record in this case provides ample evidence that questions Witness Feingold's idea of fairness and explains that intra-class conflicts are exacerbated. Specifically, evidence that high fixed charges are economically regressive, and "unfair" towards low-volume users, who are also likely low income or otherwise sensitive populations. - or put a different way as ELPC Witness Rabago described it, "a cross subsidy from low users and lower-wealth customers to higher-use and wealthier customers." ELPC Ex. 1 at 28. As CUB mentioned in its Objections to the Staff's report as it related to the Application and does so here as it relates to the Stipulation, the response to the Company's SFV rate structure unreasonably fails to address the inequitable treatment of the Company's proposed higher fixed charge on its diverse residential customer base. Citizens' Utility Board of Ohio's Objections to the Staff's Report, Case No. 21-0637-EL-AIR, et al. (May

6, 2022). CUB Witness Thomas Bullock emphasized that high fixed charges hurt low usage customers more than high usage customers, almost by definition, yet, in this case, both low and high use customers lose. CUB Ex. 1 at 5. High fixed charges can significantly reduce incentives for consumers to reduce their consumption of natural gas, and low usage customers will experience a greater percentage increase when fixed charges are increased. Likewise, high fixed charges hurt current high use customers who wish to take control of their costs and use by removing the price signal that would provide the short-term incentive to change behavior or investing in technology. *Id*. This testimony echoed that of OCC Witness Colton, who emphasized that this unfair rate design will ultimately create a higher energy burden for low-income customers. Colton analyzed usage patterns and income levels and determined, "[l]ow-income consumers use less gas, period" and "as usage decreases, the percentage bill increase proposed by Columbia increases." OCC Ex. 2 at 7-8. Colton ultimately concluded that "[b]y dramatically increasing the portion of the Columbia bill that is unavoidable as a fixed monthly charge, Columbia is impeding, if not outright preventing, the ability of its low-income consumers to reduce their bills to more affordable levels." Id. at 41, ln. 20-22. Thus, it is not in the public interest to force upon customers' rates that target those that use less energy for higher bills, and at the same time discriminate against those low- and moderate-income customers who are already having a difficult time making ends meet.

The Commission not only unreasonably and unlawfully approved a Stipulation with a high SFV rate design but did so at the same time approving the abolition of non-low-income DSM programs. The Commission states that SFV rate design sends a "true and accurate price signal to customers for the purpose of making energy efficiency investments." Order at ¶173. If

that is the case, then the approval of the elimination of the ability to make those investments is patently unreasonable.While CUB contends that the SFV as proposed is in itself unreasonable, even if you accept the reasoning behind SFV as it was approved in 2008 and continues today, the Commission has unreasonably failed to approve a Stipulation that aligns with its own reasoning. Based on the Commission's reasoning, SFV rate design was approved to remove the disincentive around providing energy efficiency. However, the Commission does not apply that reasoning in approving this stipulation. SFV, as the Commission states, was meant to incent the utility to do more energy efficiency and DSM or at least remove the disincentive to engage in efficiency or DSM by decoupling. Even if one agrees that this settlement's high SFV rate removes any disincentive for utility energy efficiency, then it would not be prudent to remove that DSM that is incentivized.

What is most problematic about the Commission's reasoning around the finding that the removal of the DSM programs helps the package satisfy the ratepayer and public interest prong, is the Commission's seemingly sole reliance on OCC Witness Adkins' testimony on the subject. Order at ¶171. PUCO unreasonably relied upon OCC Witness Adkins' testimony that the withdrawal of the DSM programs resulted in removal of the $120 million cost to customers, but no mention of the benefits of the DSM programs that the Company had, in this case and elsewhere, stated was multiples of the amount of the programs. Witness Adkins testified that the elimination of the DSM programs would "save" $120 million for ratepayers. OCC Ex. 1 at 10. However, Witness Adkins does not take into account or refute the evidence provided by the Company's Witness Sarah Poe, that the DSM program *saves* customers money on its bills and improves customer health, safety and comfort. Columbia Ex. 30 at 2. Nor does the Commission

take into account the evidence from Columbia Witness Poe that the Company's DSM Program creates numerous non-natural gas and non-energy benefits, including lower water, sewer, and electric bills; avoided CO-2 emissions; direct economic benefits ; and increased tax-revenue for local governments. Columbia Ex. 19 at 3. Furthermore, the Commission did not consider the evidence presented concerning CUB Ohio Witness Bullock, who points out the long term and cumulative benefits of the Company's DSM Programs by citing to the Company's own statements in the Commission's recent Energy Efficiency Workshops, where the Company testified that DSM programs will save customers over 113.1 BcF of natural gas over the life of the measures and a total annual savings of approximately $780 million. CUB Brief at 15 (Citing *Columbia Gas of Ohio Comments*, Energy Efficiency Workshops (March 2, 2022)).

Most importantly, however, the Commission did not take into account the Company's own application for DSM programs which along with the high fixed charge increase, was an essential part of the Application. In its initial Application, the Company explained the importance of the continuation of the DSM program to ratepayers and the public at large, and highlighted the barriers that their programs help to alleviate:

> Columbia believes it is in the continued best interest of its customers to continue to provide DSM services through programs that promote the installation and implementation of energy efficiency measures and technologies in a cost-effective manner. For many of Columbia's customers, there are numerous barriers to the adoption of efficient technology, including higher incremental costs for high efficiency equipment, lack of customer education, lack of contractor trade ally training, lack of monetary resources, and fear of change. Accordingly, Columbia believes that it can continue to play an important role in promoting and encouraging energy efficiency, economic development, and job creation in Ohio. Utility companies in the nation are in a unique position to bring energy efficiency to scale, which would be absent without these investments. *See* Company Ex. 1 *(Application of Columbia Gas of Ohio, Inc. To Continue Its Demand Side Management Program. Case No. 21-639-GA-UNC, filed June 30, 2021).*

Here, the Company foreshadows the arguments in a Stipulation analysis to show just how important these programs are to the ratepayers and public interest, and are so much more than a mere cost on a bill when you account for the myriad benefits of the programs.

The Commission states that the second part of the three part test is not whether there are different or additional provisions that would better benefit ratepayers and the public interest but whether the Stipulation, as a package, benefits ratepayers and the public interest. Order at ¶170. CUB, however, contends that we are not asking for different or additional provisions, but to keep in place the provisions that were in the Application and have been in successful operation for decades. Further, we are not asking for additional programs but the programs, if one accepts the Commission's reasoning, that are an important balance and reason for approving SFV rate design. While CUB believes that it is beneficial to ratepayers and the public at large to have cost-effective DSM programs without SFV ratemaking, the Commission's own reasoning is that with SFV you need cost-effective DSM programs. Therefore, due to the unreasonable acceptance of the Stipulation that includes a high SFV with no DSM programs and its precedent of combining the two concepts since 2008, the Commission must include DSM programs if it wishes to keep high fixed charges.

3. The Commission's holding that the market will provide DSM programs and thus the ratepayers and public benefit, was unreasonable and unlawful.

The Commission notes that the General Assembly codified gas choice over twenty years ago with the enactment of House Bill 9 by the 124th General Assembly, and that it "is time to look to competitive markets to play a more significant role in the provision of energy efficiency

services in this state." Order at ¶56. While this sentiment is laudable, and perhaps a sentiment that all parties share, it is not a prudent basis for approving the removal of DSM programs, nor reasonable energy regulation. More importantly, though, no evidence was presented that demonstrates that there in fact is a competitive market in the Columbia Gas service territory (or elsewhere) for non-low-income customers to turn for DSM programs. There was, however, testimony from CUB and the Company itself, expressing the benefits and accessibility of DSM programs from the utility, that are immediately available to all customers.

"In all contested cases heard by the public utilities commission, a complete record of all of the proceedings shall be made, including a transcript of all testimony and of all exhibits, and the commission shall file, with the records of such cases, findings of fact and written opinions setting forth the reasons prompting the decisions arrived at, based upon said findings of fact." R.C. 4903.09. This statutory requirement imposes on the Commission an obligation to "explain its rationale, respond to contrary positions, and support its decision with appropriate evidence." *In re Columbus S. Power Co*., 128 Ohio St. 3d 512, ¶ 30 (2011). Further, as the Commission states, it is "well established that a stipulation entered into by the parties is a recommendation made to the Commission and is in no sense legally binding upon the Commission." Order at ¶44. Citing *Duff v. Pub. Util. Comm., 56 Ohio St.2d 367, 379, 384 N.E.2d 264 (1978),* the Commision adds that the Commission may take the stipulation into consideration but must determine what is just and reasonable from the evidence presented at the hearing. *Id.* However, as it related to the removal of DSM programs, zero evidence was provided that demonstrated that the removal of the DSM programs were a benefit.

The Commission also contends that "the DSM program promotes the competitive market by relying on competitive suppliers to provide energy efficiency services to customers." Order at ¶56. Again, however, the Commision makes this proclamation without citing any supporting testimony or any evidence. No evidence was presented that decades of DSM programs by the Company have deliberately or inadvertently kept the competitive market from being promoted or otherwise kept competitive suppliers from offering programs. There was no evidence submitted from the competitive suppliers of the proposed savings that they will now be able to provide the 1 million customers that would be dependent on such a market.

The Commission merely states that customers who wish to manage their usage will continue to have access to energy efficiency measures through the competitive marketplace, citing CUB's Witness's admission that there is no prohibition to seeking competitive supplier DSM. Order at ¶ 171. Yet, it is important to take a step back, and view this issue from that of the average residential customer, or as this question highlights, a low-income or elderly residential customer. Energy usage is sometimes farther down on their priority list compared to the other concerns of health, work, and family, and the electric bill is just one of many that need to be paid. In a highly complex and technical field like energy, tailored utility programs can help point consumers toward the best cost-saving opportunities that they otherwise might not arrive at on their own because it may not eclipse other short- term priorities. It is unreasonable and unjust to leave customers out to seek the best efficiency programs without the education and innovation that decades of the Company's programs have provided.

The Commission wishing something is so, does not make it so. Acknowledging it is time for the competitive market to step in does not fulfill the Commission's statutory responsibility

under O.R.C. 4905.70 to initiate programs that will promote and encourage conservation of energy and a reduction in the growth rate of energy consumption, promote economic efficiencies, and take into account long-run incremental costs. Nor does dictum like this satisfy Ohio's statutory energy policy to "[p]romote an alignment of natural gas company interests with consumer interests in energy efficiency and conservation." O.R.C. §4929.02(A)(12). And above all, mere platitudes do not benefit Columbia Gas customers looking to relieve their high energy costs and relive the environmental impact of burning more natural gas. The Commission therefore has unlawfully and unreasonably approved the Stipulation based partially on the reliance on a market based approach to DSM, which it knows has yet to materialize after 20 years, as a basis to allow customers to be left in the wilderness to seek its own protection.

III. ASSIGNMENT OF ERROR NO.2: The approved Stipulation is unreasonable and unlawful because it violates the policies of the state of Ohio.

Under prong three of the Commission's three-part test, the following question is asked: "does the settlement package violate any important regulatory principle or practice?" In its Opinion and Order in this case, the Commission found that the Stipulation does not violate any important regulatory principles or practices. Order at ¶205. The Commission's reasoning as it relates to at least two important regulatory provisions is flawed and results in violations of state law.

First, this Stipulation, as approved, violates O.RC. 4929.02(A)(12). Explicitly, O.R.C 4929.02(A)(12) declares that "[i]t is the policy of this state to, throughout this state, promote an alignment of natural gas company interests with consumer interests in energy efficiency and

energy conservation." The present Stipulation tips the balance heavily toward the Company's interest and away from the residential consumer interests. The utility company is interested in increasing its revenue, while the customer's interest is that of keeping costs low. Similarly, many customers wish to keep their energy use low as well (for either financial, health, or environmental benefits or a combination). This case provides for an unprecedented high set of fixed charges that will provide the company with a guaranteed return on its costs, plus a healthy profit. The Company's interests, thus, are taken care of in the 4902(A)(12) balance. On the non-low income residential customer's side of the balance, they are saddled with up to a $58 per month fixed charge, and no longer have access to cost effective energy efficiency and DSM programs. Low income residential customers fare only slightly better in this balance, as some may be eligible for bill payment assistance and capped WarmChoice DSM program. However, that is little consolation for low and moderate income customers. The Commission held that "[i]ncreased reliance upon volumetric rates would be inconsistent with R.C. 4929.02(A)(12) because increased reliance on volumetric rates would run the risk of creating a disincentive for Columbia to support energy efficiency and energy conservation efforts." Order at ¶202. However, as has been pointed out previously, for a vast majority of residential customers, that despite this removal of a disincentive, the Stipulation removes those very utility DSM programs. The Commission's reasoning is thus fatally flawed that customer interests in efficiency and conservation are aligned, as is the policy of the state, when it approves elimination of the very programs that provide said efficiency and conservation.

The Commission's flawed reasoning continues as it focuses on the costs but not the benefits of DSM. In its Order the Commission states that "[p]ursuant to the terms of the

Stipulation, the DSM program reduces impacts upon non-participating customers by reducing utility spending on energy efficiency by approximately $120 million (citing OCC Ex. 1 at 10) and promotes the competitive market by relying on competitive suppliers to offer energy efficiency services to non-low-income customers." Order at ¶204. This finding is meant to support the proposition that the Stipulation is consistent with 4929.02's state policies. However, this too is flawed. For one, it assumes that the $120 million reduction in spending will only be felt by the non-participating residential customers, which is not the case, as all residential customers will pay into residential DSM programs. Furthermore, it does not take into account any of the benefits of those cost-effective programs to participants, non-participants, and the public at large. As Columbia's Energy Efficiency manager, Witness Sarah Poe, states in her testimony, the DSM Program provides Columbia's customers and society with multiple benefits beyond individual customer energy and utility bill savings. Witness Poe continues by identifying that "the savings from Columbia's energy efficiency programs are equivalent to avoiding over 6,700,000 tons of carbon dioxide over their lifetime, and additionally the carbon dioxide reductions of the Application's proposed Programs covering 2023 – 2027 *was* estimated to be over 3,400,000 tons over its lifetime, the equivalent of taking over 675,000 automobiles off the road for one year or planting more than 3.8 million acres of trees. *Poe* at 2-3. CUB Ohio Witness Bullock points out the long term and cumulative benefits of the Company's DSM Programs by citing to the Company's own statements in the Commission's recent Energy Efficiency Workshops, where the Company testified that DSM programs will save customers over 113.1 BcF of natural gas over the life of the measures and a total annual savings of approximately $780 million. These outsized benefits to consumers should be considered in the Commission's analysis

of not just whether this Stipulation satisfies the policies of the state. It is CUB's assertion that it does not.

Secondly, this Stipulation as approved by the Commission also violates O.R.C. 4905.70. That section of the Code provides that the Commission "shall initiate programs that will promote and encourage conservation of energy and a reduction in the growth rate of energy consumption, promote economic efficiencies, and take into account long-run incremental costs." O.R.C. 4905.70. In its Opinion and Order, the Commission admits that, "[p]ursuant to this statutory authority, we have long recognized that energy efficiency and DSM programs that are cost-effective, produce demonstrable benefits, and produce a reasonable balance between reducing total costs and minimizing impacts on non-participants are consistent with this state's economic and energy policy objectives." Order at ¶203 citing *Dominion East Ohio*, Opinion and Order (Oct. 15, 2008) at 22-23; *In re Columbia Gas of Ohio, Inc*., Case No. 16-1309-GA-UNC, et al., Opinion and Order (Dec. 21, 2016) at 63. Surprisingly, the Commission goes on to say that"[h]owever, there is nothing in the Stipulation which is inconsistent with these prior decisions, or which violates an important regulatory principle or practice." *Id*. That last statement, however, is patently false. The Commission agrees that DSM programs are consistent with this state's economic and energy policy objectives, but approves a Stipulation that removes those cost-effective benefits with nothing to replace them except for an admonition that the market should cover it. The stipulation removes these cost effective measures, and the Commission does an about-face, and states that the *removal* of cost effective DSM programs (and the removal of millions in benefits) is the benefit.

IV. CONCLUSION

The approved Stipulation in this case saddles residential consumers with an unprecedented high fixed customer charge and fixed riders, while simultaneously removing cost effective DSM programs for a vast majority of the over 1 million Columbia Gas consumers. Those DSM programs have been shown for decades to help consumers reduce the impact of their skyrocketing energy costs. In approving this stipulation, the Commission relies on reasoning that a high fixed SFV rates prudent because it removes the disincentive for utilities to provide energy efficiency to customers. Yet, the Commission refuses to adhere to this reasoning by approving the removal of the very efficiency programs that it contends makes the SFV beneficial. The PUCO should grant rehearing to repeal or modify the Stipulation as it is unreasonable and contrary to Ohio law.

Respectfully Submitted,

/s/Trent Dougherty
Trent Dougherty (0079817)
Counsel of Record
Hubay Dougherty
1391 Grandview Ave. #12460
Columbus, Ohio 43212
(614) 330-6752 - Telephone

Counsel for the Citizens' Utility Board of Ohio

CERTIFICATE OF SERVICE

I hereby certify that a copy of this filing will be electronically served via the Public Utility Commission of Ohio's e-filing system on all parties referenced in the service list of the docket.

/s/ Trent Dougherty
Trent Dougherty

Summary: App for Rehearing Application for Rehearing of the Citizens' Utility Board Ohio electronically filed by Mr. Trent A Dougherty on behalf of Citizens Utility Board of Ohio