

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE NOTICE OF
THE EAST OHIO GAS COMPANY D/B/A
DOMINION ENERGY OHIO AND
ENBRIDGE ELEPHANT HOLDINGS, LLC.

CASE NO. 23-972-GA-UNC

FINDING AND ORDER

Entered in the Journal on March 6, 2024

I. SUMMARY

{¶ 1} The Commission approves, subject to Staff's recommendations, the joint notice of parent company transaction filed by The East Ohio Gas Company d/b/a Dominion Energy Ohio and Enbridge Elephant Holdings, LLC and finds that the transaction is reasonable and should not adversely impact Ohio customers.

II. PROCEDURAL HISTORY

{¶ 2} Pursuant to R.C. 4905.04, 4905.05, and 4905.06, the Commission is vested with the power and jurisdiction to supervise and regulate public utilities.

{¶ 3} The East Ohio Gas Company d/b/a Dominion Energy Ohio (EOG or the Company) is a natural gas company and a public utility as defined in R.C. 4905.03 and R.C. 4905.02, respectively. As such, EOG is subject to the jurisdiction of this Commission. EOG is a wholly owned subsidiary of Dominion Energy Gas Distribution, LLC, which is a wholly owned subsidiary of Dominion Energy Questar Corporation (DEQ), which in turn is a wholly owned subsidiary of Dominion Energy, Inc. (Dominion Energy). Dominion Energy is a holding company that is not a public utility as defined in R.C. 4905.02.

{¶ 4} Enbridge Elephant Holdings, LLC (EE Holdings) is a Delaware limited liability company and direct, wholly owned subsidiary of Genoa Holdings, LLC (Genoa).¹ In turn, Genoa is a direct, wholly owned subsidiary of Enbridge (U.S.) Inc., a Delaware corporation and indirect wholly owned subsidiary of Enbridge, Inc., a Canadian corporation (Enbridge).

{¶ 5} Enbridge, in the filing subject to this proceeding, is described as a leading North American energy infrastructure company, the core business of which includes gas distribution and storage. EE Holdings states that Enbridge owns and operates North America's largest natural gas utility by volume of natural gas delivered and third largest by customer count. Additionally, its natural gas distribution operations are engaged in natural gas sales to, and transportation for, approximately 3.9 million residential, commercial, and industrial customers in Ontario and Quebec, Canada. EE Holdings reports that Enbridge's common stock is publicly held and is traded on the New York Stock Exchange and Toronto Stock Exchange and that, due to its size and strength, Enbridge maintains a strong investment grade credit rating with S&P, Moody's, and Fitch, with access to approximately \$8.3 billion in credit facilities. As such, EE Holdings contends that Enbridge has the financial wherewithal to fund investments in system modernization and expansion.

{¶ 6} On September 5, 2023, Dominion Energy entered into a Purchase and Sale Agreement (Agreement) with EE Holdings pursuant to which EE Holdings will purchase all of Dominion Energy's rights, titles, and interests in and to all of the issued and outstanding shares of capital stock in and of DEQ (the Transaction). With the Transaction, DEQ will become a wholly owned subsidiary of Genoa, and EOG will no longer be an indirect subsidiary of Dominion Energy; instead, EOG will be an indirect subsidiary of Genoa and Enbridge.

¹ EE Holdings is not a public utility as defined in R.C. 4905.02 or subject to Revised Code Title 49 nor would it be as a result of the subject transaction.

{¶ 7} On October 20, 2023, EOG and EE Holdings (the Companies) filed a Joint Notice of Parent Company Transaction (Notice) to inform the Commission of the execution of the Agreement and to provide the Commission the opportunity to elect whether to review the Transaction and any impacts it might have on the Company or its customers under the Commission’s general supervisory authority. In the event the Commission does exercise its general supervisory authority over EOG here, the Companies urge the Commission to determine that the Transaction will not adversely impact EOG’s customers. Indeed, Dominion Energy and EE Holdings submit that the Transaction will allow EOG to continue to deliver energy, service, and value to customers, enhance the Company’s already diverse and capable employee base, and continue to provide leadership in the communities it serves. EOG, of course, will remain subject to full regulation by the Commission, with the Transaction having no effect on the Commission’s authority to regulate EOG’s service, quality, and rates. To that end, in the Notice, the Companies aver that the Transaction will have no immediate effect on the rates, terms, or conditions of service to EOG’s existing customers, and the Company will not seek to recover through rates the transaction costs related to the Transaction. Furthermore, EOG does not expect the Transaction to have any impact on its currently pending base rate and alternative rate plan applications.

{¶ 8} On November 8, 2023, Ohio Consumers’ Counsel (OCC) filed a motion to intervene.

{¶ 9} On January 30, 2024, OCC filed a motion to consolidate this matter with EOG’s pending application for an increase in rates and for an alternative rate plan.² The

² *In re the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval to Increase Natural Gas Rates*, Case No. 23-894-GA-AIR; *In re the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of an Alternative Rate Plan*, Case No. 23-895-GA-ALT; *In re the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval to Change Accounting Methods*, Case No. 23-896-GA-AAM; and *In re the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of Tariff Revisions*, Case No. 23-897-GA-ATA.

Companies filed a joint memorandum contra OCC's motion to consolidate in this docket on February 1, 2024, to which OCC filed a reply on February 8, 2024.

{¶ 10} On February 2, 2024, Staff filed comments regarding the Notice (Comments).

{¶ 11} On February 5, 2024, the attorney examiner issued a procedural schedule under which interested persons had until February 20, 2024, to move to intervene and file initial comments regarding the Notice and Staff's Comments; reply comments were due to be filed on February 27, 2024. The attorney examiner also granted OCC's motion to intervene.

{¶ 12} On February 20, 2024, the Ohio Energy Leadership Council fka Industrial Energy Users-Ohio (OELC) filed a motion to intervene citing its "real and substantial interest" in the issues raised by the Notice concerning the Transaction.³ OELC states that a significant number of its members are commercial customers that receive natural gas utility service from EOG and, thus, may be impacted by the Transaction. As such, OELC claims a real and substantial interest in this proceeding. Further, OELC states that it will advocate for adequate, reliable, and efficient delivery and supply of natural gas for all commercial and industrial customers at competitive, reasonable, and transparent rates should the Transaction be approved. Next, OELC asserts that its participation will not unduly prolong or delay this proceeding and that its participation is in the public interest. Finally, OELC maintains that no existing party can represent the interest of its members. Accordingly, OELC submits that it satisfies the liberal standard for intervention associated with Commission proceedings and should be permitted to intervene in this matter pursuant to R.C. 4903.221 and Ohio Adm.Code 4901-1-11. Upon review, the Commission finds that OELC's motion to intervene is not unreasonable and should be granted.

³ No party filed a memorandum contra OELC's motion to intervene.

{¶ 13} On February 20, 2024, OCC filed initial comments regarding the Notice. On the same day, EOG filed correspondence informing the Commission it would not file initial comments but respectfully reserved the right to file reply comments. OELC did not file comments with its motion to intervene.

{¶ 14} On February 27, 2024, the Companies filed joint reply comments. OELC also filed reply comments.

III. MOTION TO CONSOLIDATE

{¶ 15} As stated above, OCC seeks to consolidate this matter with EOG's pending base rate application. OCC asserts that that the rates, terms, and conditions of service to EOG's customers may be impacted by the Transaction in ways known or unknown and, therefore, the Notice should not be isolated and considered outside the context of the rate case. Conversely, OCC also argues that the Commission's duty to set just and reasonable natural gas rates must account for the effects of the Transaction on rates to be paid by EOG's consumers. OCC posits that consolidating the proceedings will provide the Commission with a single forum to consider the related matters. OCC maintains that the Commission has the authority to consolidate the merger proceeding with the rate case and that doing so is consistent with Commission precedent, citing a case in which the Commission consolidated a rate case with a Commission ordered investigation. OCC further points to the Ohio Rules of Civil Procedure in support of its argument; specifically, Ohio Civ. R. 42(A) allows the consolidation of cases involving common questions of law or fact. OCC additionally argues that consolidating the matters would protect consumers and ensure that the full effect of the Transaction on consumer rates is accounted for. OCC contends that, in this matter, the Commission must examine the Transaction to evaluate whether it will result in efficiencies in operation or economies of scale, a potential benefit to EOG consumers that may not be realized by consumers if not considered in future rates. Yet, the test year in the rate case – calendar year 2023 – does not account for those potential benefits. Furthermore, says OCC, relying on forecasts based on the current parent company's presumptions may

not reflect the new parent company's future strategies, which may skew future capital needs and, therefore, future rates. OCC states that a combined proceeding will allow for a comprehensive analysis and a streamlined case process, saving time and resources for the parties, the Commission, and all interested stakeholders.

{¶ 16} In a memorandum contra OCC's motion, the Companies counter that consolidation of the proceedings is not supported by Commission precedent, could lead only to delay resolution of the Notice and cause complications and inefficiencies in the rate case, is otherwise unreasonable, and should be denied. The Companies assert that Commission precedent does not support consolidation. Instead, citing to *In re Notice of a Merger Involving the Parent Company of Vectren Energy Delivery of Ohio, Inc.*, Case No. 18-1027-GA-UNC (*VEDO Merger Case*), Finding and Order (Jan. 30, 2019) and three other cases⁴, the Companies maintain that precedent explicitly defers consideration of any potential rate impact of parent company transactions to a subsequent rate proceeding where benefits are known and denies consolidation where future costs and benefits impacts of a merger transaction are unknown and will not occur until after the test period. The Companies state that there is no overlap between the Notice and the pending rate case; instead, the Transaction falls outside the date certain and test period of the rate case. As such, precedent from the *VEDO Merger Case*, et al., supports the examination of the effects of the Transaction in EOG's next rate case, when the related costs and benefits are known and measurable. Further, the Companies assert that the case OCC cites in support of consolidation is distinguishable in that the Commission ordered investigation was initiated with the specific purpose of investigating the utility's financial condition concurrent with the pending rate case.⁵ The Companies also state that Ohio Civ. R. 42(A) does not support

⁴ The other cases cited by the Companies are *In re Central Tel. Co. of Ohio*, Case No. 85-588-TP-ATA, Finding and Order (Sept. 10, 1985); *In re Ohio Edison*, Case No. 85-792-EL-ATA, Entry (Aug. 6, 1985); and *In re Cincinnati Gas & Electric Co.*, Case No. 81-66-EL-AIR, Entry (June 10, 1981).

⁵ See *In re Cleveland Elec. Illum. Co.*, Case No. 95-1139-EL-COI, Entry (Dec. 14, 1995).

consolidation in this instance because this matter and the rate case do not contain common issue of law or fact. Whereas rate cases are initiated under and governed by R.C. 4909.18, the Commission reviews parent company transactions under its general supervisory powers to ascertain the continued managerial, financial, and technical capabilities of the jurisdictional utility and general impacts on Ohio consumers. Moreover, the purpose of consolidation under the Civil Rules is to avoid unnecessary delay but, here, consolidation would significantly delay consideration of the Notice and adversely affect the Transaction's desired closing date. Finally, the Companies note that OCC will continue to have the ability to assert its interests in future proceedings, as the Transaction will have no effect on the Commission's jurisdiction over EOG. As such, OCC may pursue its arguments regarding the effect of the Transaction on customer rates in a future base rate proceeding and/or other relevant action.

{¶ 17} In reply, OCC provides a lengthy narrative of Enbridge's multi-layered acquisitions of natural gas utilities in Ohio and elsewhere and continues to reiterate its position that the proposed Transaction presents issues deserving of scrutiny in conjunction with EOG's rate case. OCC characterizes the Notice as lacking transparency, especially in comparison to similar filings in other states regarding other Enbridge subsidiaries' acquisitions of other natural gas utilities, and consolidating the proceedings is crucial to full consideration of the Transaction. OCC argues that the Commission should not be bound by the Companies' desired timeline nor otherwise rush its analysis. Instead, OCC posits that the Commission cannot make an informed decision on the appropriateness of the Transaction without first establishing a procedural schedule with ample time for discovery, the filing of testimony, and a full evidentiary hearing. In short, OCC broadly submits that consolidation is necessary for consumer protection.

{¶ 18} The Commission is vested with broad discretion to manage its dockets to avoid undue delay and the duplication of effort, including the discretion to decide how, in light of its internal organization and docket considerations, it may best proceed to manage and expedite the orderly flow of its business, avoid undue delay, and eliminate unnecessary

duplication of effort. *In re Application of Columbus S. Power Co. and Ohio Power Co. for Authority to Establish a Standard Service Offer*, 11-346-EL-SSO, et al., Opinion and Order (Aug. 8, 2012) at 24, citing *Toledo Coalition for Safe Energy v. Pub. Util. Comm.*, 69 Ohio St.2d 559, 560, 433 N.E.2d 212 (1982). Further, under Ohio Adm.Code 4901-1-27, the Commission has authority to regulate the course of a hearing and take such actions as may be necessary to avoid undue delay. The Commission considers consolidation as a matter of administrative economy where consolidation will enhance the efficiency of proceedings or where the dockets in multiple cases involve the same matter. *In re Application of Suburban Natural Gas Co. for Approval of an Alternative Form of Regulation*, Case Nos. 22-1132-GA-ALT, et al., Entry (Mar. 8, 2023) at ¶ 9. Here, the Commission finds that there is not sufficient commonality of law or fact to support consolidation of this proceeding with EOG's pending rate case. Furthermore, it is not necessary to delay our consideration of the Notice while the rate case remains pending and subject to several requisite steps to litigation, such as the completion and filing of Staff's report of investigation and potential objections, conducting local public hearings, submission of testimony, and, ultimately, an evidentiary hearing, briefing, and an Opinion and Order. Additionally, the concerns raised by OCC can be addressed, as is necessary, in a future base rate proceeding or other relevant forum. Accordingly, the Commission denies OCC's motion to consolidate.

IV. JOINT NOTICE OF PARENT COMPANY TRANSACTION

A. *Summary of Comments*

1. STAFF COMMENTS

{¶ 19} Staff states that its managerial, technical, and financial review was conducted through data requests and information discussions between Staff and the Companies; Staff also reviewed the Transaction's impact on customers. Regarding the managerial and technical review, Staff observes that day-to-day management of the Company will remain the responsibility of current EOG management. Additionally, the day-to-day technical operations of the distribution system will remain the responsibility of

current EOG employees. According to data requests, EE Holdings does not expect or plan to make changes to the management or technical operators of EOG. Staff states that Enbridge has interests in and operates several pipelines in Ohio, including Texas Eastern Transmission, LP, NEXUS Gas Transmission, LLC, and Generation Pipeline, LLC, and is thus familiar with Staff's gas pipeline safety division. Staff has no concerns with Enbridge's current gas pipeline safety operations in Ohio nor with Enbridge's anticipated future compliance regarding the same. Staff also notes that Enbridge operates a large natural gas distribution system in Canada and has familiarity with the natural gas industry.

{¶ 20} Financially, Staff states that the proposed acquisition of EOG by EE Holdings appears to be credit neutral for the Company overall. Staff notes that because EOG will be maintained as a separate legal entity, the Company will be structurally isolated from contagion risks associated with other EE Holdings affiliates, should such risks exist. Further, EOG will continue to provide public utility service, will continue to own, operate, and maintain the facilities necessary to provide such service, and will continue to be accounted for separately. Staff also states that, because EOG and EE Holdings have committed to not seek recovery in rates for transaction costs⁶, costs associated with the transaction should not negatively impact EOG or its customers. Additionally, the purchase price for EOG will be allocated to the fair value of its tangible and intangible assets and any excess will be recorded as goodwill on EE Holdings' balance sheet, and not the Company's. Continuing, Staff observes that EOG has investment grade credit rating profiles with Moody's, Standard & Poor's, and Fitch, and it is anticipated that EOG will maintain its own credit rating post-transaction and will continue to issue its own long-term debt. And, since the new parent company is a large, investment-grade holding company with strong

⁶ In this context, transaction costs are understood to mean those incurred to structure, negotiate, and execute the transaction; professional service fees, including investment banker fees, counsel fees, audit fees, and accounting fees; and direct internal labor and external services needed to evaluate the merger, negotiate its terms, obtain regulatory approvals, obtain shareholder approvals, and execute transaction costs. See *In re Vectren Energy Delivery of Ohio*, Case No. 18-1027-GA-UNC, Finding and Order (Jan. 30, 2019).

operational expertise and ample access to capital markets, the impact of the Transaction on the credit quality of EOG is likely to be minimal. Finally, Staff notes that one of EOG's most significant credit challenges is its elevated capital expenditures program due to aging infrastructure. EOG's capital expenditures are estimated to significantly exceed depreciation leading to ongoing negative discretionary cash flow and requiring short-term liquidity support. Currently, the Company has been able to maintain adequate liquidity support through an \$800 million intercompany lending agreement with its current parent company. Staff reports that Enbridge has committed to provide EOG similar access to liquidity support through an intercompany lending arrangement to fund working capital requirements.

{¶ 21} Finally, Staff comments on several anticipated impacts on customers. Staff states that, initially, customers will experience a rebranding transition as EE Holdings changes printed materials, i.e., bills with a name change and new logos, as well as website URL changes, new social media platforms, and revisions to building and fleet signage. Staff reports that EE Holdings anticipates completing the rebranding of EOG within 180 days of closing. Staff recommends that the Company keep Staff informed of all rebranding changes, timelines, and information provided to customers during that 180-day window as customers adjust. Continuing, Staff states that the cost of the transition may eventually be recovered in customer rates, but EE Holdings could not provide Staff with an estimate of the total transition costs. Staff believes that EE Holdings should provide Staff with annual updates on charges that could result in transition costs to customers and recommends that EE Holdings also provide updates on any changes in systems, policies, and procedures for at least three years. Given EE Holdings' commitment to safety and investments in the natural gas industry, Staff believes that Enbridge will have a positive impact on safety and compliance.

{¶ 22} In sum, Staff concludes that the proposed sale of EOG to EE Holdings is not unreasonable and should not adversely impact Ohio customers. Rather, customers should receive uninterrupted and adequate service as the current management and technical

personnel will not change. Staff does recommend, however, that EE Holdings should provide updates to Staff regarding all rebranding changes, timelines, and information provided to customers during the 180-day rebranding period and, for a period of at least three years, should provide Staff with both annual updates on charges that could result in transition costs to customers and updates on any changes in systems, policies, and procedures.

2. OCC'S INITIAL COMMENTS

{¶ 23} OCC asserts that the Commission must conduct a thorough evidentiary proceeding in this matter. OCC contends that Enbridge is seeking review or approval from public utility regulators in four other states to move forward with various utility purchases. Compared to those transactions, for which applications including the purchase agreement and testimony were submitted, OCC claims the Notice in this matter is deficient in providing the Commission the information it needs to form a decision. OCC believes full exploration of issues ranging from impacts on rates, services, and labor, environmental consequences, regulatory oversight of a foreign corporation, the interplay of various Enbridge subsidiaries, and long-term plans must be investigated to prevent any ill-effects from the Transaction. OCC states that Staff's Comments finding that the Transaction does not harm Ohio consumers are premature and should not be adopted. Instead, the Commission's review should be geared toward safeguarding consumers with an in-depth evaluation of any potential cross-subsidization, unequal investment favoring other states, or disparities in consumer programs and an analysis of whether there are ring-fencing protections, favored nations clauses, or performance-based incentives that ensure Ohio consumers equal treatment compared to those in other states. As such, OCC submits that the Notice and Transaction should be reviewed through a fully litigated, public evidentiary hearing preceded by ample discovery and pre-filed testimony. Finally, OCC reiterates its request that this matter be consolidated with EOG's pending rate case. Alternatively, OCC requests that the Commission reassess the operative test year and date certain, delay the

rate case, or require a new, post-Transaction rate case to revisit its potential impacts on Ohio consumers.

3. REPLY COMMENTS

{¶ 24} In reply comments, OELC expresses its support for OCC's position that a full procedural schedule be issued and an evidentiary hearing be held in this proceeding. OELC posits that the Notice filed in this case is inadequate and lacking in specificity given the size and scope of the Transaction, especially in comparison to applications filed in other states and in previous proceedings before the Commission involving other interests. While OELC states its agreement with all of OCC's comments, OELC specifically highlights the concern of whether Enbridge will ensure that EOG's consumers receive affordable and reliable services. OELC acknowledges Staff's discussion of the credit challenges posed by EOG's elevated capital expenditures program and Enbridge's expressed commitment to give EOG liquidity support but questions the specifics of that commitment and whether it can be relied upon. In short, OELC believes there are questions regarding the Notice and Transaction that remain to be asked and answered and, thus, supports OCC's request that this matter be fully litigated.

{¶ 25} In response to OCC's request for a full procedural schedule, including an evidentiary hearing, the Companies note that, despite having more than three months to engage in discovery and receiving copies of all responses to Staff's data requests, OCC's comments contain no specific information that undercuts the conclusions in Staff's Comments. The Companies assert that, instead of providing pointed support for its argument that there is insufficient information for the Commission to make an informed decision, OCC asks the Commission to expand the proceeding to consider matters outside the limited scope of this matter by repeating many of the same arguments asserted in support of its motion to consolidate. The Companies state that such a path is unnecessary; enlarging the timeframe for discovery would not lead to information OCC could not have gathered to date and there is no cause for a hearing, especially over matters outside the scope of this proceeding. Rather, the Companies submit that the Commission has all the

information necessary to inform its decision regarding the Notice and can address and consider the rate impacts of the Transaction, if any, in EOG's next rate proceeding. See *VEDO Merger Case*, Finding and Order (Jan. 30, 2019). Moreover, the Companies relate that OCC misrepresents the information provided to and/or available to the Commission to make a decision in this matter where EOG provided the Commission with a copy of the Agreement and, further, there are publicly available links to a summary of the Agreement as well as the purchase and sale agreements subject to proceedings in other states.

{¶ 26} In line with the *VEDO Merger Case*, the Companies urge the Commission to follow Staff's Comments finding that EOG will continue to have the managerial, technical, and financial ability to provide adequate service and the Transaction will not adversely affect customers. The Companies stress that OCC does not seriously challenge EOG's continued managerial capability and, ignoring that EOG has had local management despite its current parent company's location in Virginia, merely speculates that the transition may lead to a shift from local to centralized control and decision making. Similarly, although OCC ponders the unrelated possibility of effects on labor agreements, the Notice makes clear that EOG's key technical personnel will remain in place. Continuing, the Companies maintain that OCC's concerns regarding Enbridge's ability or commitment to support EOG's future capital investments is wholly unfounded and contrary to OCC's acknowledgment of Enbridge's significant financial resources and access to capital markets. Regardless, the Companies submit that, per the *VEDO Merger Case*, the Transaction's effects, if any, on base rates is an issue properly reserved for a future EOG rate proceeding. Finally, while acknowledging that the Transaction will impact EOG's customers, the Companies reject as speculative OCC's concerns that those impacts will be detrimental and commits to complying with Staff's recommendations, if adopted. The Companies further reiterate that, as recognized within the Notice, the Commission will continue to have full regulatory authority over EOG as a public utility subject to the provisions of Revised Code Title 49. Furthermore, and contrary to OCC's arguments that the Commission should consider other Enbridge subsidiaries' acquisitions of public utilities outside the state of Ohio, the

Companies aver that the Commission's evaluation is properly focused on EE Holding's proposed acquisition of EOG. As recognized by Staff, EOG will be maintained as a separate legal entity isolated from contagion risks, if any, associated with the business activities of other Enbridge affiliates.

B. Commission Conclusion

{¶ 27} R.C. 4905.04 through 4905.06 provide that the Commission has general supervision over public utilities within its jurisdiction and the responsibility to be apprised of the manner in which their properties are operated, managed, and conducted with respect to the adequacy of service or security of the public. EOG is a jurisdictional utility, and the Commission maintains an interest in its continued operations and ability to serve customers in the state. Moreover, the Commission has historically reviewed proposed mergers and transfers of parent-company ownership of Ohio utilities to ensure that the transactions are in the public interest. See *In re Joint Application of Generation Pipeline LLC and NEXUS Gas Transmission, LLC*, Case No. 19-366-GA-UNC, Finding and Order (Aug. 14, 2019); *VEDO Merger Case*, Finding and Order (Jan. 30, 2019); and *In re Northeast Ohio Natural Gas Corp., Brainard Gas Corp., Orwell Natural Gas Co., and Spelman Pipeline Holdings, LLC*, Case No. 18-1484-GA-UNC, et al., Finding and Order (Jan. 3, 2019).

{¶ 28} In light of these general supervisory and regulatory powers granted by R.C. 4905.04 through 4905.06, the Commission has reviewed the Notice, Staff's Comments, and the initial and reply comments of OCC, OELC, and the Companies. Upon that review, the Commission finds that the Transaction identified in the Notice does not appear unreasonable and should not adversely impact Ohio customers. Contrary to OCC's claims, the Commission has before it the information needed to make a determination regarding the managerial, technical, and financial ability of EOG, and we find that, under EE Holding's ownership, EOG will continue to have the managerial, technical, and financial capability to provide uninterrupted, safe, adequate, and reasonably-priced natural gas service to Ohio customers without anticipated adverse impacts to consumers. The Commission further finds that it is not necessary to hold an evidentiary hearing in this matter. The majority of

concerns raised by OCC and OELC in advocating for a full procedural schedule and evidentiary hearing in this matter are speculative and fall outside the scope of our review of the Notice. Furthermore, OCC and OELC have not demonstrated any dispute regarding any issue of fact. Whether the Transaction will result in efficiencies of operations or economies of scale that will influence customer rates, whether the cross-subsidization occurs that precludes recovery of certain costs, and what form liquidity support for EOG's future capital expenditures program expenditures embodies—among others—are the sort of questions and issues that can be considered if and when they become ascertainable. Indeed, as we expressed in the *VEDO Merger Case*, these complex matters are inherent to and better suited to investigation and litigation during EOG's next base rate proceeding or other more relevant forum. The Commission further notes that any proposed recovery of transition costs in a future proceeding will be subject to past precedent regarding the recovery of advertising and marketing costs by public utilities. Moreover, the Commission will hold the Companies to their commitment to not seek recovery for any transaction costs from Ohio consumers.

{¶ 29} Accordingly, the Commission approves the Notice, subject to Staff's recommendations that the Company keep Staff informed of all rebranding changes, timelines, and information provided to customers during the 180-day rebranding window and that EE Holdings provide Staff with annual updates on charges that could result in transition cost to customers, as well as updates on changes in systems, policies, and procedures, for at least three years.

V. ORDER

{¶ 30} It is, therefore,

{¶ 31} ORDERED, That OELC's motion to intervene be granted. It is, further,

{¶ 32} ORDERED, That OCC's motion to consolidate this matter with the pending rate case be denied. It is, further,

{¶ 33} ORDERED, That the Notice filed by the Companies be approved, subject to Staff's recommendations. It is, further,

{¶ 34} 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,

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

COMMISSIONERS:

Approving:

Jenifer French, Chair
Daniel R. Conway
Lawrence K. Friedeman
Dennis P. Deters
John D. Williams

PAS/dr

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Summary: Finding & Order that the Commission approves, subject to Staff's recommendations, the joint notice of parent company transaction filed by The East Ohio Gas Company d/b/a Dominion Energy Ohio and Enbridge Elephant Holdings, LLC and finds that the transaction is reasonable and should not adversely impact Ohio customers electronically filed by Ms. Donielle M. Hunter on behalf of Public Utilities Commission of Ohio.