

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 4901:1-43-04

Rule Type: Amendment

Rule Title/Tagline: Cost recovery rider process.

Agency Name: Public Utilities Commission of Ohio

Division: Utilities

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I. Rule Summary

1. Is this a five year rule review? No
 - A. What is the rule's five year review date? 11/22/2026
2. Is this rule the result of recent legislation? No
3. What statute is this rule being promulgated under? 111.15
4. What statute(s) grant rule writing authority? 4929.163, 4929.10
5. What statute(s) does the rule implement or amplify? 4929.16, 4929.161, 4929.162, 4929.163, 4929.165, 4929.166, 4929.167
6. Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires? No
 - A. If so, what is the citation to the federal law or rule? Not Applicable
7. What are the reasons for proposing the rule?

The rule is being proposed to account for the rule reduction required by R.C. 121.951(A)(1).
8. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.

This rule sets forth the application process for a natural gas company seeking recovery of economic development project costs through an infrastructure development rider. It also sets forth the annual reporting requirements for a natural gas company with an approved infrastructure development rider. The rule is being amended to reduce the number of regulatory restrictions.

9. Does the rule incorporate material by reference? No
10. If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.

Not Applicable

11. If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.

Not Applicable

II. Fiscal Analysis

12. Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.

This will have no impact on revenues or expenditures.

n/a

n/a

13. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?

The rule impacts the identified business community in terms of employer time and cost of regulatory compliance. The proposed revision reduces the employer time and cost by eliminating a filing requirement.

14. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No
15. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No

16. If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.

n/a

III. Common Sense Initiative (CSI) Questions

17. Was this rule filed with the Common Sense Initiative Office? Yes

18. Does this rule have an adverse impact on business? Yes

- A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No
- B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No
- C. Does this rule require specific expenditures or the report of information as a condition of compliance? Yes

Yes. The rule impacts the identified business community in terms of employer time and cost of regulatory compliance. The proposed revisions reduce the employer time and cost by reducing regulatory restrictions. The Commission does not anticipate any other adverse impact stemming from this rule. In fact, the legislative intent of R.C. 4928.16 et seq. was to promote economic development projects within the state of Ohio.

- D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? No

IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).

19. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? Yes

- A. How many new regulatory restrictions do you propose adding to this rule? 0
- B. How many existing regulatory restrictions do you propose removing from this rule? 4

4901:1-43-04(A)— Removes the requirement that each natural gas company must file an economic development rider.

4901:1-43-04(B)— Removes the requirement that each natural gas company with an economic development rider must update it annually.

4901:1-43-04(B)— Removes the requirement that each annual update must include all information in forms prescribed by the Commission.

4901:1-43-04(D), revised to (C)—Removes the requirement that rates under an economic development rider must be subject to reconciliation adjustments following any hearing, and instead states that they are subject to reconciliation adjustments following any hearing.

- C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.**
- D. Please justify the adoption of the new regulatory restriction(s).**

Not Applicable