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PUCO RESPONSE MEMORANDUM

To: Mark Hamlin

Director of Regulatory Policy

Ohio Lieutenant Governor's Office

From: Angela Hawkins

Legal Director

Public Utilities Commission of Ohio

Legal Department

Date: September 1, 2016

Re: PUCO Response - Ohio Coal Research and Development Rate Rules

(Ohio Adm.Code Chapter 4901:1-12)

In Case No. 16-1236-GA-ORD, the Public Utilities Commission of Ohio (PUCO) is reviewing its rules in Ohio Adm.Code Chapter 4901:1-12. These rules, which are required by R.C. 4905.304, concern the Ohio coal research and development rates of gas and natural gas companies regulated by the Commission. Prior to issuing the proposed rules, the PUCO held a workshop on June 23, 2016, to enable interested stakeholders to offer proposals for Staff's consideration. Two stakeholders attended the workshop, although no comments were offered.

Following a formal comment period, during which no comments were filed, the PUCO issued a Finding and Order on August 31, 2016, adopting the proposed rules. On August 31, 2016, CSI replied to the PUCO, stating that CSI had no recommendations, and concluding that the PUCO should proceed with formal filing of the rules package with the Joint Committee on Agency Rule Review (JCARR). In light of CSI's conclusion, the PUCO will proceed and file these rules with JCARR.

CC: Jason Rafeld, Chief of Staff, Public Utilities Commission of Ohio Sarah Parrot, Chief, Gas Section, Public Utilities Commission of Ohio