

**MEMORANDUM**

TO: Angela Hawkins, Public Utilities Commission of Ohio

FROM: Emily Kaylor, Director of Regulatory Policy

DATE: November 22, 2017

RE: **CSI Review – Energy Shortage Emergency Rules (OAC 4901:5-17-02, 4901:5-19-01 through 4901:5-19-05, 4901:5-21-01 through 4901:5-21-04, 4901:5-23-01 through 4901:5-23-04, 4901:5-25-01 through 4901:5-25-06, 4901:5-29-01 through 4901:5-29-04, 4901:5-33-01 through 4901:5-33-04, 4901:5-35-01 through 4901:5-35-03, and 4901:5-37-01 through)**

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This rule package consists of 22 no-change and 14 amended rules submitted by the Public Utilities Commission of Ohio (PUCO) for their statutorily-required five-year rule review. The rule package was submitted to the CSI Office on November 23, 2016 and comments were due December 2, 2016 with reply comments due December 16, 2016. Three comments were received, and a Finding and Order was issued by the PUCO on October 20, 2017.

The rules pertain to emergency situations of critical shortages or interruptions in the supply of electric power, natural gas, coal, or individual petroleum fuels. The amendments correct grammar and clarify language, allow the Governor or PUCO to consult with outside entities in anticipation of an energy emergency, add electronic notices as an acceptable means to notify consumers and the Commission in the event of an emergency, and allow for prioritizing highway traffic of

essential fuel supplies. In its BIA, the PUCO emphasizes that the rules expound the policies found in ORC 4935.03 regarding energy emergencies.

As part of the early stakeholder outreach process, the PUCO conducted a workshop to receive feedback, but no stakeholders provided any suggested changes for the rules. Three comments were received during the formal review process, and the Commission issued a Finding and Order on October 20, 2017. In the Finding and Order, PUCO detailed amendments made based on stakeholder feedback and provided justifications and responses to all comments.

The BIA explains that the rules impact electric providers and electric power producers, coal suppliers, gas suppliers, heating oil and propane suppliers, transportation fuel suppliers, primary and secondary suppliers, and electric entities. Some of the costs to these entities include notification and reports on fuel shortages or critical situations that must be provided to consumers and the Commission. In general, the impacts from these rules only occur in the event of an actual or imminent fuel emergency, but business entities need to prepare in case such situation arises. PUCO justifies these impacts as the rules are necessary to comply with statutory mandates regarding preparation for energy shortage situations and to protect the public in the case of such an emergency.

Recommendation

For the reasons explained above, this office does not have any recommendations regarding this rule package.

Conclusion

Based on the above comments, the CSI Office concludes that the Public Utilities Commission of Ohio should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.