



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Sean McCullough, Director

MEMORANDUM

TO: Angela Hawkins, Public Utilities Commission of Ohio

FROM: Ethan Wittkorn, Regulatory Policy Advocate

DATE: September 9, 2021

RE: CSI Review – Ohio Coal Research and Development Rate (OAC 4901:1-12-01, 4901:1-12-02, 4901:1-12-03, 4901:1-12-04, 4901:1-12-05, 4901:1-12-06, 4901:1-12-07, 4901:1-12-08, and 4901:1-12-09)

On behalf of Lt. Governor Jon Husted, 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 Commission as provided for in ORC 107.54.

Analysis

This Public Utilities Commission of Ohio (Commission) rule package consists of nine no change rules. The rules were submitted to the CSI Office as part of a statutory five-year review on March 24, 2021, and the public comment period was open through May 7, 2021. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on March 24, 2021.

The rules proposed in this package establish the cost recovery rates for regulated entities that participate in the Ohio Coal Research and Development Program. The rules also cover the submission of monthly cost reports, semiannual reports, billing requirements, audits of costs by the Commission, and tariffs. No changes have been proposed to the rules.

During the rule development process, the Commission held several workshops on the proposed rules. Notice of these workshops was provided to all regulated gas and natural gas companies, as well as the Ohio Consumers' Council, the Ohio Gas Association, and the Ohio Oil and Gas Association. No

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comments were received at that time. An Order issued by the Commission on July 14, 2021, notes that no further comments were submitted during the CSI public comment process.

Gas and natural gas companies regulated by the Commission may face an adverse impact as a result of the proposed rules. Regulated entities must meet reporting requirements to recover any costs associated with approved coal research and development projects, file monthly and semiannual reports with the Commission, and incur costs related to calculating refund rates, time to comply with audits, and adding required information to customer bills. The Commission cites ORC 4905.304 as statute requiring the adoption of the proposed rules.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Commission should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.