



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 – Recovery of Infrastructure Development Costs (OAC 4901:1-43-01, 4901:1-43-02, 4901:1-43-03, and 4901:1-43-04)

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 one amended and three no change rules. The rules were submitted to the CSI Office as part of a statutory five-year review on March 10, 2021, and the public comment period was open through May 3, 2021. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on March 10, 2021.

The proposed rules cover riders for natural gas infrastructure development, specifically applications to be filed for the approval of infrastructure development riders to recover cost for projects approved under ORC 4929.163, required information to be included in an economic development project notice, and administrative hearings before the Commission. Amendments have been proposed to remove requirements that estimated state and local taxable base increases be included in project notices.

While developing the rules, the Commission sought the input of stakeholders during several workshops. Notice of the workshops was shared with interested parties via email. During these

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workshops, the Commission received comments from stakeholders including Columbia Gas of Ohio and the Ohio Consumers' Council, that impacted rule amendments. An Order was issued on July 14 of 2021, outlining comments submitted on the rules. During the CSI public comment period, stakeholder discussion involved the 75-day automatic approval process. No additional changes were made to the rules following these discussions.

Natural gas companies in Ohio may be impacted by the proposed rules. Potential impacts include costs associated with administrative time to ensure rule compliance and completing an application to recover approved costs related to development projects, providing required information for project approval, and submitting information for infrastructure development rider annual reports. The Commission states that the proposed rules help to balance the interests of economic development with environmental preservation and public health and safety. Furthermore, the rules work toward the conservation of resources and energy.

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.