



## Common Sense Initiative

**Mike DeWine**, Governor  
**Jon Husted**, Lt. Governor

**Joseph Baker**, Director

### MEMORANDUM

**TO:** Jeff Jones, Public Utilities Commission of Ohio

**FROM:** Joseph Baker, Director

**DATE:** December 29, 2022

**RE:** **CSI Review – Ohio Coal Research and Development Rate Rules (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 rule package consists of five amended and four no-change rules proposed by the Public Utilities Commission of Ohio (PUCO). This rule package was submitted to the CSI Office on December 1, 2022, and the public comment period was held open through December 12, 2022. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on December 1, 2022.

Ohio Administrative Code (OAC) 4901:1-12 sets forth definitions, purpose, scope, applicability, reporting requirements, rate calculation standards, customer billing requirements, audits and hearing policies, and tariff filing requirements relating to the Ohio coal research and development rates of gas and natural gas companies. The rules are amended to remove regulatory restrictions and redundancies identified by the PUCO. The PUCO states that the changes proposed in this rule package are necessary for the implementation of O.R.C 121.951(A), which requires state agencies to reduce regulatory restrictions by ten percent by June 30, 2023.

During stakeholder outreach and the CSI public comment period, the PUCO shared the proposed

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rules with regulated gas and natural gas companies, the Ohio Consumer's Counsel, the Ohio Gas Association, the Ohio Oil and Gas Association, and the PUCO's gas-pipeline distribution list. No comments were received.

The business community impacted by the rules includes natural gas pipeline operators regulated by the PUCO. The adverse impact to business consists of reporting information outlined in the rules to the PUCO. The PUCO notes that the amount of time and expense is expected to be minimal, and only required if the gas or natural gas company seeks to recover costs associated with an approved coal research and development project.

### **Recommendations**

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

### **Conclusion**

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