



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Joseph Baker, Director

MEMORANDUM

TO: Jeffrey Jones, Public Utilities Commission of Ohio

FROM: Michael Bender, Business Advocate

DATE: December 29, 2022

RE: **CSI Review – Alternative Rate Plan; Exemptions (OAC 4901:1-19-01, 4901:1-19-02, 4901:1-19-03, 4901:1-19-04, 4901:1-19-05, 4901:1-19-06, 4901:1-19-07, 4901:1-19-08, 4901:1-19-09, 4901:1-19-10, 4901:1-19-11, 4901:1-19-12, 4901:1-19-13, 4901:1-19-14, and 4901:1-19-15)**

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 ten amended rules and five no-change rules proposed by the Public Utilities Commission of Ohio (PUCO). This rule package was submitted to the CSI Office on November 17, 2022, and the public comment period was held open through November 28, 2022. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on November 17, 2022.

Ohio Administrative Code (OAC) 4901:1-19 provides for the application for, consideration of, and implementation of exemptions from certain statutory requirements for a natural gas company's commodity sales service or ancillary service. Additionally, the rules provide for the application for, consideration of, and implementation of a natural gas company's exit from? the merchant function plan and alternative rate plan. OAC 4901:1-19-01, 4901:1-19-03, 4901:1-19-05, 4901:1-19-06, 4901:1-19-07, 4901:1-19-09, 4901:1-19-11, 4901:1-19-12, 4901:1-19-13, and 4901:1-19-15 are amended to update language and typography and to reduce the number of regulatory restrictions,

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particularly with respect to application filing requirements. No revisions are proposed for OAC 4901:1-19-02, 4901:1-19-04, 4901:1-19-08, 4901:1-19-10, and 4901:1-19-14.

During early stakeholder outreach, the PUCO issued an Entry in Case No. 22-812-GA-ORD to seek comments on the proposed rules between October 5-28, 2022, and served it upon all regulated natural gas companies, its gas-pipeline industry listserv, the Ohio Gas Association, the Ohio Oil and Gas Association, the Ohio Petroleum Council, and the Ohio Consumers' Counsel. The PUCO did not receive any comments in response to the Entry. No comments were received during the CSI public comment period.

The business community impacted by the rules includes natural gas companies as defined in ORC 4929.01(G). The adverse impacts created by the rules include the time and expense associated with filing notices of intent, filing applications pursuant to the requirements of the rules, and providing the PUCO with certain information in the event of an incomplete or deficient application. According to the PUCO, the adverse impacts should be minimal in terms of time and money. The PUCO also notes that the purpose of the revisions is to reduce the number of regulatory restrictions. The PUCO states that the adverse impacts to business are justified to carry out ORC requirements and to provide a clear and consistent process for the filing and review of applications made pursuant to ORC 4929.04 and 4929.05.

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.