

From: Randazzo, Samuel
Sent: Thu 9/10/2020 7:08 PM (GMT-00:00)
To: Elisar, Scott
Cc:
Bcc:
Subject: RE: Select Committee on Energy Policy and Oversight

Did not see the testimony.

Sam Randazzo
PUCO & OPSB Chair
614.466.3362 (office)
614.421.8951 (mobile)
Samuel.Randazzo@puco.ohio.gov



From: Elisar, Scott <Scott.Elisar@puco.ohio.gov>
Sent: Thursday, September 10, 2020 1:12 PM
To: Randazzo, Samuel <Samuel.Randazzo@puco.ohio.gov>; Price, Greg <greg.price@puco.ohio.gov>; Mcclelland, Maura <Maura.McClelland@puco.ohio.gov>; Hawkins, Angela <angela.hawkins@puco.ohio.gov>; Parrot, Sarah <sarah.parrot@puco.ohio.gov>; Ryan, John <John.Ryan@puco.ohio.gov>; Jones, Jeffrey <Jeffrey.Jones@puco.ohio.gov>; Turkenton, Tamara <Tamara.Turkenton@puco.ohio.gov>
Cc: Wolf, James <James.Wolf@puco.ohio.gov>; Schilling, Matt <matt.schilling@puco.ohio.gov>; Fleck, Katherine <Katherine.Fleck@puco.ohio.gov>
Subject: RE: Select Committee on Energy Policy and Oversight

Links to today's testimony – including LSC presentations

<http://ohiohouse.gov/committee/select-committee-on-energy-policy-and-oversight>

Scott Elisar
Public Utilities Commission of Ohio
(614) 728-5049 (office)
(614) 502-9281 (cell)
scott.elisar@puco.ohio.gov
www.PUCO.ohio.gov

COVID-19 Resources:

Inbox for COVID-19 legislative inquiries: questions@governor.ohio.gov

Ohio Department of Health COVID-19 Hotline: 1833-4-ASK-ODH

Ohio Department of Health COVID-19 Website:

<https://coronavirus.ohio.gov/wps/portal/gov/covid-19/>

From: Randazzo, Samuel <Samuel.Randazzo@puco.ohio.gov>

Sent: Thursday, September 10, 2020 1:06 PM

To: Price, Greg <greg.price@puco.ohio.gov>; McClelland, Maura <Maura.McClelland@puco.ohio.gov>; Hawkins, Angela <angela.hawkins@puco.ohio.gov>; Parrot, Sarah <sarah.parrot@puco.ohio.gov>; Ryan, John <John.Ryan@puco.ohio.gov>; Jones, Jeffrey <Jeffrey.Jones@puco.ohio.gov>; Turkenton, Tamara <Tamara.Turkenton@puco.ohio.gov>

Cc: Elisar, Scott <Scott.Elisar@puco.ohio.gov>; Wolf, James <James.Wolf@puco.ohio.gov>; Schilling, Matt <matt.schilling@puco.ohio.gov>; Fleck, Katherine <Katherine.Fleck@puco.ohio.gov>

Subject: RE: Claims by Ashley Brown

Nicely done Greg – and now to determine what if anything actually happened. Moving to replace the Board while saying that the PUCO could not determine what gas cost recovery to disallow due to imprudence seems to suggest, perhaps, public posturing. Chairman Chema’s Commission also initially disallowed some recovery of Ohio Power affiliate coal purchases only to do an aggressive back stroke on rehearing.

Sam Randazzo

PUCO & OPSB Chair

614.466.3362 (office)

614.421.8951 (mobile)

Samuel.Randazzo@puco.ohio.gov



From: Price, Greg <greg.price@puco.ohio.gov>

Sent: Thursday, September 10, 2020 12:58 PM

To: Randazzo, Samuel <Samuel.Randazzo@puco.ohio.gov>; McClelland, Maura <Maura.McClelland@puco.ohio.gov>; Hawkins, Angela <angela.hawkins@puco.ohio.gov>; Parrot, Sarah <sarah.parrot@puco.ohio.gov>; Ryan, John <John.Ryan@puco.ohio.gov>; Jones, Jeffrey <Jeffrey.Jones@puco.ohio.gov>; Turkenton, Tamara <Tamara.Turkenton@puco.ohio.gov>

Cc: Elisar, Scott <Scott.Elisar@puco.ohio.gov>; Wolf, James <James.Wolf@puco.ohio.gov>; Schilling,

Matt <matt.schilling@puco.ohio.gov>; Fleck, Katherine <Katherine.Fleck@puco.ohio.gov>
Subject: RE: Claims by Ashley Brown

Ohio Commission orders ouster

By
GRETEL WIKLE

(0)

COLUMBUS, Ohio -- The Public Utilities Commission of Ohio Tuesday ordered the ouster of the board of directors of Columbia Gas of Ohio, saying the current officers have 'stalled and delayed' on orders to purchase lower-cost natural gas.

PUCO Chairman Thomas Chema said Columbia, a subsidiary of Columbia Gas System of Wilmington, Del., purchased more than 95 percent of the gas it sold between June 1983 and May 1984 from Columbia Gas Transmission Co. and other Columbia affiliates -- at a significantly higher cost than other suppliers were charging.

Chema said there will be no action requiring the company to repay customers because the commission was not able to determine what customers would have paid.

'Our view is that Columbia Gas has been too greatly influence by sister and parent companies and they should be weaned away from these affiliates,' Chema said.

In a precedent-setting move, the commission exerted its authority to reshape a utility's board of directors and gave the company until Nov. 8 to to file a plan for reorganizing its board.

The commission wants the board to include more Ohioans and more members who are not employees of Columbia Gas System.

Columbia spokeswoman Genevieve Tuchow defended the makeup of the board, saying three of the 10 members, Sherwood Fawcett, Frank Durgo and George MacNicholl, are not affiliated with the company and at least two members are residents of Ohio.

Tuchow added that Columbia Gas, which serves 1 million customers in 57 of Ohio's 88 counties, has 'consistently followed a policy of purchasing the least-cost gas available to us while maintaining our obligation to provide reliable gas supplies to our customers at all times.'

However, the commission charged that Columbia failed to act on the results of a 1983 management audit by Touche Ross & Co., which recommended seeking alternate sources of supply.

'The record adequately demonstrates that Columbia has stalled and delayed on the implementation of this recommendation,' Chema said. 'We believe the company's actions in this respect are imprudent and we will not allow the excuses to continue.'

In addition to the board reorganization, the commission ordered Columbia to construct facilities that would allow it to expand into cheaper markets of non-affiliated suppliers. Chema said that has been the practice of other gas companies in the state which offer cheaper rates.

From: Randazzo, Samuel <Samuel.Randazzo@puco.ohio.gov>

Sent: Thursday, September 10, 2020 12:55 PM

To: McClelland, Maura <Maura.McClelland@puco.ohio.gov>; Hawkins, Angela <angela.hawkins@puco.ohio.gov>; Price, Greg <greg.price@puco.ohio.gov>; Parrot, Sarah <sarah.parrot@puco.ohio.gov>; Ryan, John <John.Ryan@puco.ohio.gov>; Jones, Jeffrey <Jeffrey.Jones@puco.ohio.gov>; Turkenton, Tamara <Tamara.Turkenton@puco.ohio.gov>
Cc: Elisar, Scott <Scott.Elisar@puco.ohio.gov>; Wolf, James <James.Wolf@puco.ohio.gov>; Schilling, Matt <matt.schilling@puco.ohio.gov>; Fleck, Katherine <Katherine.Fleck@puco.ohio.gov>
Subject: Claims by Ashley Brown

In the interest of time, I suggest that anyone who may have something to contribute, do so.

Sam Randazzo
PUCO & OPSB Chair
614.466.3362 (office)
614.421.8951 (mobile)
Samuel.Randazzo@puco.ohio.gov



From: McClelland, Maura <Maura.McClelland@puco.ohio.gov>
Sent: Thursday, September 10, 2020 12:41 PM
To: Randazzo, Samuel <Samuel.Randazzo@puco.ohio.gov>; Hawkins, Angela <angela.hawkins@puco.ohio.gov>; Price, Greg <greg.price@puco.ohio.gov>; Parrot, Sarah <sarah.parrot@puco.ohio.gov>; Ryan, John <John.Ryan@puco.ohio.gov>; Jones, Jeffrey <Jeffrey.Jones@puco.ohio.gov>; Turkenton, Tamara <Tamara.Turkenton@puco.ohio.gov>
Cc: Elisar, Scott <Scott.Elisar@puco.ohio.gov>; Wolf, James <James.Wolf@puco.ohio.gov>; Schilling, Matt <matt.schilling@puco.ohio.gov>; Fleck, Katherine <Katherine.Fleck@puco.ohio.gov>
Subject: RE: Claims by Ashley Brown

I'm happy to do some research and should be able to deliver something by Monday morning. That said, if anyone prefers to take the helm on this, I'm able to assist if needed. Thank you!

Maura McClelland, Esq.
Public Utilities Commission of Ohio
Policy Advisor
(614) 466-7539 (office)
(614) 558-0087 (cell)
Maura.McClelland@puco.ohio.gov

From: Randazzo, Samuel <Samuel.Randazzo@puco.ohio.gov>

Sent: Thursday, September 10, 2020 12:19 PM

To: Hawkins, Angela <angela.hawkins@puco.ohio.gov>; Price, Greg <greg.price@puco.ohio.gov>; Parrot, Sarah <sarah.parrot@puco.ohio.gov>; Ryan, John <John.Ryan@puco.ohio.gov>; Jones, Jeffrey <Jeffrey.Jones@puco.ohio.gov>; Turkenton, Tamara <Tamara.Turkenton@puco.ohio.gov>

Cc: Elisar, Scott <Scott.Elisar@puco.ohio.gov>; Wolf, James <James.Wolf@puco.ohio.gov>; McClelland, Maura <Maura.McClelland@puco.ohio.gov>; Schilling, Matt <matt.schilling@puco.ohio.gov>; Fleck, Katherine <Katherine.Fleck@puco.ohio.gov>

Subject: Claims by Ashley Brown

Good afternoon:

In the article at this link <https://www.cleveland.com/opinion/2020/09/amid-the-hb-6-scandal-ohio-utility-regulators-must-act-to-reassure-ratepayers-of-the-integrity-of-ohio-regulation-ashley-c-brown.html> , a former PUCO Commissioner, Ashley Brown, claims, among other things, that the PUCO replaced Columbia Gas of Ohio's board of directors as a result of some above-market natural gas purchases from its corporate affiliate. OCC is also relying on this article in its efforts to "educate" and "motivate".

It is my recollection that the affiliate gas purchase issues involving COH were in play in 1979ish when Tom Chema was the Chairman. This happened well before functional unbundling occurred at the federal level which put interstate pipelines out of the gas merchant business (ultimately precluding the all-requirements gas supply affiliate relationships between pipelines and LDCs that were a seed bed for anticompetitive behavior and motivated restructuring in favor of "customer choice"). It is also my recollection that while Tom Chema made public statements about changing COH's Board to remedy the affiliate gas purchase problem, it was deemed to be something beyond the PUCO's jurisdiction (illegal). This is a long way of saying that I believe Mr. Brown's claim is incorrect.

With regard to his comments on General Telephone, it is my recollection that the PUCO attempted to make an offset to a utility's revenue requirement based on poor service and that this was reversed by the Ohio Supreme Court based on the Court's view that discounting the revenue available to the utility in this context was not authorized by statute and would be counterproductive as it would perpetuate the poor service. *Elyria Tel Co v PUCO* 158 Ohio St. 441 (1953). I believe the legal limitations imposed on the Commission by this holding persisted until there was a change in the law that resulted in the rate increase process including a management review by the Staff. As a result of these memories, I also doubt the correctness of Mr. Brown's assertions regarding the actions taken by the Commission to address General Telephone service quality problems.

Any research or other information collection that can be done to shed some light on the accuracy of the claims made by Mr. Brown would be appreciated.

Thanks in advance,

Sam

Sam Randazzo

PUCO & OPSB Chair

614.466.3362 (office)

614.421.8951 (mobile)

Samuel.Randazzo@puco.ohio.gov

