

The Facts on Columbia Gas of Ohio's Rate Hike Request

The Gist

- On Oct. 31, Columbia Gas of Ohio filed a plan with the Public Utilities Commission of Ohio (PUCO) that would raise customer bills by nearly \$20 a month while gutting environmentally beneficial energy efficiency programs.
- This plan, part of a proposed settlement in an ongoing rate case, would hike the fixed rate charge on every account from **\$37** to as much as **\$58** a month.
- The hike would be staggered out over the next five years, with the first price spike coming in May 2023.
- This hike would come on top of skyrocketing natural gas prices, hitting Ohio families twice. The cost of natural gas more than doubled from 38 cents per 100 cubic feet in February 2021 to 79 cents a year later.
- The plan would also gut Columbia Gas of Ohio's energy efficiency work, eliminating a slate of programs designed to help households control their heating bills while benefitting the environment. Only the low-income weatherization program would remain.

The PUCO will hold hearings in the case starting Nov. 16, with a final order expected in early 2023.

The Story

Gas prices have increased dramatically the last two years, and customers have already seen large increases in their bills. Bills essentially doubled from 2020-2021 and stayed high. **Columbia itself has said its energy efficiency programs help customers control those bills, but it has agreed to cancel them to get a settlement.**

On top of canceling efficiency, Columbia raising the fixed monthly charges would reduce customers' ability to control their bills by turning down their thermostats and using less gas. Hence, this case will hurt lower- and middle-income customers disproportionately.



FAQ

What is the fixed customer charge?

Your gas bill comes in two parts. The first part is the price of gas. Utilities buy this at the market rate and pass the cost on to customers. Customers can somewhat control this cost by turning down the temperature or investing in energy efficiency products like smart thermostats or improved insulation.

The second part is the fixed customer charge. This is the amount charged to every account to pay for the infrastructure that moves the gas into your home, school, or business. Customers cannot lower this cost by using less gas. This is set by the utility, with PUCO approval, and this is the part of the bill Columbia Gas of Ohio wants to hike.

How much would this plan raise the fixed customer charge?

While Columbia Gas has tried to claim that the hike will only cost ratepayers a few dollars a month, the real figures are buried in the 104-page stipulation Columbia Gas of Ohio filed with PUCO.

The fixed customer charge is made of three parts: the Fixed Monthly Delivery Charge, the Infrastructure Replacement Program Rider, and the Capital Expenditure Program Rider. These currently add up to about \$37, which you can confirm on the second page of any recent Columbia Gas of Ohio bill.

Here's what Columbia Gas of Ohio wants to raise those charges to, and where to find those figures in the [official request before the PUCO](#):

Fixed Monthly Delivery Charge: **\$39.30 (Appendix C, line 6)**

Infrastructure Replacement Program Rider: **\$8.47 (page 15)**

Capital Expenditure Program Rider: **\$8.74 (page 17)**

Total: \$56.51

That's the minimum hike Ohioans can expect. The fixed customer charge also includes an Infrastructure Development Rider which, under state law, could go as high as \$1.50. That means that in five years, Ohioans could be paying **as much as \$58.01** a month before they use any gas.

Isn't this price hike less than Columbia Gas of Ohio originally wanted?

Yes, Columbia Gas of Ohio originally wanted an even more exorbitant price hike, but Columbia asked for a rate hike that it knew the PUCO would never agree to. The plan currently under consideration would raise customer bills by \$68.2 million. Columbia Gas of Ohio originally petitioned PUCO for the right to raise customer bills by more than three times as much, a whopping \$212 million.

It's true that this request is a step down from the utility's initial gambit. It's also irrelevant. This plan hurts Ohio families. It's misleading to argue that the original plan would have hurt them more.

Is it a done deal?

No. The Public Utilities Commission of Ohio has to approve the settlement. The Commission has scheduled hearings on the case for Nov. 16 and 17, parties will brief the case and the Commission will issue an order.