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Ohio Revised Code

Section 4929.111 Implementation of capital expenditure program.

Effective: September 9, 2011
Legislation: House Bill 95 - 129th General Assembly

(A) A natural gas company may file an application with the public utilities commission under section 4909.18, 4929.05, or 4929.11 of the Revised Code to implement a capital expenditure program for any of the following:

(1) Any infrastructure expansion, infrastructure improvement, or infrastructure replacement program;

(2) Any program to install, upgrade, or replace information technology systems;

(3) Any program reasonably necessary to comply with any rules, regulations, or orders of the commission or other governmental entity having jurisdiction.

(B) An application submitted under division (A) of this section shall specify the total cost of the capital expenditure program.

(C) If the commission finds that the capital expenditure program is consistent with the natural gas company's obligation under section 4905.22 of the Revised Code to furnish necessary and adequate services and facilities, which services and facilities the commission finds to be just and reasonable, the commission shall approve the application. Any deferral or recovery authorized under division (D) of this section shall be limited to amounts that are no greater than those consistent with the total cost of the capital expenditure program as set forth in the application, unless the commission in its discretion authorizes additional recovery under this section.

(D) In approving an application under division (C) of this section, the commission shall authorize the natural gas company to defer or recover in an application that the natural gas company may file under section 4909.18, 4929.05, or 4929.11 of the Revised Code, both of the following:

(1) A regulatory asset for the post-in-service carrying costs on that portion of the assets of the

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capital expenditure program that are placed in service but not reflected in rates as plant in service;

(2) A regulatory asset for the incremental depreciation directly attributable to the capital expenditure program and the property tax expense directly attributable to the capital expenditure program.

(E) A natural gas company shall not request recovery of the costs described in division (D) of this section under section 4929.05 or 4929.11 of the Revised Code more than one time each calendar year.

(F) The natural gas company may make any accounting accruals, necessary to establish the regulatory assets authorized under division (D) of this section, in addition to any allowance for funds used during construction.

(G)(1) Any accrual for deferral or recovery under division (D) of this section shall be calculated in accordance with the system of accounts established by the commission under section 4905.13 of the Revised Code.

(2) The natural gas company shall calculate the post-in-service carrying costs, described in division (D)(1) of this section, for every investment in an asset of the capital expenditure program. This calculation shall be based on the cost of long-term debt of the natural gas company.

(H) Any accruals for deferral or recovery under division (D) of this section shall commence when the assets of the capital expenditure program are placed in service and shall cease when rates reflecting the cost of those assets are effective.