

Resolution No. 1278-2024

By Council Members Griffin and Howse-Jones

FOR ADOPTION
November 18, 2024

AN EMERGENCY RESOLUTION

Strongly urging the Public Utilities Commission of Ohio (PUCO) to reject Enbridge Gas Ohio's request to increase revenues by 25.5% and instead adopt the PUCO staff recommendation to decrease those revenues by 24.6-27.5% , and further urging the PUCO to reject all Enbridge Gas Ohio's requests to revise its rate base because such revisions unfairly burden City of Cleveland residents, especially people of color and low-income residents.

WHEREAS, on September 29, 2023, East Ohio Gas Company, dba Enbridge Gas Ohio (Enbridge) filed an application with the PUCO to increase its natural gas distribution rates applicable in its entire service area which includes the City of Cleveland; and

WHEREAS, nearly 1/3 of the City's residents live below the federal poverty level, while more than 1/2 have incomes below 200% of the federal poverty level; moreover, one in two Cleveland households spend at least 6% of their household income on housing energy costs making those households highly energy burdened; and

WHEREAS, Enbridge is the only gas utility operating in the City where, as of 2022, about 132,000 of the City's 168,000 households relied on natural gas for heat; and

WHEREAS, Enbridge requests a range of revisions and additions to its rate base that would increase its revenues by \$218.2 million, a 25.53% increase over its existing agreement; this increase includes inappropriate charges to customers for fitness center equipment, civil and political activities, gift cards and flower arrangements, and microwave towers used by other utilities; and

WHEREAS, this Council agrees with the PUCO staff's proposal to **reduce** Enbridge's revenues by \$225,150,474 to \$251,252,624, or by 24.61% to 27.46%; and

WHEREAS, further, Enbridge requests the PUCO allow it to increase its monthly fixed residential service charge from \$43.27 to \$56.31 per month – a 30% increase that would cost Cleveland households an additional \$156.48 per year, representing a 13% increase in household gas bills for the average Cleveland household; this proposal increases by nearly 5% the average household energy burden for Cleveland households and energy costs would increase by 5.3% for people of color and 6.5% for low-income residents of the City; and

WHEREAS, the total number of Enbridge customers that have experienced gas disconnections has increased by over 20% in the last 2 years, reaching a high of nearly 35,000 in 2023; an increase in fixed charges compounds the risk of disconnection and undermines the City's work to lower gas prices for residents through its community choice aggregation programs; and

WHEREAS, Enbridge's proposed increases in service charges and bill riders disproportionately harm City residents because, by 2031, an average Enbridge customer could pay \$348 more per year, representing a 29% increase in total monthly gas costs for Cleveland households; and

WHEREAS, Enbridge's proposed increases damage the City's on-going work on energy efficiency and decarbonization by undercutting its ability to meet climate targets; higher fixed charges reduce the value per unit of gas saved, thereby discouraging customers from investing in energy efficiency and electrification; moreover, increasing fixed charges penalizes customers who have already invested in energy efficiency measures; and

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WHEREAS, this Council recognizes that Enbridge's late fees increase the risk of disconnection and should be reduced as suggested by the PUCO staff and the Ohio Consumers' Council, instead of remaining at 1.5% and compounding over time, as Enbridge requests; and

WHEREAS, this Council also encourages the PUCO to require Enbridge to: continue to operate its EnergyShare program and add bill payment assistance during summer months; provide disconnection data by zip code; and update its current memorandum of understanding with the City for the Pipeline Infrastructure Replacement Program; and

WHEREAS, this resolution constitutes an emergency measure for the immediate preservation of public peace, property, health or safety, now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That this Council strongly urges the Public Utilities Commission of Ohio (PUCO) to reject Enbridge Gas Ohio's request to increase revenues by 25.5% and instead adopt the PUCO staff recommendation to decrease those revenues by 24.6-27.5%.

Section 2. That this Council further urges the PUCO to reject all Enbridge Gas Ohio's requests to revise its rate base because such revisions unfairly burden City of Cleveland residents, especially people of color and low-income residents.

Section 3. That the Clerk of Council is directed to send copies of this resolution to the Public Utilities Commission of Ohio, in re: case# (23-0894-GA-AIR).

Section 4. That this resolution is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its adoption and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

BG:rns
11/18/2024

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**REPORT
after second Reading**

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READ FIRST TIME
and referred to

REPORTS

READ FIRST, SECOND AND THIRD TIME

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME on NOVEMBER 18, 2024

PRESIDENT

CITY CLERK

APPROVED

MAYOR

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