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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Service.

Case No. 07-829-GA-AIR ✓

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval of an Alternative Rate Plan for its Gas Distribution Service

Case No. 07-830-GA-ALT

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval to Change Accounting Methods

Case No. 07-831-GA-AAM

**MOTION OF THE EAST OHIO GAS COMPANY D/B/A DOMINION EAST OHIO
TO ESTABLISH A TEST YEAR AND DATE CERTAIN AND FOR WAIVERS FROM
CERTAIN STANDARD FILING REQUIREMENTS**

The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO") respectfully requests that the Commission, pursuant to its authority under Revised Code Section 4909.15(C), approve DEO's request to establish as its test year for its upcoming rate case the twelve months ending December 31, 2007. In addition, DEO requests that the Commission approve a date certain of March 31, 2007.

DEO also requests, in accordance with Ohio Administrative Code Section 4901-7-01, Appendix A, Chapter II (A)(4), a waiver of the following provisions of the Standard Filing Requirements:

- (i) The provisions of Chapter II (C)(32) requiring monthly managerial reports providing results of operations and comparison of actual to forecast for the test year and the twelve months immediately preceding the test year;

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(ii) The provisions of Chapter II (C)(37) and (C)(44) requiring the filing of federal and state income tax returns;

(iii) The provisions of Section C (D)(5) which require DEO to report actual rate case expense incurred in DEO's most recent rate case;

(iv) The provisions of Section C (F)(3) requiring test year and future periods in Schedules C-12.1 through 12.4 to be reported by residential, commercial and industrial classes; and

(v) The provisions of Section F (B) requiring a projected net earnings summary by FERC account.

Support for this motion is set forth in the accompanying memorandum in support.

Respectfully submitted,



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Case No. 07-831-GA-AAM

**MEMORANDUM IN SUPPORT OF THE MOTION OF THE EAST OHIO GAS
COMPANY D/B/A DOMINION EAST OHIO TO ESTABLISH A TEST YEAR AND
DATE CERTAIN AND FOR WAIVERS FROM CERTAIN STANDARD FILING
REQUIREMENTS**

For the reasons set forth below, The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO") respectfully requests that the Commission approve DEO's request to establish as its test year the twelve months ending December 31, 2007, a date certain of March 31, 2007, and a waiver of certain Standard Filing Requirements.

I. ARGUMENT

A. DEO's Request For A Test Year Ending December 31, 2007, And A Date Certain Of March 31, 2007, Is Reasonable And Should Be Approved.

Ohio Revised Code Section 4909.15(C) governs the establishment of the test period and provides as follows:

The test period, unless otherwise ordered by the commission, shall be the twelve-month period beginning six months prior to the date the application is filed and ending six months subsequent to that

date. In no event shall the test period end more than nine months subsequent to the date the application is filed. The revenues and expenses of the utility shall be determined during the test period. The date certain shall be not later than the date of filing.

This statute authorizes the Commission to approve a test year subject to a single condition—it must not “end more than nine months subsequent to the date the application is filed.” *Id.* Given that DEO filed its Notice of Intent concurrently with this motion on July 20, 2007, DEO may file its application no earlier than August 19. If the filing is accepted as of this date, this would establish that the test year must not end later than May 19, 2008. The test year requested by DEO (ending December 31, 2007) falls within the range permitted by the statute. Likewise, the date certain (March 31, 2007) will not be “later than the date of filing” and thus satisfies the statute’s requirement. Accordingly, the Commission should approve the test year and date certain requested by DEO.

B. The Requests For Waivers Are Reasonable And Should Be Approved.

The rule governing waiver requests is set forth at Ohio Administrative Code Section 4901-7-01, Appendix A, Chapter II (A)(4)(c). It provides:

A request for waiver of any of the provisions of the standard filing requirements must set forth the specific reasons in support of the request. The commission shall grant the request for a waiver upon good cause shown by the utility. In determining whether good cause has been shown, the commission shall give due regard, among other things to:

- (i) Whether other information, which the utility would provide if the waiver is granted, is sufficient so that the commission staff can effectively and efficiently review the rate application.
- (ii) Whether the information, which is the subject of the waiver request, is normally maintained by the utility or reasonably available to it from the information which it maintains.
- (iii) The expense to the utility in providing the information, which is the subject of the waiver request.

Under these standards, each of the waivers requested below is reasonable and should be granted.

1. Chapter II (C)(32)

Chapter II (C) requires the filing of certain supplemental information, which must be made available to Staff on the first day of the field audit. Item 32 in the list of supplemental filing requirements requires:

Monthly managerial reports providing results of operations and comparison of actual to forecast for the test year and the twelve months immediately preceding the test year. Reports covering the test period should be provided as they become available.

Although the Standard Filing Requirements are ambiguous with regard to whether waivers are required for supplemental information to be disclosed during the first day of the field audit, to the extent any waiver is required for Chapter II (C)(32), DEO hereby requests one.

DEO requests a waiver of Chapter II (C)(32) because the Company does not, in the ordinary course of business, produce reports comparing actual results to forecasts. Such information is reported internally by Dominion Resources, Inc. at a consolidated level (*i.e.*, combined information from all subsidiaries), or by individual departments or organizational units within DEO. Because DEO does not maintain the requested information in the form specified by rule, a waiver is appropriate under Chapter II (A)(4)(c)(ii). DEO will work with Staff to provide comparable information that satisfies the intent of Chapter II (C)(32).

2. Chapter II (C)(37) and (44).

Chapter II (C)(37) requires DEO to file "[c]urrent federal income tax returns or the utility company's portions of the consolidated returns." Chapter II (C)(44) requires the filing of a "[c]opy of state income tax returns (if the tax is included in jurisdictional operating expenses)." These returns include confidential information. DEO's only concern is the means by which these documents are reviewed by Staff and other appropriate parties. DEO would like to allow

Staff to review these documents at its offices, during normal business hours and subject to confidentiality agreements, rather than file the returns publicly.

Pursuant to Chapter II (A)(4)(c)(i), the Commission should grant the requested waiver of Chapter II (C)(37) and (44). An identical waiver request was recently granted to Duke Energy Ohio in its rate case. *See In the Matter of the Application of Duke Energy Ohio, Inc. for an Increase in Gas Rates*, Case No. 07-589-GA-AIR, Entry ¶ 7 (July 11, 2007). Waiver of these requirements is equally appropriate here.

3. Section C (D)(5)

Section (D)(5) of the Standard Filing Requirements requires the filing of Schedule C-8, entitled, "Comparison of Projected Expenses Associated with the Current Case to Prior Rate Cases." The data required in Schedule C-8 include five categories of information regarding case expense: (i) current case estimate; (ii) most recent prior case actual; (iii) most recent prior case estimate; (iv) next most recent case actual; and (v) next most recent case estimate. DEO has been unable to locate records of actual rate case expense for its most recent case (category (ii) above) and, therefore, requests a waiver of this requirement.

DEO's most recent rate case was filed in Case No. 93-2006-GA-AIR, over 13 years ago, and was completed in 1994. Rates for DEO's next most recent case were established in PUCO Case No. 86-297-GA-AIR. In reviewing information for its planned rate filing, DEO was able to locate the information required for its next most recent case, *i.e.*, Case No. 86-297-GA-AIR, from the Schedule C-8 filed in Case No. 93-2006-GA-AIR. The Schedule C-8 filed in the 1993 case also disclosed estimated rate case expense for that proceeding. All of this information, as well as an estimate of rate case expense for the current case, will be disclosed in the Schedule C-8 DEO will file with its application.

Although Section C (D)(5) requires a late-filed exhibit of actual rate case expense, DEO has been unable to locate such an exhibit filed in Case No. 93-2006-GA-AIR—if one was filed. A review of the Commission's online docket for that case reveals no such entry for that exhibit. In addition to looking for the late-filed exhibit, DEO has searched legal and rate department records to attempt to find what information it can about actual rate case expense in Case No. 93-2006-GA-AIR. DEO regrets that it has been unable to locate any such information.

Given its inability to locate certain information required for Schedule C-8, combined with the minimal value that information of over a dozen years ago would provide, DEO respectfully requests, in accordance with Chapter II (A)(4)(c)(i) and (ii), a waiver of the requirement in Section C (D)(5) to disclose actual rate case expense incurred in DEO's most recent rate case.

4. Section C (F)(3)

Section C (F)(3) requires the filing of Schedules C-12.1 through 12.4, which detail sales and revenue statistics by residential, commercial, and industrial classes for the most recent five years, the test year, and five projected years. DEO intends to file schedules for the most recent five years in accordance with Section C (F)(3). For the test year and future years, DEO requests a waiver to report sales and revenue projections by "residential" and "non-residential" classes. The proposed "non-residential" class combines the former commercial and industrial classes. Accordingly, data provided for the test year and the projected five years will be comparable to the sum of the commercial and industrial data provided for the most recent five years. Staff will therefore have the information necessary to "effectively and efficiently review the rate application," making it appropriate to grant a waiver under Chapter II (A)(4)(c)(i).

5. Section F (B)

Section F (B) requires the filing of Schedule F-1, entitled, "Projected Income Statement (Total Company – Current Rates)" and Schedule F-1A, entitled, "Projected Income Statement

(Total Company – Projected Rates).” For gas utilities, the projected income statement “must follow the FERC chart of accounts.” DEO, however, does not plan or forecast by FERC account. DEO’s plans and forecasts are prepared by general ledger accounts established to report transactions by the nature of the revenue or expense, such as sales revenues, transportation revenues, other revenues, purchased gas expense, salaries, benefits, outside consultant fees, etc. DEO will file projected income statements, but requests a waiver of the specific requirement that such statements be prepared in accordance with the FERC chart of accounts.

Pursuant to Chapter II (A)(4)(c)(i) and (ii), the Commission should grant the requested waiver of Section F (B). An identical waiver request was granted to Vectren Energy Delivery of Ohio, Inc. in its most recent rate case, Case No. 04-571-GA-AIR, and is equally appropriate here.

II. CONCLUSION

For the reasons set forth above, DEO respectfully requests that the Commission approve the test year, date certain and waivers requested by DEO.

Respectfully submitted,



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