BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Adjustment of Its Interim Emergency and Temporary Percentage of Income Payment Plan Rider.	)))))	Case No. 13-1208-GA-PIP

THE EAST OHIO GAS COMPANY D/B/A DOMINION EAST OHIO'S RESPONSE COMMENTS TO OF THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

I. INTRODUCTION

On May 13, 2013, The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO") filed its application to adjust its Percentage of Income Payment Plan ("PIPP") Rider. As updated on June 5, DEO proposed a new rider rate of a $0.2276-per-Mcf *credit* to its customers. The credit reflected the fact that the past year's PIPP rider had over-recovered PIPP costs, and DEO proposed refunding this over-recovery (with carrying charges) over the course of 12 months. (*See* Appl. at 4–5.)

On June 24, the Office of the Ohio Consumers' Counsel ("OCC") filed comments on DEO's application, to which DEO now responds.

II. COMMENTS

A. OCC's lead comments simply ask the Commission to do what DEO has already proposed to do.

OCC devotes roughly two-thirds of its comments to a play-by-play recap of *last year's* PIPP update and a great deal of negative rhetoric that . . . recommends adopting the precise treatment proposed by DEO. (*See* OCC Comments at 5–6.) No action is necessary in response to these comments, other than to wonder at their necessity.

B. OCC has not justified the filing of quarterly reports.

OCC also asserts that DEO should be ordered "to file quarterly reports in this docket for the next year reflecting the *actual* monthly PIPP Deferred Balances." (OCC Comments at 6 (emphasis sic).) OCC offers a scant two sentences in support of this recommendation, asserting that four-times-a-year reporting will ensure "that DEO accurately calculates the current rate" and "aid the PUCO if the cost projections are in error." (*Id*. at 6–7.)

OCC has not supported this request. This very case shows that even if forecasting errors occur, customers are fully protected by the Commission's annual review and the application of carrying charges to any over- or under-collections. Indeed, the fact that OCC supports the adoption of DEO's application *without modification* shows that the Company has fully and appropriately responded to the over-collection that occurred.

OCC has offered no explanation of how the existing process failed in any way to protect customers in this case. While OCC's recommendation is sure to impose costs on both the Company and the Commission, it has not shown that those costs would be justified by any incremental benefit. The annual process for filing updates to the PIPP Rider provides ample opportunity for review of actual PIPP activity since the previous filing and of DEO's projections for the coming year.

C. OCC has not justified its proposal for additional "examination."

OCC's other request presents similar problems. OCC asks the Commission to "initiate an examination of the DEO methodologies used to project the PIPP rider rate and make any improvements needed for customer protection." (OCC Comments at 8.) Again, OCC has not supported this request.

Over the last several years, the PIPP program has been in a state of flux. Four years ago, the Commission decided to "restructur[e]" the PIPP program, undertaking "a major overhaul to a program that ha[d] existed, with little change, for 25 years." *In re Review of Chapter 4901:1-17, etc., of the Ohio Adm. Code*, Case No. 08-723-AU-ORD, Entry on Rehg., 2009 Ohio PUC LEXIS 243, at *100 (Apr. 1, 2009). In overhauling the program, the Commission recognized the challenges that "face[d] the industry with the magnitude of the changes being adopted in this proceeding, not only with respect to the PIPP rules, but also in other areas of Chapters 17 and 18." *Id*. And it "acknowledge[d] the time it will take to train industry employees, call center employees, and community action agency representatives on the new gas PIPP program, as well as the time necessary to educate the public regarding the new program." *Id*. at *100–01. Based on the magnitude of the changes and time needed for all parties to absorb and implement them, the Commission substantially delayed the effective date of the rules. *See* 08-723 Entry at 2 (June 3, 2009) (establishing November 1, 2010 effective date).

The forecasting that OCC complains about was performed in early 2012, less than two years after the PIPP overhaul was implemented. Predicting something as complex as the aggregate amount of deferrals under a program serving more than 100,000 customers is no simple task, particularly when major parameters of the program have recently been changed. (In this regard, it bears noting that OCC had the opportunity to review the calculations supporting DEO's application but did not avail itself of that opportunity.) Experience is a great teacher, and as DEO explained in its application, it has been actively analyzing its forecasting in light of experience under the new rules, and it will continue to do so with an aim to improve that forecasting as much as possible. That being said, however, projections of future activity under any circumstances, even with the benefit of experience, are rarely perfect.

Again, in its criticisms, OCC loses sight of the broader point in this case. While OCC manages to recommend approval in as negative a way as possible, the fact is it proposes *no* *change* to DEO's application that accounts for and cures the impact of the over-recovery. This shows that the current system—annual review plus carrying charges—is doing what is necessary to protect customers. And it shows that OCC's recommendation for additional reporting, filing, analysis, and investigative proceedings is simply unnecessary.

III. CONCLUSION

For the foregoing reasons, DEO respectfully requests that the Commission disregard or reject OCC's recommendations for additional reporting requirements and additional proceedings.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

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