

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 Approval of Tariffs to Adjust ) Case No. 15-1986-GA-RDR  
Its Automated Meter Reading Cost )  
Recovery Charge to Recover Costs )  
Incurred in 2015. )

FINDING AND ORDER

The Commission finds:

- (1) The East Ohio Gas Company d/b/a Dominion East Ohio (DEO or Company) is a natural gas company as defined in R.C. 4905.03 and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.
- (2) R.C. 4929.11 provides that the Commission may allow any automatic adjustment mechanism or device in a natural gas company's rate schedules that allows a natural gas company's rates or charges for a regulated service or goods to fluctuate automatically in accordance with changes in a specified cost or costs.
- (3) On October 15, 2008, the Commission approved a stipulation that, in part, provided that the accumulation by DEO of costs for the installation of automated meter reading (AMR) technology may be recovered through a separate charge (AMR cost recovery charge). The AMR cost recovery charge was initially set at \$0.00. The Commission's Opinion and Order contemplated periodic filings of applications and adjustments for the AMR cost recovery charge. *In re The East Ohio Gas Co. d/b/a Dominion East Ohio*, Case No. 07-829-GA-AIR, et al. (DEO Distribution Rate Case), Opinion and Order (Oct. 15, 2008).
- (4) DEO's current AMR cost recovery charge of \$0.55 per customer per month was approved by the Commission on April 22, 2015. *In re The East Ohio Gas Co. d/b/a Dominion East Ohio*, Case No. 14-2125-GA-RDR, Finding and Order (Apr. 22, 2015).
- (5) On November 25, 2015, DEO filed its prefiling notice in the above-captioned case. On February 29, 2016, DEO filed an application requesting an adjustment to its current AMR cost

recovery charge, in accordance with the procedure approved in the *DEO Distribution Rate Case*, for costs incurred during the calendar year 2015. Along with its application, DEO also filed the direct testimony of Vicki H. Friscic.

- (6) In its February 29, 2016 application, DEO requests that the Commission approve an adjustment to DEO's AMR cost recovery charge from \$0.55 per customer per month to \$0.46 per customer per month, as shown below, to reflect costs during the 2015 calendar year.

Current Rate	Proposed Rate	Proposed Decrease
\$0.55 per month	\$0.46 per month	\$0.09 per month

- (7) In her testimony, Ms. Friscic affirms that DEO calculated the AMR cost recovery charge in a manner consistent with the revenue requirement calculation in the last rate case, and provided detailed discussion as to how such calculations were made in the instant case (DEO App., Att. C at 2-7). Ms. Friscic offers that, in 2015, DEO achieved \$6,095,927.24 in meter-reading operations and maintenance (O&M) expense savings for its customers, compared to that expense for the 2007 baseline year. Further, in 2015, DEO realized savings of \$441,486.51 in call-center O&M expenses compared to that expense for the 2007 baseline year. (DEO App., Att. C at 7.)
- (8) By Entry issued March 7, 2016, the attorney examiner set a March 25, 2016 deadline for filing motions to intervene. The attorney examiner also required that Staff and intervenor comments on the application be filed by March 25, 2016, and that DEO file, by March 30, 2016, a statement informing the Commission whether all issues raised in the comments had been resolved.
- (9) Staff filed comments on DEO's application on March 25, 2016. No other comments were filed.
- (10) In its comments, Staff states that the overall purpose of its investigation was to determine if DEO's filed exhibits justify the reasonableness of the revenue requirement used as a basis for the proposed AMR cost recovery charge. Staff notes that it reviewed DEO's application, schedules, testimony, and related documentation, and traced the data contained therein to supporting work papers and to source data. In addition, Staff

confirms that DEO properly applied the depreciation rates adopted in *In re The East Ohio Gas Co. d/b/a Dominion East Ohio*, Case No. 13-1988-GA-AAM, Finding and Order (Oct. 23, 2013). (Staff Comments at 4-5.)

- (11) Based on its investigation, Staff recommends that the Commission direct DEO to file revised schedules to its application in order to remove the proposed adjustments for plant retirements that should have been recorded in 2013 and 2014, and to implement the resulting AMR cost recovery rates accordingly (Staff Comments at 5-6).
- (12) Staff states that, consistent with prior Commission rulings, it historically has not supported adjustments to pending rider applications in order to reflect out-of-period adjustments. In Staff's opinion, rider rates set in prior proceedings were subject to audit during those proceedings and specifically approved by the Commission. Staff states that it recalculated DEO's proposed AMR cost recovery charge and determined that removal of the proposed adjustments will not have an impact on the rate proposed by DEO. Further, Staff estimates that DEO's revenue requirement without the proposed adjustments will be \$6,606,572. However, due to the relatively small nature of the adjustments and the effects of rounding, the resulting monthly rate remains at \$0.46 per customer per month, as DEO originally proposed. Staff states that it has no other objections to DEO's application. Therefore, subject to the adoption of the modification described above, Staff recommends that the Commission approve DEO's application. (Staff Comments at 6.)
- (13) On March 29, 2016, DEO filed a statement indicating that the Company does not necessarily agree with the adjustment proposed by Staff in this case, but is not opposing it. DEO also explains that, because there are no issues to be resolved with the application, a hearing in this case is unnecessary. Therefore, DEO requests that the Commission approve its February 29, 2016 application.
- (14) Upon consideration of the application and the comments filed by Staff, the Commission finds that DEO's application to adjust its AMR cost recovery charge to \$0.46 per customer per month is reasonable and should be approved as modified by Staff's

comments. DEO should, therefore, file revised schedules, consistent with Staff's recommendation.

It is, therefore,

ORDERED, That, subject to Staff's modification set forth in this Finding and Order, DEO's application to adjust its AMR cost recovery charge is approved. It is, further,

ORDERED, That DEO is authorized to file tariffs, in final form, consistent with this Finding and Order. DEO shall file one copy in this case docket and one copy in its TRF docket. It is, further,

ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

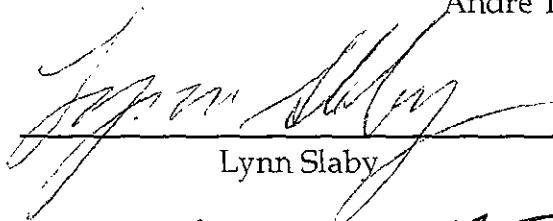
ORDERED, That DEO notify its customers of the changes to the tariffs via bill message or bill insert within 30 days of the effective date of the revised tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division at least 10 days prior to its distribution to customers. It is, further,

ORDERED, That nothing in this Finding and Order shall be binding upon the Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon each party of record.

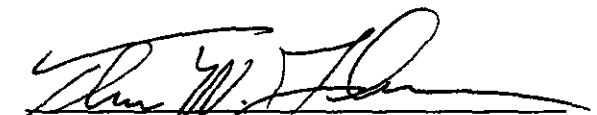
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Andre T. Porter, Chairman

  
Lynn Slaby

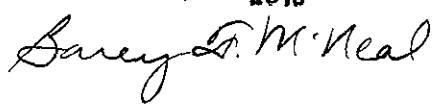
  
M. Beth Trombold

  
Asim Z. Haque

  
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APR 20 2016  


Barcy F. McNeal  
Secretary