



Public Utilities Commission

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2017 FEB 22 PM 1:22

February 22, 2017

PUCO

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RE: *In the Matter of the Application of Dominion East Ohio, Inc. for Approval of a General Exemption of Certain Natural Gas Commodity Sales Services or Ancillary Services, Case No. 07-1224-GA-EXM, 11-6076-GA-EXM and 12-1842-GA-EXM.*

Enclosed please find Revised Attachment 1 associated with Staff's Report regarding Dominion's Standard Choice Offer auction on February 21, 2017.

The Revised Attachment 1 removes, for the sealed bid portion of the auction only, the incorrectly reported bid amount and tranche quantity from Bidder J and correctly places it with Bidder I. This change does not affect the results of the auction, but does properly record the bids submitted during the final phase of the auction.

Respectfully submitted,

Tamara S. Turkenton
Chief, Regulatory Services Division
Public Utilities Commission of Ohio

David Lipthrott
Chief, Research and Policy Division
Public Utilities Commission of Ohio

Enclosure
cc: Parties of Record

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**A Report by the Staff of the
Public Utilities Commission of Ohio**

**Dominion East Ohio
Post Auction Report
Case Nos. 07-1224-GA-EXM, 11-6076-GA-EXM
and 12-1842-GA-EXM**

Background

On June 18, 2008, the Commission approved a joint stipulation which authorized The East Ohio Gas Company d/b/a Dominion East Ohio (Dominion) to conduct a series of auctions for pricing of its natural gas supply. Dominion was authorized to conduct a wholesale Standard Service Offer (SSO) auction for the seven month period of September 1, 2008, through March 31, 2009, and subsequent one-year retail Standard Choice Offer (SCO) auctions for April 1, 2009, through March 31, 2010, and thereafter until Commission approval is obtained to change these auctions. In both the SSO and SCO auctions the participants bid a “Retail Price Adjustment” (RPA) in the form of an adder to the monthly New York Mercantile Exchange (NYMEX) settlement price for natural gas futures. The RPA is added to the NYMEX prompt month settlement price to arrive at the SSO/SCO¹ price. The SCO is a further evolution of the SSO concept in which Choice eligible customers are placed into a direct retail relationship with competitive retail natural gas service (CRNGS) providers who will be bidding to serve them. This retail relationship with the CRNGS suppliers would take place by having the winning bidder’s name placed on their respective tranche(s) of customers’ monthly bills from Dominion. Because the winning bidders will now be retail providers to these customers, all SCO auction participants were required to be certified CRNGS providers.

The first of these one-year SSO/SCO auctions took place on February 10, 2009, for volumes delivered April 1, 2009, through March 31, 2010. This auction differed from previous SSO auctions in that two separate auctions were held. The first auction determined the price for SSO customers and utilized the same descending clock format as was used in Dominion’s two prior SSO auctions. A second auction was held immediately following the SSO auction to determine the price for SCO customers.

By Opinion and Order issued February 14, 2012, in Case No. 11-6076-GA-EXM, the Commission approved a stipulation entered into between Dominion, Staff, and the Ohio Gas Marketers Group; thus, authorizing Dominion to combine the SSO and SCO auctions into a single auction effective with the auction to be conducted in the first quarter of 2012 and thereafter.

Auction Process

On February 21, 2017, a single auction was conducted to establish the rate for the SSO/SCO customers. The auction took place via the internet with twelve bidders participating.

For purposes of the SSO/SCO combined auction, Dominion aggregated the load of the PIPP, Choice ineligible and Choice eligible customers, into nine tranches with each auction participant bidding on a maximum of three tranches. The auction was conducted as a descending clock

¹ The SSO is the price paid by Percentage of Income Payment Plan (PIPP) customers and Choice ineligible sales customers. The SCO is the price paid by Choice eligible sales customers. All SCO customers will pay the applicable sales tax, rather than gross receipts excise tax as do SSO customers.

REVISED ATTACHMENT 1

DOMINION AUCTION SUMMARY

2017 COMBINED SSO AND SCO BIDS

Bidders	Round 1 \$0.70	Round 2 \$0.50	Round 3 \$0.30	Round 4 \$0.20	Round 5 \$0.10	Round 6 \$0.05	Round 7 \$0.00	Sealed Bid	# of Tranches
A	3	3	3	3	2	2	1	\$0.00	2
B	3	3	3	2	1	1	0	\$0.04	1
C	3	3	3	3	3	3	0	\$0.04	3
D	3	3	3	3	1	0	0		
E	3	3	1	1	0	0	0		
F	3	3	3	3	3	3	3	\$0.00	3
G	3	3	3	3	3	3	3	\$0.00	3
H	3	3	3	3	3	2	1	\$0.00	2
I	1	1	1	1	1	1	0	\$0.05	1
J	3	3	0	0	0	0	0		
K	1	1	1	1	1	0	0		
L	1	1	0	0	0	0	0		
Total	30	30	24	23	18	15	8		15
Ratio	3.33	3.33	2.67	2.56	2.00	1.67	0.89		

Highlighted areas represent the winning sealed bids