

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Demand Side	)	
Management Tariff Filing of The East Ohio	)	Case No. 17-1372-GA-RDR
Gas Company d/b/a Dominion Energy Ohio	)	
	)	

**REPLY COMMENTS  
OF THE EAST OHIO GAS COMPANY D/B/A DOMINION ENERGY OHIO**

**I. INTRODUCTION**

On November 22, 2016, The East Ohio Gas Company d/b/a Dominion Energy Ohio (DEO) filed updated tariffs applicable to its Demand Side Management (DSM) Rider, along with supporting schedules. On May 26, 2017, the Commission’s Staff filed a report recommending that the new rate be approved, but that DEO in future years should annually file an application with supporting schedules “rather than merely filing an updated tariff.” (Staff Comments at 1.) On July 31, the Office of the Ohio Consumers’ Counsel (OCC) filed its own comments.

As DEO will show, none of OCC’s comments warrant any action by the Commission and they should be disregarded. Not only do OCC’s comments go well beyond the recommendations of Staff, they would improperly modify programs that both have been stipulated to by OCC and agreed upon by OCC and the DSM Collaborative.

**II. REPLY COMMENTS**

**A. All of OCC’s concerns are addressed (or could have been) through its role as a member of DEO’s DSM collaborative.**

Although one would not know it from reading OCC’s comments, OCC is an active member of DEO’s DSM Collaborative. The DSM Collaborative was created by stipulation in DEO’s last rate case. (*See* Case No. 07-829-GA-AIR Stipulation at 4–5 (Aug. 22, 2008).) It meets twice a year, among other things to consider and provide input on the individual initiatives

within DEO's DSM program and to review detailed information regarding programs that are underway. OCC has always played in active role in DEO's Collaborative, and both the Collaborative's procedures and all of the initiatives contained within the DSM Program were developed in consultation with OCC.

This certainly casts OCC's suggestions that there is a lack of "transparency" in a curious light. For instance, OCC characterizes DEO's annual tariff update as "barebones" and calls for DEO to include seven different items in its annual filing so customers will "know what they are paying for." (OCC Comments at 2–3.) OCC fails to mention that every one of these seven items is *already provided to OCC* in the biannual Collaborative meetings. Indeed, these comments represent the first time that DEO has been made aware of any concern of OCC's regarding a lack of information regarding these programs.

Whether OCC adequately reviews or processes the information provided to it, DEO cannot control. But DEO fails to understand how OCC could complain about a lack of "transparency" when it participated in the development of these programs and is provided detailed updates on them at least twice a year.

**B. DEO's DSM rider has already been approved as just and reasonable.**

OCC also claims that "customers should not be charged unless the PUCO determines the charges to be just and reasonable." (OCC Comments at 3.) As did the Staff recommendation, OCC appears to forget that the DSM Rider has *already been approved* for recovery of DSM expenditures of up to \$4 million per year.

The DSM Rider is not like other riders, where a general program and "zero dollar" placeholder is approved, but no dollars are recovered until later reviewed and approved. In contrast, the DSM Rider was *approved* at the \$4 million level, and the DSM Collaborative meets and decides upon which initiatives will be funded through that rider. As the original stipulation

made clear, additional “applications seeking recovery for DSM funding” are only needed if “the DSM Collaborative deems an increase in ratepayer funding of the DSM program spending level is reasonable and prudent.” (07-829 Stipulation at 5 (Aug. 22, 2008).) Proving the point, in the years since, DEO has never filed an additional application, and neither any party nor the Commission has ever (until recently) questioned it. Thus, contrary to any insinuation by OCC, DEO does *not* require additional approval to recover funding for the DSM Program within the stipulated limits. The proper approvals have already been granted by the Commission.

To be clear, DEO is not suggesting that the Commission has no authority to review whether the DSM Rider is being properly administered. If DEO sought to recover non-program-related costs, or incorrectly calculated the rider rate, the Commission would have authority to appropriately remedy those issues. The point is that DEO has existing authorization to recover up to \$4 million in annual DSM expenditures, and no further Commission action is needed to authorize recovery.

**C. OCC’s recommendations must also be rejected as improper attempts to modify or add to stipulated terms and conditions of the program.**

DEO recognizes that OCC generally appears to be rethinking its vigorous past support for natural gas DSM programs. It has recently opposed other utilities’ attempts to continue or modify their programs. Nevertheless, OCC is a signatory party to a Stipulation that created the present DSM Program and Collaborative, and its attempt via “comment” to question or modify the program must be rejected.

For example, OCC now claims that DSM programs “lack . . . system-wide benefits for other customers who fund the Utility’s natural gas energy efficiency programs.” (OCC Comments at 3.) Even if OCC’s position were true, it is a major departure from OCC’s position when it signed the Stipulation. (*See, e.g.*, 07-829 Dir. Test. Of Wilson Gonzales at 11 (June 23,

2008) (“I recommend that the level of DSM funding be increased to average \$15.6 million annually [the Stipulation approved \$9.5 million in annual funding].”).) It is also quite a departure from the Commission’s holding in approving the Stipulation: namely, that it “has long recognized that conservation and efficiency should be an integral part of natural gas policy.” 07-829 Order at 22 (Oct. 15, 2008). Moreover, OCC’s position is not true: DSM programs do produce system-wide benefits. They tend to reduce peak consumption, which can reduce the amount of investment needed in infrastructure and capacity, and by helping to reduce consumption by lower-income customers, they reduce the amount of the PIPP rider, which is borne by other customers. DEO recognizes that costs and benefits must be weighed, but as to the present situation, that value judgment was made when the Stipulation was both signed by OCC and approved by the Commission.

Also improper is OCC’s proposal that the Commission “should establish a cap on the amount of utility customer funding that can be spent weatherizing a single home under the Utility’s programs.” (OCC Comments at 4.) This is a term or condition that OCC could have proposed as a term in the Stipulation. It did not. Even more so, this is an issue that OCC could appropriately have introduced for discussion with the Collaborative. It has not. In fact, the very programs now being questioned by OCC are being administered in accordance with the standards first adopted by the consensus of the Collaborative in 2009 and applied ever since. (*See* 07-829 Report of the DEO DSM Collaborative at 3–4 (July 15, 2009) (describing standards and procedures applicable to low-income weatherization program).) Although OCC’s comments attempt to raise issues with the administration of certain programs, OCC has never raised these issues before the Collaborative.

There are proper avenues by which OCC could propose and potentially secure consensus on program changes. But the approach taken by OCC is not one of them, and the Commission should not permit OCC to bypass those avenues and unilaterally impose new conditions on programs developed and approved by the Collaborative. DEO is not suggesting that OCC can never change its mind about an issue. But while OCC can hold whatever views it wishes, it cannot sign a Stipulation, change its mind, and then advocate changes to programs and processes it previously agreed to.

### **III. CONCLUSION**

For the foregoing reasons, DEO recommends that the Commission disregard OCC's comments.

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Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing document was served by electronic mail to the following persons this 1st day of August, 2017:

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Summary: Reply Comments electronically filed by Mr. Andrew J Campbell on behalf of The East Ohio Gas Company d/b/a Dominion Energy Ohio