

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The East)	
Ohio Gas Company d/b/a Dominion Energy)	
Ohio for Adjustment of Its Interim)	Case No. 18-419-GA-PIP
Emergency and Temporary Percentage of)	
Income Payment Plan Rider.)	

APPLICATION

The East Ohio Gas Company d/b/a Dominion Energy Ohio (DEO) respectfully requests approval of an adjustment to its Interim Emergency and Temporary Percentage of Income Payment Plan Rider (PIPP Rider). In support of this Application, DEO states as follows:

1. DEO is an Ohio corporation engaged in the business of providing natural gas service to approximately 1.2 million customers in northeast, western and southeast Ohio. As such, DEO is a “natural gas company” and “public utility” as defined by R.C. 4905.03(E) and 4905.02.
2. This Application is made in accordance with the provisions of the Commission’s December 2, 1993 Finding and Order in Case Nos. 88-1115-GE-PIP, 90-705-GE-PIP and 90-879-GE-ORD; December 19, 1996 Finding and Order in Case No. 96-991-GA-UNC; March 24, 2010 Finding and Order in Case No. 09-2011-GA-PIP; March 23, 2011 Finding and Order in Case No. 11-1022-GA-PIP; and the applicable provisions of the Commission’s rules.
3. In Case No. 11-1022-GA-PIP, the Commission approved DEO’s proposal to submit its annual application based on the actual unrecovered deferred balance as of March 31 of each year, plus additional unrecovered deferred PIPP balances and incentive credits that are estimated to accumulate over the twelve months during which the proposed rate will be in effect. Consistent with this Order, DEO has proposed a PIPP Rider rate based on the actual unrecovered deferred balance as of March 31, 2018, and projected deferred balances over the period in which

the rate is proposed to be in effect. Because the proposed rider rate is anticipated to go into effect in July 2018, which is twelve months after the last rider rate adjustment, the unrecovered deferral balance at March 31, 2018, has been adjusted for projected deferrals and recoveries at the currently effective rate for the months April through June 2018.

4. The currently effective rate is a credit of \$0.0075, which was automatically approved on the 46th day after the filing of DEO's application in Case No. 17-419-GA-PIP, and which was put into effect for bills rendered on or after July 14, 2017. The approved rate was projected to fully refund the over-recovery that existed as of March 31, 2017, by the end of June 2018, and to recover new deferrals during the 12-month period then ended. The over-recovered balance that existed at the time of last year's filing has been reduced but not eliminated since the current rate was put into effect. As of March 31, 2018, the deferred PIPP balance reflected an over-recovery of \$6,006,232.46 and, after reduction by anticipated deferrals net of recoveries for April through June 2018, is expected to be a net over-recovery of approximately \$4.2 million.

5. The primary factors contributing to the continued net over-recovery are a lower level of deferred PIPP costs than had been projected in last year's PIPP Rider filing. Each year, DEO uses its best efforts to project anticipated deferrals for both the period April through June of the coming year, which will be offset by recoveries at the currently effective PIPP Rider rate, and the 12-month period the proposed rate will be in effect. Despite those best efforts, actual PIPP program deferrals were less than projected. Low gas prices have reduced the amount of PIPP customer bills and thus the unpaid amounts deferred for recovery through the rider. Further, the number of PIPP customers has continued to decline. Finally, the percentage of total PIPP customers who made their required payments in full and on time continues to be in the range of about 61% to 70%, which helps to keep the arrearage balances from increasing. In the

calculation of the PIPP Rider rate proposed in this Application, DEO has factored in a reduced level of projected PIPP program deferrals accordingly.

6. The proposed PIPP Rider rate is a charge of \$0.0374 per Mcf (*see* Attachment 1) and would supersede the current credit of \$0.0075 per Mcf. The proposed PIPP Rider rate has been calculated so that, as nearly as possible, it refunds to customers over a 12-month period the accumulated over-recovered deferred PIPP balances through March 31, 2018, adjusted for continuing recoveries at the existing rate through June, net of deferrals during those months, and recovers an amount reflecting an average annual estimate of the additional unrecovered deferred PIPP balances and incentive credits that are projected to accumulate over the 12-month period during which the proposed rate will be in effect. The proposed PIPP Rider also reflects carrying charges on deferred PIPP balances that, during periods of over-recovery, increase the amount that would otherwise be credited. Information supporting the development of the proposed rate is included in Attachment 2.

7. For purposes of the PIPP Rider calculation, unrecovered deferred PIPP balances include the following: pre-PIPP arrearage balances; post-PIPP balances in arrears over twelve months; amounts forgiven under the incentive program effective November 1, 2010, as provided by Ohio Adm. Code 4901:1-18-14; charge-offs of uncollectible PIPP account balances; costs paid to the Ohio Department of Development for income reverification; and carrying costs incurred on the unrecovered deferred PIPP balances or, when applicable, carrying cost credits on over-recovered deferred PIPP balances. Such amounts accumulated and estimated for recovery through the PIPP Rider have been reduced by revenue sharing from DEO's firm receipt point option and commodity exchange revenues as approved in DEO's last base rate case. *See* Case No. 07-829-GA-AIR.

8. DEO requests authority to continue to accrue carrying costs on accumulated unrecovered deferred PIPP balances and to recover or credit, as applicable, such carrying costs through the PIPP Rider. Actual carrying costs, which will be a credit during periods of over-recovery, will be recorded on DEO's books each month based on DEO's actual cost of short-term debt and average deferred PIPP balance (*i.e.*, average of the beginning-of-month and end-of-month balances) for each month. Deferred taxes will be provided for the carrying charges during periods of under-recovery so that the net amounts recorded equal the effect of net-of-tax carrying charges. The net carrying charges will be tracked separately so that they may be readily distinguished from the unrecovered deferred PIPP balance.

9. Attachment 3 shows deferred PIPP activity and the average number of PIPP customers for 2017 and through March 2018 compared with 2016 and through March 2017.

10. Clean and scored versions of the PIPP Rider tariff reflecting the proposed rider rate are included as Attachment 4.

11. In accordance with the procedures adopted by the Commission in Case Nos. 88-1115-GE-PIP, 90-705-GE-PIP, and 90-879-GE-ORD, DEO's application will be approved by operation of law on the 46th day after filing unless the Commission rejects or modifies the application or suspends the 45-day waiting period. To coincide with the timing of the monthly Standard Service Offer (SSO) and Standard Choice Offer (SCO) rate changes and to allow timely adjustment of the existing rider rate, DEO requests that the Commission approve this Application before the expiration of the 45-day period to ensure that the new PIPP Rider rate may be implemented no later than July 16, 2018.

WHEREFORE, DEO respectfully requests that the Commission approve the adjustment of DEO's Interim Emergency and Temporary Percentage of Income Payment Plan Rider and grant any other necessary and proper relief.

Dated: May 29, 2018

Respectfully submitted,

/s/ Andrew J. Campbell

Mark A. Whitt (0067996) (Counsel of Record)

Andrew J. Campbell (0081485)

Rebekah J. Glover (0088798)

WHITT STURTEVANT LLP

The KeyBank Building

88 E. Broad St., Suite 1590

Columbus, Ohio 43215

Telephone: (614) 224-3911

Facsimile: (614) 224-3960

whitt@whitt-sturtevant.com

campbell@whitt-sturtevant.com

glover@whitt-sturtevant.com

(Counsel willing to accept service by email)

ATTORNEYS FOR THE EAST OHIO GAS
COMPANY D/B/A DOMINION ENERGY
OHIO

**THE EAST OHIO GAS COMPANY D/B/A
DOMINION ENERGY OHIO
CALCULATION OF RECOMMENDED PIPP RIDER RATE**

	Rate Effective July 2018
1. Balance of Accumulated Deferred PIPP as of March 31, 2018	\$ (6,006,232.46)
2. Projected Deferrals Net of Recoveries at Existing Rate - April through June 2018	\$ 1,889,153.25
3. Carrying Costs Through June 2019	<u>\$ (68,018.12)</u>
4. Net Deferred PIPP Balance to be Recovered	\$ (4,185,097.33)
5. Estimated Billed Volumes Subject to PIPP Rider for the 12 Months Ending June 30, 2019	162,806,086
6. Deferred PIPP Balance Rate (3)/(4)	\$ (0.0257) / MCF
<hr/>	
7. Estimated New Deferred PIPP Balances for the 12 Months Ending June 30, 2019	\$ 10,266,870.67
8. Estimated Revenue Sharing for the 12 Months Ending June 30, 2019	<u>\$ -</u>
9. Estimated Annual Deferrals, Net	\$ 10,266,870.67
10. Estimated Billed Volumes Subject to PIPP Rider for the 12 Months Ending June 30, 2019	162,806,086
11. Current PIPP Balance Rate (9)/(10)	\$ 0.0631 / MCF
<hr/>	
12. Deferred PIPP Balance Rate (6)	\$ (0.0257) / MCF
13. Current PIPP Balance Rate (11)	<u>\$ 0.0631</u> / MCF
14. Total Recommended PIPP Rider Rate (12) + (13)	<u><u>\$ 0.0374</u></u> / MCF

**THE EAST OHIO GAS COMPANY D/B/A
DOMINION ENERGY OHIO
PIPP RATES ASSUMING RECOVERY OF ACCUMULATED DEFERRED BALANCE OVER ONE YEAR**

MONTH/YEAR	Deferred PIPP Balances	PIPP Recoveries	Reclassify Carrying Charge Recoveries	Firm Receipt Pt & Commodity Exchange Rev Sharing	Pipeline Refund	Other Charges	Net Incremental Deferral	Billed PIPP Running Balance	Annualized Short- Term Debt Rate	Monthly Rate Net of Tax @ 21%	Carrying Charges on Monthly Avg Balance	Carrying Charges Recovery	Carrying Charges Running Balance	Total PIPP Running Balance
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H = Sum (B to G))	(I)	(J)	(K) = (J)/12*79%	(L)	(M)	(N)	(O) = (H) + (L) + (M)
		<u>Total Rate</u>												
Rate Effective - July 2017		(0.0075)												
Proposed Rate - July 2018		0.0374												
Balance @12/31/16	<u>1,199,096,803.63</u>	<u>(1,177,625,978.09)</u>	<u>10,987,078.51</u>	<u>(47,415,325.62)</u>	<u>(7,129,426.89)</u>	<u>1,512,422.51</u>		<u>(20,574,425.95)</u>			<u>10,966,253.36</u>	<u>(10,987,078.51)</u>	<u>(20,825.15)</u>	<u>(20,595,251.10)</u>
Balance @12/31/17	<u>1,209,845,563.88</u>	<u>(1,179,465,478.16)</u>	<u>10,717,155.91</u>	<u>(48,300,702.16)</u>	<u>(7,129,426.89)</u>	<u>1,694,886.51</u>		<u>(12,638,000.91)</u>			<u>10,695,273.90</u>	<u>(10,717,155.91)</u>	<u>(21,882.01)</u>	<u>(12,659,882.92)</u>
January 2018	1,446,495.93	266,017.71	(21,882.01)	(30,600.00)	0.00	82,488.00	1,742,519.63	(10,895,481.28)	1.77769%	0.14814%	(17,431.25)	21,882.01	(17,431.25)	(10,912,912.53)
February	1,909,231.36	197,948.07	(17,431.25)	15,284.19	0.00	0.00	2,105,032.37	(8,790,448.91)	1.88589%	0.15716%	(15,469.20)	17,431.25	(15,469.20)	(8,805,918.11)
March	2,582,716.23	173,420.99	(15,469.20)	0.00	0.00	56,304.00	2,796,972.02	(5,993,476.89)	2.07068%	0.17256%	(12,755.57)	15,469.20	(12,755.57)	(6,006,232.46)
April	1,489,440.39	143,781.81	(12,755.57)	0.00	0.00	0.00	1,620,466.63	(4,373,010.26)	2.43024%	0.20252%	(10,497.10)	12,755.57	(10,497.10)	(4,383,507.36)
May	329,105.29	43,337.79	(10,497.10)	0.00	0.00	0.00	361,945.98	(4,011,064.28)	2.30700%	0.19225%	(8,059.19)	10,497.10	(8,059.19)	(4,019,123.47)
June	<u>(119,825.01)</u>	<u>30,351.07</u>	<u>(8,059.19)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(97,533.13)</u>	<u>(4,108,597.41)</u>	<u>2.50700%</u>	<u>0.20892%</u>	<u>(8,481.80)</u>	<u>8,059.19</u>	<u>(8,481.80)</u>	<u>(4,117,079.21)</u>
July	(48,787.68)	(121,973.70)	(8,481.80)	0.00	0.00	0.00	(179,243.18)	(4,287,840.59)	2.56500%	0.21375%	(8,973.69)	8,481.80	(8,973.69)	(4,296,814.28)
August	(378,695.27)	(115,804.57)	(8,973.69)	0.00	0.00	0.00	(503,473.53)	(4,791,314.12)	2.62100%	0.21842%	(9,915.34)	8,973.69	(9,915.34)	(4,801,229.46)
September	(529,899.38)	(157,758.36)	(9,915.34)	0.00	0.00	0.00	(697,573.08)	(5,488,887.20)	2.67400%	0.22283%	(11,453.69)	9,915.34	(11,453.69)	(5,500,340.89)
October	(43,431.51)	(340,748.13)	(11,453.69)	0.00	0.00	0.00	(395,633.33)	(5,884,520.53)	2.71600%	0.22633%	(12,870.72)	11,453.69	(12,870.72)	(5,897,391.25)
November	715,079.31	(581,378.71)	(12,870.72)	0.00	0.00	0.00	120,829.88	(5,763,690.65)	2.75200%	0.22933%	(13,356.42)	12,870.72	(13,356.42)	(5,777,047.07)
December	<u>6,579,426.74</u>	<u>(939,366.84)</u>	<u>(13,356.42)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>5,626,703.48</u>	<u>(136,987.17)</u>	<u>2.75200%</u>	<u>0.22933%</u>	<u>(6,766.01)</u>	<u>13,356.42</u>	<u>(6,766.01)</u>	<u>(143,753.18)</u>
Year-to-Date 2018	<u>13,930,856.40</u>	<u>(1,402,172.87)</u>	<u>(151,145.98)</u>	<u>(15,315.81)</u>	<u>0.00</u>	<u>138,792.00</u>	<u>12,501,013.74</u>				<u>(136,029.98)</u>	<u>151,145.98</u>		
Balance @12/31/18	<u>1,223,776,420.28</u>	<u>(1,180,867,651.03)</u>	<u>10,566,009.93</u>	<u>(48,316,017.97)</u>	<u>(7,129,426.89)</u>	<u>1,833,678.51</u>		<u>(136,987.17)</u>			<u>10,559,243.92</u>	<u>(10,566,009.93)</u>	<u>(6,766.01)</u>	<u>(143,753.18)</u>
January 2019	489,628.92	(1,113,610.81)	(6,766.01)	0.00	0.00	0.00	(630,747.90)	(767,735.07)	2.79500%	0.23292%	(1,053.64)	6,766.01	(1,053.64)	(768,788.71)
February	501,340.90	(1,004,004.92)	(1,053.64)	0.00	0.00	0.00	(503,717.66)	(1,271,452.73)	2.83000%	0.23583%	(2,404.51)	1,053.64	(2,404.51)	(1,273,857.24)
March	1,806,216.33	(864,375.27)	(2,404.51)	0.00	0.00	0.00	939,436.55	(332,016.18)	2.91800%	0.24317%	(1,949.58)	2,404.51	(1,949.58)	(333,965.76)
April	1,054,960.49	(481,262.20)	(1,949.58)	0.00	0.00	0.00	571,748.71	239,732.53	2.95800%	0.19474%	(89.86)	1,949.58	(89.86)	239,642.67
May	<u>240,117.64</u>	<u>(216,840.61)</u>	<u>(89.86)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>23,187.17</u>	<u>262,919.70</u>	<u>2.98900%</u>	<u>0.19678%</u>	<u>494.56</u>	<u>89.86</u>	<u>494.56</u>	<u>263,414.26</u>
June	<u>(119,085.82)</u>	<u>(151,823.49)</u>	<u>494.56</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(270,414.75)</u>	<u>(7,495.05)</u>	<u>3.01400%</u>	<u>0.25117%</u>	<u>320.78</u>	<u>(494.56)</u>	<u>320.78</u>	<u>(7,174.27)</u>
July	(48,913.05)	(196,646.44)	320.78	0.00	0.00	0.00	(245,238.71)	(252,733.76)	3.04900%	0.25408%	(330.59)	(320.78)	(330.59)	(253,064.35)
August	(381,284.48)	(186,699.96)	(330.59)	0.00	0.00	0.00	(568,315.03)	(821,048.79)	3.07900%	0.25658%	(1,377.56)	330.59	(1,377.56)	(822,426.35)
September	(533,074.49)	(254,274.88)	(1,377.56)	0.00	0.00	0.00	(788,726.93)	(1,609,775.72)	3.05000%	0.25417%	(3,089.21)	1,377.56	(3,089.21)	(1,612,864.93)
October	(43,259.91)	(549,167.21)	(3,089.21)	0.00	0.00	0.00	(595,516.33)	(2,205,292.05)	3.08100%	0.25675%	(4,897.59)	3,089.21	(4,897.59)	(2,210,189.64)
November	692,471.29	(937,455.23)	(4,897.59)	0.00	0.00	0.00	(249,881.53)	(2,455,173.58)	3.10900%	0.25908%	(6,037.17)	4,897.59	(6,037.17)	(2,461,210.75)
December	<u>6,319,989.41</u>	<u>(1,514,827.34)</u>	<u>(6,037.17)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,799,124.90</u>	<u>2,343,951.32</u>	<u>3.13700%</u>	<u>0.20652%</u>	<u>(114.85)</u>	<u>6,037.17</u>	<u>(114.85)</u>	<u>2,343,836.47</u>
Year-to-Date 2019	<u>9,979,107.23</u>	<u>(7,470,988.36)</u>	<u>(27,180.38)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,480,938.49</u>				<u>(20,529.22)</u>	<u>27,180.38</u>	<u>(68,018.12)</u>	<u>Through June-2019</u>
Balance @12/31/19	<u>1,233,755,527.51</u>	<u>(1,188,338,639.39)</u>	<u>0.00</u>	<u>10,538,829.55</u>	<u>0.00</u>	<u>(48,316,017.97)</u>	<u>0.00</u>	<u>1,833,678.51</u>	<u>2,343,951.32</u>		<u>10,538,714.70</u>	<u>(10,538,829.55)</u>	<u>(114.85)</u>	<u>2,343,836.47</u>

**THE EAST OHIO GAS COMPANY D/B/A
DOMINION ENERGY OHIO
Accumulated Deferred PIPP Balances**

	<u>Deferred PIPP Balances</u>	<u>Total PIPP Recoveries</u>	<u>Firm Receipt Point & Commodity Exchange Revenue Sharing</u>	<u>Other Charges</u>	<u>Net Incremental PIPP</u>	<u>Billed PIPP Running Balance</u>	<u>Carrying Charges</u>	<u>Total Running Balance with Accumulated Carrying Charges</u>	<u>Average Number of PIPP Customers</u>
Total 2016	\$ 7,527,656.15	\$ 11,879,693.02	\$ (1,399,709.97)	\$ 73,912.00	\$ 18,081,551.20	\$ (19,818,523.96)	\$ (228,551.06)	\$(20,595,251.10)	79,862
YTD March 2017	\$ 2,164,289.77	\$ (1,676,590.12)	\$ (114,503.04)	\$ 22,088.00	\$ 395,284.61	\$ (19,423,239.35)	\$ (58,636.62)	\$(20,258,603.11)	74,784
Total 2017	\$ 10,748,760.25	\$ (1,839,500.07)	\$ (885,376.54)	\$ 182,464.00	\$ 8,206,347.64	\$ (11,612,176.32)	\$ (270,979.46)	\$(12,659,882.92)	69,112
YTD March 2018	\$ 5,938,443.52	\$ 637,386.77	\$ (15,315.81)	\$ 138,792.00	\$ 6,699,306.48	\$ (4,912,869.84)	\$ (45,656.02)	\$ (6,006,232.46)	66,720

Breakdown of PIPP Deferrals

	<u>Pre-PIPP Arrearages</u>	<u>PIPP Arrearages Over 12 Months Old</u>	<u>PIPP Plus Credit Balance Transfers</u>	<u>PIPP Charge-Offs</u>	<u>PIPP Plus Arrearage Credits</u>	<u>PIPP Plus Delta Credits</u>	<u>Total Deferred Balances</u>
Total 2016	\$ (3,998,753.18)	\$ (18,719,096.29)	\$ (752,758.20)	\$ 4,538,923.90	\$ 19,607,430.91	\$ 6,851,909.01	\$ 7,527,656.15
YTD March 2017	\$ 5,188,920.02	\$ (3,145,255.09)	\$ (161,661.37)	\$(8,689,321.90)	\$ 3,625,249.91	\$ 5,346,358.20	\$ 2,164,289.77
Total 2017	\$ (6,386,923.33)	\$ (12,467,114.46)	\$ (684,692.02)	\$ 8,378,833.03	\$ 12,088,691.51	\$ 9,819,965.52	\$ 10,748,760.25
YTD March 2018	\$ 4,415,775.72	\$ 582,856.09	\$ (126,836.33)	\$(6,904,515.91)	\$ 2,460,543.43	\$ 5,510,620.52	\$ 5,938,443.52

Attachment 4

**INTERIM EMERGENCY AND TEMPORARY
PERCENTAGE OF INCOME PAYMENT RIDER**

An additional charge of **\$0.0374** per thousand cubic feet shall be applied to all volumes sold each month pursuant to the Company's Rate Schedules incorporating this Rider by reference.

This Rider is subject to reconciliation or adjustment, including, but not limited to, increases or refunds. Such reconciliation or adjustment shall be limited to the twelve-month period of expenditures subjected to annual review and audit by the Commission, if determined to be unlawful, unreasonable, or imprudent by the Commission in such docket or by the Supreme Court of Ohio.

Issued:

Effective:

Filed under authority of The Public Utilities Commission of Ohio in Case No. 18-419-GA-PIP
Jeffrey A. Murphy, Vice President

The East Ohio Gas Company

~~Tenth~~, Revised Sheet No. F-PIP 1
Superseding ~~Ninth~~, Revised Sheet F-PIP 1

Deleted: Ninth
Deleted: Eighth

INTERIM EMERGENCY AND TEMPORARY PERCENTAGE OF INCOME PAYMENT RIDER

An additional charge of ~~\$0.0374~~ per thousand cubic feet shall be applied to all volumes sold each month pursuant to the Company's Rate Schedules incorporating this Rider by reference.

Deleted: ~~(0.0075)~~

This Rider is subject to reconciliation or adjustment, including, but not limited to, increases or refunds. Such reconciliation or adjustment shall be limited to the twelve-month period of expenditures subjected to annual review and audit by the Commission, if determined to be unlawful, unreasonable, or imprudent by the Commission in such docket or by the Supreme Court of Ohio.

Deleted: July 13, 2017
Deleted: With bills rendered on or after July 14, 2017
Deleted: 7
Deleted: and General Manager

Issued: Effective:

Filed under authority of The Public Utilities Commission of Ohio in Case No. ~~18~~-419-GA-PIP
Jeffrey A. Murphy, Vice President

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

5/29/2018 4:29:01 PM

in

Case No(s). 18-0419-GA-PIP

Summary: Application for Adjustment of Its Interim Emergency and Temporary Percentage of Income Payment Plan Rider electronically filed by Ms. Rebekah J. Glover on behalf of The East Ohio Gas Company d/b/a Dominion Energy Ohio