

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission's Review of)	
Chapter 4901:1-19 of the Ohio Administrative)	Case No. 17-1945-GA-ORD
Code.)	

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

I. INTRODUCTION

In accordance with the Commission's June 13, 2018 Entry in this case, The East Ohio Gas Company d/b/a Dominion Energy Ohio (DEO) files its initial comments to Staff's proposed revisions of Ohio Adm. Code Chapter 4901:1-19, concerning alternate rate plans and exemptions.

II. COMMENTS

DEO appreciates Staff's consideration of the comments and recommendations made by DEO and other natural gas distribution companies at the workshop held October 10, 2017. DEO recommends only one minor revision to the rules proposed by Staff.

In Rule 4901:1-19-06(C)(1), Staff recommends deleting a provision of the rule that clarified that an alternative rate plan application "that proposes infrastructure investment" will be considered for an increase in rates if it does not use the same billing determinants and cost allocation methodology from the utility's last rate case. In its place, language is proposed that states that *any* alternative rate plan application that does not use the billing determinants and revenue requirement from the utility's last rate case will be considered to be for an increase in rates.

Staff's proposed language appears to reflect in part the language of R.C. 4929.051, which defines two kinds of alternative rate plans that do *not* constitute increases in rates:

(A) An alternative rate plan filed by a natural gas company under section 4929.05 of the Revised Code and proposing to initiate or continue a revenue decoupling mechanism shall be considered an application not for an increase in rates if the rates, joint rates, tolls, classifications, charges, or rentals are based upon the billing determinants and revenue requirement authorized by the public utilities commission in the company's most recent rate case proceeding and the plan also establishes, continues, or expands an energy efficiency or energy conservation program.

(B) An alternative rate plan filed by a natural gas company under section 4929.05 of the Revised Code and seeking authorization to continue a previously approved alternative rate plan shall be considered an application not for an increase in rates.

The proposed rule revision, however, goes a bit further than R.C. 4929.051: whereas that statute defines two ways in which an alternative rate plan may *not* be for an increase in rates, the rule now sets forth a standard under which an alternative rate plan will *always be* for an increase in rates (*i.e.*, if the billing determinants and revenue requirement change).

As a practical matter, DEO appreciates that if an application proposes the use of new billing determinants and a new revenue requirement, it will often involve a rate increase as well. But this is not necessarily true. For example, an alternative rate plan could use different billing determinants and revenue requirement, but for the purpose of *lowering* rates to reflect the most recent federal tax reform legislation. And indeed, the statute authorizing alternative rate plans, R.C. 4929.05, expressly recognizes that a natural gas company may “request approval of an alternative rate plan by filing an application under section 4909.18 of the Revised Code, *regardless of whether the application is for an increase in rates.*” (Emphasis added.)

For these reasons, DEO believes that the proposed rules should be slightly revised to recognize the Commission’s discretion to determine on a case-by-case basis whether a given application is for an increase in rates. DEO recommends that the following revision to Staff’s proposal (shown in italics) would correspond with Staff’s intent, without unnecessarily limiting the evaluation of a given plan:

(C) Exhibits to an alternative rate plan application

(1) Except as otherwise provided in rule 4901:1-19-13 of the Administrative Code or as otherwise determined by the commission, an alternative rate plan application that does not use the same billing determinants and revenue requirement authorized by the commission in the applicant's most recent rate case proceeding shall be considered an application for an increase in rates.

III. CONCLUSION

DEO appreciates the opportunity to comment on the proposed rules. For the foregoing reasons, DEO respectfully requests that the Commission act in accordance with its comments.

Dated: July 13, 2018

Respectfully submitted,

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Summary: Comments electronically filed by Ms. Rebekah J. Glover on behalf of The East Ohio Gas Company d/b/a Dominion Energy Ohio