

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
THE EAST OHIO GAS COMPANY D/B/A  
DOMINION ENERGY OHIO TO ADJUST  
ITS DEMAND SIDE MANAGEMENT  
RIDER.

CASE NO. 18-1589-GA-RDR

## FINDING AND ORDER

Entered in the Journal on January 23, 2019

### I. SUMMARY

{¶ 1} The Commission approves the application of The East Ohio Gas Company d/b/a Dominion Energy Ohio to adjust its demand side management rider rate, consistent with Staff's recommendations.

### II. DISCUSSION

{¶ 2} The East Ohio Gas Company d/b/a Dominion Energy 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.

{¶ 3} Pursuant to R.C. 4905.04, 4905.05, and 4905.06, the Commission is vested with the power and jurisdiction to supervise and regulate public utilities.

{¶ 4} On October 15, 2008, the Commission approved DEO's application for an alternative rate plan, pursuant to a stipulation and recommendation that provided for the funding of DEO's demand side management (DSM) programs for low-income customers and an associated DSM rider. DEO's DSM rider is applicable to residential and non-residential customers served under the General Sales Service (GSS) and Energy Choice Transportation Service (ECTS) rate schedules. As approved, DEO may recover \$4.0 million annually through the DSM rider and the balance of DEO's DSM program expenditures, \$5.5 million, is funded through base rates, for a total annual DSM commitment of \$9.5 million. *In re The East Ohio Gas Co. d/b/a Dominion East Ohio*, Case No. 07-829-GA-AIR, et al. (*Distribution Rate Case*), Opinion and Order (Oct. 15, 2008) at 7, 12.

{¶ 5} In Case No. 17-1372-GA-RDR, the Commission approved DEO's filed DSM rate of \$0.0340 per thousand cubic feet (Mcf). The Commission also directed DEO to file, by no later than December 1 each year, an application to adjust its DSM rider rate and to initiate the audit of its DSM rider. *In re The East Ohio Gas Co. d/b/a Dominion Energy Ohio*, Case No. 17-1372-GA-RDR, Finding and Order (Aug. 2, 2017) at ¶¶ 14-15.

{¶ 6} On November 19, 2018, in the above-noted case, DEO filed an application to adjust its DSM rider rate, including proposed tariffs. Based on DEO's calculations for the 12-month period October 1, 2017, through September 30, 2018, the DSM rider rate would be reduced by \$0.0053 per Mcf to \$0.0287 per Mcf, applicable to all GSS and ECTS customers. DEO reasons that the decrease in the proposed rate is the result of an over-recovery of costs due to a higher level of volumes than expected for the period October 2017 through September 2018. DEO states the expenditures proposed for recovery via the DSM rider are within the \$4.0 million annual limit established in the *Distribution Rate Case* and are just and reasonable.

{¶ 7} In addition, DEO requests that the Commission establish an automatic approval process for future DSM rider applications, consistent with the procedure followed in similar rider proceedings, like *In the Matter of the Audit of the Percentage of Income Payment Plan Rider of The East Ohio Gas Company d/b/a Dominion Energy Ohio*, Case No. 18-419-GA-PIP, for example. DEO proposes that future DSM rider rate applications be deemed 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. DEO advocates that such a process would streamline the approval process and avoid unnecessary delays, while maintaining the application and review standards introduced in Case No. 17-1372-GA-RDR and also permitting additional proceedings, if the Commission deems it necessary. DEO recognizes that, if approved, the proposed automatic approval process would not apply to the present application. DEO requests that the Commission's order adopt such a process going forward.

{¶ 8} On December 19, 2018, Ohio Consumers' Counsel (OCC) filed a motion to intervene. In its motion, OCC states that it represents the residential customers served by DEO and asserts that the interests of DEO's residential customers may be adversely affected as a result of this case. OCC asserts a real and substantial interest in this matter, states that its participation will not unduly delay or prolong this proceeding, and notes that it will contribute to the full development and equitable resolution of the issues raised. No memorandum contra OCC's motion to intervene was filed.

{¶ 9} The Commission finds that OCC has set forth reasonable grounds for intervention and, therefore, OCC's motion to intervene should be granted.

{¶ 10} Staff initiated an audit of DEO's DSM rider for the period October 1, 2017, through September 30, 2018. On December 31, 2018, Staff filed its report of investigation. As part of the DSM audit, Staff analyzes DEO's DSM incurred costs and evaluates the prudence and the appropriateness of the recovery of expenditures. Staff also verifies the accuracy of the components used and the calculation of the revenue requirement. Staff conducted this audit through a combination of document reviews, interviews, and interrogatories. Based upon the audit, Staff concluded DEO correctly calculated the DSM rider rate for the period October 1, 2017, through September 30, 2018, and, therefore, recommends that DEO's application to adjust its DSM rate be approved.

{¶ 11} However, in regard to DEO's proposal to make future DSM rider adjustment applications subject to a 45-day automatic approval process, Staff recommends that the Commission deny DEO's request. Staff reasons that 45 days is not a sufficient period of time to complete an evaluation of incurred costs, the recovery of costs, prudence, and compliance with the Commission-approved DSM programs, as well as to prepare its report. Further, Staff notes that DSM audits are performed annually for all the large natural gas companies under the Commission's jurisdiction and such audits are not processed pursuant to a 45-day automatic approval process. Therefore, Staff recommends that the Commission deny

DEO's request to implement an automatic approval process in the Company's future DSM proceedings.

{¶ 12} On January 18, 2019, OCC filed comments supporting Staff's recommendation to deny the implementation of a 45-day automatic approval process in future DEO DSM rider rate proceedings.

{¶ 13} Upon consideration of the application and Staff's report of investigation, the Commission finds that DEO's proposed DSM rider rate and tariffs, as filed on November 19, 2018, are just, reasonable, and in the public interest. We, therefore, find that DEO's DSM rider tariffs should be approved. Further, the Commission finds that no hearing is necessary in regard to DEO's proposed DSM tariffs.

{¶ 14} However, as to DEO's request to implement an automatic approval process, the Commission denies this aspect of DEO's application. As recognized in the Company's prior DSM proceeding, which resulted in the initiation of DEO's annual DSM application process, the other large natural gas companies subject to the Commission's jurisdiction are required to file an application to adjust their respective DSM rider rates. No other large natural gas company's application to adjust its DSM rider rate is subject to an automatic approval process.<sup>1</sup> Further, the Commission notes, as represented by Staff and endorsed by OCC, that the proposed automatic process would not afford Staff sufficient time to thoroughly evaluate and audit, or other interested parties time to review, DEO's DSM application before the new rate would become effective. Accordingly, the Commission denies DEO's request to implement an automatic approval process for its DSM rider rate applications and directs DEO to continue to file an annual application to adjust its DSM rider rate, consistent with the Commission's directives in Case No. 17-1372-GA-RDR. *In re*

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<sup>1</sup> See, e.g., *In re Columbia Gas of Ohio, Inc.*, Case No. 17-2374-GA-RDR, Finding and Order (Apr. 25, 2018); *In re Vectren Energy Delivery of Ohio, Inc.*, Case No. 18-444-GA-RDR, Finding and Order (June 6, 2018).

*The East Ohio Gas Co. d/b/a Dominion Energy Ohio*, Case No. 17-1372-GA-RDR, Finding and Order (Aug. 2, 2017) at ¶¶ 14-15.

### III. ORDER

{¶ 15} It is, therefore,

{¶ 16} ORDERED, That the motion to intervene filed by OCC be granted. It is, further,

{¶ 17} ORDERED, That DEO's application to adjust its DSM rider rate be approved, consistent with this Finding and Order. It is, further,

{¶ 18} ORDERED, That DEO's proposed DSM rider tariffs, as filed on November 19, 2018, be approved. It is, further,

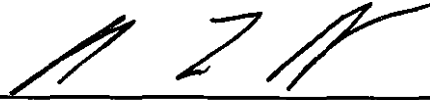
{¶ 19} ORDERED, That DEO is authorized to file tariffs, in final form, consistent with this Finding and Order. DEO shall file one copy in this case docket and one copy in its TRF docket. It is, further,

{¶ 20} 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,

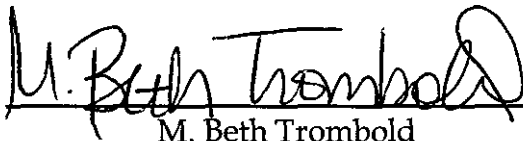
{¶ 21} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 22} ORDERED, That a copy of this Finding and Order be served upon all parties and interested persons of record.

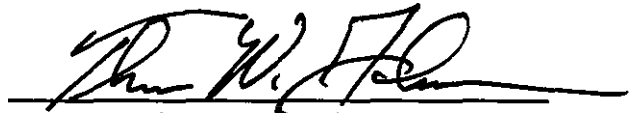
THE PUBLIC UTILITIES COMMISSION OF OHIO



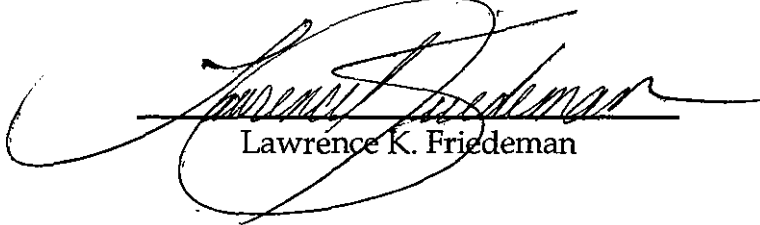
Asim Z. Haque, Chairman



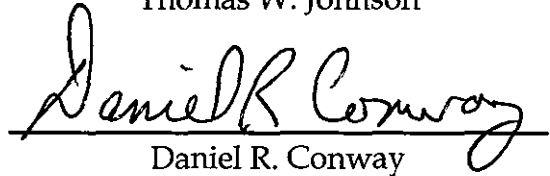
M. Beth Trombold



Thomas W. Johnson



Lawrence K. Friedeman

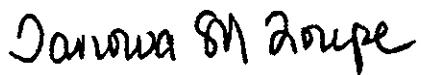


Daniel R. Conway

GNS/hac

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Tanowa M. Troupe  
Secretary