**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Demand Side Management Tariff Filing of the East Ohio Gas Co. d/b/a Dominion East Ohio. | )  )  ) | Case No. 18-1589-GA-RDR |

**COMMENTS FOR CONSUMER PROTECTION**

**BY**

**THE OFFICE OF THE OHIO CONSUMERS' COUNSEL**

Dominion East Ohio ("Dominion" or "Utility") charges its 1.1 million customers up to $9.5 million per year for natural gas energy efficiency programs: $5.5 million in base rates and $4.0 million through a demand side management ("DSM") rider.[[1]](#footnote-2) Unlike electric energy efficiency, which can benefit non-participating customers by deferring power plant construction and costs, natural gas utility energy efficiency programs are subsidy programs that consumers fund without the same system-wide benefits of the electric programs.[[2]](#footnote-3) While Dominion's efforts towards energy efficiency are appreciated, the Office of the Ohio Consumers' Counsel ("OCC") supports the recommendation made by Staff to deny Dominion’s request for automatic approval of energy efficiency charges to customers.[[3]](#footnote-4)

On November 19, 2018, Dominion applied for approval of a $.0287 per Mcf customer charge.[[4]](#footnote-5) Dominion also requested that future DSM Rider rate applications be deemed approved on the 46th day after filing unless the Public Utilities Commission of Ohio (“PUCO”) rejects or modifies the application or suspends the proposed 45-day waiting period.[[5]](#footnote-6)

The PUCO Staff audited Dominion’s energy efficiency programs during the period October 1, 2017 through September 30, 2018.[[6]](#footnote-7) On December 31, 2018 Staff filed its comments in this case and responded to Dominion’s request for an auto-approval process on future DSM Rider rate applications. Staff found that a 45-day review period is insufficient to evaluate incurred charges, the collection of charges, prudency of charges, and compliance with the PUCO approved DSM programs.[[7]](#footnote-8)

OCC files these comments in support of the PUCO Staff's recommendation to deny Dominion’s request to automatically update consumer charges without adequate PUCO review and affirmative approval.

In this case Dominion is requesting that the PUCO modify the process to adjust its tariff rates. But the PUCO has ruled on this issue, stating that R.C. 4905.22 vests with the Commission exclusive jurisdiction to determine that a public utility’s rates are just, reasonable, and not more than allowed by law or Commission order. And that it is well within the Commission’s jurisdiction and authority to determine the process that the utility must follow to adjust its tariff rates. [[8]](#footnote-9) That process is being implemented in this case. Dominion provided an application, including Attachment 1, which shows how it arrived at the current charge of $0.0287 per Mcf. Specifically, Attachment 1 summarizes the amount approved by PUCO order and reconciles what Dominion under or over-recovered from the applicable prior period. Dominion properly calculated that its charges resulted in an over-collection of costs from customers in the amount of $141,499.56 for the period October 1, 2017 through September 30, 2018. Dominion then deducted this customer over-collection amount from the annual funding amount of $4 million to arrive at a collectable amount of $3,858,500.44 from customers.

This amount is then divided by the planned volumes (estimated customer gas usage) for the coming year to arrive at a charge of $0.0287 per Mcf, effective for the 12-month period ending September 30, 2019. The process used by Dominion to adjust its charges to consumers, as previously approved by the PUCO,[[9]](#footnote-10) and consistent with Staff’s recommendation in this case seeking adequate time to review those charges also benefits consumers. Consumers have a right to receive information (how charges for energy efficiency are derived) about their service (energy efficiency programs) so they know what they are paying for and have confidence in a review process as determined by the PUCO.

The Consumers' Counsel supports opportunities for Ohio consumers to reduce their natural gas usage and lower their monthly natural gas bills—including opportunities in the competitive market for energy efficiency programs without gas customer funding. Where there are utility-sponsored natural gas energy efficiency programs, this rider represents costs added to the utility bill in addition to the basic charge of providing safe, reliable gas service.

A thorough review of Dominion’s energy efficiency rider requires sufficient time for Staff and other interested parties to decide whether customers are paying a just, reasonable, and accurate price for utility-sponsored programs. Therefore, the PUCO should adopt Staff's recommendation, which we also make, to deny Dominion’s request for automatic approval of energy efficiency charges to customers. The PUCO should continue to thoroughly review all annual applications for changes in charges to consumers and should affirmatively rule on whether the Utility’s proposed charges are just and reasonable.

Respectfully submitted,

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*/s/ Ambrosia Logsdon*

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of these Comments was served on the persons stated below via electronic transmission, this 18th day of January 2018.

*/s/ Ambrosia Logsdon*

Ambrosia Logsdon

Assistant Consumers' Counsel

**SERVICE LIST**

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1. See *In re Application of the East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution. Service,* Case No. 07-829-GA-AIR, Opinion & Order at 7, 22-24 (Oct. 15, 2008), [↑](#footnote-ref-2)
2. See *Prefiled Testimony of Stephen E. Puican on Behalf of PUCO Staff*, Case No. 05-1444-GA-UNC (Mar. 20, 2006) (natural gas energy efficiency programs "do not provide the type of system-wide benefits that justify a rider attached to all customer bills," and "there are minimal, if any, benefits to customers other than those that can participate in a particular DSM program"). [↑](#footnote-ref-3)
3. See *In re Application of the East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of an Adjustment to its Demand Side Management Rider,* Case No. 18-1589-GA-RDR, at 3 (Nov. 19, 2018). [↑](#footnote-ref-4)
4. See *In re Application of the East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of an Adjustment to its Demand Side Management Rider,* Case No. 18-1589-GA-RDR (Nov. 19, 2018). [↑](#footnote-ref-5)
5. *Id.* [↑](#footnote-ref-6)
6. See PUCO Staff Comments*,* Case No. 18-1589-GA-RDR (December 31, 2018). [↑](#footnote-ref-7)
7. *Id.* [↑](#footnote-ref-8)
8. See *In re the Matter of the Demand Side Management Tariff Filing of the East Ohio Gas Company*, Case No. 17-1372-GA-RDR, Finding and Order (August 2, 2017). [↑](#footnote-ref-9)
9. *Id.* at ¶ 15. [↑](#footnote-ref-10)