

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East )  
Ohio Gas Company d/b/a Dominion East )  
Ohio for Waivers of Certain Provisions ) Case No. 06-1452-GA-WVR  
Contained in Chapter 4901:1-13, Ohio )  
Administrative Code. )

ENTRY ON REHEARING

The Commission finds:

- (1) On January 18, 2006, the Commission issued its Finding and Order in Case No. 05-602-GA-ORD, adopting rules to amend Chapter 4901:1-13, Ohio Administrative Code (O.A.C.), and establishing Minimum Gas Service Standards (MGSS). The Commission revised its Finding and Order and MGSS by entries on rehearing issued on May 16, 2006, July 12, 2006, and ultimately denied rehearing on August 23, 2006.
- (2) Paragraph (A)(3) of Rule 4901:1-13-05, O.A.C., requires companies to test gas piping downstream of the meter with a service drop installed for a gas appliance prior to initial operation or prior to reestablishing service. Pursuant to this paragraph, in the case of new house lines or existing house lines where gas service has been off for 30 or more days, a pressure test is to be used. When gas service has been off for less than 30 days, a dial test may be used.
- (3) On December 13, 2006, The East Ohio Gas Company d/b/a Dominion East Ohio (DEO) filed this application requesting waivers for eight paragraphs contained in Chapter 4901:1-13, O.A.C., including a permanent waiver of paragraph (A)(3) of Rule 4901:1-13-05, O.A.C.
- (4) On March 23, 2007, the Office of the Consumers' Counsel (OCC) filed a motion to intervene and comments in this case. OCC did not oppose DEO's request for a waiver of paragraph (A)(3) of Rule 4901:1-13-05, O.A.C.
- (5) By Entry issued May 24, 2007, in this matter, the Commission, *inter alia*, granted OCC's motion to intervene and denied DEO's request for a permanent waiver of paragraph (A)(3) of Rule

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4901:1-13-05, O.A.C. In its decision, the Commission emphasized its concern that the gas lines be tested. Furthermore, the Commission clarified that DEO may comply with the requirement in paragraph (A)(3) of Rule 4901:1-13-05, O.A.C., by doing the testing itself or by verifying that a third party appropriately tests the gas piping downstream of the meter as outlined in that rule, prior to initial operation of gas service at the location, citing *In the Matter of the Application of Columbia Gas of Ohio, Inc. for a Temporary Waiver of Rule 4901:1-13-05(A)(3), Ohio Administrative Code*, Case No. 06-1232-GA-UNC, Finding and Order (December 20, 2006).

- (6) Section 4903.10, Revised Code, states that any party to a Commission proceeding may apply for rehearing with respect to any matters determined by the Commission, within 30 days of the entry of the order upon the Commission's journal.
- (7) On June 22, 2007, DEO filed an application for rehearing requesting that the Commission reconsider its denial of DEO's waiver request for paragraph (A)(3) of Rule 4901:1-13-05, O.A.C. According to DEO, this paragraph duplicates the existing building code standards, and the Commission's denial of DEO's waiver request will increase DEO's expenses and the costs to ratepayers. If the Commission is concerned that the gas lines be tested, DEO argues that the Commission should be assuaged by the fact that building codes, including the ones adopted in Ohio by the Board of Building Standards, whose authority inures from Title 37 of the Ohio Revised Code, already require the same type of testing that is required in this paragraph. DEO submits that the vast majority of its territory is already covered by the Board of Building Standards, certified building departments, or residential building officials. DEO acknowledges, however, that portions of its territory do not have certified building departments. DEO maintains that, if the Commission does not grant its waiver in its entirety, the Commission should still grant the waiver as it pertains to those segments of DEO's service territory that are supervised by residential building departments. If the Commission denies DEO's waiver request as it pertains to the portions of the territory that do not have certified building departments, DEO requests rehearing be granted to allow time for DEO to discuss with the Commission's staff how to address such situations. DEO states that it has designed a process that it believes will

satisfy the Commission's concern for gas-line safety while eliminating unnecessary duplicative steps and expenses. Therefore, DEO requests that the Commission grant rehearing to allow DEO time to discuss this detailed process with the Commission's staff.

- (8) On July 2, 2007, OCC filed a memorandum contra DEO's application for rehearing. OCC agrees that it did not oppose certain aspects of DEO's waiver request; however, OCC takes issue with DEO's statement that the Commission's actions will duplicate existing standards or increase costs that will ultimately be paid for by consumers in rates. OCC urges the Commission to clarify that, contrary to DEO's claim, there is no guarantee of automatic cost recovery outside of a rate case or an alternative rate plan proceeding.
- (9) The Commission fails to understand DEO's concern regarding duplication. We made it clear in our May 24, 2007 entry that DEO may comply with paragraph (A)(3) of Rule 4901:1-13-05, O.A.C., either by doing the testing itself or by verifying that a third party appropriately tests the gas piping. By this statement alone it is quite clear that we are not requiring duplication. Rather, we are requiring DEO to verify that appropriate standards and procedures for testing the gas lines are in place. The Commission is aware of the fact that the Board of Building Standards certifies building departments throughout the state of Ohio. However, as noted by DEO, there are also portions of DEO's territory that are not covered by a certified building department. Ensuring that gas lines are safe is of paramount importance to the Commission. Therefore, in accordance with the requirement in paragraph (A)(3) of Rule 4901:1-13-05, O.A.C., it is DEO's responsibility to verify that appropriate testing takes place throughout its territory not just in those areas covered by the Board of Building Standards and a certified building department. With regard to DEO's request for more time to enable it to work with the Commission's staff to ensure that its business process satisfies the Commission's safety concerns in a cost-effective manner, while we encourage such communication, we see no need to grant rehearing for that purpose. Accordingly, the Commission finds that DEO's request for rehearing should be denied.


- (10) Finally, with regard to OCC's concern, the Commission would note that cost recovery is not an issue in this case. Our decision in this matter should in no way be construed as an acknowledgement that recovery of the costs that DEO has alleged will result from compliance with this standard is appropriate.

It is, therefore,

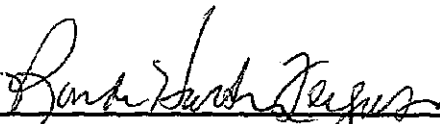
ORDERED, That DEO's application for rehearing be denied. It is, further,


ORDERED, That a copy of this entry on rehearing be served upon all parties of record.

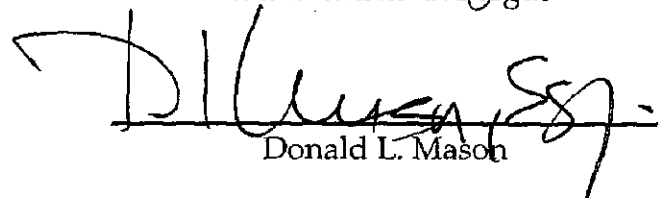
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Alan R. Schriber, Chairman

  
Paul A. Centolella

  
Ronda Hartman Fergus

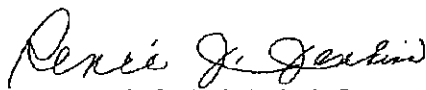
  
Valerie A. Lemmie

  
Donald L. Mason

CMTP/vrm

Entered in the Journal

JUL 11 2007



Renee J. Jenkins  
Secretary