

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application to	:	
Modify, in Accordance with Section	:	Case No. 12-1842-GA-EXM
4929.08, Revised Code, the Exemption	:	
Granted to The East Ohio Gas Company	:	
d/b/a Dominion East Ohio in Case No.	:	
07-1224-GA-EXM.	:	

**INITIAL COMMENTS FILED ON BEHALF OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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I. Introduction

On June 15, 2012 The East Ohio Gas Company, d/b/a Dominion East Ohio (“Dominion”) and the Ohio Gas Marketers Group (“OGMG”) filed a joint motion to modify (“Joint Motion”) Dominion’s existing exemption plan which was approved by the Commission on June 18, 2008 in Case No. 07-1224-GA-EXM. The proposed modification would allow Dominion to discontinue the availability of the Standard Choice Offer (“SCO”) pricing mechanism to non-residential customers beginning April 1, 2013. At that time, non-residential customers that are not participating in the Choice program or in a governmental aggregation program would be assigned to a participating marketer on a rotating basis and would be served at that marketer’s Monthly Variable

Rate (“MVR”). A stipulation (“Stipulation”) was filed along with the Joint Motion, which was signed by Dominion, OGMG and the Ohio Consumers’ Counsel. The Stipulation recommends that the Commission approve the modifications proposed in the Joint Motion and provides that Dominion will not file an application with the Commission to request approval to exit the merchant function for residential customers before April 1, 2015. The following are the PUCO Staff’s comments regarding the Joint Motion and Stipulation.

II. The Staff Generally Supports the Joint Motion and Stipulation

Staff generally supports the Joint Motion and Stipulation and recommends that the Commission approve both. Staff proposes, however, that the Commission require Dominion, with input from the other parties, to undertake a comprehensive consumer education program in advance of any exit by non-residential or residential customers. A proposed outline of such an education program is set forth below. Staff also recommends that any Order approving Dominion’s proposed exit also clarify that nothing precludes the Commission from re-establishing the SCO or other pricing mechanism if it determines that Dominion’s exit is unjust or unreasonable for non-residential or residential customers.

III. Customer Education Material

Staff recommends that the Commission require Dominion to provide specific customer education material to all non-residential customers who are currently eligible for SCO tariff service. Since it can take up to two billing cycles for a customer’s natural

gas supplier to be switched, Staff believes that it is essential that affected customers receive at least two notices prior to the effective date, with the last notice sent at least 60 days prior to the effective date of the switch. In addition, since Dominion's proposed exit impacts the customer's understanding of the company's role in providing natural gas supply, Staff recommends that the Commission direct Dominion to notify all affected customers by letter. The customer letter should clearly state that effective April 1, 2013, Dominion will no longer offer SCO tariff service to non-residential customers. The letter shall include, but not be limited to the following information:

- That those customers who have not selected a Certified Retail Natural Gas Suppliers ("CRNGS") by April 1, 2013, will be removed from SCO service and DEO will assign those customers to an approved MVR supplier.
- That the CRNGS price of natural gas is not regulated by the PUCO.
- That the MVR supplier is required to post its rate on the PUCO Apples to Apples chart.
- That a customer whose natural gas supply has been assigned to an MVR supplier may switch to another supplier at anytime without penalty.
- That it may take up to two billing cycles to switch a customer's natural gas supplier.
- That Dominion will supply a list of the current CRNGS in it's service territory or identify where to find a list of available CRNGS.
- That CRNGS are required to follow the Ohio Administrative Code Chapter 4901:1-29, Minimum Standards for Competitive Retail Natural Gas Service.
- That those customers currently under contract with a CRNGS will not be impacted by this change, other than the fact that they are no longer eligible to return to Dominion's SCO commodity tariff.

- That Dominion will still supply the bill and maintain the natural gas pipes.

Staff notes that the MVR supplier rates are typically different from each other and can vary significantly. Because of the potential for significant variation in pricing, Staff recommends that within the first month of MVR service, the MVR supplier send a notification to its customers with an explanation of how its MVR is determined, that its MVR is posted on the PUCO's Apples to Apples chart monthly, and that the customer may switch to another offered rate or CRNGS at anytime without penalty.

Staff also recommends that the Commission direct Dominion to work with Staff of the Service Monitoring and Enforcement Department to develop the customer educational material. Finally, Staff recommends that the cost of any customer education material developed as a result of this order continue to be funded through the \$14 million Dominion collected pursuant to the Stipulation and Recommendation approved in 05-474-GA-ATA.¹

IV. Conclusion

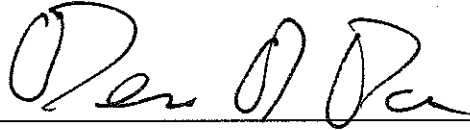
Subject to the foregoing recommendations, Staff supports and recommends that the Commission adopt the Joint Motion and Stipulation. Staff, however, reserves the right to reply to initial comments filed by other parties in this matter.

¹ *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval of a Plan to Restructure Its Commodity Service Function*, Case No. 05-474-GA-ATA, Opinion and Order dated 5/26/06, p. 6, section 2; paragraph 2.

Respectfully Submitted,

Michael DeWine
Attorney General

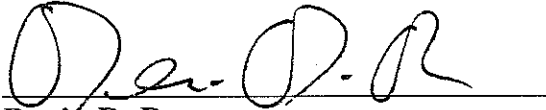
William L. Wright, Section Chief
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A handwritten signature in black ink, appearing to read "Devin D. Parram", written over a horizontal line.

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing **Initial Staff Comments** was served via electronic mail upon the following parties of record on the 30th day of August, 2012.



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Summary: Comments Initial Comments filed on Behalf of PUCO Staff electronically filed by Mr. Devin D Parram on behalf of Staff of the PUCO