

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The)
East Ohio Gas Company d/b/a Dominion) Case No. 12-3279-GA-UNC
East Ohio for Approval to Implement a)
Capital Expenditure Program.)

In the Matter of the Application of The)
East Ohio Gas Company d/b/a Dominion) Case No. 12-3280-GA-AAM
East Ohio for Approval to Change)
Accounting Methods.)

ENTRY

The attorney examiner finds:

- (1) The East Ohio Gas Company d/b/a Dominion East Ohio (DEO) is a public utility as defined in Section 4905.02, Revised Code, and a natural gas company under Section 4905.03, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) By finding and order issued on December 12, 2012, the Commission modified and approved DEO's application for authority to implement a capital expenditure program (CEP) for the period of October 1, 2011, through December 31, 2012, pursuant to Sections 4909.18 and 4929.111, Revised Code.¹ The Commission approved DEO's request to modify its accounting procedures to provide for capitalization of post-in-service carrying costs on those assets of the CEP that are placed into service, but not reflected in rates as plant in service, as well as deferral of depreciation expense and property taxes directly attributable to those assets of the CEP that are placed into service, but not reflected in rates as plant in service. The Commission authorized DEO to accrue CEP-related deferrals only up until the point where the accrued

¹ *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval to Implement a Capital Expenditure Program*, Case No. 11-6024-GA-UNC, *et al.*, Finding and Order (December 12, 2012) (CEP Order).

deferrals, if included in rates, would cause the rates charged to the General Sales Service (GSS) class of customers to increase by more than \$1.50 per month. At that point, accrual of all future CEP-related deferrals is required to cease, until such time as DEO files to recover the existing accrued deferrals and establish a recovery mechanism under Section 4909.18, 4929.05, or 4929.11, Revised Code.

- (3) On December 20, 2012, DEO filed an application for authority to implement a CEP for the period of January 1, 2013, through December 31, 2013, pursuant to Sections 4909.18 and 4929.111, Revised Code. Additionally, DEO seeks accounting authority to capitalize post-in-service carrying costs on program investments for assets placed in service but not yet reflected in rates; defer depreciation expense and property tax expense directly associated with the assets placed in service; and establish a regulatory asset to which post-in-service carrying costs, depreciation expense, and property tax expense will be deferred for recovery. DEO notes that it accepts continuation of the requirements established by the Commission in the CEP Order and, therefore, DEO agrees to compute and defer the cost of its CEP-related investments in accordance with the CEP Order. According to the application, a cumulative investment of \$93 million is projected for DEO's CEP in 2013. DEO states that it is not requesting cost recovery as part of this application and that recovery of any approved deferrals will be requested in a separate proceeding, not more than once each calendar year, commencing no later than the point at which the accrued deferrals, if included in rates, would cause the rates charged to the GSS class of customers to increase by more than \$1.50 per month. DEO submits that approval of the application will not result in an increase in any rate or charge, and, therefore, that the application should be considered as an application not for an increase in rates under Section 4909.18, Revised Code.

- (4) In order to assist the Commission in its review of DEO's application, the attorney examiner finds that the following procedural schedule should be established:
- (a) August 5, 2013 - Deadline for the filing of motions to intervene.
 - (b) August 12, 2013 - Deadline for the filing of comments on the application by Staff and intervenors.
 - (c) August 26, 2013 - Deadline for all parties to file reply comments.

It is, therefore,

ORDERED, That the procedural schedule set forth in finding (4) be adopted. It is, further,

ORDERED, That a copy of this entry be served upon all parties and other interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

s/Sarah Parrot

By: Sarah J. Parrot
Attorney Examiner

JRJ/sc

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in

Case No(s). 12-3279-GA-UNC, 12-3280-GA-AAM

Summary: Attorney Examiner Entry orders a procedural schedule set forth in finding (4). - electronically filed by Sandra Coffey on behalf of Sarah Parrot, Attorney Examiner, Public Utilities Commission of Ohio