

**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 a Waiver of Certain Rules in) Case No. 14-2203-GA-WVR
Chapters 4901:1-13 and 4901:1-18, Ohio)
Administrative Code.)

APPLICATION

In accordance with Ohio Adm. Code 4901:1-13-02(C) and 4901:1-18-02(B)(3), The East Ohio Gas Company d/b/a Dominion East Ohio (DEO or the Company) files this application to request certain waivers from the following rules:

<u>Ohio Adm. Code Provision</u>	<u>Requested Waiver</u>
4901:1-13-11(C)	Until June 30, 2015
4901:1-18-06(F)(3)	Until June 30, 2015
4901:1-13-05(E)	Until November 30, 2015
4901:1-18-15(G)	Until June 30, 2016
4901:1-13-05(A)(1), (A)(4), (C)(4), & (C)(5)	Until November 30, 2016
4901:1-13-11(G)(2)	Indefinite ¹

In support of this Application, DEO states:

1. DEO is an Ohio corporation engaged in the business of supplying natural gas to approximately 1.2 million customers in northeastern, western, and southeastern Ohio. DEO is a “public utility” and “natural gas company” in accordance with R.C. 4905.02(A) and 4905.03(E), respectively. Consequently, DEO is subject to the Commission’s jurisdiction.

¹ The Commission previously approved an indefinite waiver when the rule was codified at Ohio Adm. Code 4901:1-29-12(F). *See* Case No. 05-123-GA-UNC.

2. DEO's waiver request pertains to certain rules contained in Ohio Adm. Code Chapters 4901:1-13 (Minimum Gas Service Standards) and 4901:1-18 (Termination of Residential Service). These rules were recently amended in Case Nos. 13-2225-GA-ORD and 13-274-AU-ORD.

3. DEO would note at the outset that many of the rules discussed below require substantial contributions from its Information Technology (IT) group. These rules, individually, present implementation, programming, and testing challenges; in combination, these challenges compound. In many cases, due to the complexity of the changes and the need to ensure that changes integrate properly with related system components and processes, it is not possible to have more than one programmer working on a particular part of the program code at the same time. Further, the workload of the IT group is planned well in advance, and freeing up necessary resources can be challenging. As a result, DEO's ability to accelerate work by devoting more programmers to the effort is limited. Finally, proper sequencing of programming sometimes means that one task cannot be begun until another task is completed.

4. DEO will provide its work plan to Commission Staff on request, detailing the number of hours and associated completion dates. If considered necessary by the Commission, DEO will provide quarterly progress reports to Staff until its programming and reprogramming efforts are completed.

Rule 4901:1-13-11(C)

5. The revisions to Ohio Adm. Code 4901:1-13-11(C) extended the due date of residential bills issued from out of state to no less than 17 days from the date the bill was issued. DEO respectfully requests a waiver of this rule until June 30, 2015.²

6. Good cause exists for a temporary waiver of this rule for the following reasons. While the application of the 17-day due date does not by itself require extensive programming of DEO's billing systems, it will be necessary to evaluate this change in conjunction with other required changes to the Customer Care System to ensure that all changes are appropriately integrated. Testing will be required to ensure that the numerous processes within the system properly reflect the revisions to the due date, including but not limited to the issuance of credit-related notices, notices of field disconnection activity, and other credit actions; the aging of accounts receivable; the tracking of PIPP Plus and Graduate PIPP Plus program activity and determination of related arrearage and delta credits; and the calculation of payment plan amounts.

7. While this waiver is needed to ensure proper integration of all system programming, it will have no effective impact on customers. DEO already ensures contractually that out-of-state bills are delivered in the same time frame as if the bills were printed in Ohio. Moreover, DEO does not apply late-payment charges if payment is received before the next bill is generated. *See* DEO Tariffs, Fourth Rev. Sheet No. K4, Rules & Regs. No. 14. From the perspective of the customer, this effectively extends the payment deadline and provides at least 17 days to pay prior to any action that may be adverse to the customer. This is the same timeframe required under the revised rule.

² DEO recognizes that depending on the timing of the submission these rules to the Joint Committee on Agency Rule Review, this waiver may not be necessary.

8. For the foregoing reasons, DEO respectfully requests a waiver of Rule 4901:1-13-11(C) until June 30, 2015.

Rule 4901:1-18-06(F)(3)

9. The revisions to Ohio Adm. Code 4901:1-18-06(F)(3) require that where a “new resident becomes a consumer of . . . natural gas service that was left on by virtue of [a] landlord/reversion agreement, the consumer will be financially responsible for the utility service consumed from the date of move-in, as indicated in the terms of the lease agreement.” DEO respectfully requests a temporary waiver of this requirement until June 30, 2015.

10. Good cause exists for a temporary waiver for the following reasons. It is unclear to DEO what the revised rule is intended to require, and the Company proposes to work with Commission Staff to ensure it understands the intent of the revisions. Once DEO has ascertained the scope of the revisions, it will require time to determine and implement necessary changes in its business processes, as well as to address any impacts on call volume and Customer Care System resources.

11. For these reasons, DEO respectfully requests a waiver of Rule 4901:1-18-06(F)(3) until June 30, 2015.

Rule 4901:1-13-05(E)

12. Ohio Adm. Code 4901:1-13-05(E) requires LDCs to satisfy certain reporting requirements. DEO requests a limited, temporary waiver of this requirement until November 30, 2015, only to the extent this reporting pertains to compliance with Ohio Adm. Code 4901:1-13-05(C).

13. The first step to determining what programming is necessary to comply with this rule is to understand how the rules apply to existing processes and specifically what must be

reported. There are numerous ambiguities and questions that DEO proposes to address with Staff to ensure that DEO understands the rule and achieves compliant reporting. For example, it is not clear to DEO whether and to what extent the rescheduling rules (*see* -05(C)(5)) apply to non-cancelled, no-show appointments by the customer. Likewise, DEO is not certain how to incorporate into its current appointment reporting when and whether an appointment has been “complete[d]” under (C)(2) or “missed” under the various rescheduling permutations possible under (C)(4) or (C)(5). There are other questions; these are merely illustrative. Once DEO has determined the applicability and expectations for compliance reporting, it may be necessary to implement new programming to track the necessary activities. For example, DEO’s systems are not currently equipped to track and distinguish between cancelled, no-show, or rescheduled appointments, when such appointments resulted from the actions of the customer and not the company.

14. During the term of this waiver, DEO would propose to continue its existing reporting of compliance with subsection (C) requirements. DEO believes it will be able to provide all other reporting required under this rule.

15. For these reasons, DEO respectfully requests a temporary waiver of this rule until November 30, 2015, subject to the conditions described above.

Rule 4901:1-18-15(G)

16. The revisions to Ohio Adm. Code 4901:1-18-15(G) require public utilities to offer a new payment arrangement to PIPP Plus customers who, under certain conditions, close accounts with arrearages. Under the new arrangement, the payment “shall be no more than the total accumulated arrearage divided by sixty,” and “[e]ach time the former PIPP Plus customer

makes his or her payment by the due date, the public utility shall reduce the account arrearage by one-twelfth.” *Id.* DEO respectfully requests a waiver of this rule until June 30, 2016.

17. Good cause exists for the requested temporary waiver for the following reasons. Implementing the rule revisions will require a major programming effort, including changes to DEO’s bill print, programmed credit schedules (including the collection agency process following the final bill), and HOPP File³ systems. The new plan is different than any of DEO’s current payment plans, and new code must be written to meet the requirements. Unlike the PIPP program, payments under the new plan would not be calculated as a percentage of monthly income. But unlike traditional payments plans, the new plan will trigger incentive crediting. Bill presentment also presents challenges, as DEO must determine how to present affected customers with numerous items of information in a clear and understandable manner, including the payment-plan balance, the actual balance, incentive credits, and the monthly amount due. Finally, the underlying accounting and financial reporting related to the PIPP program and rider are extremely complex; ensuring the continued accuracy of this accounting and reporting will require extensive review, programming, and testing. Based on initial estimates, DEO expects that at least 1,300 hours of programming and user-acceptance testing will be required.

18. DEO would also note that the programming necessary to implement this rule change cannot be initiated until the 17-day due date has been implemented and tested, as discussed above (*see* Rule 4901:1-13-11(C)).

³ The HOPP File is a sub-system of DEO’s Customer Care System. It tracks PIPP Plus, Graduate PIPP, and post-PIPP account activity and generates reports that are necessary for proper accounting and reporting of the PIPP program receivables, including which amounts should be recovered under the PIPP Rider or under the Uncollectible Expense Rider (for former PIPP accounts). This system also drives the calculation and application of incentives and credits.

19. For these reasons, DEO respectfully requests a temporary waiver of this rule until June 30, 2016.

Rule 4901:1-13-05(A)(1), (A)(4), (C)(4), & (C)(5)

20. The revisions to Ohio Adm. Code 4901:1-13-05(A)(1) and (4) reduce the number of days in which DEO may complete new requests for service from five to three business days. The revisions to Ohio Adm. Code 4901:1-13-05(C)(4) and (5) require DEO to provide cancelling customers with either a “next business day appointment . . . with no expected arrival time window” or a four-hour window “within two business days.” DEO respectfully requests a waiver of these rules until June 30, 2016.

21. Good cause exists for a temporary waiver of these rules for the following reasons. To begin with, to determine the programming necessary to implement these rule changes, DEO must first determine whether and to what extent those rules apply to existing business processes. For example, subsection (C)(3), which precedes and appears to inform the newly revised rules, contemplates a situation in which an LDC “offers a call-ahead process to confirm its imminent arrival at an appointment.” Although DEO does provide an automated call ahead, it does so merely as a courtesy to provide notice and *not* “to confirm” the appointment with the customer. Under current processes, DEO personnel proceed to all appointments regardless of whether the customer receives the automated call ahead. That being the case, it is not clear to DEO whether and to what extent the revised rules regarding the rescheduling of cancelled appointments would apply to this situation. *See* Ohio Adm. Code 4901:1-13-05(C)(5). The Company accordingly proposes to work with Commission Staff to ensure it understands the intent of the revisions.

22. Once DEO has ascertained the scope of the revisions, it will require additional time to determine and implement necessary changes in its business processes, as well as to

increase the qualified field resources necessary to ensure compliance. In combination, these rule revisions will require DEO to simultaneously comply with newly accelerated completion deadlines and, in certain circumstances, newly reduced rescheduling windows. Initially, these requirements will require significant programming of DEO's Customer Care, mobile dispatch, and workforce management systems, as well as requiring DEO to establish the appropriate reporting to monitor compliance. DEO has received initial estimates from its IT group that it will require until November 30, 2015, to complete the programming and field testing necessary to implement the system changes needed to assure compliance with these rule revisions.

23. Additionally, and more critically, these new requirements—particularly during the fall and winter peak scheduling periods—will require substantial increases in DEO's staffing, fleet, and other field resources. Further analysis and understanding of the scope of the rule changes must be completed to determine the appropriate staffing levels. But it is clear that additional staff will need to be hired externally, and DEO's existing collective bargaining agreement provides a specified progression for training and moving into higher skilled positions. Under the current agreement, a field-service employee must begin in a "Helper" position, and full training is frequently not completed for up to 18 months. Given the need for increased field resources, and the unavoidable lag of determining, hiring, and training the proper number of personnel, DEO believes that it will not be able to achieve necessary staffing levels until at least November 30, 2016.

24. In light of these circumstances, DEO requests a waiver of these rules until November 30, 2016. Once system reprogramming is completed (currently anticipated in November 2015), DEO will attempt to provide service under the newly accelerated time frames. But until staffing is appropriately increased, DEO expects that it will be difficult or impossible to

meet performance targets under the rules. Thus, while the Company will attempt compliance with the rule beginning in November 2015 through November 2016, it nevertheless requests a waiver until the latter date.

Rule 4901:1-13-11(G)(2)

25. In Case No. 13-2225-GA-ORD, the Commission approved the relocation of the rule regarding application of partial payments from Ohio Adm. Code 4901:1-29-12(F) to Ohio Adm. Code 4901:1-13-11(G)(2). Although renumbered, the rule itself was not substantively modified.

26. In Case No. 05-123-GA-UNC, the Commission granted DEO an indefinite waiver from the partial-payment rule, in recognition of the fact that DEO purchases the receivables of competitive retail natural gas suppliers and applies payments received to the oldest utility balances without regard to whether the balances comprise supplier or Company charges. *See* Entry at 8–12 (Mar. 9, 2005).

27. It is not clear to DEO whether additional action to continue this waiver is necessary. But given that neither the rule nor the underlying circumstances have changed, only the rule’s numbering, good cause exists for the Commission to continue (if necessary) DEO’s indefinite waiver from the partial-payment rule now contained in Ohio Adm. Code 4901:1-13-11(G)(2). DEO acknowledges that all requirements and conditions set forth in the original Entry approving the waiver continue to apply.

WHEREFORE, DEO respectfully requests that the Commission approve DEO's application for the waivers described above and grant it all other necessary and proper relief.

Dated: December 5, 2014

Respectfully submitted,

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Case No(s). 14-2203-GA-WVR

Summary: Application for Waiver electronically filed by Mr. Gregory L. Williams on behalf of The East Ohio Gas Company d/b/a Dominion East Ohio