

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 to Adjust its Pipeline Infrastructure) Case No. 14-2134-GA-RDR
Replacement Program Cost Recovery)
Charge and Related Matters.)

FINDING AND ORDER

The Commission finds:

- (1) The East Ohio Gas Company d/b/a Dominion East Ohio (DEO or Company) is a natural gas company as defined by R.C. 4905.03, and a public utility as defined by R.C. 4905.02, and, as such, is subject to the jurisdiction of the Commission, pursuant to R.C. 4905.04, 4905.05, and 4905.06. DEO provides natural gas service to approximately 1.2 million customers in northeastern, western, and southeastern Ohio.
- (2) On October 15, 2008, the Commission approved a stipulation filed by DEO and the other parties, which, inter alia, adopted, with some modifications, Staff's recommendations set forth in the Staff Report filed on May 23, 2008. The Staff Report set forth procedures to be followed for the annual updates to DEO's pipeline infrastructure replacement (PIR) program cost recovery charge (Rider PIR). Specifically, the process provided that DEO would file an annual application supporting an initial charge and subsequent adjustments to Rider PIR. *In re The East Ohio Gas Co. d/b/a Dominion East Ohio*, Case No. 07-829-GA-AIR, et al., Opinion and Order (Oct. 15, 2008).
- (3) On August 3, 2011, the Commission approved a stipulation that modified DEO's PIR program. As part of the modified program, DEO would transition its Rider PIR filings from a fiscal-year basis to a calendar-year basis. Under this new process, DEO is to submit a pre-filing notice by November 30 each year, and an updated filing with actual data by February 28, with the goal of the revised Rider PIR charge becoming effective as of the first billing cycle in May of each year. *In re The East Ohio Gas Co. d/b/a Dominion East Ohio*, Case No. 11-2401-GA-ALT (2011 PIR Case), Opinion and Order (Aug. 3, 2011).

- (4) The current Rider PIR charge, which was approved in *In re The East Ohio Gas Co. d/b/a Dominion East Ohio*, Case No. 13-2320-GA-RDR, Finding and Order (Apr. 23, 2014), is: \$5.44 per month for General Sales Service (GSS) and Energy Choice Transportation Service (ECTS) customers; \$42.39 per month for Large Volume General Sales Service (LVGSS) and Large Volume Energy Choice Transportation Service (LVECTS) customers; \$186.31 per month for General Transportation Service (GTS) and Transportation Service for Schools (TSS) customers; and \$0.0469 per thousand cubic feet (Mcf) for Daily Transportation Service (DTS) customers, capped at \$1,000.00 per month.
- (5) In accordance with the procedure approved by the Commission in the *2011 PIR Case*, DEO filed a pre-filing notice in the current proceeding on November 26, 2014. On February 24, 2015, DEO filed an application requesting an adjustment to its current Rider PIR for costs incurred between January 1, 2014, and December 31, 2014. Along with its application, DEO also filed the direct testimony of Vicki H. Friscic and Schedules 1 through 16A in support of its application.
- (6) In its February 24, 2015 application, DEO requests that the Commission approve an adjustment to Rider PIR reflecting costs associated with capital investments made during the period January 1, 2014, through December 31, 2014. As reflected in Schedule 1 of the application, DEO submits that the total annual revenue requirement for Rider PIR would be \$108,387,556.01. As proposed in DEO's application, Rider PIR would be increased to: \$6.70 per month for GSS and ECTS customers; \$46.56 per month for LVGSS and LVECTS customers; \$212.94 per month for GTS and TSS customers; and \$0.0497 per Mcf, capped at \$1,000.00 per month, for DTS customers. (DEO App. at 4; Att. A, Sch. 1.)
- (7) In her testimony, Ms. Friscic states that DEO's customers are realizing several benefits from the PIR program including: enhanced service reliability and safety well into the future resulting from the replacement of aging infrastructure; reduced operations and maintenance (O&M) costs that have occurred to date and will continue to occur over time resulting from a lower leak repair rate as compared to the O&M costs that would have been incurred if DEO had not accelerated the

replacement of its pipelines; and lower service line costs because DEO now installs and maintains the curb-to-meter service lines that were previously the responsibility of customers. Ms. Friscic provides an overview of the process for adjusting Rider PIR and an explanation for how the calculations were determined in the accompanying schedules, necessitating a total annualized revenue requirement of \$108,387,556.01. Ms. Friscic asserts that Rider PIR allows DEO to continue to provide safe and reliable service through the replacement of dated infrastructure in an accelerated manner. (DEO App., Att. C at 2-14.)

- (8) By Entry issued March 3, 2015, the attorney examiner required that Staff and intervenor comments on the application be filed by March 27, 2015, and that DEO file, by April 2, 2015, a statement informing the Commission whether all issues raised in the comments had been resolved.
- (9) Staff filed comments on DEO's application on March 26, 2015. No other comments were filed.
- (10) In its comments, Staff states that it reviewed and analyzed all of the documentation filed by DEO and traced it to supporting work papers and to source data. As part of its review, Staff issued data requests, conducted investigative interviews, and performed independent analyses when necessary. Based on its investigation, Staff does not have any objections to DEO's application or supporting documentation and believes that the Company's calculation of the PIR revenue requirement is supported by adequate data and is properly allocated to the various customer classes. Therefore, Staff recommends that the Commission approve DEO's application as filed. (Staff Comments at 5.)
- (11) On April 1, 2015, DEO filed a statement indicating that, because no issues have been raised with the application, there are none to be resolved, and DEO believes that a hearing in this case is unnecessary. Therefore, DEO requests that the Commission approve its February 24, 2015 application as filed.
- (12) Upon consideration of the application and the comments filed by Staff, the Commission finds that DEO's application to adjust its Rider PIR is reasonable and should be approved.

It is, therefore,

ORDERED, That DEO's application to adjust Rider PIR is approved. It is, further,

ORDERED, That DEO is authorized to file tariffs, in final form, consistent with this Finding and Order. DEO shall file one copy in this case docket and one copy in its TRF docket. It is, further,

ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

ORDERED, That DEO notify its customers of the changes to the tariffs via bill message or bill insert within 30 days of the effective date of the revised tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division at least 10 days prior to its distribution to customers. It is, further,

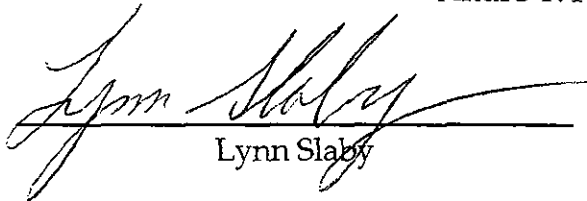
ORDERED, That nothing in this Finding and Order shall be binding upon the Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon each party of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



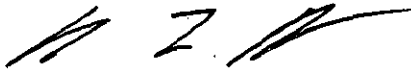
Andre T. Porter, Chairman



Lynn Slaby



M. Beth Trombold



Asim Z. Haque



Thomas W. Johnson

KKS/vrm

Entered in the Journal

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Barcy F. McNeal
Secretary