

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 Ohio Adm.Code) Case No. 14-2203-GA-WVR
Chapters 4901:1-13 and 4901:1-18,)
Regarding Implementation of the)
Minimum Gas Service Standards and the)
Termination of Residential Service Rules.)

ENTRY

The Commission finds:

- (1) The East Ohio Gas Company d/b/a Dominion East Ohio (DEO) is a public utility and natural gas company as defined in R.C. 4905.02 and 4905.03, respectively. Therefore, DEO is subject to the Commission's jurisdiction.
- (2) In Case No. 13-2225-GA-ORD, the Commission conducted a review of the minimum gas service standards (MGSS) and, pursuant to this rule review, adopted new Ohio Adm.Code 4901:1-13-14 and amended existing Ohio Adm.Code 4901:1-13-01, -02, -03, -04, -05, -06, -08, -09, -10, -11, -12, and -13. The Commission also ordered that existing Ohio Adm.Code 4901:1-13-07 be adopted with no changes. *In re Comm. Review of Chapter 4901:1-13 of the Ohio Administrative Code*, Case No. 13-2225-GA-ORD (MGSS Rules Case), Finding and Order (July 30, 2014), Second Entry on Rehearing (Nov. 12, 2014). The effective date of the rules is April 9, 2015.
- (3) In Case No. 13-274-AU-ORD, the Commission conducted a review of rules for termination of residential gas and electric service and, pursuant to this rule review, adopted new Ohio Adm.Code 4901:1-18-14 and -15, and amended 4901:1-18-01, -02, -03, -05, -06, -07, -08, -12, -13, -16, and -17. The Commission also ordered that existing Ohio Adm.Code 4901:1-18-04, -09, -10, and -11 be adopted with no changes. *In re Comm. Review of its Rules for the Establishment of Credit for Residential Utility Services and the Disconnection of Gas, Natural*

Gas or Electric Services to Residential Customers, Case No. 13-274-AU-ORD (*Disconnect Rules Case*), Entry on Rehearing, (Aug. 6, 2014). The effective date of the rules is April 15, 2015.

- (4) On December 5, 2014, as amended on January 14, 2015, DEO filed an application seeking a waiver from the following rules:
- (a) Ohio Adm.Code 4901:1-13-05(A)(1), (A)(4), (C)(4), and (C)(5), which address the time frames for new requests for service and cancelled service appointments for the minimum service levels contained in the MGSS, until November 30, 2016.
 - (b) Ohio Adm.Code 4901:1-13-05(E), which addresses the reporting requirements for the minimum service levels contained in the MGSS, until November 30, 2015.
 - (c) Ohio Adm.Code 4901:1-13-11(C), which addresses the due dates of residential bills issued from out-of-state that is contained in the MGSS rules applicable to gas or natural gas companies' customer billings and payments, until June 30, 2015.
 - (d) Ohio Adm.Code 4901:1-13-11(G)(2), which addresses the consolidated bill and partial payment application requirements that are contained in the MGSS rules applicable to gas or natural gas companies' customer billing and payments, for an indefinite duration.
 - (e) Ohio Adm.Code 4901:1-18-06(F)(3), which addresses the new resident and landlord reversion agreement contained in the disconnection procedures for electric, gas, and natural gas utilities, until June 30, 2015.
 - (f) Ohio Adm.Code 4901:1-18-15(G), which addresses the new payment arrangements

contained in the general percentage of income payment plan (PIPP) provisions, until June 30, 2016.

The requirements in these rules will be further delineated below under our consideration of the requested waivers.

Motion to Intervene by the Ohio Consumers' Counsel

- (5) On February 13, 2015, the Ohio Consumers' Counsel (OCC) filed a motion to intervene and initial comments regarding DEO's application. OCC contends that DEO actively participated in the proceedings for the *MGSS Rules Case* and the *Disconnect Rules Case*, raising issues about the rules it now seeks to waive. OCC adds that it complies with standards set forth in R.C. 4903.221(B) for intervention, because it represents residential customers by advancing consumer protection laws and regulations; thus, making its position directly related to the merits of the case. OCC further asserts that its intervention will not prolong or delay the proceedings, and will contribute to full development and resolution of factual issues.

OCC does not object to DEO's waiver request concerning Ohio Adm.Code 4901:1-13-11(C) and 4901:1-18-06(F)(3). However, OCC requests that the Commission deny DEO's waiver request from Ohio Adm.Code 4910:1-13-05(E), 4901:1-18-15(G), and 4901:1-13-05(A)(1), (A)(4), (C)(4), and (C)(5). OCC did not comment on DEO's waiver request for Ohio Adm.Code 4901:1-13-11(G)(2).

- (6) DEO filed its memorandum contra the motion to intervene on February 19, 2015. DEO contends that OCC has not demonstrated, as required by R.C. 4903.221(B)(2), that its legal position is related to the merits of the case. DEO emphasizes that its waiver application discusses implementation issues that must be resolved to ensure compliance with the new rules, especially reprogramming of information technology (IT) systems, and that time and resources are needed to address new reporting and rescheduling requirements, new PIPP system requirements, and hiring and training of additional qualified employees.

DEO adds that, by not preparing comments related to the issues that it has raised, OCC clearly demonstrates that its intervention will prolong or delay the proceeding, and will not contribute to full development and fair resolution of the factual issues.

- (7) OCC replied to DEO's memorandum contra on February 26, 2015. OCC notes that the Supreme Court of Ohio has confirmed its right to intervene in Commission proceedings to represent interests not represented by any other party to the proceedings, and when intervention will not delay the proceedings or cause prejudice to any party. Further, asserts OCC, DEO does not provide evidence of how OCC's intervention would prolong or delay the proceeding, and has not demonstrated good cause to waive compliance until November 30, 2016, for rules set forth in the *MGSS Rules Case*.
- (8) Upon consideration of OCC's motion to intervene and the responsive pleading, the Commission finds that the motion is reasonable and should be granted.

Minimum Customer Service Levels - Ohio Adm.Code 4901:1-13-05(A)(1), (A)(4), (C)(4), and (C)(5) (Time Frames for New Requests for Service and Cancelled Service Appointments)

- (9) In the application, DEO requests a waiver of Ohio Adm.Code 4901:1-13-05(A)(1), (A)(4), (C)(4), and (C)(5), which address the time frames for new requests for service and cancelled service appointments for the minimum service levels contained in the MGSS, until November 30, 2016. DEO asserts a waiver of these rules is necessary to allow DEO to achieve full compliance. DEO explains that the revisions to Ohio Adm.Code 4901:1-13-05(A)(1) and (A)(4) reduce the number of days in which it may complete new requests for service from five to three business days. In addition, DEO observes, the revisions to Ohio Adm.Code 4901:1-13-05(C)(4) and (C)(5) require DEO to provide customers that cancel service appointments with either a next-day appointment with no expected arrival time window or a four-hour window within two business days. DEO asserts that, to determine the programming necessary to implement such rule changes, it must first determine

whether and to what extent such rules apply to existing business processes; then, subsequently, time is needed to determine and implement changes in its business processes, and to increase the qualified field resources necessary to ensure compliance. DEO notes that the rule revisions require simultaneous compliance with newly accelerated completion deadlines and reduced rescheduling windows, necessitating significant programming of its customer care, mobile dispatch, and workforce management systems. DEO's IT group estimates that it will need until November 30, 2016, to complete the programming and field testing necessary to implement the system changes.

DEO further contends that the new requirements, especially during fall and winter peak scheduling periods, will require substantial increases in its staffing, fleet, and other field resources. DEO asserts that, given the need for increased field resources and the lag of determining, hiring, and training the proper number of personnel, it will not be able to achieve necessary staffing levels until at least November 30, 2016.

- (10) OCC contends that DEO objected to revisions to Ohio Adm.Code 4901:1-13-05(A)(1), (A)(4), (C)(4), and (C)(5) in its comments filed initially and on rehearing to the *MGSS Rules Case*. OCC adds that the Commission has already denied such objections and, because DEO has presented no new compelling information, the waiver request should be rejected. Further, regarding Ohio Adm.Code 4901:1-13-05(A)(1) and (A)(4), OCC notes that, in the *MGSS Rules Case*, the Commission concluded that the estimated cost impact associated with the rule changes did not constitute a major increase that would outweigh the benefit of having service to customers started within a reasonable amount of time, and that electric utilities had to establish service within a three-day time frame.

Concerning revised Ohio Adm.Code 4901:1-13-05(C)(4), and (C)(5), states OCC, the Commission determined that the rule requires that, if either the company or the customer is unable to meet the scheduled appointment, the company must offer the customer either a next business day appointment with no expected arrival time window or a four-hour window

appointment within two business days. According to OCC, the Commission explicitly said that such provisions do not favor customers that cancel an appointment compared to customers that have an appointment cancelled by DEO. Further, adds OCC, the Commission reasoned that the rule was intended to afford comparable treatment in rescheduling of service appointments, regardless of whether the initial appointment was cancelled by the customer or DEO.

- (11) The Commission has reviewed DEO's application, as well as the responsive comments and replies. Initially, we note that Ohio Adm.Code 4901:1-13-02(C) provides that the Commission may, upon an application or a motion filed by a party, waive any requirement of Ohio Adm.Code Chapter 4901:1-13, other than a requirement mandated by statute, for good cause shown.

We find that DEO has shown good cause for a waiver of Ohio Adm.Code 4901:1-13-05(A)(1) and (A)(4), in light of the system and personnel changes necessitated by the accelerated timeframe for new service installations and rescheduled completion dates. However, we note that DEO's request for a waiver through November 30, 2016, would allow DEO to continue its five-day installation time through the start of two winter heating seasons, a period during which it is essential to install new service quickly. Therefore, the waiver should be granted through December 31, 2015, a period of time we find more reasonable, given that the waiver may result in a longer waiting period for customers seeking to initiate or upgrade their service, and the fact that DEO has already had considerable time to prepare for the rule amendments, as approved by the Commission on July 30, 2014, in the *MGSS Rules Case*. By granting the waiver through December 31, 2015, we also find that DEO's annual reporting will benefit from improved internal consistency, as it will reflect a full 12 months of performance data under the new three-day timeframe for new service installations and rescheduled completion dates, with the reporting period beginning on January 1, 2016.

Regarding DEO's request for a waiver from Ohio Adm.Code (C)(4) and (C)(5), the Commission must first make a distinction between a cancelled appointment and a missed appointment. We believe that an appointment is considered cancelled by a customer if the company calls ahead, the customer does not answer the call, and the company does not proceed to the premises. In such circumstances, the rule requires the company to offer the customer either a next-business day appointment with no expected arrival time or a four-hour appointment window within the next two business days. In contrast, in a situation where the company calls ahead, the customer does not answer the call, and the company technician proceeds to the premises but does not find the customer there, we believe that the customer has missed the appointment and would need to call the company to reschedule; thus, the three-day installation time would apply. With the preceding clarification in mind, we find that DEO has shown good cause for the waiver, given the reprogramming of DEO's customer information systems that will be required. However, its waiver request through November 30, 2016, would unreasonably extend a customer's wait from three to five days to have service turned on. For this reason, and for the same reasons noted above with respect to Ohio Adm.Code 4901:1-13-05(A)(1) and (A)(4), we find that the waiver of Ohio Adm.Code 4901:1-13-05(C)(4) and (C)(5) should only be granted through December 31, 2015.

Minimum Customer Service Levels - Ohio Adm.Code 4901:1-13-05(E)
(Reporting Requirements)

- (12) In the application DEO requests a waiver of Ohio Adm.Code 4901:1-13-05(E), which addresses the reporting requirements for the minimum service levels contained in the MGSS, until November 30, 2015. DEO notes that, as revised, this rule requires local distribution companies to satisfy certain reporting requirements. DEO requests a waiver of Ohio Adm.Code 4901:1-13-05(E), only as it applies to Ohio Adm.Code 4901:1-13-05(C), which concerns the reporting standards for scheduled appointments with customers. DEO contends that the first step in determining what programming is necessary for compliance is to understand

how the rule applies to existing processes and, specifically, what must be reported. DEO adds that it will address its questions to Staff to ensure that it understands the rule and can achieve compliant reporting. For example, explains DEO, it is not clear whether or to what extent the rescheduling rules apply to noncancelled, no-show appointments by the customer.

- (13) OCC observes that revised Ohio Adm.Code 4901:1-13-05(E) requires that, if a company does not meet minimum service standards for any two consecutive months in any 12-month time frame, it must notify Staff. Further, adds OCC, the rule states that, if a gas company does not meet the minimum service standards for two consecutive months, the utility and the Commission should recognize that customers are not receiving the minimum protections that the revised rules require. OCC asserts that, in the *MGSS Rules Case*, the Commission disagreed with DEO's contention that such stringent requirements are necessary only for utilities with customer service problems. OCC asserts that DEO understood the proposed rules well enough to provide comments and reply comments during proceedings in the *MGSS Rules Case*, and has had ample time to contact Staff for clarification of the rules. OCC recommends that the Commission deny the waiver request.
- (14) Regarding DEO's request for a waiver of Ohio Adm.Code 4910:1-13-05(E), as it applies to Ohio Adm.Code 4901:1-13-05(C), we find that the DEO has shown good cause for its request, in light of the new programming required to track the necessary activities. Therefore, we grant DEO's request for a waiver through November 30, 2015.

Gas or Natural Gas Company Customer Billing and Payments - Ohio Adm.Code 4901:1-13-11(C) (Due Date of Residential Bills Issued From Out-of-state)

- (15) In its application, DEO requests a waiver of revised Ohio Adm.Code 4901:1-13-11(C), which addresses the due dates of residential bills issued from out-of-state that is contained in the MGSS rules applicable to gas or natural gas companies' customer billings and payments, until June 30, 2015. DEO observes that revised Ohio Adm.Code 4901:1-13-

11(C), extends 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 contends that, while the 17-day due date does not, by itself, require extensive reprogramming of its billing systems, it will be necessary to evaluate this requirement in conjunction with other required changes to its Customer Care system, so that all changes are appropriately integrated. DEO adds that, if the waiver is granted, there will be no effective impact upon customers, because DEO already ensures that out-of-state bills are delivered in the same time frame as if the bills were printed in Ohio, and no late-payment charges are assessed if payment is received before the next bill is generated. No one objected to DEO's request for waiver of this rule.

- (16) The Commission finds that DEO's request for a waiver from Ohio Adm.Code 4901:1-13-11(C) is reasonable and should be granted through June 30, 2015.

Gas or Natural Gas Company Customer Billing and Payments - Ohio Adm.Code 4901:1-13-11(G)(2) (Consolidated Bills – Partial Payments)

- (17) In its application, DEO requests a waiver of Ohio Adm.Code 4901:1-13-11(G)(2) Ohio Adm.Code 4901:1-13-11(G)(2), which addresses the consolidated bill and partial payment application requirements that are contained in the MGSS rules applicable to gas or natural gas companies' customer billing and payments, for an indefinite period of time. DEO notes that in the *MGSS Rules Case*, the Commission approved relocating the provisions of Ohio Adm.Code 4901:1-29-12(F), concerning application of partial payments, to Ohio Adm.Code 4901:1-13-11(G)(2). DEO adds that, aside from the relocation, no substantive changes were made to the rule.

DEO also states that, in *In re the East Ohio Gas Company d/b/a Dominion East Ohio*, Case No. 05-123-GA-UNC, Entry, (Mar. 9, 2005), the Commission granted DEO an indefinite waiver from the partial-payment rule, because DEO purchases the receivables from competitive retail natural gas suppliers and applies payments received to the oldest utility balances, without regard to whether the balances comprise supplier or DEO charges. DEO states that it is unclear

whether additional action is needed to continue the waiver, but, because neither the rule itself nor the underlying circumstances have changed, good cause exists for the Commission to, if necessary, continue DEO's indefinite waiver from new Ohio Adm.Code 4910:1-13-11(G)(2). DEO acknowledges that all requirements and conditions set forth in the original Entry approving the waiver will continue to apply. No one objected to DEO's request for waiver of this rule.

- (18) The Commission finds that DEO's waiver request from Ohio Adm.Code 4901:1-13-11(G)(2) is reasonable and should continue for an indefinite period of time.

Disconnection Procedures for Electric, Gas, and Natural Gas Utilities - Ohio Adm.Code 4901:1-18-06(F)(3) (New Resident and Landlord Reversion Agreement)

- (19) In its application, DEO requests a waiver of revised Ohio Adm.Code 4901:1-18-06(F)(3), which addresses the new resident and landlord reversion agreement contained in the disconnection procedures for electric, gas, and natural gas utilities, until June 30, 2015. DEO notes that this rule requires that when a new resident becomes a consumer of gas service that was left on because of a landlord reversion agreement, the consumer will be financially responsible for the utility service consumed from the date of moving in, as indicated in the terms of the lease. DEO asserts that it is unclear what the revised rule is intended to require, and it proposes to work with Staff to ensure that DEO understands the intent of the revisions; thus, enabling it to determine the changes it needs to implement. No one objected to DEO's request for waiver of this rule.

- (20) The Commission finds that DEO's request for a waiver from Ohio Adm.Code 4901:1-18-06(F)(3) is reasonable and should be granted through June 30, 2015.

General PIPP Provisions - Ohio Adm.Code 4901:1-18-15(G) (New Payment Arrangement)

- (21) In its application, DEO requests a waiver of revised Ohio Adm.Code 4901:1-18-15(G), which addresses the new

payment arrangements contained in the general PIPP provisions, until June 30, 2016. DEO explains that this rule requires public utilities to offer a new payment arrangement to PIPP Plus customers who, under certain conditions, close accounts with arrearages. The revised rule allows the payment to be no more than the total accumulated arrearage divided by 60, so that each time the former PIPP Plus customer makes a payment by the due date, the utility reduces the arrearage by one-twelfth. DEO contends that implementing such rule revisions will require "a major reprogramming effort," including changes to DEO's bill printing and programmed credit schedules, and to certain subsystems of its customer care system that track PIPP Plus, Graduate PIPP, and post-PIPP activity. DEO adds that the programming necessary to implement the rule change cannot be initiated until implementation and testing of Ohio Adm.Code 4901:1-13-11(C), which concerns extending the due date of residential bills issued from out-of-state to a minimum 17 days from the date of bill issuance.

- (22) OCC asserts that DEO objected to the proposed changes to Ohio Adm.Code 4901:1-18-15(G) in the *Disconnect Rules Case*, but the Commission ruled against DEO's objections. OCC adds that DEO is not presenting any new evidence to justify a delay in implementing the rule.
- (23) The Commission finds that DEO has shown good cause for the requested waiver and, therefore, grants the waiver through June 30, 2016. In so doing, the Commission recognizes DEO's contention that the rule revisions will require reprogramming, including changes to DEO's bill printing and programmed credit schedules, and to subsystems of its customer Care system that track various PIPP and post-PIPP matters. The Commission further notes DEO's assertion that the programming necessary to implement the rule change cannot be initiated until implementation and testing of Ohio Adm.Code 4901:1-13-11(C), which concerns extending the due date of residential bills issued from out-of-state to a minimum 17 days from the date of bill issuance.

- (24) As a final matter, with respect to the waivers that have a limited duration, the Commission emphasizes that it is our expectation that DEO will do everything possible to complete the programming expeditiously so as to comply with the rules much sooner than the allowed time frame.

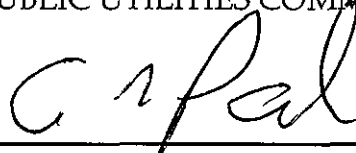
It is, therefore,

ORDERED, That DEO's application for a waiver be granted to the extent set forth in this Entry. It is, further,

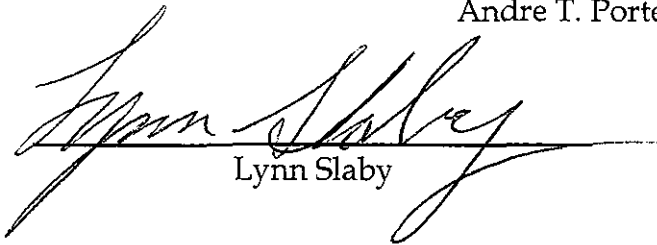
ORDERED, That OCC's motion to intervene is granted. It is, further,

ORDERED, That a copy of this Entry be served upon all parties of record.

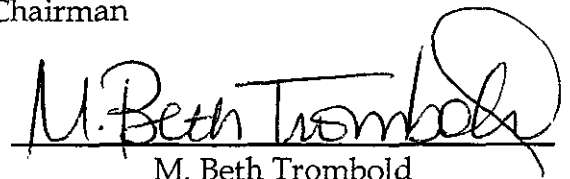
THE PUBLIC UTILITIES COMMISSION OF OHIO



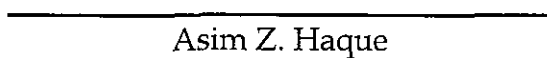
Andre T. Porter, Chairman



Lynn Slaby



M. Beth Trombold



Asim Z. Haque



Thomas W. Johnson

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Entered in the Journal

MAY 20 2015



Barcy F. McNeal
Secretary