

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Review of the Energy	)	
Shortage Emergency Rules in Ohio Adm.	)	
Code Chapters 4901:5-17, 4901:5-19, 4901:5-	)	Case No. 16-0567-AU-ORD
21, 4901:5-23, 4901:5-25, 4901:5-29, 4901:5-	)	
33, 4901:5-35, and 4901:5-37.	)	

**COMMENTS OF DUKE ENERGY OHIO, INC. AND  
THE EAST OHIO GAS COMPANY D/B/A DOMINION EAST OHIO**

**I. INTRODUCTION**

In accordance with the Commission’s November 3, 2016 Entry in this case, Duke Energy Ohio, Inc. and The East Ohio Gas Company d/b/a Dominion East Ohio (collectively, the Companies) file their initial comments to the rules and proposed revisions contained in Ohio Adm. Code Chapter 4901:5-25, concerning Gas Emergencies.

**II. COMMENTS**

**A. Ohio Adm. Code 4901:5-25-04**

Staff proposes amending the rules to authorize use of “electronic notice” to notify consumers of an imminent gas shortage. The Companies support this addition, which both is reasonable and matches current practices.

**B. Ohio Adm. Code 4901:5-25-05**

**1. Paragraph (A): Calculation of gas supply; curtailment orders.**

Staff did not propose revisions to this section, but the Companies would offer a pair of recommendations. Rule 4901:5-25-05(A)(2)(a) states that upon declaration of an emergency, the Commission “may calculate the remaining gas supply for priority use in a reasonable manner.” And subparagraphs (A)(2)(d)(i) through (iii) authorize the Commission to require gas

suppliers “by order” to reallocate and curtail gas supplies, to fulfill priority use requirements, and to transfer gas supplies to other suppliers.

The Companies do not oppose these rules. They appreciate that the Commission should have the power to determine available supply in the event of an energy emergency and, if necessary, issue orders directing gas supplies. Nevertheless, the Companies would note that what supply is actually available in various parts of the system, at what time, at what pressure, and so forth, is not a simple matter of subtracting load from supply. These determinations depend on numerous factors and data points, requiring highly sophisticated modeling software and up-to-the-minute information regarding system conditions. The information needed to accurately determine available supply may not be at the Commission’s disposal. In view of this complexity, an order to curtail or redirect gas supplies (particularly during a shortage) could be unrealistic, and even harmful to the operation of the system. Gas suppliers operate their systems year-round and around the clock, and the supplier’s technical perspective should be sought and considered before any operational order is issued.

It is critical that the Commission have the most accurate and up-to-date information available. And it is just as critical that any order affecting the operation of a gas system fully take that information and the utility’s expertise into account. Accordingly, the Companies recommend revising these rules to acknowledge the need for a cooperative process. The Companies propose the following revisions:

(A)(2) The commission may:

(a) Calculate, in consultation with the gas supplier(s), the remaining gas supply for priority use in a reasonable manner. . . .

\* \* \*

(d) Require, by order, any gas supplier to take the following actions, to the extent possible given available gas supplies:

- (i) Reallocate and/or curtail gas supplies among its consumers,
- (ii) Fulfill gas priority use requirements for its consumers.
- (iii) Transfer gas supplies to other gas suppliers to fulfill gas priority use requirements of consumers of the recipient gas suppliers.
- (iv) Monitor consumer compliance with mandatory emergency actions.

## **2. Paragraphs (B)–(D): Mandatory curtailment stages**

These paragraphs set forth actions to be taken by gas suppliers at various stages of mandatory curtailment. For example, during stage one, “All interruptible gas service shall be curtailed.” Ohio Adm. Code 4901:5-25-05(B)(2). During stage two, “All firm gas service to any consumer in excess of fifty thousand cubic feet per day shall be curtailed, except for service for any priority use.” *Id.* (C)(1). At stage three, “All firm gas service shall be curtailed, except for service for any priority use.” *Id.* (D)(1). Other provisions of the rules address curtailment of demand.

The Companies appreciate the intent behind these rules. The progression in curtailment beginning with interruptible service is generally sensible, as is the need to have fixed standards applicable to the curtailment of demand. The Companies, however, are concerned that for gas suppliers, the proposed remedial actions are too broad and could not realistically be implemented in many situations. As discussed above, pipeline systems are highly complex and during a shortage, different areas within the system will be subject to different operating conditions and limitations. Some portions of a system may have ample supply and pressure, while other portions at the very same time may be heavily constrained.

While there may be situations in which a one-size-fits-all approach may work, in many cases a system-wide remedy may be counterproductive and could result in the unnecessary disruption of service. The curtailment plans that the Companies have on file with the Commission recognize this and provide a much more granular, localized approach to curtailment in the event of a gas shortage. For example, during the recent “polar vortex,” it was only necessary for DEO to issue operational flow orders to specific areas on its system; most customers were not affected and continuity of service was never at issue. While system-wide actions may be necessary in some circumstances, the overarching goal should be to minimize curtailment and disruption.

To be clear, the Companies do not question that the Commission should retain authority to order system-wide actions if that is necessary. And the Companies agree that fixed, system-wide requirements are necessary on the demand side, given the lack of centralization and communication channels. But on the supply side, gas suppliers have both the knowledge of the facts and the operational ability to respond quickly and in a more targeted manner than can possibly be accounted for in written rules. Thus, the Companies recommend that the Commission’s rules should recognize the critical role that curtailment plans and operational resources play in protecting priority-use customers while minimizing the disruption of service.

To these ends, the Companies propose the following revisions:

(B) Mandatory curtailment - stage one. During an energy emergency, at such time as the governor or the commission determines that it is appropriate, the following provisions shall be applicable in addition to the provisions set forth in paragraph (A) of this rule:

\* \* \*

(2) Gas suppliers shall implement emergency curtailment plans to the extent necessary to protect service to priority-use customers; if

specifically so ordered by the governor or the commission, all ~~All~~  
interruptible gas service shall be curtailed.

\* \* \*

(C) Mandatory curtailment - stage two. During an energy emergency, at such time as the governor or the commission determines that it is appropriate, the following provisions shall be applicable in addition to the provisions set forth in paragraph (B) of this rule:

(1) Gas suppliers shall continue to implement emergency curtailment plans to the extent necessary to protect service to priority-use customers; if specifically so ordered by the governor or the commission, all ~~All~~-firm gas service to any consumer in excess of fifty thousand cubic feet per day shall be curtailed, except for service for any priority use.

\* \* \*

(D) Mandatory curtailment - stage three. During an energy emergency, at such time as the governor or the commission determines that it is appropriate, the following provisions shall be applicable in addition to the provisions set forth in paragraph (C) of this rule:

(1) Gas suppliers shall continue to implement emergency curtailment plans to the extent necessary to protect service to priority-use customers; if specifically so ordered by the governor or the commission, all ~~All~~-firm gas service shall be curtailed, except for service for any priority use.

### **III. CONCLUSION**

The Companies appreciate the opportunity to comment on these rules. For the foregoing reasons, the Companies respectfully request that the Commission act in accordance with their comments.

Dated: December 2, 2016

Respectfully submitted,

/s/ Jeanne W. Kingery per authorization

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Summary: Comments electronically filed by Ms. Rebekah J. Glover on behalf of The East Ohio Gas Company d/b/a Dominion East Ohio and Duke Energy Ohio, Inc.