

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 APPROVAL
OF TARIFFS TO ADJUST ITS AUTOMATED
METER READING COST RECOVERY
CHARGE TO RECOVER COSTS INCURRED
IN 2016.

CASE NO. 16-2206-GA-RDR

FINDING AND ORDER

Entered in the Journal on April 19, 2017

I. SUMMARY

{¶ 1} The Commission approves the application of The East Ohio Gas Company d/b/a Dominion East Ohio to adjust its automated meter reading cost recovery charge.

II. DISCUSSION

{¶ 2} The East Ohio Gas Company d/b/a Dominion East Ohio (DEO or Company) is a natural gas company as defined in R.C. 4905.03 and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4929.11 provides that the Commission may allow any automatic adjustment mechanism or device in a natural gas company's rate schedules that allows a natural gas company's rates or charges for a regulated service or goods to fluctuate automatically in accordance with changes in a specified cost or costs.

{¶ 4} On October 15, 2008, the Commission approved a stipulation that, in part, provided that the accumulation by DEO of costs for the installation of automated meter reading (AMR) technology may be recovered through a separate charge (AMR cost recovery charge). The AMR cost recovery charge was initially set at \$0.00. The Commission's Opinion and Order contemplated periodic filings of applications and adjustments for the AMR cost recovery charge. *In re The East Ohio Gas Co. d/b/a Dominion East Ohio*, Case No. 07-829-GA-AIR, et al. (*DEO Distribution Rate Case*), Opinion and Order (Oct. 15, 2008).

{¶ 5} DEO's current AMR cost recovery charge of \$0.46 per customer per month was approved by the Commission on April 20, 2016. *In re The East Ohio Gas Co. d/b/a Dominion East Ohio*, Case No. 15-1986-GA-RDR, Finding and Order (Apr. 20, 2016).

{¶ 6} On November 29, 2016, DEO filed its prefiling notice in the above-captioned case. On February 28, 2017, DEO filed an application requesting an adjustment to its current AMR cost recovery charge, in accordance with the procedure approved in the *DEO Distribution Rate Case*, for costs incurred during the calendar year 2016. Along with its application, DEO also filed the direct testimony of Vicki H. Friscic.

{¶ 7} In its February 28, 2017 application, DEO requests that the Commission approve an adjustment to DEO's AMR cost recovery charge from \$0.46 per customer per month to \$0.44 per customer per month, as shown below, to reflect costs during the 2016 calendar year.

Current Rate	Proposed Rate	Proposed Decrease
\$0.46 per month	\$0.44 per month	\$0.02 per month

{¶ 8} In her testimony, Ms. Friscic affirms that DEO calculated the AMR cost recovery charge in a manner consistent with the revenue requirement calculation in the last rate case, and provided detailed discussion as to how such calculations were made in the instant case (DEO App., Att. C at 2-7). Ms. Friscic offers that, in 2016, DEO achieved \$6,104,509.27 in meter-reading operations and maintenance (O&M) expense savings for its customers, compared to that expense for the 2007 baseline year. Further, in 2016, DEO realized savings of \$82,712.84 in call-center O&M expenses compared to that expense for the 2007 baseline year. (DEO App., Att. C at 7-8.)

{¶ 9} By Entry issued March 1, 2017, the attorney examiner set a March 24, 2017 deadline for filing motions to intervene. The attorney examiner also required that Staff and intervenor comments on the application be filed by March 24, 2017, and that DEO file, by

March 30, 2017, a statement informing the Commission whether all issues raised in the comments had been resolved.

{¶ 10} Staff filed comments on DEO's application on March 24, 2017. No other comments were filed.

{¶ 11} In its comments, Staff states that its findings and recommendations result from financial reviews of DEO, including assessment of the Company's proposed revenue requirement, matters related to its program to install AMR equipment on customer meters throughout its service area, and the associated AMR cost recovery charge. Staff notes that, although DEO completed installation of AMR devices throughout its system in 2012, it will continue to incur recoverable AMR-related costs such as depreciation and property tax expenses and continue to reduce the AMR cost recovery charge by the annual O&M savings resulting from the AMR deployment. Staff further notes that, as a result, the Company will continue to file annual applications until the AMR costs are included in its base rates in its next base rate case. In addition, Staff confirms that DEO properly applied the depreciation rates adopted in *In re The East Ohio Gas Co. d/b/a Dominion East Ohio*, Case No. 13-1988-GA-AAM, Finding and Order (Oct. 23, 2013).

{¶ 12} Staff states that, based on its review, it has no objections to DEO's application to adjust the Company's AMR cost recovery charge. Consequently, Staff recommends that the Commission approve the application as filed.

{¶ 13} On March 28, 2017, 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 28, 2017 application as filed.

{¶ 14} Upon consideration of the application and the comments filed by Staff, the Commission finds that DEO's application to adjust its AMR cost recovery charge to \$0.44 per customer per month is reasonable and should be approved.

III. ORDER

{¶ 15} It is, therefore,

{¶ 16} ORDERED, That DEO's application to adjust its AMR cost recovery charge is approved. It is, further,

{¶ 17} 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,

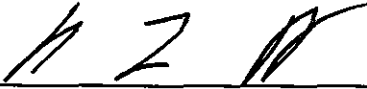
{¶ 18} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

{¶ 19} 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 ten days prior to its distribution to customers. It is, further,

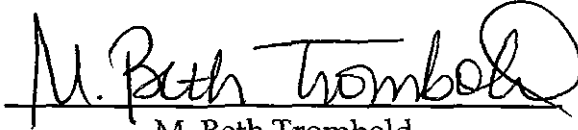
{¶ 20} ORDERED, That nothing in this Finding and Order shall be binding upon the Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO



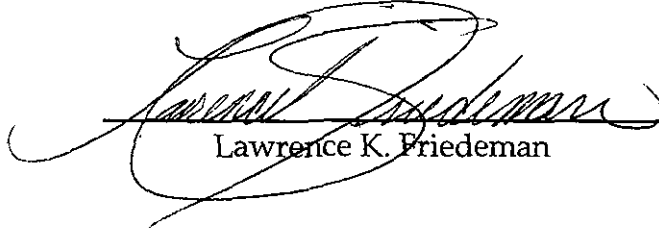
Asim Z. Haque, Chairman



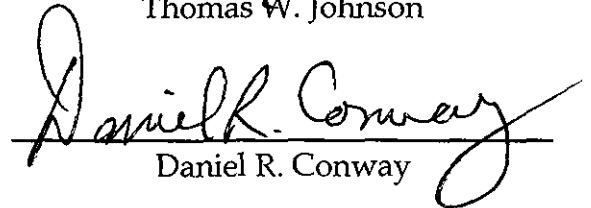
M. Beth Trombold



Thomas W. Johnson



Lawrence K. Friedeman

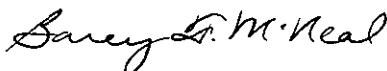


Daniel R. Conway

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Barcy F. McNeal
Secretary