



**Public Utilities
Commission**

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FILE

May 26, 2017

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PUCO

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RE: *Demand Side Management Tariff Filing of the East Ohio Gas Co. d/b/a Dominion East Ohio, Case No. 89-8006-GA-TRF.*

Enclosed please find the Staff's Comments regarding the Demand Side Management rider and program of East Ohio Gas Company d/b/a Dominion East Ohio as filed in Case No. 89-8006-GA-TRF.

Respectfully submitted,

Tamara S. Turkenton
Chief, Regulatory Services Division
Public Utilities Commission of Ohio

David Lipthratt
Chief, Research and Policy Division
Public Utilities Commission of Ohio

Enclosure
cc: Parties of Record

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Dominion East Ohio
Case No. 89-8006-GA-TRF

OVERVIEW

In Case No. 07-829-GA-AIR, the Commission authorized Dominion East Ohio (DEO) to recover \$4.0 million annually in Demand-Side Management (DSM) expenditures, plus or minus any over-or-under recoveries, through a DSM rider. DEO's initial DSM rider rate was \$0.0279 per Mcf.

On November 22, 2016, DEO submitted an updated DSM rider tariff and related schedules supporting an increase in the rider rate from \$0.0264 per Mcf to \$0.0332 per Mcf. Subsequently, Staff initiated an audit of DEO's DSM rider for the period October 1, 2015, through September 30, 2016, and presents its findings and recommendations in this Staff letter.

STAFF REVIEW

Staff's audit of DEO's DSM program consisted of an analysis of the incurred costs in order to evaluate prudence and appropriateness for recovery, as well as confirmations of the calculations to verify the accuracy of the revenue requirement calculation. Staff conducted this audit through a combination of document reviews, interviews, and interrogatories as needed.

CONCLUSION

Staff completed its audit of DEO's DSM rider for the period October 1, 2015, through September 30, 2016, believes DEO appropriately calculated the DSM rider rate and recommends its approval.

Additionally, Staff recommends that the Commission direct DEO to annually file a DSM rider application with supporting schedules that requests Commission approval to adjust its DSM rider rate rather than merely filing an updated tariff each year.