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August 3, 2017

Ms. Barcy F. McNeal
Director, Office of Administration
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

Re: *In re Application of Dominion Energy Ohio for Approval to Change Accounting Methods*, Case No. 15-1712-GA-AAM

Dear Ms. McNeal,

On June 1, 2017, The East Ohio Gas Company d/b/a Dominion Energy Ohio (DEO) timely filed its annual report detailing the 2016 expenses related to its Pipeline Safety Management Program, in accordance with the Commission's November 3, 2016 Opinion and Order in Case No. 15-1712-GA-AAM. The original docket had been closed, however, and per guidance received, DEO filed the annual report in a new docket, Case No. 17-1383-GA-AAM.

DEO recently received additional guidance that the annual report should be refiled in the original case docket, which has now been reopened for that purpose. DEO hereby resubmits the annual report for docketing in the above-referenced case.

Because DEO's report was timely and publicly filed in accordance with instructions received from the Commission, the refiling of the report should have no effect on any deadlines tied to the filing of that report, such as the filing of the Staff report.

Please let me know if there are any questions.

Regards,

/s/ Andrew J. Campbell
Andrew J. Campbell

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval to Change Accounting Methods	)))	Case No. 17-1383-GA-AAM

ANNUAL REPORT OF
THE EAST OHIO GAS COMPANY D/B/A DOMINION ENERGY OHIO

The East Ohio Gas Company d/b/a Dominion Energy Ohio (DEO or the Company), pursuant to the Commission's November 3, 2016 Opinion and Order in Case No. 15-1712-GA-AAM adopting the Pipeline Safety Management Program (PSMP), respectfully submits its annual report detailing DEO's PSMP-related expenses deferred in calendar year 2016 and a description of PSMP initiatives from 2016 to date. In support, DEO states as follows:

1. DEO is an Ohio corporation engaged in the business of providing natural gas service to customers in Ohio and, as such, is a "natural gas company" and "public utility" as defined by R.C. 4905.03(E) and 4905.02(A), respectively.

2. On November 3, 2016, in accordance with R.C. 4905.13, the Commission approved DEO's application to establish a regulatory asset to defer up to $15 million annually through the PSMP to reduce key risks, continue to ensure the safe and reliable operation of its system, and ensure compliance with pipeline safety laws. The Commission required DEO to file an annual report for its PSMP by June 1 each year, beginning in 2017 for calendar year 2016 expenditures, detailing the deferred expenses, baseline performance levels for each safety initiative, safety performance improvements compared to the baselines, results of ongoing and future investigations, any mid-term adjustments, and efforts towards identifying efficiencies and implementing cost-savings measures. The Commission further required DEO's annual report to include an audit report prepared by DEO's external auditor summarizing its findings

with respect to the accuracy of DEO's accounting for PSMP-related expenditures.

3. The Commission also established that, with the filing of the annual report, Staff should conduct an annual review of reported program expenditures and file a Staff Report no later than 90 days subsequent to the annual report. Once the Staff Report is filed, DEO is granted 30 days to accept Staff's recommendations or to object thereto.

4. In support of this annual report, DEO includes the following appendices:

- **Attachment A**: Schedule of Deferred Costs for the Twelve Months Ended December 31, 2016
- **Attachment B**: Report Prepared by DEO's Independent Auditor
- **Attachment C**: Programmatic Review of PSMP Initiatives for 2016 and to Date

5. The programmatic review contains various metrics, statistics, and other measures to assist in gauging and improving the effectiveness of these programs. (*See* Application ¶¶ 9–10 (Oct. 1, 2015).) With the late 2016 approval of the PSMP, these metrics, statistics, and other measures are in various states of development, but are expected to be more fully established as implementation of the PSMP progresses. Efforts are underway to identify appropriate baselines; for some initiatives, baselines will not be established until a calendar year of data is available in 2017. In accordance with the stipulation and application, the measures are subject to change based on further internal review and discussions with Staff. As the Company gains additional experience implementing and analyzing the programs, including newly available data, it may be determined that new or refined metrics provide better measures of program effectiveness.

6. The approval of PSMP application in late 2016 also delayed the implementation of a number of initiatives. As a result, all initiatives remain in early stages of development, and opportunities to identify savings and efficiencies have accordingly not yet emerged. DEO will

be identifying savings and efficiency opportunities as the initiatives are fully implemented.

7. DEO's PSMP application observed that the PSMP is "intrinsically forward looking and thus subject to further development," including the development of new initiatives in response to changing conditions or regulations. (Appl. ¶ 9.) The programmatic review discusses two new initiatives that were not included in DEO's original application: the Underground Storage Integrity Program, in response to the PHMSA rulemaking docket in 2016-0016, and Gathering Rights of Way Maintenance, in response to the PHMSA rulemaking docket no. 2010-0026 (also known as the "Miscellaneous Rule"). Only incremental expenses under these initiatives will be deferred, and their deferral will not cause DEO to exceed the $15 million annual cap on deferrals approved by the Commission. Further details regarding these initiatives are provided in Attachment C.

WHEREFORE, DEO respectfully submits this annual report for Commission Staff's review, and requests a recommendation that all 2016 PSMP-related expenses be deferred.

Dated: June 1, 2017

Respectfully submitted,

/s/ Andrew J. Campbell

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(All counsel willing to accept service by email.)

ATTORNEYS FOR THE EAST OHIO GAS COMPANY D/B/A DOMINION ENERGY OHIO

CERTIFICATE OF SERVICE

I hereby certify that a copy of this Annual Report was served by electronic mail this 1st day of June 2017 to the following:

Thomas Lindgren
Office of the Ohio Attorney General
Public Utilities Section
30 East Broad Street, 16th Floor
Columbus, OH 43215
thomas.lindgren@ohioattorneygeneral.gov

/s/ Rebekah J. Glover
One of the Attorneys for The East Ohio Gas Company d/b/a Dominion Energy Ohio

Attachment A

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE SAFETY MANAGEMENT PROGRAM (PSMP)
DEFERRED COSTS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016
CASE NO. 15-1712-GA-AAM

		January	February	March	April	May	June	July	August	September	October	November	December	Total 2016
(1)	**Beginning Balance Before Interest**	$ -	$ 113,736.09	$ 267,053.09	$ 374,119.62	$ 500,127.68	$ 872,755.62	$ 1,136,802.19	$ 1,511,382.45	$ 1,664,581.48	$ 1,879,885.09	$ 2,063,767.65	$ 2,350,001.26	$ -
(2)	**Initiatives**													
	Asset Data Collection	113,736.09	153,317.00	107,066.53	126,008.06	290,592.94	247,531.57	342,460.98	107,708.62	151,936.07	151,180.19	217,836.86	156,665.18	2,166,040.09
	Advanced Workforce Training	-	-	-	-	-	-	15,559.28	27,355.41	35,774.80	32,702.37	45,578.71	103,028.58	259,999.15
	Damage Prevention	-	-	-	-	82,035.00	16,515.00	16,560.00	18,135.00	27,592.74	-	22,818.04	26,438.80	210,094.58
	Quality Assurance Program	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	**Subtotal: Incremental Expenses**	$ 113,736.09	$ 153,317.00	$ 107,066.53	$ 126,008.06	$ 372,627.94	$ 264,046.57	$ 374,580.26	$ 153,199.03	$ 215,303.61	$ 183,882.56	$ 286,233.61	$ 286,132.56	$ 2,636,133.82
(4)	**Cumulative Balance Before Interest**	113,736.09	267,053.09	374,119.62	500,127.68	872,755.62	1,136,802.19	1,511,382.45	1,664,581.48	1,879,885.09	2,063,767.65	2,350,001.26	2,636,133.82	2,636,133.82
(5)	**Carrying Charges**	142.17	475.99	801.47	1,092.81	1,716.10	2,511.95	3,310.23	3,969.95	4,430.58	4,929.57	5,517.21	6,232.67	35,130.70
(6)	**Carrying Charges - Cumulative**	142.17	618.16	1,419.63	2,512.44	4,228.54	6,740.49	10,050.72	14,020.67	18,451.25	23,380.82	28,898.03	35,130.70	
(7)	**Cumulative Balance for Deferral**	**$ 113,878.26**	**$ 267,671.25**	**$ 375,539.25**	**$ 502,640.12**	**$ 876,984.16**	**$ 1,143,542.68**	**$ 1,521,433.17**	**$ 1,678,602.15**	**$ 1,898,336.34**	**$ 2,087,148.47**	**$ 2,378,899.29**	**$ 2,671,264.52**	**$ 2,671,264.52**
(8)	**Monthly Carrying Charge Rate**	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	
(9)	**Approved Annual Carrying Charge Rate**	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	

Attachment B

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
The East Ohio Gas Company
Cleveland, Ohio

RE: Public Utility Commission of Ohio Case No. 15-1712-GA-AAM

We have performed the procedures enumerated below which were agreed to by The East Ohio Gas Company d/b/a Dominion Energy Ohio (a wholly-owned subsidiary of Dominion Energy, Inc.) (the "Company") and the Public Utility Commission of Ohio (the "PUCO") (collectively, "the specified parties"), solely to assist the PUCO with respect to its evaluation of the Company's compliance with PUCO Case No. 15-1712-GA-AAM in conjunction with the balance of accumulated cost deferrals for the Pipeline Safety Management Program ("PSMP") for the period January 1, 2016 through December 31, 2016. The Company's management is responsible for the Company's compliance with these requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that were performed and our findings are as follows:

1. We obtained from Company management the detail of the PSMP cost deferrals by month for the period from January 1, 2016 to December 31, 2016 and agreed the total deferrals to the Company's summary schedule to be filed with the PUCO as part of the annual report, and performed the following procedures:

    a. We agreed the total deferrals in the detail obtained in Step 1 above to account 1242153 in the Company's general ledger after adjusting estimated general ledger activity to actual activity, noting a $79,572 difference. Management of the Company informed us that the difference is attributable to a correcting entry identified and recorded in the general ledger in May 2017.

    b. We haphazardly selected 3 months included in the detail obtained in Step 1 above. For each month selected, we haphazardly selected 5 individual cost line items from the detail (15 total selections) and agreed the cost included in the detail to supporting documentation for each selection.

        i. For labor charges, we recalculated the total charges selected by multiplying the total hours charged by the employee to a PSMP-related WBS code by the employee's activity rate without exception. We agreed the total hours charged

to the WBS and the employee's activity rate to the Company's payroll system, and found them to be in agreement. We inspected the Company's records and determined that the selected employees were assigned to a PSMP-eligible position.

ii. For any third party charges, we agreed the charge selected to the third party invoice, and found them to be in agreement.

2. We obtained from Company management the monthly detail of the carrying charges included in the PSMP cost deferrals for the period from January 1, 2016 to December 31, 2016 and performed the following procedures:

   a. We agreed the monthly detail of the carrying charges to the total carrying charges included in the detail obtained in Step 1 above, and found them to be in agreement.

   b. We haphazardly selected 3 months, and recalculated the monthly carrying charges for the selected months without exception by multiplying the Company's average of the monthly beginning and ending balance by the Commission approved three percent per annum rate without compounding.

   c. We reviewed the PUCO Case No. 15-1712-GA-AAM and confirmed that the Commission approved carrying charge rate is three percent per annum.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the Company's compliance with PUCO Case No. 15-1712-GA-AAM in conjunction with the balance of accumulated cost deferrals for the PSMP for the period January 1, 2016 through December 31, 2016. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

May 30, 2017

Attachment C

DAMAGE PREVENTION INITIATIVE

Unconventional Locate Expert Program:

In 2016, Dominion Energy Ohio (DEO) engaged United States Infrastructure Corporation, LLC (USIC) for unconventional locating services in order to implement the Unconventional Locate Program. The process entails identifying specific tickets on service lines that could not be located using traditional means and then referring those tickets to highly skilled crews. USIC has dedicated two crews to respond to unconventional locate tickets. These crews utilize specialty locating equipment, hand digging, or vacuum-excavation methods to locate the service line and provide DEO with updated locations so DEO systems are updated to reflect the location for future use.

Although only 2016 activity is subject to deferral, DEO first piloted this program in 2014. In 2016, USIC performed 1,981 successful locates with the unconventional locate crew. This was a 55% increase from 2015 when 1,277 services were located through this process, improving the accuracy of locating service lines.

Metrics:

- The primary metric will be damages per one thousand tickets. The baseline will be 2016, when the rate was 3.22 damages per one thousand tickets.
    - In addition, DEO is currently working with USIC to develop metrics and baselines that track improvements in the accuracy of locating service lines and reductions in excavation damages resulting from this program.

Enhanced Excavation Monitoring Program (EEMP):

Upon approval of the PSMP in November 2016, DEO began working with USIC and Opvantek, Inc. to utilize risk assessment software as a basis for the EEMP. Utilizing Optimain software, DEO created a "locate ticket risk" ranking algorithm, which identifies tickets with a high risk of damage due to excavation, and then developed a predictive model. Preliminary testing of the model on two months of locate tickets suggested an approximate success rate of 54% in identifying tickets that resulted in a damage. Once a ticket is selected by the screening process, DEO will assign field resources to monitor the excavation site to prevent damage to underground gas facilities. DEO's five-year agreement with USIC succeeds prior arrangements and will begin in the third quarter of 2017. It includes services related to enhanced excavation monitoring and ticket screening.

Metrics: DEO proposes to track the following metrics:

- The primary metric will be damages per one thousand tickets. The baseline will be 2016, when the rate was 3.22 damages per one thousand tickets. In addition, DEO intends to measure the following:
    - Total tickets assessed through the risk model.
    - The percentage of tickets that are determined to be high risk excavations.

- The total number of damages on high risk tickets.

Damage Investigation Program:

In 2016, DEO determined an appropriate organizational structure and staffing for oversight of a formal Damage Investigation Program and established a dedicated team of experts. Job descriptions were reviewed and evaluated to ensure that appropriate knowledge, skills, and abilities were in line to address all aspects of the new program.

Beginning in 2017, the supervisor and four additional positions for the new Damage Investigation Department will be filled. This team of expert resources will work with Operations, USIC, and excavators to conduct root-cause analysis of incidents. The initial team will be aligned to enhance coverage of high-volume ticket areas. In turn, the data from the investigations will be analyzed for trends and shared across the organization to identify opportunities for continuous improvement that will reduce incidents.

Metrics: DEO proposes to track the following metrics:

- The primary metric will be damages per one thousand tickets. The baseline will be 2016, when the rate was 3.22 damages per one thousand tickets. In addition, DEO intends to measure the following:
  - Quantify the number of investigations both completed and closed within a thirty-day period.
  - Determination of root cause of damage based on investigations.
  - Others as determined by baseline assessments of initial metrics.

Enhanced Leak Survey Program:

In 2017, DEO began identifying a list of pipelines that meet the criteria for the accelerated leak survey program. These pipelines are higher pressure distribution pipelines located outside of business districts that are currently being leak surveyed on a three-year cycle. These pipelines will be reviewed with Operations in the third quarter of 2017, at which time specific targets for 2017 leak surveys will be finalized. The objective will be to survey these lines once each calendar year instead of once every three years.

Metrics:

- Track the number and severity of leaks found during the accelerated leak surveys.

Excavator Communications and Training Program:

In support of RP1163 requirements to educate the public about the importance of safe excavation practices, the following initiatives were developed for 2017:

- 811 Call Before You Dig – Public Education with the Cleveland Indians
  1. Public Awareness signage installed on the left field fence in large print for viewing throughout the stadium and TV audiences.
  2. 811 messaging on the upper LED screens for a half inning per game.

3. A 10-second live radio read each game reminding listener of the importance and state law to “Call Before You Dig.”

- National Excavators Initiative
  1. DEO became a charter member of this nationwide Public Awareness campaign featuring Mike Rowe to educate the general public and excavators of the importance of “Call Before You Dig.”
  2. Program is in development with proposed production and introduction to the public in late 2017 or the first quarter of 2018.

In 2017, DEO established a Strategic Pipeline Safety Communications Review Team to optimize communications to meet targeted audience needs. DEO will be conducting market research and focus groups with target audiences to determine what methods of communications and training may be most effective to improve safe excavation practices. Using these results, DEO will then engage a third-party firm to develop a cost-effective targeted media campaign with multi-media capabilities to reach target audiences. DEO will work with this firm to establish a baseline set of metrics to evaluate the effectiveness of the program. This program will be in addition to the pipeline safety public outreach campaigns already in place.

Metrics:

- The primary metric will be damages per one thousand tickets. The baseline will be 2016, when the rate was 3.22 damages per one thousand tickets.
  - Additional baseline performance and metrics for these programs are in development with the assistance of each of the respective partners.

Cross-Bore Verification Program:

DEO’s cross-bore verification program will target older pipeline projects that were directionally drilled before all current preventive procedures were in place, to determine whether any cross bores have occurred. Verification processes include “potholing” (digging test holes) sewer laterals to verify location and condition and, where appropriate, taking video inside sewers before and after construction to verify the condition of the sewer lateral.

DEO has initially identified 58 projects that meet the criteria stated above. Beginning in 2017, project data will be analyzed and prioritized based on risk. Beginning with highest risk projects, DEO will examine these jobs and investigate for cross bores. Based on the results of the initial verifications, DEO will determine whether the program should be expanded to additional pipelines.

Metrics:

- Track cross bores identified and any remediation required.

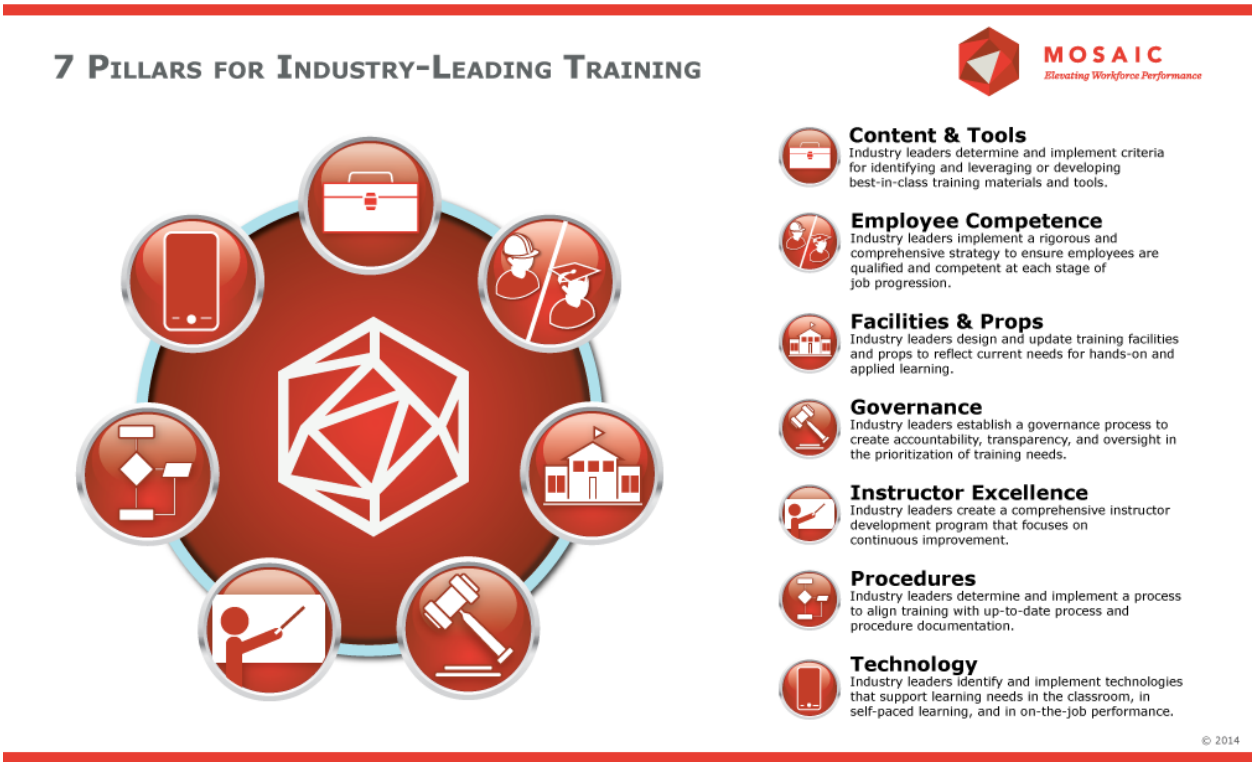
ADVANCED WORKFORCE TRAINING INITIATIVE (AWTI)

DEO's Technical Training Center was built in 2016 with "Training Town" to be completed by the second quarter of 2017. These investments provide a centralized facility to develop and utilize simulations for hands-on training that replicate in a controlled environment scenarios encountered in the field.

DEO engaged The Mosaic Company to complete a Technology Assessment and Roadmap for technical training and employee development. Mosaic is a national training and workforce consulting firm with over two hundred employees and a presence throughout the United States providing custom solutions to companies in the Utilities and Oil & Gas industries. The Technology Assessment and Roadmap identified different modes of learning and recommended technological solutions, such as computer-based training and utilization of pre- and post-assessments for students and instructors to achieve objectives identified in the AWTI. The Technology Assessment included a complete analysis of five technology components below and recommended solutions that will be implemented beginning in 2017.

- Electronic Student Feedback
- Electronic Testing
- Electronic Testing Database
- Content Management and Mapping
- Electronic Performance Support/Knowledge Management

Mosaic continued work through the remainder of 2016 and conducted a subsequent Training Risk Analysis (Employee Development Assessment). Interviews were conducted with over two hundred employees and leadership across all functional disciplines at DEO. The assessment focused on existing DEO on-the-job training practices, communication practices, organizational metrics, and employee development opportunities, as measured against Mosaic's seven Pillars of industry leading training (shown below).



The result of that work was a final comprehensive workforce training strategy, including specific success criteria for training that is the foundation for the AWTI. DEO identified five work streams to support AWTI:

- Instructor Development (Implementation third quarter 2017)
- Training Development Production Process (Implementation began second quarter 2017)
- Technology (Began implementation first quarter 2017)
- On-the-Job Training (Gas Measurement & Regulation Implementation fourth quarter 2017)
- Curriculum Development (Gas Measurement & Regulation implementation fourth quarter 2017)

Together, these work streams create the foundation of the AWTI, which allows DEO to execute training in a repeatable fashion and in the way adults learn best, namely, by incorporating process context, hands-on-practice, and real-world scenarios.

Metrics: To measure the success of the AWTI, DEO will use 2017 as the baseline for comparison and will utilize the metrics listed below:

- Instructional effectiveness (utilizing an electronic tool called SurveyMonkey)
- Knowledge assessment scores of employees completing the modified curriculum (utilizing an electronic tool called Questionmark)
- Establish a baseline time to competency by job classification for GM&R (utilizing curriculum being built for GM&R in 2017) to support the success criteria defined for DEO

- Utilization of electronic performance support tools designed to support employee classroom training, and on-the-job training models that support learning in the field and provide timely feedback to employees and instructors
- Number of employees completing training progression and refresher courses (utilizing DEO's Learning Management System) and course/refresher material built out in the electronic content management system (Xyleme)

QUALITY ASSURANCE (QA) INITIATIVE

Beginning in 2017, DEO developed job summaries/descriptions for the new role of QA Specialist and will hire two full-time employees by the third quarter of 2017. The Quality Assurance Coordinator role was developed and filled on May 1, 2017, and will oversee the QA specialists. The QA team will be a centralized, dedicated internal auditing team that will evaluate employee and contractor work performance following guidelines that will be established by the end of 2017. The program will include regularly scheduled, detailed audits to monitor compliance with standard operating procedures, PHMSA regulations and guidelines, and to identify areas for improvement by the end of 2017.

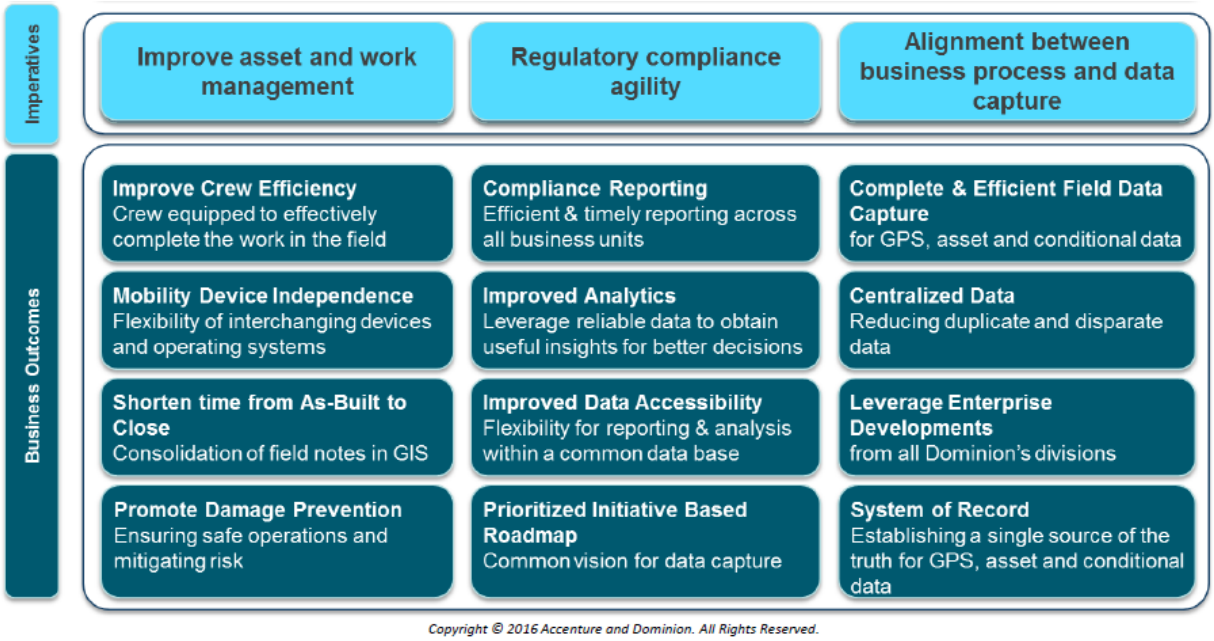
Metrics: Initial metrics listed below have been identified for this initiative. As the program matures, these metrics will be evaluated and refined or redefined as needed and appropriate baselines will be established.

- Total numbers of audits – Audits are imperative to pipeline safety because they offer a snap shot of the quality of the pipeline-related activities and those who perform them; audits enable DEO to identify activities and performance that demonstrate a high level of quality as well as gaps and corrective actions required to achieve that high level of quality.
- Total number of gaps identified – It is expected that the total number of gaps identified will decrease as the program matures.
- Analysis of QA audits to identify trends – Utilizing key stakeholders in analyzing identified trends will enable DEO to recognize areas in which it excels and areas that require improvement.

ASSET DATA COLLECTION INITIATIVE

Two primary categories of expenses were deferred under the Asset Data Collection Initiative in 2016.

First, DEO engaged Accenture beginning in March 2016 to provide an effective and innovative strategic solution to data collection that integrates existing internal data capture technologies to capture asset information from field operations. The diagram below provides the framework that was used for the 12-week engagement, with the identified imperatives and potential business outcomes, which were used to establish a preliminary roadmap.



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In 2017, DEO hired a Project Manager and selected four team leads to oversee the major components of the Asset Data Collection Initiative identified below. The diagram provided shows the overlap of activities that DEO is undertaking to improve data collection and/or workflow from paper to electronic records for improved compliance, analysis & reporting.

- Asset Data Governance – Establish cross-functional asset data ownership and governance structure, as well as a streamlined end-to-end mobile-ready construction process
- Asset Data Model Mobility – Electronic asset data capture from the field fully integrated with system of record
- Construction Optimization Process – Increased asset compliance and visibility with enterprise compliance and inspection planning for Construction activities
- Geospatial Location & GIS Assessment – Fully integrated GIS with SAP
- Analytics

Additionally, in 2016, DEO undertook review of the data for its Transmission, Storage and Gathering stations. The stations subject to review have established maximum allowable operating pressures (MAOPs), but existing record quality had not been audited. DEO completed a review of 244 Transmission, Storage and Gathering stations, evaluating them for data quality, and updating the records as appropriate. The functional type of stations being evaluated during this review includes Compressor, Measuring & Regulation, Storage Measurement Runs and Pipe and Valve Assembly Stations. As part of the review process, action items are being categorized by record completeness as compared to the standard of "traceable, verifiable and complete" (or TVC). The success of the review process includes prioritization for remediating assets to ensure they meet the TVC requirement and further ensures that DEO meets continually evolving federal requirements to "know its system." Another outcome of the 2016 data audit was the establishment of a 10-year replacement program for 742 storage measurement runs. During 2017, DEO plans to replace 40 storage measurement runs as it begins this capital replacement program, which will not be part of the O&M deferral.

Metrics:

- The current baseline for average days to final update after construction is complete and mapped to the GIS is 71 days. DEO has established the objective to improve this baseline to 60 days or less beginning in 2017.
- Baseline will be established for newly constructed pipe mapped to GIS in 2017 with unknown attributes. Once this baseline is established decreases in the instances of unknown attributes will be tracked for improvement.
- DEO will utilize the 2016 DOT Reports for legacy asset data reported as unknown for the baseline metric and set objectives to improve the number reported annually.
- Asset data metrics are still being developed to measure the enhanced alignment between business process and data capture. These metrics will be used to evaluate record completeness.

UNDERGROUND STORAGE INTEGRITY PROGRAM

In December 2016, PHMSA issued an Interim Final Rule (IFR) on underground natural gas storage. The promulgation of minimum federal standards would, for the first time, establish safety standards under the Pipeline Safety Regulations at Title 49, CFR Parts 191 and 192, for the currently unregulated facilities (including wells, wellbore tubing, and casing) at underground natural gas storage facilities. This IFR responds to Section 12 of the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016, which was enacted following the serious natural gas leak at the Aliso Canyon facility in California on October 23, 2015.

Although the program did not begin in 2016, in 2017 DEO evaluated current processes and procedures against the mandatory and non-mandatory recommendations of API 1171 to

identify gaps, and completed high-level gap analysis; DEO will work with PHMSA to develop requirements of the Final Interim Rule.

Metrics:

- Under the rule, DEO has 3 to 8 years to establish a baseline risk assessment of its assets. In 2017, DEO will prepare the first risk ranking of gas storage wells. The results will be used as a basis for planning capital improvements and preventive and mitigative tasks. DEO will assess the wells and monitor results via the risk model, with an overall goal of measuring a reduction of the risk profile across DEO's storage field assets.
- Metrics will be established following a review of the baseline assessment and will likely include number of wells logged per year, number of well reconditioning or top joint replacements, number of valves replaced, number of site safety and access measures identified and remedied.

GATHERING RIGHTS OF WAY (ROW) MAINTENANCE

Based on PHMSA "Misc. Rule" 2010-0026 – Type B, which requires annual leak surveys of gathering lines, DEO seeks to bring its gathering assets up to the standard of transmission assets with respect to ROW maintenance. Although this program did not begin in 2016, the scope of the initiative includes 1212 miles of Gathering Type B pipeline that is now required to be surveyed for leaks and abnormal operating conditions on an annual basis. DEO plans maintenance of approximately 60 miles per year, including land and environmental services in order to minimize impact on property owners and the environment.

Metrics:

- Track the annual mileage that is completed with a goal of establishing a minimum ten foot corridor.
- Track the installation of new line markers and/or updated stickers. Properly placed line markers are a leading deterrent of damages and row encroachments.
- Track damages on gathering pipelines annually.

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

8/3/2017 2:43:12 PM

in

Case No(s). 15-1712-GA-AAM

Summary: Correspondence Regarding 2017 Annual Report electronically filed by Ms. Rebekah J. Glover on behalf of The East Ohio Gas Company d/b/a Dominion Energy Ohio