

**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 to Adjust its Pipeline Infrastructure |) | Case No. 17-2177-GA-RDR |
| Replacement Cost Recovery Charge and |) | |
| Related Matters |) | |

**APPLICATION TO ADJUST THE
PIPELINE INFRASTRUCTURE REPLACEMENT COST RECOVERY CHARGE**

In accordance with the Public Utilities Commission of Ohio's (the Commission) October 15, 2008 Opinion and Order in Case No. 07-829-GA-AIR, the Commission's August 3, 2011 Opinion and Order in Case No. 11-2401-GA-ALT, and the Commission's September 14, 2016 Opinion and Order in Case No. 15-0362-GA-ALT, The East Ohio Gas Company d/b/a Dominion Energy Ohio (DEO or the Company) respectfully requests that the Commission approve: (i) the adjustment to DEO's Pipeline Infrastructure Replacement (PIR) Cost Recovery Charge set forth in Attachment A, Schedule 1, to this Application, which reflects costs associated with capital investments placed in service from January 1, 2017, through December 31, 2017, and cumulatively; and (ii) the revised PIR Cost Recovery Charge tariff sheet attached to this Application as Attachment B. In support of its Application, DEO states as follows:

1. DEO is an Ohio corporation engaged in the business of providing natural gas service to approximately 1.2 million customers in northeast, western, and southeast Ohio and, as such, is a public utility as defined by R.C. 4905.02, and a natural gas company as defined by R.C. 4905.03(E).

2. On February 22, 2008, DEO filed an application to establish a PIR Cost Recovery Charge via an automatic adjustment mechanism pursuant to R.C. 4929.11 in Case No. 08-169-

GA-UNC. DEO's application was consolidated with Case No. 07-829-GA-AIR, and the Commission approved DEO's use of an automatic adjustment mechanism to recover costs associated with the PIR program. *See* 07-829 Order at 9–10. The Order contemplated periodic filings of applications and adjustments of the rate for the PIR Cost Recovery Charge. *See id.*

3. Although the PIR Cost Recovery Charge mechanism was approved as an alternative rate plan under R.C. 4929.05, DEO's application to adjust the PIR Cost Recovery Charge will not constitute an application for an increase in rates pursuant to R.C. 4909.18. *See* Case No. 09-458-GA-RDR, Entry at 2 (July 8, 2009).

4. The current PIR Cost Recovery Charge was approved in the Commission's April 19, 2017 Order in Case No. 16-2205-GA-RDR.

5. In Case No. 15-0362-GA-ALT, the Commission approved a Stipulation and Recommendation that eliminated the cost-sharing mechanism approved in Case No. 11-2401-GA-ALT. Accordingly, the actual amount of operations and maintenance (O&M) expense savings of \$1,121,281.27 is reflected as a credit to the PIR Cost Recovery Charge revenue requirement in this filing. O&M expense savings have been calculated in accordance with the Commission's Opinion and Order in Case No. 09-458-GA-RDR.

6. On November 30, 2017, DEO submitted its Pre-Filing Notice in this case, including schedules reflecting estimated figures supporting a PIR Cost Recovery Charge.

7. On December 22, 2017, the Tax Cuts and Jobs Act (TCJA) was enacted. Among other things, the TCJA reduced the federal income tax rate for corporations from 35 percent to 21 percent effective January 1, 2018. In accordance with the TCJA, Schedule 1 of this filing reflects the following tax reform impacts:

- a. No bonus tax depreciation was taken for investments during the period October through December 2017.

- b. The pre-tax rate of return has been revised to reflect the new 21-percent income tax rate.
- c. A credit adjustment has been made to refund to customers an amount estimated to be the total billed to customers for the period January 2018 through April 2018 at the currently effective PIR Cost Recovery Charge and what the billed total would be with the federal income tax rate at 21 percent reflected in those PIR charges. This adjustment is estimated because the actual amounts for February through April 2018 are not yet known. A true-up to actual amounts will be included in the February 2019 filing.

8. In accordance with the Commission's Orders, DEO hereby submits the following schedules supporting its requested PIR Cost Recovery Charge, which are attached collectively as Attachment A:

- a. Schedule 1, which is a summary schedule reflecting the PIR revenue requirement and the proposed PIR Cost Recovery Charge by rate schedule;
- b. Schedule 2, which reflects the cumulative and incremental monthly capital additions for pipeline replacement projects, associated main-to-curb service line replacements, curb-to-meter service line replacements, and other associated PIR Program investment for the period beginning January 1, 2017, and ending December 31, 2017;
- c. Schedule 3, which reflects the cumulative and incremental monthly cost of removal associated with pipeline replacement projects, associated main-to-curb service line replacements, curb-to-meter service line replacements, and other associated PIR Program investment for the period beginning January 1, 2017, and ending December 31, 2017;
- d. Schedule 4, which reflects the cumulative and incremental monthly capital retirements associated with pipeline replacement projects, associated main-to-curb service line replacements, curb-to-meter service line replacements, and other associated PIR Program investment for the period beginning January 1, 2017, and ending December 31, 2017;
- e. Schedule 5, which reflects the incremental monthly and cumulative provision for depreciation of the capital additions;
- f. Schedule 5A, which reflects the incremental depreciation expense to be deferred and amortized over the lives of the associated assets;
- g. Schedule 6, which reflects the incremental monthly and cumulative post-in-service carrying costs, amortization of prior year post-in-service carrying

costs, and the associated net regulatory asset;

- h. Schedule 7, which reflects the incremental monthly and cumulative net deferred tax balance related to post-in-service carrying costs;
 - i. Schedule 8, which reflects deferred taxes on liberalized depreciation, taking into account 50 percent bonus tax depreciation in effect for capital additions in 2017 through September;
 - j. Schedule 9, which reflects annualized depreciation expense associated with capital additions through December 31, 2017;
 - k. Schedule 10, which reflects annualized amortization of post-in-service carrying costs;
 - l. Schedule 11, which reflects incremental and annualized property tax expense;
 - m. Schedule 12, which reflects the approved rate of return on rate base on a pre-tax basis adjusted for the TCJA federal income tax rate change;
 - n. Schedule 13, which reflects the allocation of the PIR revenue requirement by rate schedule on a cost of service basis;
 - o. Schedule 14, which reflects the number of bills issued to customers on applicable rate schedules from January 1, 2017, through December 31, 2017, and the volumes transported for DTS customers between the same dates;
 - p. Schedule 15, which reflects O&M expense savings directly associated with the PIR program for the period January 1, 2017, through December 31, 2017;
 - q. Schedule 16, which provides a reconciliation of costs recoverable and costs actually recovered in accordance with the Stipulation and Recommendation approved in Case No. 11-2401-GA-ALT;
 - r. Schedule 16A, which shows the determination of the true-up reflected on Schedule 16 between estimates included in the reconciliation of costs recoverable and costs actually recovered in Case No. 16-2205-GA-RDR and actual PIR Cost Recovery Charge recoveries;
 - s. Schedule 17, which reflects the estimated over-recovery of PIR revenue for the period January through April 2018 due to the reduction of the federal income tax rate from 35 percent to 21 percent; and
 - t. Schedule 17A, which reflects the PIR Cost Recovery Charges approved in Case No. 16-2205-GA-RDR recalculated using the pre-tax rate of return adjusted for the federal income tax rate of 21 percent.
9. As reflected in Schedule 1:

- a. The total rate base through December 31, 2017, is \$1,037,123,722.87;
- b. The annualized return on rate base is \$102,778,960.94;
- c. The annualized PIR-related revenue requirement is \$165,465,953.57;
- d. The resulting PIR Cost Recovery Charge by rate schedule is:

GSS/ECTS: \$10.23 per month;

LVGSS/LVECTS: \$59.66 per month;

GTS/TSS: \$378.04 per month;

DTS: \$0.0633 per Mcf, capped at \$1,000 per month.

10. Schedule 1 also reflects a “Reconciliation Adjustment” to the revenue requirement. This adjustment is the difference between costs recoverable and costs actually recovered as determined on Schedule 16. Section 1.j of the Stipulation approved in Case No. 11-2401-GA-ALT, which states, “The PIR Cost Recovery Charge shall include a reconciliation of costs recoverable and costs actually recovered. Any resulting reconciliation adjustment, plus or minus, shall be made to the revenue requirement of the subsequent PIR Cost Recovery Charge filing only.” And Section 1.k states, “The [rate-increase] limitations to the PIR Cost Recovery Charge do not include any adjustments attributable to the reconciliation of costs recoverable and costs actually recovered.”

11. The accompanying schedules also reflect the impact of bonus tax depreciation at a rate of 50 percent of the cost of capital investments for calendar year 2017 through September. The TCJA eliminates the availability of bonus tax depreciation for regulated entities subsequent to September 2017. Should further clarifications of this provision of the TCJA be obtained that indicate bonus tax depreciation can be taken for post-September 2017 investments, any related adjustment will be made in the February 2019 filing.

12. A revised version of DEO's tariff sheet PIR No. 1, reflecting the proposed adjustment to the PIR Cost Recovery Charge, and a scored version of this tariff sheet are attached to this Application as Attachment B.

13. The Direct Testimony of Vicki H. Friscic in support of this Application is attached as Attachment C.

WHEREFORE, DEO respectfully requests that the Commission approve DEO's Application to Adjust the PIR Program Cost Recovery Charge; approve the revised PIR Cost Recovery Charge tariff sheet attached as Application Attachment B; and order all other necessary and proper relief.

Dated: February 28, 2018

Respectfully submitted,

/s/ Andrew J. Campbell

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application was served by electronic mail to the following on this 28th day of February, 2018:

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/s/ Rebekah J. Glover
One of the Attorneys for The East Ohio Gas
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ATTACHMENT A

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
REVENUE REQUIREMENT

Attachment A
Schedule 1

| Line No. | | Approved Cumulative Through 12/31/16 | 2017 Activity | Cumulative Through 12/31/17 | Reference |
|----------|--|--------------------------------------|-------------------------|-----------------------------|--------------------------------------|
| 1 | Return on Investment | | | | |
| 2 | Plant In Service | | | | |
| 3 | Capital Additions | \$1,187,901,429.46 | \$203,713,240.13 | \$1,391,614,669.59 | Schedule 2 |
| 4 | Cost of Removal | (24,903,442.81) | (2,685,327.69) | (27,588,770.50) | Schedule 3 |
| 5 | Retirements | (52,674,285.20) | (8,578,031.10) | (61,252,316.30) | Schedule 4 |
| 6 | Total Plant In Service | 1,110,323,701.45 | 192,449,881.34 | 1,302,773,582.79 | |
| 7 | Less: Accumulated Provision for Depreciation | | | | |
| 8 | Depreciation Expense | 95,077,462.45 | 26,671,429.63 | 121,748,892.08 | Schedule 5 |
| 9 | Cost of Removal | (24,903,442.81) | (2,685,327.69) | (27,588,770.50) | Line 4 |
| 10 | Retirements | (52,674,285.20) | (8,578,031.10) | (61,252,316.30) | Line 5 |
| 11 | Total Accumulated Provision for Depreciation | 17,499,734.44 | 15,408,070.84 | 32,907,805.28 | |
| 12 | Subtotal: Net Capital Additions | 1,092,823,967.01 | 177,041,810.50 | 1,269,865,777.51 | Line 6 less Line 11 |
| 13 | Net Regulatory Asset - Post-In-Service Carrying Costs | 51,081,048.70 | 8,874,125.77 | 59,955,174.47 | Schedule 6 |
| 14 | Net Deferred Tax Balance - PISCC | (17,878,367.07) | (3,105,944.03) | (20,984,311.10) | Schedule 7 |
| 15 | Deferred Taxes on Liberalized Depreciation | (242,803,342.34) | (28,909,575.67) | (271,712,918.01) | Schedule 8 |
| 16 | Rate Base | <u>\$883,223,306.30</u> | <u>\$153,900,416.57</u> | \$1,037,123,722.87 | Lines 12 - 15 |
| 17 | Pre-Tax Rate of Return | | | 9.91% | Schedule 12 |
| 18 | Annualized Return on Rate Base | | | 102,778,960.94 | Line 16 x Line 17 |
| 19 | Operating Expense | | | | |
| 20 | Incremental Depreciation Expense | | | 469,196.69 | Schedule 5A |
| 21 | Annualized Depreciation on Assets through 12/31/2017 | | | 28,984,803.90 | Schedule 9 |
| 22 | Annualized Amortization of PISCC | | | 1,137,061.91 | Schedule 10 |
| 23 | Incremental Property Tax Expense | | | 196,989.34 | Schedule 11 |
| 24 | Annualized Property Tax Expense on Assets through 12/31/2017 | | | 31,266,565.99 | Schedule 11 |
| 25 | O&M Expense Savings | | | (1,121,281.27) | Schedule 15 |
| 26 | Revenue Adjustment - Tax Reform | | | (4,333,928.51) | Schedule 17 |
| 27 | Rate Cap Adjustment | | | 0.00 | Schedule 13 |
| 28 | Revenue Requirement Before Reconciliation Adjustment | | | 159,378,368.99 | |
| 29 | Reconciliation Adjustment | | | 6,087,584.58 | Schedule 16 |
| 30 | Annualized Revenue Requirement | | | <u>\$165,465,953.57</u> | |
| 31 | PIR Cost Recovery Charge by Rate Schedule | | | | |
| 32 | GSS / ECTS | | | \$10.23 | Per Customer Per Month - Schedule 13 |
| 33 | LVGSS / LVECTS | | | \$59.66 | Per Customer Per Month - Schedule 13 |
| 34 | GTS / TSS | | | \$378.04 | Per Customer Per Month - Schedule 13 |
| 35 | DTS | | | \$0.0633 | Per Mcf - Schedule 13 |

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
Capital Additions

Attachment A
Schedule 2

| Line No. | Capital Additions | Approved 12/31/16 | 01/31/17 | 02/28/17 | 03/31/17 | 04/30/17 | 05/31/17 | 06/30/17 | 07/31/17 | 08/31/17 | 09/30/17 | 10/31/17 | 11/30/17 | 12/31/17 |
|--------------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Cumulative | | | | | | | | | | | | | | |
| 1 | Distribution | | | | | | | | | | | | | |
| 2 | Mainline Replacement & Relocation - LP | \$424,809,212.42 | \$425,942,379.70 | \$428,551,404.74 | \$434,998,276.52 | \$437,952,670.50 | \$445,440,091.00 | \$456,932,900.64 | \$462,435,076.03 | \$469,865,175.10 | \$485,718,796.46 | \$493,042,944.05 | \$501,008,348.33 | \$513,486,701.59 |
| 3 | Mainline Replacement & Relocation - RP | 408,414,755.73 | 410,133,074.68 | 412,530,734.50 | 418,475,575.51 | 422,673,809.12 | 427,757,802.87 | 435,768,072.26 | 440,135,431.05 | 446,148,788.05 | 455,750,561.93 | 460,770,396.82 | 466,016,710.33 | 473,354,127.61 |
| 4 | M&R Structures | 904,137.11 | 916,195.21 | 917,724.50 | 930,231.67 | 936,222.79 | 937,489.97 | 937,861.81 | 937,946.35 | 948,438.81 | 1,013,564.08 | 1,014,289.72 | 1,019,725.71 | 1,135,193.61 |
| 5 | M&R Equipment | 35,100,092.61 | 35,179,829.19 | 35,222,168.10 | 35,243,801.75 | 35,357,307.36 | 35,355,361.75 | 35,382,763.27 | 35,395,178.27 | 35,734,605.34 | 36,414,371.48 | 36,718,835.56 | 37,365,585.16 | 38,905,601.98 |
| 6 | Betterments - LP | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 |
| 7 | Betterments - RP | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 |
| 8 | Services - LP | 135,742,682.07 | 137,141,612.62 | 138,557,644.98 | 140,892,641.93 | 143,009,218.85 | 145,978,875.98 | 150,552,282.43 | 153,177,705.39 | 156,782,724.79 | 161,443,730.54 | 164,433,686.41 | 168,096,682.70 | 171,532,491.46 |
| 9 | Services - RP | 130,909,997.03 | 131,386,486.11 | 131,893,952.67 | 132,951,620.67 | 133,719,603.34 | 134,505,413.11 | 135,392,870.49 | 136,164,184.15 | 137,630,017.62 | 138,775,409.98 | 139,550,702.12 | 140,179,165.16 | 141,180,000.85 |
| 10 | Subtotal Distribution | \$1,139,094,576.45 | \$1,143,913,276.99 | \$1,150,887,328.97 | \$1,166,705,847.53 | \$1,176,862,531.44 | \$1,193,188,734.16 | \$1,218,180,450.38 | \$1,231,459,220.72 | \$1,250,323,449.19 | \$1,282,330,133.95 | \$1,298,744,554.16 | \$1,316,899,916.87 | \$1,342,807,816.58 |
| 11 | Transmission - M&R | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 |
| 12 | Transmission - Mainline Replacement | 47,032,294.84 | 47,032,294.84 | 47,032,294.84 | 47,032,294.84 | 47,032,294.84 | 47,032,294.84 | 47,032,294.84 | 47,032,294.84 | 47,032,294.84 | 47,032,294.84 | 47,032,294.84 | 47,032,294.84 | 47,032,294.84 |
| 13 | Computer Software - Purchased | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 |
| 14 | Total | \$1,187,901,429.46 | \$1,192,720,130.00 | \$1,199,694,181.98 | \$1,215,512,700.54 | \$1,225,669,384.45 | \$1,241,995,587.17 | \$1,266,987,303.39 | \$1,280,266,073.73 | \$1,299,130,302.20 | \$1,331,136,986.96 | \$1,347,551,407.17 | \$1,365,706,769.88 | \$1,391,614,669.59 |
| Incremental | | | | | | | | | | | | | | |
| 15 | Distribution | | | | | | | | | | | | | |
| 16 | Mainline Replacement & Relocation - LP | | \$1,133,167.28 | \$2,609,025.04 | \$6,446,871.78 | \$2,954,393.98 | \$7,487,420.50 | \$11,492,809.64 | \$5,502,175.39 | \$7,430,099.07 | \$15,853,621.36 | \$7,324,147.59 | \$7,965,404.28 | \$12,478,353.26 |
| 17 | Mainline Replacement & Relocation - RP | | 1,718,318.95 | 2,397,659.82 | 5,944,841.01 | 4,198,233.61 | 5,083,993.75 | 8,010,269.39 | 4,367,358.79 | 6,013,357.00 | 9,601,773.88 | 5,019,834.89 | 5,246,313.51 | 7,337,417.28 |
| 18 | M&R Structures | | 12,058.10 | 1,529.29 | 12,507.17 | 5,991.12 | 1,267.18 | 371.84 | 84.54 | 10,492.46 | 65,125.27 | 725.64 | 5,435.99 | 115,467.90 |
| 19 | M&R Equipment | | 79,736.58 | 42,338.91 | 21,633.65 | 113,505.61 | (1,945.61) | 27,401.52 | 12,415.00 | 339,427.07 | 679,766.14 | 304,464.08 | 646,749.60 | 1,540,016.82 |
| 20 | Betterments - LP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 21 | Betterments - RP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 22 | Services - LP | | 1,398,930.55 | 1,416,032.36 | 2,334,996.95 | 2,116,576.92 | 2,969,657.13 | 4,573,406.45 | 2,625,422.96 | 3,605,019.40 | 4,661,005.75 | 2,989,955.87 | 3,662,996.29 | 3,435,808.76 |
| 23 | Services - RP | | 476,489.08 | 507,466.56 | 1,057,668.00 | 767,982.67 | 785,809.77 | 887,457.38 | 771,313.66 | 1,465,833.47 | 1,145,392.36 | 775,292.14 | 628,463.04 | 1,000,835.69 |
| 24 | Subtotal Distribution | | \$4,818,700.54 | \$6,974,051.98 | \$15,818,518.56 | \$10,156,683.91 | \$16,326,202.72 | \$24,991,716.22 | \$13,278,770.34 | \$18,864,228.47 | \$32,006,684.76 | \$16,414,420.21 | \$18,155,362.71 | \$25,907,899.71 |
| 25 | Transmission - M&R | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 26 | Transmission - Mainline Replacement | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 27 | Computer Software - Purchased | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 28 | Total | | \$4,818,700.54 | \$6,974,051.98 | \$15,818,518.56 | \$10,156,683.91 | \$16,326,202.72 | \$24,991,716.22 | \$13,278,770.34 | \$18,864,228.47 | \$32,006,684.76 | \$16,414,420.21 | \$18,155,362.71 | \$25,907,899.71 |
| 29 | Cumulative Current Year Additions | | \$4,818,700.54 | \$11,792,752.52 | \$27,611,271.08 | \$37,767,954.99 | \$54,094,157.71 | \$79,085,873.93 | \$92,364,644.27 | \$111,228,872.74 | \$143,235,557.50 | \$159,649,977.71 | \$177,805,340.42 | \$203,713,240.13 |

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
Cost of Removal

Attachment A
Schedule 3

| Line No. | Cost of Removal | Approved 12/31/16 | 01/31/17 | 02/28/17 | 03/31/17 | 04/30/17 | 05/31/17 | 06/30/17 | 07/31/17 | 08/31/17 | 09/30/17 | 10/31/17 | 11/30/17 | 12/31/17 | |
|-------------|---|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| Cumulative | | | | | | | | | | | | | | | |
| 1 | Distribution | | | | | | | | | | | | | | |
| 2 | Mainline Replacement & Relocation - LP | (\$11,647,436.27) | (\$11,634,651.12) | (\$11,738,357.78) | (\$11,885,456.16) | (\$11,889,601.26) | (\$11,984,707.07) | (\$12,138,714.53) | (\$12,203,397.35) | (\$12,307,149.84) | (\$12,505,227.92) | (\$12,593,025.01) | (\$12,689,269.44) | (\$12,836,026.59) | |
| 3 | Mainline Replacement & Relocation - RP | (9,090,454.99) | (9,138,984.39) | (9,215,319.55) | (9,289,871.99) | (9,338,711.37) | (9,400,843.25) | (9,490,210.43) | (9,539,457.18) | (9,608,451.67) | (9,726,421.38) | (9,788,823.41) | (9,855,249.95) | (9,999,662.82) | |
| 4 | M&R Structures | (577,147.78) | (587,415.82) | (588,712.47) | (589,064.30) | (595,053.22) | (596,251.64) | (596,221.60) | (596,301.21) | (606,324.95) | (612,472.30) | (613,163.88) | (567,682.97) | (570,902.53) | |
| 5 | M&R Equipment | (3,187,356.67) | (3,218,697.63) | (3,228,834.55) | (3,231,165.51) | (3,216,264.70) | (3,214,306.60) | (3,219,695.83) | (3,223,644.63) | (3,288,692.20) | (3,435,845.01) | (3,479,592.27) | (3,602,200.72) | (3,781,131.46) | |
| 6 | Betterments - LP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 7 | Betterments - RP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 8 | Services - LP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 9 | Services - RP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 10 | Subtotal Distribution | (\$24,502,395.71) | (\$24,579,748.96) | (\$24,771,224.35) | (\$24,995,557.96) | (\$25,039,630.55) | (\$25,196,108.56) | (\$25,444,842.39) | (\$25,562,800.37) | (\$25,810,618.66) | (\$26,279,966.61) | (\$26,474,604.57) | (\$26,714,403.08) | (\$27,187,723.40) | |
| 11 | Transmission - M&R | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 12 | Transmission - Mainline Replacement | (401,047.10) | (401,047.10) | (401,047.10) | (401,047.10) | (401,047.10) | (401,047.10) | (401,047.10) | (401,047.10) | (401,047.10) | (401,047.10) | (401,047.10) | (401,047.10) | (401,047.10) | |
| 13 | Computer Software - Purchased | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 14 | Total | (\$24,903,442.81) | (\$24,980,796.06) | (\$25,172,271.45) | (\$25,396,605.06) | (\$25,440,677.65) | (\$25,597,155.66) | (\$25,845,889.49) | (\$25,963,847.47) | (\$26,211,665.76) | (\$26,681,013.71) | (\$26,875,651.67) | (\$27,115,450.18) | (\$27,588,770.50) | |
| Incremental | | | | | | | | | | | | | | | |
| 15 | Distribution | | | | | | | | | | | | | Total | |
| 16 | Mainline Replacement & Relocation - LP | | \$12,785.15 | (\$103,706.66) | (\$147,098.38) | (\$4,145.10) | (\$95,105.81) | (\$154,007.46) | (\$64,682.82) | (\$103,752.49) | (\$198,078.08) | (\$87,797.09) | (\$96,244.43) | (\$146,757.15) | (\$1,188,590.32) |
| 17 | Mainline Replacement & Relocation - RP | | (48,529.40) | (76,335.16) | (74,552.44) | (48,839.38) | (62,131.88) | (89,367.18) | (49,246.75) | (68,994.49) | (117,969.71) | (62,402.03) | (66,426.54) | (144,412.87) | (909,207.83) |
| 18 | M&R Structures | | (10,268.04) | (1,296.65) | (351.83) | (5,988.92) | (1,198.42) | 30.04 | (79.61) | (10,023.74) | (6,147.35) | (691.58) | 45,480.91 | (3,219.56) | 6,245.25 |
| 19 | M&R Equipment | | (31,340.96) | (10,136.92) | (2,330.96) | 14,900.81 | 1,958.10 | (5,389.23) | (3,948.80) | (65,047.57) | (147,152.81) | (43,747.26) | (122,608.45) | (178,930.74) | (593,774.79) |
| 20 | Betterments - LP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 21 | Betterments - RP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 22 | Services - LP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 23 | Services - RP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 24 | Subtotal Distribution | | (\$77,353.25) | (\$191,475.39) | (\$224,333.61) | (\$44,072.59) | (\$156,478.01) | (\$248,733.83) | (\$117,957.98) | (\$247,818.29) | (\$469,347.95) | (\$194,637.96) | (\$239,798.51) | (\$473,320.32) | (\$2,685,327.69) |
| 25 | Transmission - M&R | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 26 | Transmission - Mainline Replacement | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 27 | Computer Software - Purchased | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 28 | Total | | (\$77,353.25) | (\$191,475.39) | (\$224,333.61) | (\$44,072.59) | (\$156,478.01) | (\$248,733.83) | (\$117,957.98) | (\$247,818.29) | (\$469,347.95) | (\$194,637.96) | (\$239,798.51) | (\$473,320.32) | (\$2,685,327.69) |
| 29 | Cumulative Current Year Cost of Removal | | (\$77,353.25) | (\$268,828.64) | (\$493,162.25) | (\$537,234.84) | (\$693,712.85) | (\$942,446.68) | (\$1,060,404.66) | (\$1,308,222.95) | (\$1,777,570.90) | (\$1,972,208.86) | (\$2,212,007.37) | (\$2,685,327.69) | |

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
Retirements

Attachment A
Schedule 4

| No. | Retirements | Approved 12/31/16 | 01/31/17 | 02/28/17 | 03/31/17 | 04/30/17 | 05/31/17 | 06/30/17 | 07/31/17 | 08/31/17 | 09/30/17 | 10/31/17 | 11/30/17 | 12/31/17 | |
|-------------|--|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| Cumulative | | | | | | | | | | | | | | | |
| 1 | Distribution | | | | | | | | | | | | | | |
| 2 | Mainline Replacement & Relocation - LP | (\$16,598,025.90) | (\$16,598,025.90) | (\$16,598,025.90) | (\$17,168,545.00) | (\$17,266,241.35) | (\$17,266,241.35) | (\$17,509,097.53) | (\$17,509,097.53) | (\$17,657,422.27) | (\$18,082,921.72) | (\$18,082,921.72) | (\$18,860,352.74) | (\$19,078,953.05) | |
| 3 | Mainline Replacement & Relocation - RP | (16,120,690.81) | (16,120,690.81) | (16,120,690.81) | (17,187,679.58) | (17,356,642.62) | (17,356,642.62) | (17,575,496.65) | (17,575,496.65) | (17,747,079.54) | (17,882,112.81) | (17,882,112.81) | (18,395,906.44) | (19,077,601.04) | |
| 4 | M&R Structures | (140,696.47) | (194,506.96) | (194,506.96) | (194,506.96) | (195,176.07) | (195,176.07) | (195,176.07) | (195,176.07) | (195,176.07) | (197,606.80) | (197,606.80) | (201,550.89) | (224,297.85) | |
| 5 | M&R Equipment | (2,413,606.36) | (2,945,947.17) | (2,947,112.93) | (2,948,035.63) | (2,956,013.26) | (2,956,013.26) | (2,956,013.26) | (2,965,196.33) | (2,977,889.49) | (3,004,113.36) | (3,045,233.61) | (3,068,155.89) | (3,118,597.19) | |
| 6 | Betterments - LP | (38,456.14) | (38,456.14) | (38,456.14) | (38,456.14) | (38,456.14) | (38,456.14) | (38,456.14) | (38,456.14) | (38,456.14) | (38,456.14) | (38,456.14) | (38,456.14) | (38,456.14) | |
| 7 | Betterments - RP | (62,122.82) | (62,122.82) | (62,122.82) | (62,122.82) | (62,122.82) | (62,122.82) | (62,122.82) | (62,122.82) | (62,122.82) | (62,122.82) | (62,122.82) | (62,122.82) | (62,122.82) | |
| 8 | Services - LP | (5,402,771.25) | (5,402,771.25) | (5,717,269.77) | (5,717,269.77) | (5,717,269.77) | (5,906,941.55) | (5,906,941.55) | (5,906,941.55) | (6,033,389.41) | (6,033,389.41) | (6,033,389.41) | (6,178,750.41) | (6,178,750.41) | |
| 9 | Services - RP | (9,207,833.06) | (9,207,833.06) | (9,317,369.63) | (9,317,369.63) | (9,317,369.63) | (9,416,342.76) | (9,416,342.76) | (9,416,342.76) | (9,631,606.02) | (9,631,606.02) | (9,631,606.02) | (10,783,455.41) | (10,783,455.41) | |
| 10 | Subtotal Distribution | (\$49,984,202.81) | (\$50,570,354.11) | (\$50,995,554.96) | (\$52,633,985.53) | (\$52,909,291.66) | (\$53,197,936.57) | (\$53,659,646.78) | (\$53,668,829.85) | (\$54,343,141.76) | (\$54,932,329.08) | (\$54,973,449.33) | (\$57,588,750.74) | (\$58,562,233.91) | |
| 11 | Transmission - M&R | (149,418.18) | (149,418.18) | (149,418.18) | (149,418.18) | (149,418.18) | (149,418.18) | (149,418.18) | (149,418.18) | (149,418.18) | (149,418.18) | (149,418.18) | (149,418.18) | (149,418.18) | |
| 12 | Transmission - Mainline Replacement | (1,806,719.33) | (1,806,719.33) | (1,806,719.33) | (1,806,719.33) | (1,806,719.33) | (1,806,719.33) | (1,806,719.33) | (1,806,719.33) | (1,806,719.33) | (1,806,719.33) | (1,806,719.33) | (1,806,719.33) | (1,806,719.33) | |
| 13 | Computer Software - Purchased | (733,944.88) | (733,944.88) | (733,944.88) | (733,944.88) | (733,944.88) | (733,944.88) | (733,944.88) | (733,944.88) | (733,944.88) | (733,944.88) | (733,944.88) | (733,944.88) | (733,944.88) | |
| 14 | Total | (\$52,674,285.20) | (\$53,260,436.50) | (\$53,685,637.35) | (\$55,324,067.92) | (\$55,599,374.05) | (\$55,888,018.96) | (\$56,349,729.17) | (\$56,358,912.24) | (\$57,033,224.15) | (\$57,622,411.47) | (\$57,663,531.72) | (\$60,278,833.13) | (\$61,252,316.30) | |
| Incremental | | | | | | | | | | | | | | | |
| 15 | Distribution | | | | | | | | | | | | | Total | |
| 16 | Mainline Replacement & Relocation - LP | | \$0.00 | \$0.00 | (\$570,519.10) | (\$97,696.35) | \$0.00 | (\$242,856.18) | \$0.00 | (\$148,324.74) | (\$425,499.45) | \$0.00 | (\$777,431.02) | (\$218,600.31) | (\$2,480,927.15) |
| 17 | Mainline Replacement & Relocation - RP | | 0.00 | 0.00 | (1,066,988.77) | (168,963.04) | 0.00 | (218,854.03) | 0.00 | (171,582.89) | (135,033.27) | 0.00 | (513,793.63) | (681,694.60) | (2,956,910.23) |
| 18 | M&R Structures | | (53,810.49) | 0.00 | 0.00 | (669.11) | 0.00 | 0.00 | 0.00 | 0.00 | (2,430.73) | 0.00 | (3,944.09) | (22,746.96) | (83,601.38) |
| 19 | M&R Equipment | | (532,340.81) | (1,165.76) | (922.70) | (7,977.63) | 0.00 | 0.00 | (9,183.07) | (12,693.16) | (26,223.87) | (41,120.25) | (22,922.28) | (50,441.30) | (704,990.83) |
| 20 | Betterments - LP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 21 | Betterments - RP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 22 | Services - LP | | 0.00 | (314,498.52) | 0.00 | 0.00 | (189,671.78) | 0.00 | 0.00 | (126,447.86) | 0.00 | 0.00 | (145,361.00) | 0.00 | (775,979.16) |
| 23 | Services - RP | | 0.00 | (109,536.57) | 0.00 | 0.00 | (98,973.13) | 0.00 | 0.00 | (215,263.26) | 0.00 | 0.00 | (1,151,849.39) | 0.00 | (1,575,622.35) |
| 24 | Subtotal Distribution | | (\$586,151.30) | (\$425,200.85) | (\$1,638,430.57) | (\$275,306.13) | (\$288,644.91) | (\$461,710.21) | (\$9,183.07) | (\$674,311.91) | (\$589,187.32) | (\$41,120.25) | (\$2,615,301.41) | (\$973,483.17) | (\$8,578,031.10) |
| 25 | Transmission - M&R | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 26 | Transmission - Mainline Replacement | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 27 | Computer Software - Purchased | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 28 | Total | | (\$586,151.30) | (\$425,200.85) | (\$1,638,430.57) | (\$275,306.13) | (\$288,644.91) | (\$461,710.21) | (\$9,183.07) | (\$674,311.91) | (\$589,187.32) | (\$41,120.25) | (\$2,615,301.41) | (\$973,483.17) | (\$8,578,031.10) |
| 29 | Cumulative Current Year Retirements | | (\$586,151.30) | (\$1,011,352.15) | (\$2,649,782.72) | (\$2,925,088.85) | (\$3,213,733.76) | (\$3,675,443.97) | (\$3,684,627.04) | (\$4,358,938.95) | (\$4,948,126.27) | (\$4,989,246.52) | (\$7,604,547.93) | (\$8,578,031.10) | |

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
Provision for Depreciation

Attachment A
Schedule 5

| No. | Description | Approved 12/31/16 | 01/31/17 | 02/28/17 | 03/31/17 | 04/30/17 | 05/31/17 | 06/30/17 | 07/31/17 | 08/31/17 | 09/30/17 | 10/31/17 | 11/30/17 | 12/31/17 |
|--|--|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Accumulated Plant Less Cost of Removal | | | | | | | | | | | | | | |
| 1 | Distribution | | | | | | | | | | | | | |
| 2 | Mainline Replacement & Relocation - LP | \$413,161,776.15 | \$414,307,728.58 | \$416,813,046.96 | \$423,112,820.36 | \$426,063,069.24 | \$433,455,383.93 | \$444,794,186.11 | \$450,231,678.68 | \$457,558,025.26 | \$473,213,568.54 | \$480,449,919.04 | \$488,319,078.89 | \$500,650,675.00 |
| 3 | Mainline Replacement & Relocation - RP | 399,324,300.74 | 400,994,090.29 | 403,315,414.95 | 409,185,703.52 | 413,335,097.75 | 418,356,959.62 | 426,277,861.83 | 430,595,973.87 | 436,540,336.38 | 446,024,140.55 | 450,981,573.41 | 456,161,460.38 | 463,354,464.79 |
| 4 | M&R Structures | 326,989.33 | 328,779.39 | 329,012.03 | 341,167.37 | 341,169.57 | 341,238.33 | 341,640.21 | 341,645.14 | 342,113.86 | 401,091.78 | 401,125.84 | 452,042.74 | 564,291.08 |
| 5 | M&R Equipment | 31,912,735.94 | 31,961,131.56 | 31,993,333.55 | 32,012,636.24 | 32,141,042.66 | 32,141,055.15 | 32,163,067.44 | 32,171,533.64 | 32,445,913.14 | 32,978,526.47 | 33,239,243.29 | 33,763,384.44 | 35,124,470.52 |
| 6 | Betterments - LP | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 | 1,372,055.27 |
| 7 | Betterments - RP | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 | 1,841,644.21 |
| 8 | Services - LP | 135,742,682.07 | 137,141,612.62 | 138,557,644.98 | 140,892,641.93 | 143,009,218.85 | 145,978,875.98 | 150,552,282.43 | 153,177,705.39 | 156,782,724.79 | 161,443,730.54 | 164,433,686.41 | 168,096,682.70 | 171,532,491.46 |
| 9 | Services - RP | 130,909,997.03 | 131,386,486.11 | 131,893,952.67 | 132,951,620.67 | 133,719,603.34 | 134,505,413.11 | 135,392,870.49 | 136,164,184.15 | 137,630,017.62 | 138,775,409.98 | 139,550,702.12 | 140,179,165.16 | 141,180,000.85 |
| 10 | Subtotal Distribution | \$1,114,592,180.74 | \$1,119,333,528.03 | \$1,126,116,104.62 | \$1,141,710,289.57 | \$1,151,822,900.89 | \$1,167,992,625.60 | \$1,192,735,607.99 | \$1,205,896,420.35 | \$1,224,512,830.53 | \$1,256,050,167.34 | \$1,272,269,949.59 | \$1,290,185,513.79 | \$1,315,620,093.18 |
| 11 | Transmission - M&R | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 | 1,040,613.29 |
| 12 | Transmission - Mainline Replacement | 46,631,247.74 | 46,631,247.74 | 46,631,247.74 | 46,631,247.74 | 46,631,247.74 | 46,631,247.74 | 46,631,247.74 | 46,631,247.74 | 46,631,247.74 | 46,631,247.74 | 46,631,247.74 | 46,631,247.74 | 46,631,247.74 |
| 13 | Computer Software - Purchased | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 | 733,944.88 |
| 14 | Total | \$1,162,997,986.65 | \$1,167,739,333.94 | \$1,174,521,910.53 | \$1,190,116,095.48 | \$1,200,228,706.80 | \$1,216,398,431.51 | \$1,241,141,413.90 | \$1,254,302,226.26 | \$1,272,918,636.44 | \$1,304,455,973.25 | \$1,320,675,755.50 | \$1,338,591,319.70 | \$1,364,025,899.09 |

| Depreciation | Depr Rate | Approved 12/31/16 | 1/31/17 | 2/28/17 | 3/31/17 | 4/30/17 | 5/31/17 | 6/30/17 | 7/31/17 | 8/31/17 | 9/30/17 | 10/31/17 | 11/30/17 | 12/31/17 | Total | |
|--------------|--|----------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 15 | Distribution | | | | | | | | | | | | | | | |
| 16 | Mainline Replacement & Relocation - LP | 1.71% | \$22,097,351.88 | \$590,388.51 | \$593,958.59 | \$602,935.77 | \$607,139.87 | \$617,673.92 | \$633,831.72 | \$641,580.14 | \$652,020.19 | \$674,329.34 | \$684,641.13 | \$695,854.69 | \$713,427.21 | \$29,805,132.96 |
| 17 | Mainline Replacement & Relocation - RP | 1.71% | 25,006,492.32 | 571,416.58 | 574,724.47 | 583,089.63 | 589,002.51 | 596,158.67 | 607,445.95 | 613,599.26 | 622,069.98 | 635,584.40 | 642,648.74 | 650,030.08 | 660,280.11 | 32,352,542.70 |
| 18 | M&R Structures | 1.66% | 1,771.13 | 454.81 | 455.13 | 471.95 | 471.95 | 472.05 | 472.60 | 472.61 | 473.26 | 554.84 | 554.89 | 625.33 | 780.60 | 8,031.15 |
| 19 | M&R Equipment | 2.35% | 2,364,316.11 | 62,590.55 | 62,653.61 | 62,691.41 | 62,942.88 | 62,942.88 | 62,986.01 | 63,002.59 | 63,539.91 | 64,582.95 | 65,093.52 | 66,119.96 | 68,785.42 | 3,132,247.82 |
| 20 | Betterments - LP | 1.71% | 144,666.40 | 1,955.18 | 1,955.18 | 1,955.18 | 1,955.18 | 1,955.18 | 1,955.18 | 1,955.18 | 1,955.18 | 1,955.18 | 1,955.18 | 1,955.18 | 1,955.18 | 168,128.56 |
| 21 | Betterments - RP | 1.71% | 199,143.32 | 2,624.34 | 2,624.34 | 2,624.34 | 2,624.34 | 2,624.34 | 2,624.34 | 2,624.34 | 2,624.34 | 2,624.34 | 2,624.34 | 2,624.34 | 2,624.34 | 230,635.40 |
| 22 | Services - LP | 3.43% | 19,033,841.01 | 391,996.44 | 396,043.94 | 402,718.13 | 408,768.02 | 417,256.29 | 430,328.61 | 437,832.94 | 448,137.29 | 461,460.00 | 470,006.29 | 480,476.35 | 490,297.04 | 24,269,162.35 |
| 23 | Services - RP | 3.43% | 18,968,095.19 | 375,546.37 | 376,996.88 | 380,020.05 | 382,215.20 | 384,461.31 | 386,997.95 | 389,202.63 | 393,392.47 | 396,666.38 | 398,882.42 | 400,678.78 | 403,539.50 | 23,636,695.13 |
| 24 | Subtotal Distribution | | \$87,815,677.36 | \$1,996,972.78 | \$2,009,412.14 | \$2,036,506.46 | \$2,055,119.95 | \$2,083,544.66 | \$2,126,642.36 | \$2,150,269.69 | \$2,184,212.62 | \$2,237,757.43 | \$2,266,406.51 | \$2,298,364.71 | \$2,341,689.40 | \$113,602,576.07 |
| 25 | Transmission - M&R | 2.10% | 139,006.16 | 1,821.07 | 1,821.07 | 1,821.07 | 1,821.07 | 1,821.07 | 1,821.07 | 1,821.07 | 1,821.07 | 1,821.07 | 1,821.07 | 1,821.07 | 1,821.07 | 160,859.00 |
| 26 | Transmission - Mainline Replacement | 1.85% | 6,388,834.05 | 71,889.84 | 71,889.84 | 71,889.84 | 71,889.84 | 71,889.84 | 71,889.84 | 71,889.84 | 71,889.84 | 71,889.84 | 71,889.84 | 71,889.84 | 71,889.84 | 7,251,512.13 |
| 27 | Computer Software - Purchased | 10.00% | 733,944.88 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 733,944.88 |
| 28 | Total | | \$95,077,462.45 | \$2,070,683.69 | \$2,083,123.05 | \$2,110,217.37 | \$2,128,830.86 | \$2,157,255.57 | \$2,200,353.27 | \$2,223,980.60 | \$2,257,923.53 | \$2,311,468.34 | \$2,340,117.42 | \$2,372,075.62 | \$2,415,400.31 | \$121,748,892.08 |
| 29 | Accumulated Depreciation Expense | | | \$2,070,683.69 | \$4,153,806.74 | \$6,264,024.11 | \$8,392,854.97 | \$10,550,110.54 | \$12,750,463.81 | \$14,974,444.41 | \$17,232,367.94 | \$19,543,836.28 | \$21,883,953.70 | \$24,256,029.32 | \$26,671,429.63 | |
| 30 | Cumulative Provision for Depreciation | | \$95,077,462.45 | \$97,148,146.14 | \$99,231,269.19 | \$101,341,486.56 | \$103,470,317.42 | \$105,627,572.99 | \$107,827,926.26 | \$110,051,906.86 | \$112,309,830.39 | \$114,621,298.73 | \$116,961,416.15 | \$119,333,491.77 | \$121,748,892.08 | |

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
Incremental Depreciation Expense

Attachment A
Schedule 5A

| No. | Description | Approved 12/31/16 | 01/31/17 | 02/28/17 | 03/31/17 | 04/30/17 | Rate Change 05/31/17 | 06/30/17 | 07/31/17 | 08/31/17 | 09/30/17 | 10/31/17 | 11/30/17 | 12/31/17 | |
|--|---|----------------------|--------------------------------|--------------------------------|--------------------------------|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|------------------|
| Accumulated Plant Less Cost of Removal | | | | | | | | | | | | | | | |
| 1 | Distribution | | | | | | | | | | | | | | |
| 2 | Mainline Replacement & Relocation - LP | \$74,114,944.59 | \$75,260,897.02 | \$77,766,215.40 | \$84,065,988.80 | \$87,016,237.68 | \$20,293,607.78 | \$31,632,409.96 | \$37,069,902.53 | \$44,396,249.11 | \$60,051,792.39 | \$67,288,142.89 | \$75,157,302.74 | \$87,488,898.85 | |
| 3 | Mainline Replacement & Relocation - RP | 61,868,253.49 | 63,538,043.04 | 65,859,367.70 | 71,729,656.27 | 75,879,050.50 | 19,032,658.88 | 26,953,561.09 | 31,271,673.13 | 37,216,035.64 | 46,699,839.81 | 51,657,272.67 | 56,837,159.64 | 64,030,164.05 | |
| 4 | M&R Structures | 326,989.33 | 328,779.39 | 329,012.03 | 341,167.37 | 341,169.57 | 14,249.00 | 14,650.88 | 14,655.81 | 15,124.53 | 74,102.45 | 74,136.51 | 125,053.41 | 237,301.75 | |
| 5 | M&R Equipment | 4,435,362.44 | 4,483,758.06 | 4,515,960.05 | 4,535,262.74 | 4,663,669.16 | 228,319.21 | 250,331.50 | 258,797.70 | 533,177.20 | 1,065,790.53 | 1,326,507.35 | 1,850,648.50 | 3,211,734.58 | |
| 6 | Betterments - LP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 7 | Betterments - RP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 8 | Services - LP | 31,042,143.32 | 32,441,073.87 | 33,857,106.23 | 36,192,103.18 | 38,308,680.10 | 10,236,193.91 | 14,809,600.36 | 17,435,023.32 | 21,040,042.72 | 25,701,048.47 | 28,691,004.34 | 32,354,000.63 | 35,789,809.39 | |
| 9 | Services - RP | 11,843,622.38 | 12,320,111.46 | 12,827,578.02 | 13,885,246.02 | 14,653,228.69 | 3,595,416.08 | 4,482,873.46 | 5,254,187.12 | 6,720,020.59 | 7,865,412.95 | 8,640,705.09 | 9,269,168.13 | 10,270,003.82 | |
| 10 | Subtotal Distribution | \$183,631,315.55 | \$188,372,662.84 | \$195,155,239.43 | \$210,749,424.38 | \$220,862,035.70 | \$53,400,444.86 | \$78,143,427.25 | \$91,304,239.61 | \$109,920,649.79 | \$141,457,986.60 | \$157,677,768.85 | \$175,593,333.05 | \$201,027,912.44 | |
| 11 | Transmission - M&R | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 12 | Transmission - Mainline Replacement | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 13 | Computer Software - Purchased | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 14 | Total | \$183,631,315.55 | \$188,372,662.84 | \$195,155,239.43 | \$210,749,424.38 | \$220,862,035.70 | \$53,400,444.86 | \$78,143,427.25 | \$91,304,239.61 | \$109,920,649.79 | \$141,457,986.60 | \$157,677,768.85 | \$175,593,333.05 | \$201,027,912.44 | |
| Incremental Plant Less Cost of Removal | | | | | | | | | | | | | | | |
| 15 | Distribution | | | | | | | | | | | | | Total | |
| 16 | Mainline Replacement & Relocation - LP | | \$1,145,952.43 | \$2,505,318.38 | \$6,299,773.40 | \$2,950,248.88 | \$7,392,314.69 | \$11,338,802.18 | \$5,437,492.57 | \$7,326,346.58 | \$15,655,543.28 | \$7,236,350.50 | \$7,869,159.85 | \$12,331,596.11 | \$87,488,898.85 |
| 17 | Mainline Replacement & Relocation - RP | | 1,669,789.55 | 2,321,324.66 | 5,870,288.57 | 4,149,394.23 | 5,021,861.87 | 7,920,902.21 | 4,318,112.04 | 5,944,362.51 | 9,483,804.17 | 4,957,432.86 | 5,179,886.97 | 7,193,004.41 | 64,030,164.05 |
| 18 | M&R Structures | | 1,790.06 | 232.64 | 12,155.34 | 2.20 | 68.76 | 401.88 | 4.93 | 468.72 | 58,977.92 | 34.06 | 50,916.90 | 112,248.34 | 237,301.75 |
| 19 | M&R Equipment | | 48,395.62 | 32,201.99 | 19,302.69 | 128,406.42 | 12.49 | 22,012.29 | 8,466.20 | 274,379.50 | 532,613.33 | 260,716.82 | 524,141.15 | 1,361,086.08 | 3,211,734.58 |
| 20 | Betterments - LP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 21 | Betterments - RP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 22 | Services - LP | | 1,398,930.55 | 1,416,032.36 | 2,334,996.95 | 2,116,576.92 | 2,969,657.13 | 4,573,406.45 | 2,625,422.96 | 3,605,019.40 | 4,661,005.75 | 2,989,955.87 | 3,662,996.29 | 3,435,808.76 | 35,789,809.39 |
| 23 | Services - RP | | 476,489.08 | 507,466.56 | 1,057,668.00 | 767,982.67 | 785,809.77 | 887,457.38 | 771,313.66 | 1,465,833.47 | 1,145,392.36 | 775,292.14 | 628,463.04 | 1,000,835.69 | 10,270,003.82 |
| 24 | Subtotal Distribution | | \$4,741,347.29 | \$6,782,576.59 | \$15,594,184.95 | \$10,112,611.32 | \$16,169,724.71 | \$24,742,982.39 | \$13,160,812.36 | \$18,616,410.18 | \$31,537,336.81 | \$16,219,782.25 | \$17,915,564.20 | \$25,434,579.39 | \$201,027,912.44 |
| 25 | Transmission - M&R | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 26 | Transmission - Mainline Replacement | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 27 | Computer Software - Purchased | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 28 | Total | | \$4,741,347.29 | \$6,782,576.59 | \$15,594,184.95 | \$10,112,611.32 | \$16,169,724.71 | \$24,742,982.39 | \$13,160,812.36 | \$18,616,410.18 | \$31,537,336.81 | \$16,219,782.25 | \$17,915,564.20 | \$25,434,579.39 | \$201,027,912.44 |
| Incremental Depreciation | | | | | | | | | | | | | | | |
| 29 | Distribution | | 01/31/17 | 02/28/17 | 03/31/17 | 04/30/17 | 05/31/17 | 06/30/17 | 07/31/17 | 08/31/17 | 09/30/17 | 10/31/17 | 11/30/17 | 12/31/17 | Total |
| 30 | Mainline Replacement & Relocation - LP | | \$107,246.78 | \$110,816.86 | \$119,794.03 | \$123,998.14 | \$28,918.39 | \$45,076.18 | \$52,824.61 | \$63,264.65 | \$85,573.80 | \$95,885.60 | \$107,099.16 | \$124,671.68 | \$1,065,169.88 |
| 31 | Mainline Replacement & Relocation - RP | | 90,541.71 | 93,849.60 | 102,214.76 | 108,127.65 | 27,121.54 | 38,408.82 | 44,562.13 | 53,032.85 | 66,547.27 | 73,611.61 | 80,992.95 | 91,242.98 | 870,253.87 |
| 32 | M&R Structures | | 454.81 | 455.13 | 471.95 | 471.95 | 19.71 | 20.27 | 20.27 | 20.92 | 102.51 | 102.56 | 172.99 | 328.27 | 2,641.34 |
| 33 | M&R Equipment | | 8,780.69 | 8,843.76 | 8,881.56 | 9,133.02 | 447.13 | 490.23 | 506.81 | 1,044.14 | 2,087.17 | 2,597.74 | 3,624.19 | 6,289.65 | 52,726.09 |
| 34 | Betterments - LP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 35 | Betterments - RP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 36 | Services - LP | | 92,727.40 | 96,774.90 | 103,449.09 | 109,498.98 | 29,258.45 | 42,330.77 | 49,835.11 | 60,139.46 | 73,462.16 | 82,008.45 | 92,478.52 | 102,299.21 | 934,262.50 |
| 37 | Services - RP | | 35,214.99 | 36,665.49 | 39,688.66 | 41,883.81 | 10,276.90 | 12,813.55 | 15,018.22 | 19,208.06 | 22,481.97 | 24,698.02 | 26,494.37 | 29,355.09 | 313,799.13 |
| 38 | Subtotal Distribution | | \$334,966.38 | \$347,405.74 | \$374,500.05 | \$393,113.55 | \$96,042.12 | \$139,139.82 | \$162,767.15 | \$196,710.08 | \$250,254.88 | \$278,903.98 | \$310,862.18 | \$354,186.88 | \$3,238,852.81 |
| 39 | Transmission - M&R | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 40 | Transmission - Mainline Replacement | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 41 | Computer Software - Purchased | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 42 | Total | | \$334,966.38 | \$347,405.74 | \$374,500.05 | \$393,113.55 | \$96,042.12 | \$139,139.82 | \$162,767.15 | \$196,710.08 | \$250,254.88 | \$278,903.98 | \$310,862.18 | \$354,186.88 | \$3,238,852.81 |
| 43 | Cumulative Provision for Depreciation | | \$334,966.38 | \$682,372.12 | \$1,056,872.17 | \$1,449,985.72 | \$1,546,027.84 | \$1,685,167.66 | \$1,847,934.81 | \$2,044,644.89 | \$2,294,899.77 | \$2,573,803.75 | \$2,884,665.93 | \$3,238,852.81 | |
| Amortization | | | | | | | | | | | | | | | |
| | Depr Rate | Asset life | Amortization For 2008-09 | Amortization For 2009-10 | Amortization For 2010-11 | Amortization For Jul 11 - Dec 11 | Amortization For 2012 | Amortization For 2013 | Amortization For 2014 | Amortization For 2015 | Amortization For 2016 | Amortization For 2017 | Amortization For 2017 | Cumulative Through 12/31/17 | |
| 44 | Distribution ML Replacement & Relocation - LP | 1.71% | 1.43% | \$2,110.43 | \$4,046.47 | \$4,834.43 | \$8,192.24 | \$11,090.40 | \$11,526.25 | \$12,596.80 | \$14,005.46 | \$15,221.28 | \$16,465.59 | \$87,465.59 | |
| 45 | Distribution ML Replacement & Relocation - RP | 1.71% | 1.43% | 3,261.97 | 6,079.29 | 7,409.78 | 8,928.80 | 9,964.29 | 8,922.77 | 9,251.50 | 11,646.27 | 12,435.93 | 13,414.67 | 83,414.67 | |
| 46 | M&R Structures | 1.66% | 1.43% | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 25.31 | 37.74 | 63.05 | |
| 47 | M&R Equipment | 2.35% | 1.54% | 0.00 | 331.98 | 774.96 | 643.77 | 548.60 | 957.70 | 1,935.41 | 1,279.96 | 1,084.18 | 810.93 | 8,367.49 | |
| 48 | Betterments - LP | 1.71% | 1.43% | 0.00 | 59.12 | 84.14 | 87.13 | 29.73 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 260.12 | |
| 49 | Betterments - RP | 1.71% | 1.43% | 0.00 | 65.68 | 196.90 | 105.13 | (9.16) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 358.55 | |
| 50 | Services - LP | 3.43% | 2.86% | 6,469.81 | 18,417.13 | 17,873.20 | 10,511.32 | 17,146.53 | 12,069.45 | 12,349.14 | 12,803.31 | 20,719.58 | 26,691.88 | 155,051.35 | |
| 51 | Services - RP | 3.43% | 2.86% | 5,326.42 | 15,213.09 | 14,613.37 | 8,511.10 | 13,756.09 | 13,725.48 | 14,043.55 | 14,560.03 | 12,235.68 | 8,965.24 | 120,950.05 | |
| 52 | Transmission M & R | 2.10% | 1.67% | 0.00 | 33.97 | 128.42 | 102.40 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 264.79 | |
| 53 | Transmission ML Replacement & Relocation | 1.85% | 1.54% | 1,914.52 | 5,613.71 | 2,302.38 | 560.78 | 120.31 | 42.80 | 0.00 | 0.00 | 0.00 | 0.00 | 10,554.50 | |
| 54 | Software - Purchased | 10.00% | 10.00% | 0.00 | 2,446.53 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,446.53 | |
| 55 | Total | | | \$19,083.15 | \$52,306.97 | \$48,217.58 | \$29,877.53 | \$48,713.14 | \$47,850.12 | \$48,777.12 | \$50,491.60 | \$59,716.48 | \$64,163.00 | \$469,196.69 | |

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
Net Regulatory Asset - Post-In-Service Carrying Costs (PISCC)

Attachment A
Schedule 6

| Line No. | Description | Approved 12/31/16 | 01/31/17 | 02/28/17 | 03/31/17 | 04/30/17 | Rate Change | | 05/31/17 | 06/30/17 | 07/31/17 | 08/31/17 | 09/30/17 | 10/31/17 | 11/30/17 | 12/31/17 |
|----------|---|-------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|----------------|----------|
| 1 | Accumulated Plant Less Cost of Removal | | | | | | | | | | | | | | | |
| 2 | Distribution ML Replacement & Relocation - LP | \$74,114,944.59 | \$75,260,897.02 | \$77,766,215.40 | \$84,065,988.80 | \$87,016,237.68 | \$20,293,607.78 | \$31,632,409.96 | \$37,069,902.53 | \$44,396,249.11 | \$60,051,792.39 | \$67,288,142.89 | \$75,157,302.74 | \$87,488,898.85 | | |
| 3 | Distribution ML Replacement & Relocation - RP | 61,868,253.49 | 63,538,043.04 | 65,859,367.70 | 71,729,656.27 | 75,879,050.50 | 19,032,658.88 | 26,953,561.09 | 31,271,673.13 | 37,216,035.64 | 46,699,839.81 | 51,657,272.67 | 56,837,159.64 | 64,030,164.05 | | |
| 4 | M&R Structures | 326,989.33 | 328,779.39 | 329,012.03 | 341,167.37 | 341,169.57 | 14,249.00 | 14,650.88 | 14,655.81 | 15,124.53 | 74,102.45 | 74,136.51 | 125,053.41 | 237,301.75 | | |
| 5 | M&R Equipment | 4,435,362.44 | 4,483,758.06 | 4,515,960.05 | 4,535,262.74 | 4,663,669.16 | 228,319.21 | 250,331.50 | 258,797.70 | 533,177.20 | 1,065,790.53 | 1,326,507.35 | 1,850,648.50 | 3,211,734.58 | | |
| 6 | Betterments - LP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| 7 | Betterments - RP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| 8 | Distribution Services - LP | 31,042,143.32 | 32,441,073.87 | 33,857,106.23 | 36,192,103.18 | 38,308,680.10 | 10,236,193.91 | 14,809,600.36 | 17,435,023.32 | 21,040,042.72 | 25,701,048.47 | 28,691,004.34 | 32,354,000.63 | 35,789,809.39 | | |
| 9 | Distribution Services - RP | 11,843,622.38 | 12,320,111.46 | 12,827,578.02 | 13,885,246.02 | 14,653,228.69 | 3,595,416.08 | 4,482,873.46 | 5,254,187.12 | 6,720,020.59 | 7,865,412.95 | 8,640,705.09 | 9,269,168.13 | 10,270,003.82 | | |
| 10 | Transmission M & R | 0.00 | \$0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| 11 | Transmission ML Replacement & Relocation | 0.00 | \$0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| 12 | Computer Software - Purchased | 0.00 | \$0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| 13 | Total Accumulated Plant less Cost of Removal | \$183,631,315.55 | \$188,372,662.84 | \$195,155,239.43 | \$210,749,424.38 | \$220,862,035.70 | \$53,400,444.86 | \$78,143,427.25 | \$91,304,239.61 | \$109,920,649.79 | \$141,457,986.60 | \$157,677,768.85 | \$175,593,333.05 | \$201,027,912.44 | | |
| 14 | Regulatory Asset - Deferrals (@ 6.5%) | | | | | | | | | | | | | | | Total |
| 15 | Distribution ML Replacement & Relocation - LP | | \$401,455.95 | \$407,663.19 | \$421,233.67 | \$455,357.44 | \$471,337.95 | \$109,923.71 | \$171,342.22 | \$200,795.31 | \$240,479.68 | \$325,280.54 | \$364,477.44 | \$407,102.06 | \$3,976,449.16 | |
| 16 | Distribution ML Replacement & Relocation - RP | | 335,119.71 | 344,164.40 | 356,738.24 | 388,535.64 | 411,011.52 | 103,093.57 | 145,998.46 | 169,388.23 | 201,586.86 | 252,957.47 | 279,810.23 | 307,867.95 | 3,296,272.28 | |
| 17 | M&R Structures | | 1,771.19 | 1,780.89 | 1,782.15 | 1,847.99 | 1,848.00 | 77.18 | 79.36 | 79.39 | 81.92 | 401.39 | 401.57 | 10,828.40 | | |
| 18 | M&R Equipment | | 24,024.88 | 24,287.02 | 24,461.45 | 24,566.01 | 25,261.54 | 1,236.73 | 1,355.96 | 1,401.82 | 2,888.04 | 5,773.03 | 7,185.25 | 10,024.35 | 152,466.08 | |
| 19 | Betterments - LP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 20 | Betterments - RP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 21 | Distribution Services - LP | | 168,144.94 | 175,722.48 | 183,392.66 | 196,040.56 | 207,505.35 | 55,446.05 | 80,218.67 | 94,439.71 | 113,966.90 | 139,214.01 | 155,409.61 | 175,250.84 | 1,744,751.78 | |
| 22 | Distribution Services - RP | | 64,152.95 | 66,733.94 | 69,482.71 | 75,211.75 | 79,371.66 | 19,475.17 | 24,282.23 | 28,460.18 | 36,400.11 | 42,604.32 | 46,803.82 | 50,207.99 | 603,186.83 | |
| 23 | Transmission M & R | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 24 | Transmission ML Replacement & Relocation | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 25 | Computer Software - Purchased | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 26 | Total Deferrals | | \$994,669.62 | \$1,020,351.92 | \$1,057,090.88 | \$1,141,559.39 | \$1,196,336.02 | \$289,252.41 | \$423,276.90 | \$494,564.64 | \$595,403.51 | \$766,230.76 | \$854,087.92 | \$951,130.56 | \$9,783,954.53 | |
| 27 | Regulatory Asset - Amortization | | | | | | | | | | | | | | | |
| 28 | Distribution ML Replacement & Relocation - LP | | \$17,670.04 | \$17,670.04 | \$17,670.04 | \$17,670.04 | \$22,083.93 | \$22,083.93 | \$22,083.93 | \$22,083.93 | \$22,083.93 | \$22,083.93 | \$22,083.93 | \$22,083.93 | \$247,351.60 | |
| 29 | Distribution ML Replacement & Relocation - RP | | 17,981.84 | 17,981.84 | 17,981.84 | 17,981.84 | 21,645.78 | 21,645.78 | 21,645.78 | 21,645.78 | 21,645.78 | 21,645.78 | 21,645.78 | 21,645.78 | 245,093.60 | |
| 30 | M&R Structures | | 0.00 | 0.00 | 0.00 | 0.00 | 6.15 | 6.15 | 6.15 | 6.15 | 6.15 | 6.15 | 6.15 | 6.15 | 49.20 | |
| 31 | M&R Equipment | | 1,445.32 | 1,445.32 | 1,445.32 | 1,445.32 | 1,700.29 | 1,700.29 | 1,700.29 | 1,700.29 | 1,700.29 | 1,700.29 | 1,700.29 | 1,700.29 | 19,383.60 | |
| 32 | Betterments - LP | | 78.71 | 78.71 | 78.71 | 78.71 | 78.71 | 78.71 | 78.71 | 78.71 | 78.71 | 78.71 | 78.71 | 78.71 | 944.52 | |
| 33 | Betterments - RP | | 108.50 | 108.50 | 108.50 | 108.50 | 108.50 | 108.50 | 108.50 | 108.50 | 108.50 | 108.50 | 108.50 | 108.50 | 1,302.00 | |
| 34 | Distribution Services - LP | | 12,347.28 | 12,347.28 | 12,347.28 | 12,347.28 | 15,425.44 | 15,425.44 | 15,425.44 | 15,425.44 | 15,425.44 | 15,425.44 | 15,425.44 | 15,425.44 | 172,792.64 | |
| 35 | Distribution Services - RP | | 14,236.13 | 14,236.13 | 14,236.13 | 14,236.13 | 16,250.43 | 16,250.43 | 16,250.43 | 16,250.43 | 16,250.43 | 16,250.43 | 16,250.43 | 16,250.43 | 186,947.96 | |
| 36 | Transmission M & R | | 59.79 | 59.79 | 59.79 | 59.79 | 59.79 | 59.79 | 59.79 | 59.79 | 59.79 | 59.79 | 59.79 | 59.79 | 717.48 | |
| 37 | Transmission ML Replacement & Relocation | | 2,859.88 | 2,859.88 | 2,859.88 | 2,859.88 | 2,859.88 | 2,859.88 | 2,859.88 | 2,859.88 | 2,859.88 | 2,859.88 | 2,859.88 | 2,859.88 | 34,318.56 | |
| 38 | Computer Software - Purchased | | 77.30 | 77.30 | 77.30 | 77.30 | 77.30 | 77.30 | 77.30 | 77.30 | 77.30 | 77.30 | 77.30 | 77.30 | 927.60 | |
| 39 | Total Amortization | | \$66,864.79 | \$66,864.79 | \$66,864.79 | \$66,864.79 | \$80,296.20 | \$80,296.20 | \$80,296.20 | \$80,296.20 | \$80,296.20 | \$80,296.20 | \$80,296.20 | \$80,296.20 | \$909,828.76 | |
| 40 | Regulatory Asset - Net Change | | | | | | | | | | | | | | | |
| 41 | Distribution ML Replacement & Relocation - LP | | \$383,785.91 | \$389,993.15 | \$403,563.63 | \$437,687.40 | \$449,254.02 | \$87,839.78 | \$149,258.29 | \$178,711.38 | \$218,395.75 | \$303,196.61 | \$342,393.51 | \$385,018.13 | \$3,729,097.56 | |
| 42 | Distribution ML Replacement & Relocation - RP | | 317,137.87 | 326,182.56 | 338,756.40 | 370,553.80 | 389,365.74 | 81,447.79 | 124,352.68 | 147,742.45 | 179,941.08 | 231,311.69 | 258,164.45 | 286,222.17 | 3,051,178.68 | |
| 43 | M&R Structures | | 1,771.19 | 1,780.89 | 1,782.15 | 1,847.99 | 1,841.85 | 71.03 | 73.21 | 73.24 | 75.77 | 395.24 | 395.42 | 671.22 | 10,779.20 | |
| 44 | M&R Equipment | | 22,579.56 | 22,841.70 | 23,016.13 | 23,120.69 | 23,561.25 | (463.56) | (344.33) | (298.47) | 1,187.75 | 4,072.74 | 5,484.96 | 8,324.06 | 133,082.48 | |
| 45 | Betterments - LP | | (78.71) | (78.71) | (78.71) | (78.71) | (78.71) | (78.71) | (78.71) | (78.71) | (78.71) | (78.71) | (78.71) | (78.71) | (944.52) | |
| 46 | Betterments - RP | | (108.50) | (108.50) | (108.50) | (108.50) | (108.50) | (108.50) | (108.50) | (108.50) | (108.50) | (108.50) | (108.50) | (108.50) | (1,302.00) | |
| 47 | Distribution Services - LP | | 155,797.66 | 163,375.20 | 171,045.38 | 183,693.28 | 192,079.91 | 40,020.61 | 64,793.23 | 79,014.27 | 98,541.46 | 123,788.57 | 139,984.17 | 159,825.40 | 1,571,959.14 | |
| 48 | Distribution Services - RP | | 49,916.82 | 52,497.81 | 55,246.58 | 60,975.62 | 63,121.23 | 3,224.74 | 8,031.80 | 12,209.75 | 20,149.68 | 26,353.89 | 30,553.39 | 33,957.56 | 416,238.87 | |
| 49 | Transmission M & R | | (59.79) | (59.79) | (59.79) | (59.79) | (59.79) | (59.79) | (59.79) | (59.79) | (59.79) | (59.79) | (59.79) | (59.79) | (717.48) | |
| 50 | Transmission ML Replacement & Relocation | | (2,859.88) | (2,859.88) | (2,859.88) | (2,859.88) | (2,859.88) | (2,859.88) | (2,859.88) | (2,859.88) | (2,859.88) | (2,859.88) | (2,859.88) | (2,859.88) | (34,318.56) | |
| 51 | Computer Software - Purchased | | (77.30) | (77.30) | (77.30) | (77.30) | (77.30) | (77.30) | (77.30) | (77.30) | (77.30) | (77.30) | (77.30) | (77.30) | (927.60) | |
| 52 | Net | | \$927,804.83 | \$953,487.13 | \$990,226.09 | \$1,074,694.60 | \$1,116,039.82 | \$208,956.21 | \$342,980.70 | \$414,268.44 | \$515,107.31 | \$685,934.56 | \$773,791.72 | \$870,834.36 | \$8,874,125.77 | |
| 53 | Cumulative | Approved 12/31/16 | | | | | | | | | | | | | | |
| 54 | Distribution ML Replacement & Relocation - LP | \$17,942,880.67 | \$18,326,666.58 | \$18,716,659.73 | \$19,120,223.36 | \$19,557,910.76 | \$20,007,164.78 | \$20,095,004.56 | \$20,244,262.85 | \$20,422,974.23 | \$20,641,369.98 | \$20,944,566.59 | \$21,286,960.10 | \$21,671,978.23 | | |
| 55 | Distribution ML Replacement & Relocation - RP | 17,450,090.89 | 17,767,228.76 | 18,093,411.32 | 18,432,167.72 | 18,802,721.52 | 19,192,087.26 | 19,273,535.05 | 19,397,887.73 | 19,545,630.18 | 19,725,571.26 | 19,956,882.95 | 20,215,047.40 | 20,501,269.57 | | |
| 56 | M&R Structures | 5,163.92 | 6,935.11 | 8,716.00 | 10,498.15 | 12,346.14 | 14,187.99 | 14,259.02 | 14,332.23 | 14,405.47 | 14,481.24 | 14,876.48 | 15,271.90 | 15,943.12 | | |
| 57 | M&R Equipment | 1,280,580.35 | 1,303,159.91 | 1,326,001.61 | 1,349,017.74 | 1,372,138.43 | 1,395,699.68 | 1,395,236.12 | 1,394,891.79 | 1,394,593.32 | 1,395,781.07 | 1,399,853.81 | 1,405,338.77 | 1,413,662.83 | | |
| 58 | Betterments - LP | 61,416.34 | 61,337.63 | 61,258.92 | 61,180.21 | 61,101.50 | 61,022.79 | 60,944.08 | 60,865.37 | 60,786.66 | 60,707.95 | 60,629.24 | 60,550.53 | 60,471.82 | | |
| 59 | Betterments - RP | 84,381.18 | 84,272.68 | 84,164.18 | 84,055.68 | 83,947.18 | 83,838.68 | 83,730.18 | 83,621.68 | 83,513.18 | 83,404.68 | 83,296.18 | 83,187.68 | 83,079.18 | | |
| 60 | Distribution Services - LP | 5,963,632.12 | 6,119,429.78 | 6,282,804.98 | 6,453,850.36 | 6,637,543.64 | 6,829,623.55 | 6,869,644.16 | 6,934,437.39 | 7,013,451.66 | 7,111,993.12 | 7,235,781.69 | 7,375,765.86 | 7,535,591.26 | | |
| 61 | Distribution Services - RP | 6,216,930.34 | 6,266,847.16 | 6,319,344.97 | 6,374,591.55 | 6,435,567.17 | 6,498,688.40 | 6,501,913.14 | 6,509,944.94 | 6,522,154.69 | 6,542,304.37 | 6,568,658.26 | 6,599,211.65 | 6,633,169.21 | | |
| 62 | Transmission M & R | 39,491.79 | 39,432.00 | 39,372.21 | 39,312.42 | 39,252.63 | 39,192.84 | 39,133.05 | 39,073.26 | 39,013.47 | 38,953.68 | 38,893.89 | 38,834.10 | 38,774.31 | | |
| 63 | Transmission ML Replacement & Relocation | 2,030,606.01 | 2,027,746.13 | 2,024,886.25 | 2,022,026.37 | | | | | | | | | | | |

Attachment A
Schedule 7[illegible]

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
Deferred Taxes on Liberalized Depreciation

Attachment A
Schedule 8

| 2017 | | | | | | | | | | | | | | | | | |
|--|---|-----------|----------|---------------------|--------------------|--------------------|----------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|---------------------|
| Line No. | | FERC Acct | Tax Life | Cumulative 12/31/16 | Total Vintage 2008 | Total Vintage 2009 | Total Jan - Sep 2010 | Total Oct - Dec 2010 | Total Vintage 2011 | Total Vintage 2012 | Total Vintage 2013 | Total Vintage 2014 | Total Vintage 2015 | Total Vintage 2016 | Total Jan - Sep 2017 | Total Oct - Dec 2017 | Cumulative 12/31/17 |
| Capital Additions Less Cost of Removal* | | | | | | | | | | | | | | | | | |
| 1 | Mainline Replacement & Relocation - LP | 3760 | 15/20 | \$413,161,776.15 | \$8,935,399.37 | \$14,599,182.15 | \$13,197,683.32 | \$8,520,619.36 | \$37,579,706.61 | \$54,659,761.39 | \$64,594,411.75 | \$66,338,881.92 | \$70,621,185.69 | \$74,114,944.59 | \$60,051,792.39 | \$27,437,106.46 | \$500,650,675.00 |
| 2 | Mainline Replacement & Relocation - RP | 3760 | 15 | 399,324,300.74 | 13,459,722.81 | 23,464,242.45 | 21,977,398.83 | 16,957,051.62 | 48,031,415.77 | 53,589,159.16 | 56,802,356.22 | 45,209,460.32 | 57,965,240.07 | 61,868,253.49 | 46,699,839.81 | 17,330,324.24 | 463,354,464.79 |
| 3 | M&R Structures | 3750 | 15/20 | 326,989.33 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 326,989.33 | 74,102.45 | 163,199.30 | 564,291.08 |
| 4 | M&R Equipment | 3780 | 15/20 | 31,912,735.94 | 0.00 | 1,100,353.93 | 524,638.97 | 1,828,805.52 | 3,563,026.38 | 4,093,966.30 | 5,704,862.89 | 5,495,890.46 | 5,165,829.05 | 4,435,362.44 | 1,065,790.53 | 2,145,944.05 | 35,124,470.52 |
| 5 | Betterments - LP | 3760 | 15/20 | 1,372,055.27 | 0.00 | 287,883.58 | 110,614.42 | 188,387.05 | 785,170.22 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,372,055.27 |
| 6 | Betterments - RP | 3760 | 15 | 1,841,644.21 | 0.00 | 336,791.37 | 318,860.91 | 557,529.73 | 628,462.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,841,644.21 |
| 7 | Services - LP | 3800 | 15/20 | 135,742,682.07 | 3,769,492.13 | 11,579,429.36 | 8,793,176.01 | 3,459,024.56 | 14,538,084.40 | 14,983,165.06 | 14,763,431.54 | 16,806,633.92 | 16,008,101.77 | 31,042,143.32 | 25,701,048.47 | 10,088,760.92 | 171,532,491.46 |
| 8 | Services - RP | 3800 | 15/20 | 130,909,997.03 | 4,286,699.67 | 13,168,229.02 | 9,999,677.19 | 3,933,633.18 | 16,532,837.63 | 17,038,987.26 | 16,789,104.34 | 19,112,652.05 | 18,204,554.31 | 11,843,622.38 | 7,865,412.95 | 2,404,590.87 | 141,180,000.85 |
| 9 | Transmission M&R | 3690 | 15 | 1,040,613.29 | 0.00 | 79,528.81 | 189,452.68 | 266,440.65 | 505,191.15 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,040,613.29 |
| 10 | Transmission - Mainline Replacement | 3670 | 15 | 46,631,247.74 | 3,819,929.43 | 19,435,445.76 | 17,410,828.20 | 1,531,453.88 | 3,982,333.71 | 451,256.76 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 46,631,247.74 |
| 11 | Computer Software - Purchased | 3030 | 3 | 733,944.88 | 0.00 | 733,944.88 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 733,944.88 |
| 12 | Total Adjusted Plant | | | \$1,162,997,986.65 | \$34,271,243.41 | \$84,785,031.31 | \$72,522,330.53 | \$37,242,945.55 | \$126,146,228.07 | \$144,816,295.93 | \$158,654,166.74 | \$152,963,518.67 | \$167,964,910.89 | \$183,631,315.55 | \$141,457,986.60 | \$59,569,925.84 | \$1,364,025,899.09 |
| Tax Base In-Service subject to: | | | | | | | | | | | | | | | | | |
| 13 | MACRS - 15 Year Property | | | \$557,120,734.77 | \$34,271,243.41 | \$84,051,086.43 | \$72,522,330.53 | \$37,242,945.55 | \$53,147,402.83 | \$54,040,415.92 | \$56,802,356.22 | \$45,209,460.32 | \$57,965,240.07 | \$61,868,253.49 | \$46,699,839.81 | \$17,330,324.24 | \$621,150,898.82 |
| 14 | MACRS - 20 Year Property | | | 605,143,307.00 | 0.00 | 0.00 | 0.00 | 0.00 | 72,998,825.24 | 90,775,880.01 | 101,851,810.52 | 107,754,058.35 | 109,999,670.82 | 121,763,062.06 | 94,758,146.79 | 42,239,601.60 | 742,141,055.39 |
| 15 | 3 Year Property - Straight Line | | | 733,944.88 | 0.00 | 733,944.88 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 733,944.88 |
| 16 | Total Tax Depreciation Base | | | \$1,162,997,986.65 | \$34,271,243.41 | \$84,785,031.31 | \$72,522,330.53 | \$37,242,945.55 | \$126,146,228.07 | \$144,816,295.93 | \$158,654,166.74 | \$152,963,518.67 | \$167,964,910.89 | \$183,631,315.55 | \$141,457,986.60 | \$59,569,925.84 | \$1,364,025,899.09 |
| Tax Rates | | | | | | | | | | | | | | | | | |
| | | | | | 10th year** | 9th year** | 8th year** | 8th year*** | 7th year*** | 6th year*** | 5th year** | 4th year** | 3rd year** | 2nd year** | 1st year** | 1st year | |
| 17 | MACRS - 15 Year Property | | | | 5.900% | 5.910% | 5.900% | 0.000% | 0.000% | 6.230% | 6.930% | 7.700% | 8.550% | 9.500% | 5.000% | 5.000% | |
| 18 | MACRS - 20 Year Property | | | | 4.461% | 4.462% | 4.522% | 0.000% | 0.000% | 5.285% | 5.713% | 6.177% | 6.677% | 7.219% | 3.750% | 3.750% | |
| 19 | 3 Year Property - Straight Line | | | | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 16.667% | 33.330% | 33.330% | 16.667% | 16.667% | |
| Tax Depreciation | | | | | | | | | | | | | | | | | |
| 20 | MACRS - 15 Year Property | | | \$405,661,924.69 | \$1,011,001.69 | \$2,483,709.61 | \$2,139,408.76 | \$0.00 | \$0.00 | \$1,683,358.96 | \$1,968,201.65 | \$1,740,564.23 | \$2,478,014.02 | \$2,938,742.05 | \$24,517,415.91 | \$866,516.21 | \$447,488,857.78 |
| 21 | MACRS - 20 Year Property | | | 382,405,428.16 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,398,752.63 | 2,909,396.97 | 3,327,984.10 | 3,672,339.02 | 4,395,037.73 | 49,155,788.65 | 1,583,985.06 | 449,848,712.32 |
| 22 | 3 Year Property - Straight Line | | | 733,944.88 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 733,944.88 |
| 23 | Total Tax Depreciation | | | \$788,801,297.73 | \$1,011,001.69 | \$2,483,709.61 | \$2,139,408.76 | \$0.00 | \$0.00 | \$4,082,111.59 | \$4,877,598.62 | \$5,068,548.33 | \$6,150,353.04 | \$7,333,779.78 | \$73,673,204.56 | \$2,450,501.27 | \$898,071,514.98 |
| 24 | Sub-total By Tax Year | | | | | | | | | | | | | | | \$109,270,217.25 | |
| Book Depreciation - Provision for Depr Expense | | | | | | | | | | | | | | | | | |
| 25 | Mainline Replacement & Relocation - LP | | | \$22,097,351.88 | | | | | | | | | | | | \$7,707,781.08 | \$29,805,132.96 |
| 26 | Mainline Replacement & Relocation - RP | | | 25,006,492.32 | | | | | | | | | | | | 7,346,050.38 | 32,352,542.70 |
| 27 | M&R Structures | | | 1,771.13 | | | | | | | | | | | | 6,260.02 | 8,031.15 |
| 28 | M&R Equipment | | | 2,364,316.11 | | | | | | | | | | | | 767,931.71 | 3,132,247.82 |
| 29 | Betterments - LP | | | 144,666.40 | | | | | | | | | | | | 23,462.16 | 168,128.56 |
| 30 | Betterments - RP | | | 199,143.32 | | | | | | | | | | | | 31,492.08 | 230,635.40 |
| 31 | Services - LP | | | 19,033,841.01 | | | | | | | | | | | | 5,235,321.34 | 24,269,162.35 |
| 32 | Services - RP | | | 18,968,095.19 | | | | | | | | | | | | 4,668,599.94 | 23,636,695.13 |
| 33 | Transmission M&R | | | 139,006.16 | | | | | | | | | | | | 21,852.84 | 160,859.00 |
| 34 | Transmission - Mainline Replacement | | | 6,388,834.05 | | | | | | | | | | | | 862,678.08 | 7,251,512.13 |
| 35 | Computer Software - Purchased | | | 733,944.88 | | | | | | | | | | | | 0.00 | 733,944.88 |
| 36 | Total Book Depreciation | | | \$95,077,462.45 | | | | | | | | | | | | \$26,671,429.63 | \$121,748,892.08 |
| 37 | Tax Depreciation in Excess of Book Depreciation | | | \$693,723,835.28 | | | | | | | | | | | | \$82,598,787.62 | \$776,322,622.90 |
| 38 | Federal Deferred Taxes @ 35.00% | | | \$242,803,342.34 | | | | | | | | | | | | \$28,909,575.67 | \$271,712,918.01 |
| 39 | Accumulated Deferred Income Tax (ADIT) | | | | | | | | | | | | | | | | \$271,712,918.01 |
| 40 | Federal Tax Rate | | | 35.00% | | | | | | | | | | | | 35.00% | 35.00% |

* Due to accelerated depreciation for tax purposes retirements are fully depreciated and therefore not included.
** 50% bonus tax depreciation applies. Tax depreciation is calculated on the remaining 50% of plant value at the stated depreciation rates.
*** 100% bonus tax depreciation applies to October 2010 through December 2011 plant additions.

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
Annualized Depreciation Associated With Capital Additions

Attachment A
Schedule 9

| Line No. | Accumulated Plant Less Cost of Removal | Cumulative Through 12/31/17 |
|----------|---|-----------------------------|
| 1 | Distribution ML Replacement & Relocation - LP | \$500,650,675.00 |
| 2 | Distribution ML Replacement & Relocation - RP | 463,354,464.79 |
| 3 | Distribution M & R Structures | 564,291.08 |
| 4 | Distribution M & R Equipment | 35,124,470.52 |
| 5 | Betterments - LP | 1,372,055.27 |
| 6 | Betterments - RP | 1,841,644.21 |
| 7 | Distribution Services - LP | 171,532,491.46 |
| 8 | Distribution Services - RP | 141,180,000.85 |
| 9 | Transmission M & R | 1,040,613.29 |
| 10 | Transmission ML Replacement & Relocation | 46,631,247.74 |
| 11 | Computer Software - Purchased | 733,944.88 |
| 12 | Total | <u>\$1,364,025,899.09</u> |

Schedule 5

| Line No. | Annualized Depreciation | Depr Rate | Annualized Depreciation 12/31/17 |
|----------|---|-----------|----------------------------------|
| 13 | Distribution ML Replacement & Relocation - LP | 1.71% | \$8,561,126.54 |
| 14 | Distribution ML Replacement & Relocation - RP | 1.71% | 7,923,361.35 |
| 15 | Distribution M & R Structures | 1.66% | 9,367.23 |
| 16 | Distribution M & R Equipment | 2.35% | 825,425.06 |
| 17 | Betterments - LP | 1.71% | 23,462.15 |
| 18 | Betterments - RP | 1.71% | 31,492.12 |
| 19 | Distribution Services - LP | 3.43% | 5,883,564.46 |
| 20 | Distribution Services - RP | 3.43% | 4,842,474.03 |
| 21 | Transmission M & R | 2.10% | 21,852.88 |
| 22 | Transmission ML Replacement & Relocation | 1.85% | 862,678.08 |
| 23 | Computer Software - Purchased | 10.00% | 0.00 |
| 24 | Total | | <u>\$28,984,803.90</u> |

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
Annualized Amortization of PISCC

Attachment A
Schedule 10

| Line No. | Description | 07/01/08 - 06/30/09 | 07/01/09 - 06/30/10 | 07/01/10 - 06/30/11 | 07/01/11 - 12/31/11 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Accumulated Deferrals at 12/31/17 | |
|--------------------------------------|---|---------------------|---------------------|---------------------|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------------------|-------------|
| PISCC Deferrals | | | | | | | | | | | | | |
| Regulatory Asset--Deferrals | | | | | | | | | | | | Sch 6 Lines 14 - 26 | |
| 1 | Distribution ML Replacement & Relocation - LP | \$457,884.68 | \$1,023,600.62 | \$1,157,940.60 | \$1,010,374.68 | \$1,909,875.05 | \$2,896,257.22 | \$3,056,558.26 | \$3,327,578.58 | \$3,706,556.84 | \$3,976,449.16 | \$22,523,075.69 | |
| 2 | Distribution ML Replacement & Relocation - RP | 678,829.36 | 1,572,823.41 | 1,775,395.45 | 1,474,909.81 | 2,139,225.74 | 2,633,116.86 | 2,436,270.05 | 2,391,824.16 | 3,076,790.55 | 3,296,272.28 | 21,475,457.67 | |
| 3 | Distribution M & R Structures | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,163.92 | 10,828.40 | 15,992.32 | |
| 4 | Distribution M & R Equipment | 0.00 | 52,515.47 | 124,900.11 | 124,820.70 | 85,082.92 | 163,508.85 | 349,197.63 | 231,977.84 | 198,936.47 | 152,466.08 | 1,483,406.07 | |
| 5 | Betterments - LP | 0.00 | 12,887.87 | 20,123.00 | 23,651.52 | 9,447.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 66,109.64 | |
| 6 | Betterments - RP | 0.00 | 14,076.51 | 44,719.02 | 35,234.72 | (2,910.25) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 91,120.00 | |
| 7 | Distribution Services - LP | 215,901.50 | 706,803.16 | 708,346.15 | 449,812.62 | 641,798.01 | 801,754.80 | 808,049.35 | 853,566.78 | 1,292,892.21 | 1,744,751.78 | 8,223,676.36 | |
| 8 | Distribution Services - RP | 245,525.10 | 803,782.75 | 805,537.46 | 511,530.88 | 729,858.34 | 911,762.61 | 918,920.82 | 970,683.66 | 846,045.52 | 603,186.83 | 7,346,833.97 | |
| 9 | Transmission M & R | 0.00 | 4,151.81 | 18,354.19 | 20,945.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 43,451.25 | |
| 10 | Transmission ML Replacement & Relocation | 287,101.58 | 1,213,798.91 | 558,792.25 | 144,749.37 | 25,556.53 | 12,221.55 | 0.00 | 0.00 | 0.00 | 0.00 | 2,242,220.19 | |
| 11 | Computer Software - Purchased | 0.00 | 27,828.71 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 27,828.71 | |
| 12 | Total | \$1,885,242.22 | \$5,432,269.22 | \$5,214,108.23 | \$3,796,029.55 | \$5,537,933.59 | \$7,418,621.89 | \$7,568,996.11 | \$7,775,631.02 | \$9,126,385.51 | \$9,783,954.53 | \$63,539,171.87 | |
| Annual Amortization of PISCC Through | | | | | | | | | | | | | |
| Amortization % | | | | | | | | | | | | | |
| 13 | Annualized Amortization of PISCC | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 14 | Distribution ML Replacement & Relocation - LP | 1.43% | \$6,539.10 | \$14,621.14 | \$16,546.91 | \$14,437.84 | \$27,278.63 | \$41,387.52 | \$43,678.22 | \$47,551.10 | \$52,966.70 | \$321,830.62 | |
| 15 | Distribution ML Replacement & Relocation - RP | 1.43% | 9,694.43 | 22,466.25 | 25,370.31 | 21,075.85 | 30,554.43 | 37,627.24 | 34,814.30 | 34,179.17 | 43,967.34 | 306,853.05 | |
| 16 | Distribution M & R Structures | 1.43% | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 73.79 | 228.53 | |
| 17 | Distribution M & R Equipment | 1.54% | 0.00 | 791.87 | 1,893.76 | 1,901.67 | 1,303.25 | 2,514.77 | 5,370.66 | 3,567.82 | 3,059.64 | 22,748.37 | |
| 18 | Betterments - LP | 1.43% | 0.00 | 184.09 | 287.56 | 337.97 | 134.93 | 0.00 | 0.00 | 0.00 | 0.00 | 944.55 | |
| 19 | Betterments - RP | 1.43% | 0.00 | 201.07 | 639.03 | 503.49 | (41.57) | 0.00 | 0.00 | 0.00 | 0.00 | 1,302.02 | |
| 20 | Distribution Services - LP | 2.86% | 6,168.05 | 20,195.72 | 20,238.56 | 12,850.54 | 18,336.01 | 22,906.13 | 23,085.97 | 24,386.40 | 36,937.93 | 234,952.87 | |
| 21 | Distribution Services - RP | 2.86% | 7,365.02 | 23,855.63 | 23,662.66 | 14,879.41 | 21,035.83 | 26,049.06 | 26,253.57 | 27,732.43 | 24,171.52 | 212,238.18 | |
| 22 | Transmission M & R | 1.67% | 0.00 | 68.22 | 302.62 | 346.65 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 717.49 | |
| 23 | Transmission ML Replacement & Relocation | 1.54% | 4,387.07 | 18,567.62 | 8,562.56 | 2,220.58 | 392.79 | 187.97 | 0.00 | 0.00 | 0.00 | 34,318.59 | |
| 24 | Computer Software - Purchased | 10.00% | 0.00 | 927.64 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 927.64 | |
| 25 | Total--Annualized Amortization PISCC | | \$34,153.67 | \$101,879.25 | \$97,503.97 | \$68,554.00 | \$98,994.30 | \$130,672.69 | \$133,202.72 | \$137,416.92 | \$161,176.92 | \$1,137,061.91 | |
| 26 | Monthly Amortization | | \$2,846.14 | \$8,489.94 | \$8,125.33 | \$5,712.83 | \$8,249.52 | \$10,889.39 | \$11,100.23 | \$11,451.41 | \$13,431.41 | (a) | \$80,296.20 |

(a) Revised amortization of PISCC will begin when the rate resulting from this application is implemented.

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
Incremental and Annualized Property Tax Expense

Attachment A
Schedule 11

| Line No. | Property Tax Expense | Incremental | | | Annualized |
|----------|---|--------------------|-----------------------|-----------------|--------------------|
| | | Through 12/31/16 | Less Prior Annualized | Total | Through 12/31/17 |
| 1 | Plant in Service, Net of Cost of Removal and Retirements | \$1,110,323,701.45 | | | \$1,302,773,582.79 |
| 2 | Effective Property Tax Rate | 2.400% | | | 2.400% |
| 3 | Tax on Property Through 12/31/2016 - Expensed in 2017 (a) | 26,645,608.91 | | 26,645,608.91 | |
| 4 | Annualized Tax recovered in rates January 2017 - April 2017 | | (7,427,912.59) | (7,427,912.59) | |
| 5 | Annualized Tax recovered in rates May 2017 - December 2017 | | (17,476,495.06) | (17,476,495.06) | |
| 6 | Tax on Property Through 12/31/2017 - Expensed Jan-Dec 2018 | | | | 31,266,565.99 |
| 7 | Total | \$26,645,608.91 | (\$24,904,407.65) | \$1,741,201.26 | \$31,266,565.99 |

| | Amortization of Incremental Property Tax: | Asset Life | Cumulative Through 2016 | 2017 | Cumulative Through 2017 |
|----|---|------------|-------------------------|-------------|-------------------------|
| 8 | Distribution Mainline Replacement & Relocation - LP | 1.43% | \$35,365.22 | \$8,886.78 | \$44,252.00 |
| 9 | Distribution Mainline Replacement & Relocation - RP | 1.43% | 45,330.52 | 8,587.39 | 53,917.91 |
| 10 | Distribution M&R Structures | 1.43% | 0.00 | 4.17 | 4.17 |
| 11 | Distribution M&R Equipment | 1.54% | 2,648.82 | 711.48 | 3,360.30 |
| 12 | Betterments | 1.43% | 672.65 | 69.76 | 742.41 |
| 13 | Services - LP | 2.86% | 30,705.23 | 5,839.65 | 36,544.88 |
| 14 | Services - RP | 2.86% | 34,252.73 | 5,452.65 | 39,705.38 |
| 15 | Transmission M&R | 1.67% | 190.93 | 23.30 | 214.23 |
| 16 | Transmission Mainline Replacement & Relocation | 1.54% | 15,754.75 | 1,081.11 | 16,835.86 |
| 17 | Software - Purchased | 10.00% | 1,412.20 | 0.00 | 1,412.20 |
| 18 | Total Amortization | | \$166,333.05 | \$30,656.29 | \$196,989.34 |

(a) Calculated by Dominion Tax Department on assets by tax jurisdiction.

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
Rate of Return on Rate Base

Attachment A
Schedule 12

| <u>Line No.</u> | | |
|---------------------|-----------------------------|--------------|
| 1 | Capital Structure | |
| 2 | Debt | 48.66% |
| 3 | Equity | 51.34% |
| 4 | Cost of Capital | |
| 5 | Debt | 6.50% |
| 6 | Equity | 10.38% |
| 7 | Return on Rate Base | <u>8.49%</u> |
| 8 | Pre-Tax Return on Rate Base | <u>9.91%</u> |
| | | (a) |

(a) The Pre-Tax Rate of Return on Rate Base was adjusted to reflect the federal income tax rate of 21% in accordance with the Tax Cuts and Jobs Act.

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
Cost Allocation

Attachment A
Schedule 13

| Line No. | Description | Dist ML LP | Dist ML RP | Betterments | Dist M&R | Trans M&R | Trans ML | Services | Software | Total |
|--|--|---|--|--|---|---|---|---|---|--------------------|
| 1 | Total Plant In-Service | \$481,571,721.95 | \$444,276,863.75 | \$3,113,120.52 | \$32,345,866.56 | \$891,195.11 | \$44,824,528.41 | \$295,750,286.49 | \$0.00 | \$1,302,773,582.79 |
| 2 | Total Accumulated Provision for Depreciation | (2,109,846.68) | 3,275,278.84 | 298,185.00 | (4,554,650.06) | 11,440.82 | 5,043,745.70 | 30,943,651.66 | 0.00 | 32,907,805.28 |
| 3 | Net Plant in Service | 483,681,568.63 | 441,001,584.91 | 2,814,935.52 | 36,900,516.62 | 879,754.29 | 39,780,782.71 | 264,806,634.83 | 0.00 | 1,269,865,777.51 |
| 4 | PISCC | 21,671,978.23 | 20,501,269.57 | 143,551.00 | 1,429,605.95 | 38,774.31 | 1,996,287.45 | 14,168,760.47 | 4,947.49 | 59,955,174.47 |
| 5 | Less: Net Deferred Tax Balance - PISCC | (7,585,192.39) | (7,175,444.35) | (50,242.85) | (500,362.09) | (13,571.01) | (698,700.61) | (4,959,066.17) | (1,731.63) | (20,984,311.10) |
| 6 | Less: Deferred Income Taxes | (98,157,781.72) | (99,283,288.17) | (909,983.59) | (6,908,590.62) | (287,888.45) | (10,866,603.53) | (55,298,781.93) | 0.00 | (271,712,918.01) |
| 7 | Rate Base | 399,610,572.75 | 355,044,121.96 | 1,998,260.08 | 30,921,169.86 | 617,069.14 | 30,211,766.02 | 218,717,547.20 | 3,215.86 | 1,037,123,722.87 |
| 8 | Return on Rate Base | 39,601,407.76 | 35,184,872.49 | 198,027.58 | 3,064,287.93 | 61,151.55 | 2,993,986.01 | 21,674,908.93 | 318.69 | 102,778,960.94 |
| <u>Operating Expense</u> | | | | | | | | | | |
| 9 | Incremental Depreciation Expense | 87,465.59 | 83,414.67 | 618.67 | 8,430.54 | 264.79 | 10,554.50 | 276,001.40 | 2,446.53 | 469,196.69 |
| 10 | Annualized Depreciation | 8,561,126.54 | 7,923,361.35 | 54,954.27 | 834,792.29 | 21,852.88 | 862,678.08 | 10,726,038.49 | 0.00 | 28,984,803.90 |
| 11 | Annualized Amortization of PISCC | 321,830.62 | 306,853.05 | 2,246.57 | 22,976.90 | 717.49 | 34,318.59 | 447,191.05 | 927.64 | 1,137,061.91 |
| 12 | Incremental Property Tax Expense | 44,252.00 | 53,917.91 | 742.41 | 3,364.47 | 214.23 | 16,835.86 | 76,250.26 | 1,412.20 | 196,989.34 |
| 13 | Annualized Property Tax Expense | 11,557,721.33 | 10,662,644.73 | 74,714.89 | 776,300.80 | 21,388.68 | 1,075,788.68 | 7,098,006.88 | 0.00 | 31,266,565.99 |
| 14 | O&M Expense Savings | (414,482.89) | (382,383.66) | (2,679.42) | (27,839.69) | (767.04) | (38,579.92) | (254,548.65) | 0.00 | (1,121,281.27) |
| 15 | Revenue Adjustment - Tax Reform | (1,602,041.56) | (1,477,972.99) | (10,356.40) | (107,604.79) | (2,964.73) | (149,117.47) | (983,870.58) | 0.00 | (4,333,928.52) |
| 16 | Revenue Requirement Before Adjustments | 58,157,279.39 | 52,354,707.55 | 318,268.57 | 4,574,708.45 | 101,857.85 | 4,806,464.33 | 39,059,977.78 | 5,105.06 | 159,378,368.98 |
| 17 | Rate Cap Adjustment - GSS/ECTS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 18 | Revenue Requirement with Rate Cap Adj | 58,157,279.39 | 52,354,707.55 | 318,268.57 | 4,574,708.45 | 101,857.85 | 4,806,464.33 | 39,059,977.78 | 5,105.06 | 159,378,368.98 |
| 19 | Reconciliation Adjustment | 2,250,282.50 | 2,076,011.54 | 14,546.95 | 151,145.37 | 4,164.37 | 209,455.51 | 1,381,978.35 | 0.00 | 6,087,584.59 |
| 20 | Annualized Revenue Requirement | \$60,407,561.89 | \$54,430,719.09 | \$332,815.52 | \$4,725,853.82 | \$106,022.22 | \$5,015,919.84 | \$40,441,956.13 | \$5,105.06 | \$165,465,953.57 |
| <u>Allocation of Revenue Requirement by Investment</u> | | | | | | | | | | |
| 21 | Allocators | Distribution Plant: Total Services p 13 of 16 | Non-Customer Distribution Plant p 13 of 16 | Non-Customer Distribution Plant p 13 of 16 | Distribution Plant: Total Services p 13 of 16 | Transmission Plant Total p 13 of 16 | Transmission Plant Total p 13 of 16 | Distribution Plant: Total Services p 13 of 16 | Distribution Plant Total p 13 of 16 | |
| 22 | Source: Schedule E 3.2 (Cost of Service Study) | | | | | | | | | |
| <u>Allocators by Rate Schedule</u> | | | | | | | | | | |
| 23 | GSS/ECTS | \$299,593,978.85 | \$635,329,885.43 | \$635,329,885.43 | \$299,593,978.85 | \$148,785,233.17 | \$148,785,233.17 | \$299,593,978.85 | \$1,066,956,163.95 | |
| 24 | LVGSS/LVECTS | 527,084.89 | 37,360,064.50 | 37,360,064.50 | 527,084.89 | 8,749,196.34 | 8,749,196.34 | 527,084.89 | 38,792,919.52 | |
| 25 | GTS/TSS | 1,024,258.53 | 128,432,826.91 | 128,432,826.91 | 1,024,258.53 | 30,077,143.45 | 30,077,143.45 | 1,024,258.53 | 133,171,379.54 | |
| 26 | DTS | 32,959.28 | 91,291,183.74 | 91,291,183.74 | 32,959.28 | 21,379,098.28 | 21,379,098.28 | 32,959.28 | 91,624,688.81 | |
| 27 | Total | \$301,178,281.55 | \$892,413,960.58 | \$892,413,960.58 | \$301,178,281.55 | \$208,990,671.24 | \$208,990,671.24 | \$301,178,281.55 | \$1,330,545,151.82 | |
| <u>% of Plant Type by Rate Schedule</u> | | | | | | | | | | |
| 28 | GSS/ECTS | 99.47% | 71.19% | 71.19% | 99.47% | 71.19% | 71.19% | 99.47% | 80.19% | |
| 29 | LVGSS/LVECTS | 0.18% | 4.19% | 4.19% | 0.18% | 4.19% | 4.19% | 0.18% | 2.92% | |
| 30 | GTS/TSS | 0.34% | 14.39% | 14.39% | 0.34% | 14.39% | 14.39% | 0.34% | 10.01% | |
| 31 | DTS | 0.01% | 10.23% | 10.23% | 0.01% | 10.23% | 10.23% | 0.01% | 6.89% | |
| 32 | Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | |

| Allocation by Rate Schedule of Revenue Requirement Before Reconciliation Adjustment | | | | | | | | | | | Cost Recovery Charge | |
|---|------------------|------------------|-----------------|--------------|----------------|--------------|----------------|-----------------|------------|------------------|----------------------|--------------------|
| | Dist ML Low Pres | Dist ML Reg Pres | Betterment | Dist M&R | Trans M&R | Trans ML | Services | Software | Total | Bills Issued | Mcf | |
| 33 | GSS/ECTS | \$57,851,351.84 | \$37,272,512.33 | \$226,582.67 | \$4,550,643.89 | \$72,514.93 | \$3,421,831.76 | \$38,854,508.69 | \$4,093.72 | \$142,254,039.82 | 14,431,757 | \$9.86 per Month |
| 34 | LVGSS/LVECTS | 101,779.66 | 2,191,780.20 | 13,324.01 | 8,006.09 | 4,264.18 | 201,218.07 | 68,357.93 | 148.84 | 2,588,878.99 | 45,119 | \$57.38 per Month |
| 35 | GTS/TSS | 197,783.48 | 7,534,690.61 | 45,804.00 | 15,557.84 | 14,658.99 | 691,728.09 | 132,836.65 | 510.95 | 8,633,570.63 | 23,749 | \$363.53 per Month |
| 36 | DTS | 6,364.41 | 5,355,724.40 | 32,557.89 | 500.63 | 10,419.74 | 491,686.41 | 4,274.51 | 351.55 | 5,901,879.54 | 96,933,802 | \$0.0609 per Mcf |
| 37 | Total | \$58,157,279.39 | \$52,354,707.55 | \$318,268.57 | \$4,574,708.45 | \$101,857.85 | \$4,806,464.33 | \$39,059,977.78 | \$5,105.06 | \$159,378,368.98 | 14,500,625 | 96,933,802 |
| Allocation by Rate Schedule of Revenue Requirement With Reconciliation Adjustment | | | | | | | | | | | Cost Recovery Charge | |
| | Dist ML Low Pres | Dist ML Reg Pres | Betterment | Dist M&R | Trans M&R | Trans ML | Services | Software | Total | Bills Issued | Mcf | |
| 38 | GSS/ECTS | \$60,089,797.06 | \$38,750,472.37 | \$236,938.97 | \$4,700,994.19 | \$75,479.64 | \$3,570,947.92 | \$40,229,217.35 | \$4,093.72 | \$147,657,941.22 | 14,431,757 | \$10.23 per Month |
| 39 | LVGSS/LVECTS | 105,717.83 | 2,278,690.46 | 13,933.00 | 8,270.60 | 4,438.52 | 209,986.73 | 70,776.50 | 148.84 | 2,691,962.48 | 45,119 | \$59.66 per Month |
| 40 | GTS/TSS | 205,436.33 | 7,833,462.31 | 47,897.55 | 16,071.86 | 15,258.32 | 721,872.13 | 137,536.54 | 510.95 | 8,978,045.99 | 23,749 | \$378.04 per Month |
| 41 | DTS | 6,610.67 | 5,568,093.95 | 34,046.00 | 517.17 | 10,845.74 | 513,113.06 | 4,425.74 | 351.55 | 6,138,003.88 | 96,933,802 | \$0.0633 per Mcf |
| 42 | Total | \$60,407,561.89 | \$54,430,719.09 | \$332,815.52 | \$4,725,853.82 | \$106,022.22 | \$5,015,919.84 | \$40,441,956.13 | \$5,105.06 | \$165,465,953.57 | 14,500,625 | 96,933,802 |

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
 PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
 CASE NO. 17-2177-GA-RDR
 Actual Bills Issued and DTS Volumes for Twelve Months Ended December 31, 2017

Attachment A
Schedule 14

| Line No. | Rate Class | Billing System | | |
|-------------|--------------------|----------------|--------|------------|
| | | CCS | SBS | Total |
| 1 | GSS / ECTS | 14,430,244 | 1,513 | 14,431,757 |
| 2 | LVGSS / LVECTS | 43,321 | 1,798 | 45,119 |
| 3 | GTS / TSS | 15,719 | 8,030 | 23,749 |
| 4 | Total Bills Issued | 14,489,284 | 11,341 | 14,500,625 |
| | | | | |
| 5 | DTS Volumes | | | 96,933,802 |

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 17-2177-GA-RDR
O&M Expense Savings

Attachment A
Schedule 15

| Line No. | PIR O&M Baseline Categories | Recovery Period 2017 | Baseline Period 7/1/07-6/30/08 | Change from Baseline | Savings |
|----------|-----------------------------|-------------------------|-----------------------------------|-------------------------|-------------------------|
| 1 | Leak Repair | \$9,532,399.21 | \$10,403,110.35 | (\$870,711.14) | (\$870,711.14) |
| 2 | Leak Surveillance | 2,838,993.98 | 2,623,474.30 | 215,519.68 | 0.00 |
| 3 | Corrosion Monitoring | 1,601,133.54 | 945,998.39 | 655,135.15 | 0.00 |
| 4 | Corrosion Remediation | 3,876,892.46 | 4,087,204.47 | (210,312.01) | (210,312.01) |
| 5 | Total Expense/Savings | <u>\$17,849,419.19</u> | <u>\$18,059,787.51</u> | <u>(\$210,368.32)</u> | <u>(\$1,081,023.15)</u> |
| 6 | DOT Inspections | | | | (40,258.12) |
| 7 | Total O&M Savings | | | | <u>(\$1,121,281.27)</u> |

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
 PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
 CASE NO. 17-2177-GA-RDR
 Revenue Reconciliation Adjustment

Attachment A
Schedule 16

| Line No. | | | | |
|-------------|---|-----------|---------------------------|----------------------|
| 1 | February - April 2017 True-up to Actual | | (\$242,800.00) | Schedule 16A, Line 6 |
| 2 | Revenue Requirement- Case 16-2205-GA-RDR | | 156,744,963.29 | |
| 3 | Total Revenue Requirement | | <u>\$156,502,163.29</u> | |
| 4 | Recovery: | | | |
| 5 | May 2017 | Actual | (\$12,606,465.70) | |
| 6 | June 2017 | Actual | (12,558,698.07) | |
| 7 | July 2017 | Actual | (12,516,429.06) | |
| 8 | August 2017 | Actual | (12,450,744.60) | |
| 9 | September 2017 | Actual | (12,433,663.02) | |
| 10 | October 2017 | Actual | (12,443,367.20) | |
| 11 | November 2017 | Actual | (12,544,279.48) | |
| 12 | December 2017 | Actual | (12,614,091.83) | |
| 13 | January 2018 | Actual | (12,643,195.07) | |
| 14 | February 2018 | Estimated | (12,534,548.23) | |
| 15 | March 2018 | Estimated | (12,534,548.23) | |
| 16 | April 2018 | Estimated | <u>(12,534,548.23)</u> | |
| 17 | Total Recovery: | | <u>(\$150,414,578.71)</u> | |
| 18 | (Over-) Under-Recovery | | <u>\$6,087,584.58</u> | |

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
 PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
 CASE NO. 17-2177-GA-RDR
 Revenue Reconciliation Adjustment True Up Adjustment

Attachment A
Schedule 16A

| Line No. | | Case 16-2205-GA-RDR | | |
|-------------|---|---------------------|-------------------|-----------------------------------|
| | | Estimate as Filed | Actual | Actual vs. Estimate Difference |
| 1 | Recovery: | | | |
| 2 | February 2017 | (\$10,501,104.07) | (\$10,586,264.95) | (\$85,160.88) |
| 3 | March 2017 | (10,501,104.07) | (10,580,805.00) | (79,700.93) |
| 4 | April 2017 | (10,501,104.07) | (10,579,042.26) | (77,938.19) |
| 5 | Total Recovery for February through April 2017 | (\$31,503,312.21) | (\$31,746,112.21) | (\$242,800.00) |
| 6 | February - April 2017 True-up to Actual | | | <u>(\$242,800.00)</u> |

THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO
 PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
 CASE NO. 17-2177-GA-RDR
 Tax Reform Revenue Adjustment

Attachment A
Schedule 17

| Line No. | Rate Class | January 2018 Actual Bills | Tax Reform Rate Change | PIR Over Recovery |
|----------|-------------------------------|---------------------------|------------------------|-------------------|
| 1 | GSS / ECTS | 1,211,678 | (\$0.79) | (\$957,225.62) |
| 2 | LVGSS / LVECTS | 3,788 | (5.1200) | (19,394.5600) |
| 3 | GTS / TSS | 1,888 | (27.0400) | (51,051.5200) |
| 4 | Total | 1,217,354 | | (\$1,027,671.70) |
| 5 | DTS Volumes | 9,791,303 | (0.0057) | (55,810.4271) |
| 6 | January 2018 Actual | | | (\$1,083,482.13) |
| 7 | February 2018 Estimate | (a) | | (1,083,482.1271) |
| 8 | March 2018 Estimate | (a) | | (1,083,482.1271) |
| 9 | April 2018 Estimate | (a) | | (1,083,482.1271) |
| 10 | Total Estimated Over Recovery | | | (\$4,333,928.51) |

(a) Used January 2018 actual revenues for the February through April estimates.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
PIPELINE INFRASTRUCTURE REPLACEMENT (PIR) COST RECOVERY CHARGE
CASE NO. 16-2205-GA-RDR
REVENUE REQUIREMENT

Attachment A
Schedule 17A

| Line No. | Approved Cumulative Through 12/31/15 | 2016 Activity | Updated for Tax Reform Cumulative Through 12/31/16 | Order Cumulative Through 12/31/16 | Change Cumulative Through 12/31/16 | |
|----------|--|-------------------------|--|-----------------------------------|------------------------------------|----------------------------------|
| 1 | Return on Investment | | | | | |
| 2 | Plant In Service | | | | | |
| 3 | Capital Additions | \$1,000,386,960.47 | \$187,514,468.99 | \$1,187,901,429.46 | \$1,187,901,429.46 | \$0.00 |
| 4 | Cost of Removal | (21,020,289.37) | (3,883,153.44) | (24,903,442.81) | (24,903,442.81) | \$0.00 |
| 5 | Retirements | (44,646,126.69) | (8,028,158.51) | (52,674,285.20) | (52,674,285.20) | \$0.00 |
| 6 | Total Plant In Service | 934,720,544.41 | 175,603,157.04 | 1,110,323,701.45 | 1,110,323,701.45 | 0.00 |
| 7 | Less: Accumulated Provision for Depreciation | | | | | |
| 8 | Depreciation Expense | 72,392,589.69 | 22,684,872.76 | 95,077,462.45 | 95,077,462.45 | 0.00 |
| 9 | Cost of Removal | (21,020,289.37) | (3,883,153.44) | (24,903,442.81) | (24,903,442.81) | 0.00 |
| 10 | Retirements | (44,646,126.69) | (8,028,158.51) | (52,674,285.20) | (52,674,285.20) | 0.00 |
| 11 | Total Accumulated Provision for Depreciation | 6,726,173.63 | 10,773,560.81 | 17,499,734.44 | 17,499,734.44 | 0.00 |
| 12 | Subtotal: Net Capital Additions | 927,994,370.78 | 164,829,596.23 | 1,092,823,967.01 | 1,092,823,967.01 | 0.00 |
| 13 | Net Regulatory Asset - Post-In-Service Carrying Costs (6.5%) | 42,711,235.03 | 8,369,813.67 | 51,081,048.70 | 51,081,048.70 | 0.00 |
| 14 | Net Deferred Tax Balance - PISCC | (14,948,932.27) | (2,929,434.80) | (17,878,367.07) | (17,878,367.07) | 0.00 |
| 15 | Deferred Taxes on Liberalized Depreciation | (207,577,894.09) | (35,225,448.25) | (242,803,342.34) | (242,803,342.34) | 0.00 |
| 16 | Rate Base | <u>\$748,178,779.45</u> | <u>\$135,044,526.85</u> | \$883,223,306.30 | \$883,223,306.30 | \$0.00 |
| 17 | Approved Pre-Tax Rate of Return | | | 9.91% | 11.36% | -1.45% |
| 18 | Annualized Return on Rate Base | | | 87,527,429.65 | 100,334,167.60 | (12,806,737.95) |
| 19 | Operating Expense | | | | | |
| 20 | Incremental Depreciation Expense | | | 405,033.69 | 405,033.69 | 0.00 |
| 21 | Annualized Depreciation on Assets through 12/31/2016 | | | 24,734,561.35 | 24,734,561.35 | 0.00 |
| 22 | Annualized Amortization of PISCC | | | 963,554.44 | 963,554.44 | 0.00 |
| 23 | Incremental Property Tax Expense | | | 166,333.05 | 166,333.05 | 0.00 |
| 24 | Annualized Property Tax Expense on Assets through 12/31/2016 | | | 26,214,742.59 | 26,214,742.59 | 0.00 |
| 25 | O&M Expense Savings | | | (1,000,000.00) | (1,000,000.00) | 0.00 |
| 26 | Rate Cap Adjustment | | | 0.00 | 0.00 | 0.00 |
| 27 | Revenue Requirement Before Reconciliation Adjustment | | | 139,011,654.77 | 151,818,392.72 | (12,806,737.95) |
| 28 | Reconciliation Adjustment | | | 4,926,570.57 | 4,926,570.57 | 0.00 |
| 29 | Annualized Revenue Requirement | | | <u>\$143,938,225.34</u> | <u>\$156,744,963.29</u> | <u>(\$12,806,737.95)</u> |
| 30 | PIR Cost Recovery Charge by Rate Schedule | | | | | |
| 31 | GSS / ECTS | | | \$8.90 | \$9.69 | (\$0.79) Per Customer Per Month |
| 32 | LVGSS / LVECTS | | | \$55.90 | \$61.02 | (\$5.12) Per Customer Per Month |
| 33 | GTS / TSS | | | \$294.64 | \$321.68 | (\$27.04) Per Customer Per Month |
| 34 | DTS | | | \$0.0621 | \$0.0678 | (\$0.0057) Per Mcf |

ATTACHMENT B

**PIPELINE INFRASTRUCTURE REPLACEMENT (PIR)
COST RECOVERY CHARGE****APPLICABILITY**

Applicable to all customers receiving service under East Ohio's sales and transportation rate schedules.

PIR COST RECOVERY CHARGE

All customers receiving service under the following rate schedules shall be assessed a monthly charge, regardless of gas consumed, in addition to the otherwise applicable monthly service charge to recover the revenue requirement associated with East Ohio's pipeline infrastructure replacement program:

- General Sales Service – Residential ("GSS-R")
- General Sales Service – Nonresidential ("GSS-NR")
- Energy Choice Transportation Service – Residential ("ECTS-R")
- Energy Choice Transportation Service – Nonresidential ("ECTS-NR")
- Large Volume General Sales Service ("LVGSS")
- Large Volumes Energy Choice Transportation Service ("LVECTS")
- General Transportation Service ("GTS")
- Transportation Service for Schools ("TSS")

Customers receiving service under the Daily Transportation Service ("DTS") rate schedule shall be assessed a volumetric charge in addition to their volumetric delivery charge for that purpose. The maximum monthly PIR Cost Recovery Charge for any DTS customer shall be \$1,000.00 per account.

The PIR Cost Recovery Charge shall be updated annually to reflect pipeline infrastructure replacement expenditures during the most recent calendar year. East Ohio shall submit a prefiling notice by November 30 each year, and an updated filing with actual data by February 28, with the revised PIR Cost Recovery Charge becoming effective as of the first billing cycle in May.

The charges for the respective gas service schedules are:

| | |
|-----------------------------------|------------------|
| Rate Schedules GSS-R and GSS-NR | \$10.23/month |
| Rate Schedules ECTS-R and ECTS-NR | \$10.23/month |
| Rate Schedules LVGSS and LVECTS | \$59.66/month |
| Rate Schedules GTS and TSS | \$378.04/month |
| Rate Schedule DTS | \$0.0633/Mcf |

Issued:

Effective: With bills rendered on or after
Filed under authority of The Public Utilities Commission of Ohio in Case No. 17-2177-GA-RDR
Jeffrey A. Murphy, Vice President

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**PIPELINE INFRASTRUCTURE REPLACEMENT (PIR)
COST RECOVERY CHARGE****APPLICABILITY**

Applicable to all customers receiving service under East Ohio's sales and transportation rate schedules.

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PIR COST RECOVERY CHARGE

All customers receiving service under the following rate schedules shall be assessed a monthly charge, regardless of gas consumed, in addition to the otherwise applicable monthly service charge to recover the revenue requirement associated with East Ohio's pipeline infrastructure replacement program:

- General Sales Service – Residential ("GSS-R")
- General Sales Service – Nonresidential ("GSS-NR")
- Energy Choice Transportation Service – Residential ("ECTS-R")
- Energy Choice Transportation Service – Nonresidential ("ECTS-NR")
- Large Volume General Sales Service ("LVGSS")
- Large Volumes Energy Choice Transportation Service ("LVECTS")
- General Transportation Service ("GTS")
- Transportation Service for Schools ("TSS")

Customers receiving service under the Daily Transportation Service ("DTS") rate schedule shall be assessed a volumetric charge in addition to their volumetric delivery charge for that purpose. The maximum monthly PIR Cost Recovery Charge for any DTS customer shall be \$1,000.00 per account.

The PIR Cost Recovery Charge shall be updated annually to reflect pipeline infrastructure replacement expenditures during the most recent calendar year. East Ohio shall submit a prefiling notice by November 30 each year, and an updated filing with actual data by February 28, with the revised PIR Cost Recovery Charge becoming effective as of the first billing cycle in May.

The charges for the respective gas service schedules are:

| | |
|-----------------------------------|----------------|
| Rate Schedules GSS-R and GSS-NR | \$10.23/month |
| Rate Schedules ECTS-R and ECTS-NR | \$10.23/month |
| Rate Schedules LVGSS and LVECTS | \$59.66/month |
| Rate Schedules GTS and TSS | \$378.04/month |
| Rate Schedule DTS | \$0.0633/Mcf |

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Deleted: \$0.0678

Deleted: April 25, 2017

Deleted: May 8, 2017

Deleted: 16-2205

Deleted: Vice President and General Manager

Issued: _____ Effective: With bills rendered on or after _____
Filed under authority of The Public Utilities Commission of Ohio in Case No. 17-2177-GA-RDR
Jeffrey A. Murphy, Vice President

ATTACHMENT C

**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 to Adjust its Pipeline Infrastructure |) | Case No. 17-2177-GA-RDR |
| Replacement Program Cost Recovery |) | |
| Charge and Related Matters |) | |

**DIRECT TESTIMONY OF VICKI H. FRISCIC
ON BEHALF OF
THE EAST OHIO GAS COMPANY D/B/A DOMINION ENERGY OHIO**

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| IV. | CONCLUSION | 17 |

**Direct Testimony of
Vicki H. Friscic**

I. INTRODUCTION

Q1. Please state your name, occupation and business address.

A. My name is Vicki H. Friscic. I am employed by The East Ohio Gas Company d/b/a Dominion Energy Ohio (DEO) as Director Regulatory & Pricing. My business address is 1201 East 55th Street, Cleveland, Ohio 44103-1028.

Q2. In your capacity as Director Regulatory & Pricing, are you generally familiar with DEO's books and records?

A. Yes. I am responsible for preparing and making a variety of regulatory filings that include financial information derived from DEO's financial records, including the general ledger, annual reports, income statements, and balance sheets.

Q3. Are you familiar with DEO's Application to adjust its Pipeline Infrastructure Replacement (PIR) Cost Recovery Charge?

A. Yes. I supervised and coordinated the preparation of DEO's Pre-Filing Notice and Application, including the collection of the data and assembly of the schedules supporting the PIR Cost Recovery Charge (PIR Charge), which were submitted as part of DEO's PIR filings.

Q4. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to explain the adjustment to the PIR Charge set forth in DEO's Application in this case.

II. BACKGROUND

Q5. What is the PIR Program?

A. The PIR Program, approved by the Commission for an initial period of five years in Case No. 08-169-GA-ALT, facilitates the accelerated replacement, maintenance and repair of

aging pipelines and related infrastructure. It also permits DEO to recover the costs associated with replacement, maintenance and repair of such infrastructure through the PIR Charge. In its August 3, 2011 Opinion and Order in Case No. 11-2401-GA-ALT, the Commission approved a Stipulation and Recommendation modifying certain aspects of the PIR Program and the calculation of the PIR Charge and extending the program for an additional five years or until DEO files its next base rate case, whichever comes first. Among the modifications approved was the transition from a fiscal period ending June 30 of each year to an annual filing based on each calendar year.

In its September 14, 2016 Opinion and Order in Case No. 15-0362-GA-ALT, the Commission approved a Stipulation and Recommendation extending the PIR Program for an additional five-year term through December 31, 2021, with revised rate increase caps.

Q6. Does the PIR Program benefit customers?

- A. Yes. DEO's customers are realizing several benefits from the PIR Program including: (i) enhanced service reliability and safety well into the future resulting from the replacement of aging infrastructure; (ii) reduced operations and maintenance (O&M) costs that have occurred to date and will continue to occur over time resulting from a lower leak repair rate as compared to the O&M costs that would have been incurred if DEO had not accelerated the replacement of its pipelines; and (iii) lower service line costs because DEO now installs and maintains the curb-to-meter service lines that were previously the responsibility of customers.

Q7. What is the significance of the PIR Charge to DEO?

- A. The PIR Program involves a significant capital investment. Timely recovery of associated costs and a return on its investment is necessary for DEO to secure the capital funds necessary to address its infrastructure needs within 25 years rather than the approximately

89 years it would otherwise take to complete the pipeline replacements through DEO's normal capital budgeting process. The combination of the 25-year replacement time-frame and a book depreciation rate of 1.71 percent on the largest portion of the required investment allows the costs of the program to be spread over a very long period of time, which ensures that customers will not be burdened by substantial annual cost increases.

Q8. What is the established process to obtain the Commission approvals necessary for DEO to adjust its PIR Charge?

A. DEO's current Application to adjust the PIR Charge is part of an established process before the Commission, with certain modifications approved in Case Nos. 11-2401-GA-ALT and 15-0362-GA-ALT. The Commission approved the cost recovery mechanism in its October 15, 2008 Opinion and Order in Case No. 08-169-GA-ALT. The Commission approved the initial PIR Charge on December 16, 2009, in Case No. 09-458-GA-RDR.

Subsequent adjustments were approved as follows:

- On November 3, 2010, in Case No. 10-733-GA-RDR;
- On October 26, 2011, in Case No. 11-3238-GA-RDR;
- On April 25, 2012, in Case No. 12-812-GA-RDR;
- On April 24, 2013, in Case No. 12-3125-GA-RDR;
- On April 23, 2014 in Case No. 13-2320-GA-RDR;
- On April 22, 2015, in Case No. 14-2134-GA-RDR;
- On April 20, 2016, in Case No. 15-1987-GA-RDR;
- On April 19, 2017, in Case No. 16-2205-GA-RDR regarding the current PIR Charge.

As approved in Case No. 11-2401-GA-ALT, DEO transitioned the program from use of a fiscal year ending June 30 to a calendar year; accordingly, DEO is reflecting the

twelve-month period from January 1 through December 31, 2017, in the Application in this case. A Pre-Filing Notice was filed on November 30, 2017, in this case, with the Application to be filed no later than February 28, 2018. Staff is to conduct an investigation of DEO's filing and determine whether the filing might be unjust or unreasonable. If Staff does not find DEO's filing to be unjust or unreasonable and no other party files an objection, the PIR Charge is to be effective as of the first billing cycle in May 2018. If Staff finds DEO's filing may be unjust or unreasonable, or another party that filed for intervention objects and DEO is unable to resolve the objection by April 1, the Commission will schedule an expedited hearing to resolve any remaining issues.

III. DEO'S PIR COST RECOVERY CHARGE

Q9. Please describe DEO's proposed PIR Charge by rate schedule.

- A. The proposed PIR Charge by rate schedule, based on the cost of service used in DEO's last rate case, is set forth at Application Attachment A, Schedule 1 at lines 32 through 35. The PIR Charges by rate schedule are listed below.

| <u>Rate Schedule</u> | <u>PIR Charge</u> |
|----------------------|---|
| GSS/ECTS: | \$10.23 per month |
| LVGSS/LVECTS: | \$59.66 per month |
| GTS/TSS: | \$378.04 per month |
| DTS: | \$0.0633 per Mcf, capped at \$1,000 per month |

These rates were determined by spreading the revenue requirement shown on Schedule 1 at line 30 to rate schedules based on the class cost of service study submitted in DEO's last rate case, as shown on Schedule 13, except for the Rate Cap Adjustment on Schedule 1 at line 27. In accordance with the Stipulation approved in Case No. 11-2401-GA-ALT, this adjustment would be allocated solely to the GSS/ECTS class of customers

to ensure that the revised rate does not exceed the maximum increase allowed. Because DEO did not exceed the maximum increase of \$1.85 (the rate increase cap of \$1.75 for 2017 in accordance with the Stipulation approved in Case No. 15-0362-GA-ALT plus \$0.10, the amount by which the rate approved in Case No. 16-2205-GA-RDR was less than the maximum rate increase permitted by the Stipulation approved in Case No. 11-2401-GA-ALT) based on capital additions and associated costs in 2017, this Application does not include a Rate Cap Adjustment.

Having made these allocations, the net rate base by type of PIR investment was determined using the data shown on Schedules 2 through 6 and 8, with deferred tax on Post-in-Service Carrying Costs (PISCC) determined by multiplying the effective income tax rate of 35 percent through 2017 times the PISCC by investment type, which agrees in total to Schedule 7. The return on investment was calculated for each investment type in the same manner shown for total rate base on Schedule 1 at lines 16 through 18.

Operating expenses were allocated to each investment type based on total plant in service for each investment type. The resulting revenue requirement for each investment type was then allocated to the rate classes using the allocators from DEO's rate case cost of service study to determine the rates for each rate class before application of the Reconciliation Adjustment. As noted above, there was no Rate Cap Adjustment.

The revenue requirement by rate class for GSS/ECTS, LVGSS/LVECTS, and GTS/TSS determined before applying the Reconciliation Adjustment was divided by the total number of actual bills issued for each rate class, respectively, for the twelve-month period ended December 31, 2017, from Schedule 14 to arrive at the monthly PIR Charge. The resulting GSS/ECTS rate calculated before the Reconciliation Adjustment is \$9.86,

which is \$1.38 less than the maximum rate allowed of \$11.24 (\$9.39 before the Reconciliation Adjustment approved in last year's PIR case plus the rate increase cap for 2017 of \$1.85, determined as described above). The total revenue requirement for the DTS rate class was divided by the total DTS volumes for the twelve-month period ended December 31, 2017, from Schedule 14 to arrive at the PIR Charge per Mcf.

The Reconciliation Adjustment, discussed later in this testimony, was also allocated to the rate classes using the allocators from the rate case cost of service study. The final rates for each rate class were then calculated based on the total revenue requirement by rate class, including the Reconciliation Adjustment, as described above. The allocations and rate calculations are shown on Schedule 13.

Q10. Has DEO reflected any impacts of the Tax Cuts and Jobs Act (TCJA) in this filing?

A. Yes. DEO has recalculated the Pre-Tax Rate of Return to include the federal income tax rate of 21 percent, which became effective January 1, 2018. In addition, based on DEO's understanding that the TCJA eliminates bonus tax depreciation for regulated entities subsequent to September 2017, no bonus tax depreciation was taken for investments during the period October through December 2017. Lastly, the revenue requirement includes a credit adjustment to refund to customers the difference in projected revenues billed during the period January through April 2018 at the currently effective PIR Charge and the amount of revenues determined using the PIR Charge revised to include federal income tax at 21 percent. These tax reform impacts are described further below.

Q11. Does the proposed PIR Charge include a refund to customers of excess deferred income tax associated with Deferred Taxes on Liberalized Depreciation?

A. The impact of the TCJA on accumulated deferred income taxes (ADIT) is complex and will take additional time to determine. Because ADIT has been accumulated using a 35-

percent tax rate, the reduction to 21 percent results in what are called “excess deferred income taxes” (or EDIT) that must be addressed without violating tax normalization rules that prescribe how those amounts must be recognized over time. Such a violation could deny a utility and its customers the benefit of accelerated tax depreciation. Although the calculation of EDIT for PIR is fairly straightforward, determining the manner in which it should be recognized (*i.e.*, amortized) on a prospective basis will take considerable time in part because it must be reviewed on an account-by-account basis in conjunction with the determination of the Company’s other EDIT impacts. DEO anticipates that amortization of the PIR-related EDIT for 2018 will be reflected in the February 2019 PIR Charge update filing.

Q12. Please describe the components used to calculate the PIR Program revenue requirement.

- A. DEO has calculated the PIR Program revenue requirement in a manner consistent with the revenue requirement calculation in the last PIR Charge case, except for the inclusion of impacts of the TCJA. The formula, shown on Application Attachment A at Schedule 1, is rate base times rate of return plus operating expenses, minus a revenue adjustment due to tax reform, plus or minus the Rate Cap Adjustment and plus or minus the Reconciliation Adjustment. Each component of the formula is supported by a schedule or schedules.

Q13. Please identify the rate components and schedules that support the calculation of rate base shown on Application Attachment A at Schedule 1.

- A. Rate base consists of the following components: Total Capital Additions shown on Schedule 2; net of Cost of Removal and Retirements shown on Schedules 3 and 4; Accumulated Provision for Depreciation shown on Schedule 5; net of Cost of Removal and Retirements shown on Schedules 3 and 4; the Net Regulatory Asset - PISCC shown

on Schedule 6; Net Deferred Taxes on PISCC shown on Schedule 7; and Deferred Taxes on Liberalized Depreciation shown on Schedule 8.

Q14. Please explain the information set forth on Schedules 2, 3, and 4 and how that information is shown on Schedule 1.

- A. Schedule 2 shows the Capital Additions associated with the PIR Program cumulatively and for the year ended December 31, 2017. These Capital Additions represent capital investments by DEO in pipelines, associated infrastructure, and computer software. Capital Additions from Schedule 2 appear on Schedule 1 at line 3.

Schedule 3 shows the Cost of Removal associated with the PIR Program cumulatively and for the year ended December 31, 2017. Cost of Removal represents the expense incurred in dismantling and removing an asset from its original location or the cost of activities necessary to abandon a pipeline in place. Cost of Removal from Schedule 3 appears on Schedule 1 at lines 4 and 9.

Schedule 4 shows the capital Retirements associated with the PIR Program cumulatively and for the year ended December 31, 2017. Retirements represent the removal of an asset from service after replacement. Retirements from Schedule 4 appear on Schedule 1 at lines 5 and 10.

Q15. Please explain the information set forth on Schedule 5 and how that information is shown on Schedule 1.

- A. Schedule 5 shows the Provision for Depreciation associated with the PIR Program cumulatively and for the year ended December 31, 2017. The Provision for Depreciation, sometimes known as “Accumulated Depreciation,” represents the depreciation expense accumulated since inception of the PIR Program and during the year ended December 31, 2017, on the PIR Program Capital Additions shown on Schedule 2, net of Cost of

Removal shown on Schedule 3. The accumulated Provision for Depreciation from Schedule 5 appears on Schedule 1 at line 8.

Q16. Please explain the information set forth on Schedules 6, 7, and 8 and how that information is shown on Schedule 1.

- A. Schedule 6 shows the Net Regulatory Asset - PISCC associated with the PIR Program cumulatively and for the year ended December 31, 2017. PISCC represents carrying charges calculated at 6.5 percent on cumulative PIR Capital Additions, net of Cost of Removal, for which the Commission has authorized cost recovery through the PIR Charge, but for which cost recovery has not yet begun. The 6.5 percent rate is DEO's cost of long-term debt from the last rate case. The Net Regulatory Asset - PISCC represents accumulated PISCC net of the amortization of PISCC amounts deferred in prior years. The Net Regulatory Asset - PISCC from Schedule 6 appears on Schedule 1 at line 13.

Schedule 7 shows the Net Deferred Tax Balance - PISCC associated with the PIR Program cumulatively and for the year ended December 31, 2017. The Net Deferred Tax Balance - PISCC is a calculated value that equals the accumulated PISCC balance multiplied by 35 percent. The Net Deferred Tax Balance - PISCC from Schedule 7 appears on Schedule 1 at line 14.

Schedule 8 shows Deferred Taxes on Liberalized Depreciation associated with the PIR Program cumulatively and for the year ended December 31, 2017. The Deferred Taxes on Liberalized Depreciation represent the federal income tax liability associated with the difference between depreciation allowed for income tax purposes, which is determined in accordance with tax rules, compared with depreciation calculated for book purposes, which is determined in accordance with accounting rules. Such taxes are calculated based on PIR Capital Additions, net of Cost of Removal. The calculation of

Deferred Taxes on Liberalized Depreciation on Schedule 8 of this filing includes bonus tax depreciation allowed for capital additions in 2008 through September 2017. It appears that the TCJA eliminates the availability of bonus tax depreciation for regulated entities subsequent to September 2017. Should further clarifications of this provision of the TCJA be obtained that indicate bonus tax depreciation can be taken for post-September 2017 investments, any related adjustment will be made in the February 2019 filing. Deferred Taxes on Liberalized Depreciation from Schedule 8 appears on Schedule 1 at line 15.

Q17. What is bonus tax depreciation and how has it impacted the PIR Charge?

- A. Various federal laws passed over the course of DEO's PIR program have enacted provisions for bonus tax depreciation on certain eligible capital investments. Bonus tax depreciation at a rate of 50 percent of the cost of capital investments placed in service was permitted for capital investments from 2008 through September 8, 2010. The bonus tax depreciation rate was increased to 100 percent of the cost of capital investments for the period after September 8, 2010, through December 31, 2011. For capital investments placed in service in 2012 through September 2017, the bonus depreciation is 50 percent of the cost of capital investments.

Bonus tax depreciation increases accumulated deferred taxes, thereby reducing the PIR Program rate base. This reduction is significant and will remain through future years, to the benefit of DEO's customers.

The inclusion of bonus depreciation in DEO's Application in this case had the effect of reducing the PIR Charge for the GSS/ECTS rate class by approximately \$0.14.

Q18. Please identify the schedule that supports the Pre-Tax Rate of Return that DEO applies to the PIR Program rate base shown on Application Attachment A at Schedule 1.

A. Schedule 12 shows the Rate of Return on Rate Base as determined by the Commission in its December 19, 2008 Entry on Rehearing in Case No. 07-829-GA-AIR and the associated pre-tax rate. The Pre-Tax Return on Rate Base in this filing is calculated using the federal income tax rate of 21 percent in accordance with the TCJA. The change in tax rate decreased the Pre-Tax Return on Rate Base from 11.36 percent reflected in prior years' filings to 9.91 percent, as reflected on Schedule 12. The Pre-Tax Return on Rate Base is shown as the Pre-Tax Rate of Return on Schedule 1 at line 17.

Q19. Please identify the rate components and schedules that support the calculation of Operating Expense shown on Application Attachment A at Schedule 1.

A. Operating Expense consists of seven rate components: Incremental Depreciation Expense shown on Schedule 5A; Annualized Depreciation shown on Schedule 9; Annualized Amortization of PISCC shown on Schedule 10; Incremental Property Tax Expense and Annualized Property Tax Expense shown on Schedule 11; O&M Expense Savings shown on Schedule 15; and Revenue Adjustment – Tax Reform shown on Schedule 17.

Q20. Please explain the information set forth on Schedule 5A and how that information is shown on Schedule 1.

A. Schedule 5A sets forth the incremental depreciation expense actually incurred during the year ended December 31, 2017, and deferred for subsequent recovery through the PIR Charge. Incremental depreciation includes two components: (1) actual depreciation expense incurred on PIR plant additions in the preceding year up to the point the associated cost recovery charge is put into effect, and (2) depreciation expense actually incurred on new plant additions during the year covered by the current Application. Schedule 5A also shows the calculation of the annual amortization of each PIR fiscal

period's deferred incremental depreciation expense over the lives of the associated capital additions. The sum of the annual amortization for each program fiscal period is shown as Incremental Depreciation Expense on Schedule 1 at line 20.

Q21. How does the information shown on Schedule 5A differ from the information shown on Schedule 5?

- A. Schedule 5 shows the Provision for Depreciation that is included on Schedule 1 as a component of rate base. The Provision for Depreciation includes the accumulation of actual monthly depreciation expense calculated on all PIR Capital Additions, net of Cost of Removal, since inception of the PIR Program and during the year ended December 31, 2017. The monthly incremental depreciation expense calculation on Schedule 5A excludes all prior year PIR net Capital Additions for which an approved recovery rate was put into effect. Accordingly, the incremental depreciation expense on which annual amortization is calculated is less than the total amount of accumulated depreciation for the year ended December 31, 2017, included in the Provision for Depreciation on Schedule 5.

Q22. Please explain the information set forth on Schedule 9 and how that information is shown on Schedule 1.

- A. Schedule 9 sets forth the Annualized Depreciation Associated With Capital Additions as of December 31, 2017. The Annualized Depreciation Expense Associated With Capital Additions represents the depreciation expense on cumulative Capital Additions, net of Cost of Removal, as of December 31, 2017, for the twelve-month period that the adjusted PIR Charge will be in effect. This expense allows DEO to reduce regulatory lag by matching revenues received through the PIR Charge with depreciation expense being incurred in the same twelve-month period. The Annualized Depreciation Expense

Associated With Additions is shown on Schedule 1 at line 21 as Annualized Depreciation on Assets through December 31, 2017.

Q23. Please explain the information set forth on Schedule 10 and how that information is shown on Schedule 1.

- A. Schedule 10 sets forth the Annualized Amortization of PISCC deferred for recovery in prior years and during the year ended December 31, 2017. The Annualized Amortization of PISCC represents the amortization during the twelve-month period the adjusted PIR Charge will be in effect of PISCC accumulated during each fiscal period of the PIR Program through December 31, 2017. This amortization spreads each year's accumulated PISCC to expense over the lives of the related assets. The Annualized Amortization of PISCC is shown on Schedule 1 at line 22.

Q24. Please explain the information set forth on Schedule 11 and how that information is shown on Schedule 1.

- A. Schedule 11 sets forth the Incremental and Annualized Property Tax Expense, including the Incremental Property Tax Expense for the year ended December 31, 2017, and the Annualized Property Tax Expense on Assets through December 31, 2017. The Incremental Property Tax Expense is property tax expense for PIR-related assets recognized on DEO's books in the year ended December 31, 2017, and deferred for recovery through the PIR Charge, less the amount of prior year Annualized Property Tax Expense recovered through rates during 2017. Property tax expense recognized in any calendar year is based on plant assets as of the preceding year end. As a result, property tax expense incurred during 2017 reflects a year's tax on cumulative PIR Capital Additions, net of Cost of Removal and Retirements, as of December 31, 2016. Schedule 11 also shows the calculation of the annual amortization of each year's deferred

Incremental Property Tax Expense over the lives of the associated capital additions. The amortization of Incremental Property Tax Expense is shown on Schedule 1 at line 23.

The Annualized Property Tax Expense represents the property tax expense calculated on cumulative PIR Capital Additions, net of Cost of Removal and Retirements, as of December 31, 2017, which will be recognized on DEO's books during the twelve-month period the adjusted PIR Charge will be in effect. This expense allows DEO to reduce regulatory lag by matching revenues received through the PIR Charge with property tax expense being incurred in the same twelve-month period. The Annualized Property Tax Expense on Assets through December 31, 2017, is shown on Schedule 1 at line 24.

Q25. Please explain the information set forth on Schedule 15 and how that information is shown on Schedule 1.

- A. Schedule 15 sets forth the O&M Expense Savings calculation for the year ended December 31, 2017. The Stipulation and Recommendation approved by the Commission in Case No. 15-0362-GA-ALT eliminated the O&M Expense Savings cost-sharing mechanism approved by the Commission in Case No. 11-2401-GA-ALT. Accordingly, the O&M Expense Savings amount reflected in this filing is the actual O&M Expense Savings incurred for 2017. The actual O&M Expense Savings associated with the PIR Program for the year ended December 31, 2017, was determined by measuring the reduction in expenses incurred during 2017 for leak surveillance and repair and corrosion monitoring and remediation as compared with the same expenses in the baseline year, which is the twelve-month period from July 1, 2007, through June 30, 2008. The actual O&M Expense Savings also includes any reduction in costs associated with Department

of Transportation inspections on inside meters relocated to outside. The O&M Expense Savings amount determined in this manner is shown on Schedule 1 at line 25.

Q26. Does the proposed PIR Charge include any O&M Expense Savings?

- A. Yes. The calculation of the PIR Charge proposed in the Application includes a reduction in the PIR Program revenue requirement for O&M Expense Savings of \$1,121,281.27.

Q27. How does the proposed increase in the PIR Charge compare with the maximum allowable increase for 2017 costs, which was reflected in the PIR Pre-Filing Notice?

- A. As previously described, the maximum allowable increase in the PIR Charge for the GSS/ECTS rate class for 2017 was \$1.85 per customer per month, which is the sum of the annual rate increase cap for 2017 of \$1.75 approved in Case No. 15-0362-GA-ALT plus \$0.10, the amount by which the rate approved in Case No. 16-2205-GA-RDR was less than the maximum allowable rate increase in that case. The GSS/ECTS rate calculated before the Reconciliation Adjustment is \$9.86, which is \$1.38 less than the maximum rate allowed of \$11.24, as described earlier. Factors affecting the shortfall in the 2017 GSS/ECTS rate include the following: a shortfall of \$0.02 carried over from 2016 that was not made up in 2017; a reduction of \$0.14 due to 2017 bonus tax depreciation; a reduction of \$0.95 due to the decrease in the pre-tax rate of return as a result of the TCJA; and a reduction of \$0.27 due to the refund of excess income tax amounts in the PIR Charge. Although the GSS/ECTS rate fell short of the maximum allowed increase, this did not reflect a lack of investment on DEO's part; on the contrary, DEO's capital investment in PIR for 2017 was in excess of what had been originally planned.

Q28. Please explain the information set forth on Schedules 16 and 16A and how that information is shown on Schedule 1.

- A. Schedule 16 sets forth the Reconciliation Adjustment that results from the reconciliation of costs recoverable (as determined in the preceding PIR Charge adjustment case, Case No. 16-2205-GA-RDR) and costs actually recovered during the twelve-month period that the current PIR charge is in effect. Accordingly, Schedule 16 includes estimates of the amounts to be recovered from February through April 2018 plus a true-up of estimates for the period February through April 2017 compared with actual recoveries as shown on Schedule 16A. The Reconciliation Adjustment determined in this manner is shown on Schedule 1 at line 29.

Q29. Please explain the information set forth on Schedules 17 and 17A and how that information is shown on Schedule 1.

- A. The PIR Charge that is currently in effect and will remain in effect through April (or until the PIR Charge proposed in this case is approved and implemented) includes the Pre-Tax Rate of Return calculated at the former income tax rate of 35 percent. Because the income for January through April 2018 will be taxed at 21 percent, the existing rate will over-recover the amount of income tax expense incurred by DEO. Accordingly, Schedule 17A recalculates the currently effective PIR Charge using the Pre-Tax Rate of Return of 9.91 percent, which incorporates the reduced income tax rate of 21 percent, and shows a reduction in each existing PIR Charge. On Schedule 17, that rate reduction is multiplied by the number of bills issued for January 2018 for the rate classes GSS/ECTS, LVGSS/LVECTS, and GTS/TSS and the volumes in January 2018 for the DTS class to arrive at an over-recovered amount for January. Because actual bills issued and DTS volumes subsequent to January are not yet known, the January calculation is used as estimates for the months February through April. The total estimated credit for January

through April 2018 is \$4,333,928.51, which is shown as Revenue Adjustment – Tax Reform on Schedule 1 at line 26.

Q30. Has DEO afforded Staff and other parties the opportunity to review the PIR Charge proposal set forth in DEO's Application?

- A. Yes. Staff performed an investigation of DEO's Pre-Filing Notice that has included numerous data requests served upon DEO, which responded to each request in a timely manner. While other parties were notified of the proceeding and have the opportunity to intervene and serve discovery, no other party has yet intervened.

IV. CONCLUSION

Q31. Does this conclude your testimony?

- A. Yes.

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Summary: Application to Adjust its Pipeline Infrastructure Replacement Cost Recovery Charge and Related Matters electronically filed by Ms. Rebekah J. Glover on behalf of The East Ohio Gas Company d/b/a Dominion Energy Ohio