

**Columbia Gas of Ohio, Inc.
Case No. 14-1615-GA-AAM**

SUMMARY:

By Finding and Order dated December 17, 2014 (Order), the Commission approved Columbia Gas of Ohio, Inc.'s (Columbia or Company) application in the above reference case to establish a regulatory asset to defer to up to \$15 million annually to increase customer safety through the Pipeline Safety Program (PSP). The Commission's Order required Columbia to file an annual report for its PSP by June 1 each year. The report was to include annual and cumulative PSP expenses, monthly expenditures for each PSP component on an annual basis, and an audit report prepared by the Company's external auditor regarding the accuracy of Columbia's accounting for PSP expenditures. The report was to also include items such as the PSP's progress toward reducing risks to Columbia's system, the result of ongoing and future investigations, any mid-term adjustments to PSP projects or programs, and the Company's effort towards identifying inefficiencies and implementing cost saving measures. The carrying charge rate shall be determined annually based on Columbia's embedded debt-only interest rate.

By Opinion and Order dated August 26, 2016, the Commission approved Columbia's application in case number 16-552-GA-AAM to increase the PSP by \$10 million for a total of \$25 million. The incremental \$10 million of deferral authority would have a fixed three percent per annum rate to be used exclusively to accelerate implementation of its Damage Prevention Technology Initiative (DPTI) through December 23, 2023.

On May 31, 2019, Columbia filed its annual report for the PSP detailing expenses deferred for calendar year 2018. Pursuant to the Commission's Order, Staff has 90 days to file a report regarding the proposed PSP deferrals.

STAFF REVIEW AND RECOMMENDATION

Staff has reviewed Columbia's annual report and accompanying attachments that were filed in this case and has no objection to the information contained in the report. As a result, Staff recommends that the Commission accept Columbia's annual report as filed. However, as noted in Staff Comments filed in this case and acknowledged in the Commission's Order, Staff's lack of objection to Columbia's Annual Report should not be construed as support for future recovery of the PSP deferrals. Staff expressly reserves the right to challenge recovery of the deferrals in any future recovery proceeding.

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