

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matters of the Application of The East : Case No. 15-1712-GA-AAM  
Ohio Gas Company d/b/a Dominion East :  
Ohio for Approval to Change Accounting :  
Methods Associated with its Pipeline Safety :  
Management Program. :  
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**STAFF'S REPLY TO THE EAST OHIO GAS COMPANY'S  
MEMORANDUM IN RESPONSE TO STAFF'S  
MOTION TO CLARIFY PROCEDURES**

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**On behalf of the Staff of  
The Public Utilities Commission of Ohio**

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On January 8, 2020, Staff filed a motion requesting that the Commission clarify the procedures to be followed when Dominion Energy Ohio (Dominion) proposes new initiatives for its pipeline safety management program (PSMP). On January 23, 2020, Dominion filed a memorandum in response to Staff’s motion.

In an Opinion and Order dated November 3, 2016, the Commission authorized Dominion to establish a regulatory asset and to defer expenditures for its PSMP.<sup>1</sup> Pursuant to this order, Dominion is required to file an annual report concerning this program by June 1<sup>st</sup> of each year. Dominion is required to include with the annual report an audit report concerning the accuracy of its accounting for PSMP-related expenditures. Within 90 days after the annual report is filed, Staff is to file a report. Dominion and Staff are also to have bi-annual meetings to review progress under the PSMP, any proposed

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<sup>1</sup> *In the Matter of the Application of the East Ohio Gas Company d/b/a Dominion East Ohio for Approval to Change Accounting Methods Associated with its Pipeline Safety Management Program*, Case No. 15-1712-GA-AAM, Opinion and Order (Nov. 3, 2016).

changes, the results of any investigations or evaluations, cost-savings measures, and other related matters.

After discussions with Dominion concerning the recent filings, Staff proposes two changes to the process established by the 2016 Order.

1. Beginning in 2020, the due date for Dominion to file its annual report will move from by June 1<sup>st</sup> to by or before September 1<sup>st</sup> of each year. An extension of the filing date gives Dominion more time to finalize its initiatives for the following year, while still allowing Staff an opportunity to review and respond to the initiatives. If Staff objects to any new initiative in its Staff Report to be filed within 90 days of the filing of Dominion's annual report, Dominion would not begin deferring expenses associated with new initiatives until the Commission issues an Order approving the inclusion of the new initiatives in the PSMP.
2. Going forward, Dominion will present any new initiatives in its annual report filed by or before September 1<sup>st</sup> each year. In doing so, it is Staff's understanding that Dominion will not present new initiatives at the biannual meetings, and Staff will not formally review any new initiatives proposed outside of the annual report process.

In addition to those proposals, Staff has taken the time to review two new initiatives for 2020, which Dominion proposed at the December biannual meeting. Staff finds that the new initiatives to enhance monitoring of low-pressure regulating stations and to identify, assess and remediate service off service would address existing pipeline safety concerns. While incremental expenditures associated with these safety initiatives would

generally be appropriate for deferral through the PSMP, Staff will review the Company's formal disclosure of the initiatives in its next Annual Report. Staff will work with Dominion to develop specific performance measures for the new initiatives and establish a baseline performance so that safety improvements can be tracked. The baseline should take into account the work already completed through other programs like the PIR, AMR, CEP, and existing PSMP initiatives.

With Dominion's agreement to Staff's proposed changes, the concerns raised in Staff's motion are resolved. Staff requests that the Commission modify the process as discussed above.

Respectfully submitted,

**Dave Yost**  
Ohio Attorney General

**John H. Jones**  
Section Chief

*/s/ Thomas G. Lindgren*

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**On behalf of the Staff of  
The Public Utilities Commission of Ohio**

## CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing **Staff's Reply to The East Ohio Gas Company's Memorandum in Response to Staff's Motion to Clarify Procedures**, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served via electronic mail upon the below parties of record this 30<sup>th</sup> day of January, 2020.

*/s/ Thomas G. Lindgren* \_\_\_\_\_  
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**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**1/30/2020 3:23:41 PM**

**in**

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

Summary: Reply to the East Ohio Gas Company's Memorandum in Response to Staff's Motion to Clarify Procedures electronically filed by Mrs. Kimberly M Naeder on behalf of PUCO