

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
THE EAST OHIO GAS COMPANY DBA  
DOMINION ENERGY OHIO FOR  
APPROVAL OF AN ALTERNATIVE FORM OF  
REGULATION TO ESTABLISH A CAPITAL  
EXPENDITURE PROGRAM RIDER  
MECHANISM.

CASE NO. 19-468-GA-ALT

### ENTRY

Entered in the Journal on May 27, 2020

{¶ 1} The East Ohio Gas Company dba Dominion Energy Ohio (Dominion or Company) is a natural gas company and a public utility as defined by R.C. 4905.03 and R.C. 4905.02, respectively. As such, Dominion is subject to the jurisdiction of this Commission.

{¶ 2} Under R.C. 4929.05, a natural gas company may seek approval of an alternative rate plan by filing an application under R.C. 4909.18, regardless of whether the application is for an increase in rates. After an investigation, the Commission shall approve the plan if the natural gas company demonstrates, and the Commission finds, that the company is in compliance with R.C. 4905.35, is in substantial compliance with the policies of the state as set forth in R.C. 4929.02, and is expected to continue to be in substantial compliance with state policy after implementation of the alternative rate plan. The Commission must also find that the alternative rate plan is just and reasonable.

{¶ 3} Pursuant to R.C. 4929.111, a natural gas company may file an application under R.C. 4909.18, 4929.05, or 4929.11, to implement a capital expenditure program (CEP) for any of the following: any infrastructure expansion, infrastructure improvement, or infrastructure replacement program; any program to install, upgrade, or replace information technology systems; or any program reasonably necessary to comply with any rules, regulations, or orders of the Commission or other governmental entity having jurisdiction. In approving the application, the Commission shall authorize the natural gas company to defer or recover both of the following: a regulatory asset for post-in-service carrying costs (PISCC) on the portion of the assets of the CEP that are placed in service but

not reflected in rates as plant in service; and a regulatory asset for the incremental depreciation directly attributable to the CEP and the property tax expense directly attributable to the CEP. A natural gas company shall not request recovery of the PISCC, depreciation, or property tax expense under R.C. 4929.05 or R.C. 4929.11 more than once each calendar year.

{¶ 4} In Case No. 11-6024-GA-UNC, et al., the Commission modified and approved Dominion's application for authority to implement a CEP for the period of October 1, 2011, through December 31, 2012. *In re The East Ohio Gas Company dba Dominion East Ohio*, Case No. 11-6024-GA-UNC, et al., Finding and Order (Dec. 12, 2012). Subsequently, in Case No. 12-3279-GA-UNC, et al., the Commission modified and approved Dominion's application to implement a CEP for the period of January 1, 2013, through December 31, 2013. *In re The East Ohio Gas Company dba Dominion East Ohio*, Case No. 12-3279-GA-UNC, et al., Finding and Order (Oct. 9, 2013).

{¶ 5} In Case No. 13-2410-GA-UNC, et al., the Commission modified and approved Dominion's application to implement a CEP in 2014 and succeeding years, pursuant to R.C. 4909.18 and 4929.111. The Commission also approved Dominion's request for accounting authority to capitalize PISCC on program investments for assets placed in service but not yet reflected in rates; defer depreciation expense and property tax expense directly attributable to the CEP; and establish a regulatory asset to which PISCC, depreciation expense, and property tax expense are deferred for future recovery in a subsequent proceeding. Dominion was authorized to accrue deferrals under the CEP until the accrued deferrals, if included in rates, would cause the rates charged to the Company's General Sales Service customers to increase by more than \$1.50 per month. Additionally, the Commission noted that the prudence and reasonableness of Dominion's CEP-related regulatory assets and associated capital spending would be considered in any future proceedings seeking cost recovery, at which time the Company would be expected to provide detailed information regarding the expenditures for the Commission's review. *In re The East Ohio Gas Company dba Dominion East Ohio*, Case No. 13-2410-GA-UNC, et al., Finding and Order (July 2, 2014).

{¶ 6} On February 27, 2019, in the above-captioned case, Dominion filed a notice of intent to file an application for approval of an alternative rate plan under R.C. 4929.05. In the notice, Dominion stated that the application would request approval to establish a CEP rider mechanism (CEP Rider).

{¶ 7} On March 29, 2019, Dominion filed a notice of intent to file an alternative rate plan application for an increase in rates, notice of test year and date certain, and attached exhibits. Dominion noted that the notice of intent was sent to the mayor and legislative authority of each affected municipality. Dominion also notified the Commission that the Company is using a test year of the 12 months ending December 31, 2018, and a date certain of December 31, 2018. Concurrently with the notice, Dominion also filed a motion for waiver from certain provisions of the Commission's Standard Filing Requirements (SFR) contained in Ohio Adm.Code 4901-7-01.

{¶ 8} On May 1, 2019, Dominion filed its alternative rate plan application, along with supporting exhibits and testimony, pursuant to R.C. 4909.18, 4929.05, 4929.11, and 4929.111.

{¶ 9} By Entry issued on June 19, 2019, the Commission, consistent with Staff's recommendations, granted the Company's motion for waiver of certain SFR, in part, and denied it, in part.

{¶ 10} By Entry dated August 14, 2019, the Commission directed Staff to issue a request for proposal (RFP) for audit services to assist the Commission with an audit of Dominion's CEP and associated CEP costs and deferrals.

{¶ 11} On September 4, 2019, Staff filed correspondence on the docket indicating that, on August 23, 2019, Dominion had filed the additional information required by the Commission's June 19, 2019 Entry and that Dominion's application was now in compliance with Ohio Adm.Code 4901:1-19-06(C).

{¶ 12} By Entry dated September 11, 2019, the Commission deemed Dominion's

application filed as of August 23, 2019. Additionally, the Commission selected Blue Ridge Consulting Services, Inc. (Blue Ridge) to assist the Commission with the audit of Dominion's CEP and associated CEP costs and deferrals. Blue Ridge was directed to file a final audit report with the Commission by February 26, 2020.

{¶ 13} By Entry dated January 10, 2020, the attorney examiner granted a request made by Dominion for a 60-day extension of all deadlines reflected in the RFP timeline, with the final audit report being due on April 27, 2020.

{¶ 14} On April 27, 2020, Blue Ridge filed its audit report. Further, on May 11, 2020, Staff filed its report of investigation pursuant to Ohio Adm.Code 4901:1-19-07(C).

{¶ 15} To assist the Commission with its review of Dominion's CEP application, the attorney examiner finds that the following procedural schedule should be established:

- (a) Consistent with Ohio Adm.Code 4901:1-19-07(F), the deadline for the filing of objections shall be June 10, 2020.
- (b) All motions to intervene shall be filed by June 10, 2020.
- (c) The deadline for the filing of expert testimony shall be August 10, 2020.
- (d) A hearing shall commence on August 17, 2020, at 10:00 a.m. Unless otherwise ordered by the Commission, the hearing will be held in Hearing Room 11-D, at the offices of the Commission, 180 East Broad Street, 11th Floor, Columbus, Ohio 43215.

{¶ 16} The attorney examiner requires that, in the event that any motion is made in this proceeding prior to the issuance of the Commission's order, any memorandum contra shall be filed within five business days after the service of such motion, and a reply memorandum to any memorandum contra shall be filed within three business days. Parties shall provide service of pleadings via hand delivery, facsimile, or e-mail.

{¶ 17} In addition, the attorney examiner finds that the response time for discovery shall be shortened to seven calendar days. Unless otherwise agreed to by the parties, discovery requests and replies shall be served by hand delivery, facsimile, or e-mail. An attorney serving a discovery request shall attempt to contact, in advance, the attorney upon whom the discovery request will be served to advise him/her that a request will be forthcoming.

{¶ 18} It is, therefore,

{¶ 19} ORDERED, That all interested persons comply with the procedural schedule established in Paragraph 15. It is, further,

{¶ 20} ORDERED, That the parties adhere to the processes established in Paragraphs 16 and 17. It is, further,

{¶ 21} ORDERED, That a copy of this Entry be served upon all persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/Anna Sanyal

By: Anna Sanyal  
Attorney Examiner

NW/kck

**This foregoing document was electronically filed with the Public Utilities**

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**Case No(s). 19-0468-GA-ALT**

Summary: Attorney Examiner Entry ordering that the deadline for the filing of objections shall be 6.10.20; all motions to intervene shall be filed by 6.10.20; the deadline for the filing of expert testimony shall be 8.10.20; scheduling a hearing for 8.17.20, at 10:00 a.m. Any motion that is made in this proceeding prior to the issuance of the Commission's order, any memorandum contra shall be filed within five business days after the service of such motion, and a reply memorandum to any memorandum contra shall be filed within three business days. In addition, the attorney examiner finds that the response time for discovery shall be shortened to seven calendar days.

electronically filed by Kelli C King on behalf of Anna Sanyal, Attorney Examiner, Public Utilities Commission of Ohio