

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The East	)	
Ohio Gas Company d/b/a Dominion Energy	)	
Ohio for Consent and Authority to (1) Issue a	)	Case No. 20-0175-GA-AIS
Long-Term Note or Notes and (2) Enter into	)	
Interest Rate Management Agreements	)	

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

On May 6, 2020, a Finding and Order (the Order) was issued regarding the Application and Supplemental Application filed by The East Ohio Gas Company d/b/a Dominion Energy Ohio (DEO) on January 28, 2020, and April 22, 2020, respectively. The Order required DEO to file with the Commission a report containing certain information regarding the issuance of the Notes within 30 days of the consummation of the authorized transaction(s).

Please be advised that on June 2, 2020, DEO initiated and priced an offering of \$1.8 billion of senior unsecured long-term notes, and the associated transaction closed on June 16, 2020. Concurrent with closing on June 16, 2020, net proceeds of the transaction were used to repay DEO's long-term intercompany notes in the amount of \$1.665 billion and reduce short-term indebtedness. Pursuant to the requirements of the Order, DEO respectfully submits the attached documentation (Exhibit A) for the terms and particulars of the transaction.

Dated: July 2, 2020

The East Ohio Gas Company d/b/a  
Dominion Energy Ohio

By: /s/ James E. Eck  
James E. Eck, Vice President and  
General Manager

**The East Ohio Gas Company**  
**Issuance of Senior Unsecured Long Term Notes**

In conjunction with Commission's Order in Case No. 20-0175-GA-AIS dated May 6, 2020, \$1.8 billion of senior unsecured long-term notes were issued on June 16, 2020. The interest rates and maturities were established through negotiated offerings. Interest is to be paid semi-annually on December 15 and June 15 beginning December 15, 2020.

<b>DEO - Note Detail</b>			
	<b>Series A</b>	<b>Series B</b>	<b>Series C</b>
Principal	\$500,000,000	\$500,000,000	\$800,000,000
Coupon	1.30%	2.00%	3.00%
Maturity date	June 15, 2025	June 15, 2030	June 15, 2050
Aggregate note principal	\$1,800,000,000		
Less:			
Underwriters fees		\$13,250,000	
Discount		\$13,427,000	
Estimated other fees		\$1,631,000	
Net proceeds to company		\$1,771,692,000	
% net proceeds to notional value		98.4%	
Approximate interest cost savings (annual)		\$34,400,000	
Offering weighted average interest rate		2.25%*	
Offering weighted average maturity		17.5 years*	

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\* A worksheet showing calculation of the weighted average interest cost and weighted maturity of the issuance is attached.

## Dominion Energy Ohio

Interest rate and average maturity support

### Weighted average interest rate for offering

Tenor	5	10	30
Interest rate	1.30%	2.00%	3.00%
Tranche weighting	27.8%	27.8%	44.4%
Weighted interest rate	0.3611%	0.5556%	1.3333%

Offering weighted average interest rate	2.25%
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### Weighted average maturity (years) for offering

Tranche Tenor	5	10	30
Tranche weighting	27.8%	27.8%	44.4%
Tranche maturity weight (years)	1.4	2.8	13.3

Offering weighted average maturity (years)	17.5
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**Case No(s). 20-0175-GA-AIS**

Summary: Report Report of The East Ohio Gas Company d/b/a Dominion Energy Ohio electronically filed by Christopher T Kennedy on behalf of The East Ohio Gas Company d/b/a Dominion Energy Ohio

INT-04-003. Regarding Joint Exhibit 2.0 of the Settlement, provide all supporting calculations showing how the adjusted rate of \$3.86 for the GSS/ECTS – Residential (per bill) rate was derived.

**RESPONSE:** DEO objects that this request is overbroad and unduly burdensome to answer.

Subject to and without waiving the aforementioned Objection, DEO responds as follows:

*See* INT-04-003\_Attach 1 and INT-04-003\_Attach 2.

*Answerer: Vicki H. Friscic, Director of Regulatory & Pricing*

INT-004-003 (Pg 1)

## THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO

Case No. 19-0468-GA-ALT

## Capital Expenditure Program (CEP) Rider

	<u>As-Filed</u>	<u>Blue Ridge</u> <u>Adjustments</u>	<u>Adjusted</u>
<b><u>Rate Base</u></b>			
Plant in Service	\$ 614,793,531	\$ (1,898,489)	\$ 612,895,042
Less: Accumulated Provision for Depreciation	(35,843,592)	(376,064)	(36,219,656)
Net Capital Additions	\$ 650,637,123	\$ (1,522,425)	\$ 649,114,698
Depreciation Offset	(310,120,037)	-	(310,120,037)
Net Capital Additions Less Depreciation Offset	\$ 340,517,086	\$ (1,522,425)	\$ 338,994,661
Regulatory Deferrals	204,276,235	(181,507)	204,094,728
Accumulated Deferred Income Tax (ADIT)	(85,505,756)	841,765	(84,663,991)
Rate Base	\$ 459,287,565	\$ (862,167)	\$ 458,425,398
Pre-Tax Rate of Return	9.91%	0.00%	9.91%
Annualized Return on Rate Base	\$ 45,515,398	\$ (85,441)	\$ 45,429,957
<b><u>Operating Expenses</u></b>			
Annualized Depreciation Expense	\$ 22,129,022	\$ (111,455)	\$ 22,017,567
Annualized Property Tax Expense	8,512,431	(36,443)	8,475,988
Amortization of Deferred PISCC	3,661,933	(3,276)	3,658,658
Amortization of Deferred Depreciation Expense	2,390,527	(12,448)	2,378,079
Amortization of Deferred Property Tax Expense	709,083	9,715	718,799
Total Operating Expenses	\$ 37,402,996	\$ (153,906)	\$ 37,249,090
Total Revenue Requirement	<u>\$ 82,918,394</u>	<u>\$ (239,347)</u>	<u>\$ 82,679,047</u>

<b><u>Impact per Bill/Mcf<sup>1</sup></u></b>	<b><u>As-Filed</u></b>	<b><u>Adjusted</u></b>
GSS/ECTS - Residential (per bill)	\$ 3.89	\$ 3.86
GSS/ECTS - Nonresidential (per bill)	\$ 11.06	\$ 11.00
LVGSS/LVECTS (per bill)	\$ 51.64	\$ 48.33
GTS/TSS (per bill)	\$ 447.70	\$ 481.24
DTS (per Mcf)	\$ 0.0475	\$ 0.0420
FSS (per Mcf)	\$ 0.1269	\$ 0.1948

**Note:**

<sup>1</sup> As-filed column based on total bills and volumes for the twelve months ending December 31, 2018; adjusted column based on twelve months ending December 31, 2019.

## THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO

Case No. 19-0468-GA-ALT

## Capital Expenditure Program (CEP) Rider

Line No.	Description	Adjusted
1	Revenue Requirement	\$ 82,679,047.47
	<u>Total Plant in Service Allocators (in dollars) <sup>1</sup></u>	
2	GSS/ECTS - Residential	\$ 1,213,738,249.05
3	GSS/ECTS - Non Residential	246,424,884.03
4	LVGSS/LVECTS	56,579,515.66
5	GTS/TSS	226,572,082.50
6	DTS	134,457,811.04
7	FSS	38,361,438.42
8	Total	<u>\$ 1,916,133,980.70</u>
	<u>Total Plant in Service Allocators (in percentages)</u>	
9	GSS/ECTS - Residential	63.34%
10	GSS/ECTS - Non Residential	12.86%
11	LVGSS/LVECTS	2.95%
12	GTS/TSS	11.82%
13	DTS	7.02%
14	FSS	2.00%
15	Total	100.00%
	<u>Revenue Requirement by Rate Schedule</u>	
16	GSS/ECTS - Residential	\$ 52,371,453.83
17	GSS/ECTS - Non Residential	10,632,959.33
18	LVGSS/LVECTS	2,441,343.09
19	GTS/TSS	9,776,333.05
20	DTS	5,801,704.81
21	FSS	1,655,253.35
22	Total	<u>\$ 82,679,047.46</u>
	<u>Number of Bills Issued/Mcfs <sup>1</sup></u>	
23	GSS/ECTS - Residential (bills)	13,558,168
24	GSS/ECTS - Non Residential (bills)	966,632
25	LVGSS/LVECTS (bills)	50,517
26	GTS/TSS bills)	20,315
27	DTS (Mcf)	138,123,370
28	FSS (Mcf)	8,495,014
	<u>Projected Impact per Bill/Mcf</u>	
29	GSS/ECTS - Residential (per bill)	\$ 3.86
30	GSS/ECTS - Non Residential (per bill)	\$ 11.00
31	LVGSS/LVECTS (per bill)	\$ 48.33
32	GTS/TSS (per bill)	\$ 481.24
33	DTS (per Mcf)	\$ 0.0420
34	FSS (per Mcf)	\$ 0.1948

**Notes:**<sup>1</sup> Based on total bills and volumes for the twelve months ending December 31, 2019



**THE EAST OHIO GAS COMPANY d/b/a DOMINION ENERGY OHIO**  
**Capital Expenditure Program (CEP) Rider**  
**Case No. 19-0468-GA-ALT**  
**Revenue Requirement**

Line No.	Description	Adjusted - Cumulative through 12/31/2018	2019 Activity	Cumulative through 12/31/2019
<b><u>Return on Investment</u></b>				
<b><u>Plant in Service</u></b>				
1	Capital Additions	\$ 720,959,980.46	\$ 137,076,944.51	\$ 858,036,924.97
2	Cost of Removal	(55,386,344.68)	(8,941,358.97)	(64,327,703.65)
3	Retirements	(52,678,594.21)	(16,566,465.07)	(69,245,059.28)
4	Total Plant in Service, Net	612,895,041.57	111,569,120.47	724,464,162.04
<b><u>Less: Accumulated Provision for Depreciation</u></b>				
5	Depreciation Expense	71,845,282.51	21,709,754.64	93,555,037.15
6	Cost of Removal	(55,386,344.68)	(8,941,358.97)	(64,327,703.65)
7	Retirements	(52,678,594.21)	(16,566,465.07)	(69,245,059.28)
8	Total Accumulated Provision for Depreciation, Net	(36,219,656.38)	(3,798,069.40)	(40,017,725.78)
9	Subtotal: Net Capital Additions	649,114,697.95	115,367,189.87	764,481,887.82
10	Depreciation Offset	(310,120,036.91)	(39,890,477.18)	(350,010,514.09)
11	Subtotal: Net Capital Additions Less Depreciation Offset	338,994,661.04	75,476,712.69	414,471,373.73
<b><u>Regulatory Deferrals</u></b>				
12	Post-In-Service Carrying Costs (PISCC)	110,533,469.05	35,926,874.69	146,460,343.74
13	Depreciation Expense	71,845,282.51	21,709,754.64	93,555,037.15
14	Property Tax Expense	21,715,976.87	8,332,308.21	30,048,285.08
15	Total Deferrals	204,094,728.43	65,968,937.54	270,063,665.97
<b><u>Accumulated Deferred Income Tax (ADIT)</u></b>				
16	ADIT on PISCC Deferral Balance	(23,212,028.50)	(7,544,643.69)	(30,756,672.19)
17	ADIT on Liberalized Depreciation	(56,891,607.46)	(237,351.38)	(57,128,958.84)
18	ADIT on Property Tax Deferral Balance	(4,560,355.14)	(1,749,784.72)	(6,310,139.87)
19	Total Deferred Income Tax	(84,663,991.10)	(9,531,779.79)	(94,195,770.89)
20	Rate Base	\$ 458,425,398.37	\$ 131,913,870.44	\$ 590,339,268.81
21	Pre-Tax Rate of Return			9.91%
22	Annualized Return on Rate Base			58,502,621.54
<b><u>Operating Expenses</u></b>				
23	Annualized Depreciation Expense			23,810,993.55
24	Annualized Property Tax Expense			10,041,073.29
25	Amortization of Deferred PISCC			4,632,276.13
26	Amortization of Deferred Depreciation Expense			2,966,413.20
27	Amortization of Deferred Property Tax Expense			944,604.39
28	Total Operating Expenses			42,395,360.56
29	<b>Total Revenue Requirement</b>			<b>\$ 100,897,982.10</b>



INT-04-011. Related to determining the CEP Rider rate for 2019 CEP investments, please provide the dollar amount of the following:

- a) Cumulative and 2019 capital additions
- b) Cumulative and 2019 cost of removal
- c) Cumulative and 2019 retirements
- d) Cumulative and 2019 depreciation expense
- e) Cumulative and 2019 depreciation offset
- f) Cumulative and 2019 Net Regulatory Asset-Post-In-Service Carrying Costs (“PISCC”)
- g) Cumulative and 2019 net deferred tax balance-PISCC
- h) Cumulative and 2019 excess deferred income tax (“EDIT”) on PISCC
- i) Cumulative and 2019 EDIT on depreciation
- j) 2019 incremental depreciation expense
- k) Annualized depreciation on assets through 12/31/19
- l) 2019 Annualized amortization of PISCC
- m) Incremental property tax expense
- n) Annualized property tax expense on assets through 12/31/19
- o) EDIT on PISCC amortization (if any)
- p) EDIT on income tax amortization (if any)

**RESPONSE:** DEO objects to this request to the extent that it calls for information and data on costs not included in the stipulated CEP revenue requirement. To the extent this request pertains to amounts to be included within the CEP Rider in a future period, such amounts are not at issue in this proceeding and shall be subject to review in

future cases seeking recovery of amounts. DEO also objects to this request to the extent that it seeks information that is not relevant to the subject matter of the August 31, 2020 Stipulation and Recommendation or the Testimony of Vicki H. Friscic in Support of the Stipulation, and is not reasonably calculated to lead to the discovery of evidence that would be admissible in this proceeding in any testimony by OCC in opposition to said Stipulation. *See* General Objection No. 4. DEO also objects to this request to the extent that it calls for information or new analysis that does not exist or is not readily available at this time in the form requested, or that DEO is not required to or does not maintain in the regular course of business in the form requested. Subject to and without waiving the aforementioned Objections, DEO responds as follows:

*See* INT-04-011\_Attach for a preliminary calculation of the CEP revenue requirement for the CEP investment year ending in December 30, 2019. The actual determination of the 2019 CEP Rider rate is not at issue in this proceeding; this calculation and the underlying formulas and assumptions are provided for illustrative purposes only and are subject to modification and revision, including in future proceedings to update the CEP Rider. *See also* DEO's 2020 CEP Annual Informational Filing in Case No. 13-2410-GA-UNC and DEO's Response to Staff DR 4.

*Answerer: Vicki H. Friscic, Director of Regulatory & Pricing*

INT-04-007. On page 8 of the Friscic Testimony, Q24 asks, “Is the Stipulation supported by parties representing a range of interests?” Ms. Friscic responds, “Yes. The Stipulation is signed by the Company and the Commission’s Staff.” Please identify all interests that Ms. Friscic believes that the Staff represents.

**RESPONSE:** DEO objects to this request to the extent that it calls for a legal conclusion or the disclosure of privileged attorney client communications or attorney work product. DEO also objects that this request is overbroad and unduly burdensome to answer. Subject to and without waiving the aforementioned Objections, DEO responds as follows:

It is the Company’s understanding that Commission Staff, in its investigation of utility applications, balances the interests of utility companies, all customer classes, including residential customers, and other stakeholders.

*Answerer: Vicki H. Friscic, Director of Regulatory & Pricing*

INT-04-010. Page 12 of the Friscic Testimony states, “While it is true that DEO deferred the PISCC, depreciation and property tax expense associated with those investments, the fact that the company is only now on the verge of recovering those costs has benefited customers greatly.” Has Ms. Friscic quantified the amount by which this has purportedly “benefited customers greatly.” If so, please provide any calculations showing the quantification of these benefits.

**RESPONSE:** The CEP revenue requirement determined in this case shows that accumulated deferrals amounted to approximately \$204 million through the end of 2018. DEO’s Annual Informational Filing for CEP docketed on April 30, 2019, shows that customers in the GSS/ECTS rate class would pay an estimated amount of \$1.20 per month for recovery of the \$204 million in deferrals. To the extent that DEO has not yet recovered any CEP-deferrals since inception of the program in 2011, customers have experienced the benefit of lower rates in the interim.

*Answerer: Vicki H. Friscic, Director of Regulatory & Pricing*

INT-04-016. Since March 1, 2020, please provide the following information regarding EnergyShare:

- a) Number of residential customers per month that have received assistance from EnergyShare.
- b) Average amount of benefits received per customer for each month.

**RESPONSE:** Please see the response to subparts a) and b) below.

	CUSTOMERS	PAYOUTS	AVERAGE
MAR	182	\$41,223.03	\$226.50
APR	89	\$20,572.20	\$231.15
MAY	190	\$47,655.22	\$250.82
JUN	413	\$113,028.60	\$273.68
JUL	331	\$95,122.31	\$287.38
AUG	377	\$113,177.10	\$300.20
SEP	9	\$3,778.19	\$419.80
TOTAL	1591	\$434,556.65	\$273.13

*Answerer: Vicki H. Friscic, Director of Regulatory & Pricing*

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

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

Summary: Exhibit from Dominion Energy Ohio hearing held on 09/15/20 - Exhibits OCC 3-10  
electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Gibson,  
Karen Sue Mrs.