

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 ON REHEARING

Entered in the Journal on February 24, 2021

I. SUMMARY

{¶ 1} The Commission grants the application for rehearing filed jointly by Ohio Consumers' Counsel and Northeast Ohio Public Energy Council for the purpose of further consideration of the matters specified in the application for rehearing.

II. DISCUSSION

{¶ 2} 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.

{¶ 3} 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.

{¶ 4} 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.

{¶ 5} 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).

{¶ 6} 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).

{¶ 7} On February 27, 2019, and March 29, 2021, in the above-captioned case, Dominion filed a notice of intent to file an application for approval of an alternative rate plan pursuant to R.C. 4929.05, 4929.111, and 4909.18 for an increase in rates based on a test year of the 12 months ending December 31, 2018, and a date certain of December 31, 2018.

{¶ 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} On August 31, 2020, Dominion and Staff filed a stipulation and recommendation (Stipulation), along with testimony in support of the Stipulation. The remaining parties to the case, Ohio Consumers' Counsel (OCC) and Northeast Ohio Public Energy Council (NOPEC), opposed the Stipulation.

{¶ 10} By Opinion and Order issued December 30, 2020, the Commission approved the Stipulation, resolving all issues related to Dominion's application for an alternative rate plan to initiate the CEP rate recovery mechanism.

{¶ 11} R.C. 4903.10 provides that any party who has entered an appearance in a Commission proceeding may apply for a rehearing with respect to any matters determined therein by filing an application within 30 days of the entry of the order upon the Commission's journal.

{¶ 12} On January 29, 2021, OCC and NOPEC jointly filed an application for rehearing of the Opinion and Order, asserting six grounds for rehearing.

{¶ 13} On February 8, 2021, Dominion filed a memorandum contra the application for rehearing.

{¶ 14} The Commission believes that sufficient reason has been set forth by the parties to warrant further consideration of the matters specified in the application for rehearing. Accordingly, the application for rehearing filed jointly by OCC and NOPEC should be granted.

III. ORDER

{¶ 15} It is, therefore,

{¶ 16} ORDERED, That the joint application for rehearing filed by OCC and NOPEC be granted for further consideration of the matters specified in the application for rehearing. It is, further,

{¶ 17} ORDERED, That a copy of this Entry on Rehearing be served upon all interested persons and parties of record.

COMMISSIONERS:

Approving:

M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

GNS/hac

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

Summary: Entry granting the application for rehearing filed jointly by Ohio Consumers' Counsel and Northeast Ohio Public Energy Council for the purpose of further consideration of the matters specified in the application for rehearing electronically filed by Heather A Chilcote on behalf of Public Utilities Commission of Ohio