

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The East)	
Ohio Gas Company d/b/a Dominion Energy)	Case No. 20-1634-GA-ALT
Ohio for Approval of an Alternative Form)	
of Regulation.)	

**OBJECTIONS TO THE STAFF REPORT OF INVESTIGATION OF
OHIO PARTNERS FOR AFFORDABLE ENERGY
AND SUMMARY OF MAJOR ISSUES**

Introduction

Ohio Partners for Affordable Energy (“OPAE”), a party to the above- captioned cases, hereby submits these objections to the Staff Report of Investigation (“Staff Report”). The Staff Report was originally filed with the Public Utilities Commission of Ohio (“Commission”) on April 5, 2021 in this matter concerning the application of the East Ohio Gas Company d/b/a Dominion Energy (“DEO”) for continuation of an alternative rate plans under O.R.C. 4929.05, a five year extension of the Pipeline Infrastructure Replacement (“PIR”) Program. DEO filed the Prefiling-Notice of the intent to increase electric distribution rates on October 30, 2020, and the Application on December 8, 2021.

OPAE submits the following objections to the Staff Report.

Objections

- I. **OPAE objects to the failure of the Staff Report to change the proposed PIR Rider to a volumetric charge because that failure results in an effective customer charge that is not just and reasonable and fails to support the public policy goal of reducing greenhouse gas emissions.**

The Staff Report fails to recommend transitioning the fixed rate PIR Rider to a volumetric rider. This failure will result in unjust and unreasonable rate for consumers. The rate design also fails to support the public policy goal of reducing greenhouse gas emissions. High fixed rates are causing customers to literally shut off natural gas during the summer in order to afford other bills.¹ Moreover, high unavoidable fixed charges reduce the cost-effectiveness of investments in energy efficiency. While the Commission has previously ruled that fixed charges send the appropriate price signals, the recent public policy interest in reducing greenhouse gas emissions to benefit the public health and welfare justifies a change in practice.

The General Assembly highlighted the importance of addressing climate change in HB 6 (133rd GA). The bill chose to focus on subsidizing, for the most part, clean power. Admittedly, the General Assembly chose to pay for that by eliminating energy efficiency and advanced energy programs, but the push was clearly to promote zero emission power. This puts the onus on customers to make the necessary investments in efficiency as recognized by Representative Seitz comments regarding the continuance of voluntary energy efficiency programs pursuant to R.C. 4905.70.²

Rates should be designed to promote reductions in usage, not discourage those investments. DEO's energy efficiency programs, though effective, are modest and not large enough to overcome the negative impact of high fixed charges on the cost-effectiveness of efficiency investments. When a customer invests in weatherizing the

¹ OPAE recognizes that some customers choose budget billing, and Percentage Income Payment Plan customers are automatically placed on budget billing. This approach, unlike high fixed cumulative customer charge, helps customers better manage their utility bills by spreading the cost of the natural gas across a year. These customers still can save money by reducing usage; unavoidable fixed distribution charges prohibit the savings.

² <https://www.ohiochannel.org/video/ohio-house-of-representatives-7-23-2019>, Comments at 30:57-31:37.

shell of the house but still sees a \$45 gas bill in the summer the rate design is not sending the customer the proper price signal, regardless of what an economist may say.

II. OPAE objects to the failure of the Staff Report to recommend that the timeframe of the PIR Program be aligned to begin with the implementation of rates in the next rate case and to require a rate case every five years in concert with the review and potential reauthorization of the PIR Program.

DEO is requesting that the PIR Program be authorized for an additional five years, through 2026. OPAE objects to the failure of the Staff Report to coordinate the program authorization with the next rate case and subsequently require DEO to file a rate case every five years, consistent with length of the PIR term.³ Such a coordination will contribute to just and reasonable rates by limiting the size of the PIR Rider between rates cases. Both Vectren/CenterPoint and Duke have coordinated their PIR-like programs with regular rate cases, preventing the annual increase in fixed charges from reaching excessive levels resulting in unjust and unreasonable rates. For example, DEO's initial PIR Rider was \$0.72 in 2010. By this year, it had increased to \$15.08, over twenty times higher. By comparison, if DEO had filed a rate case five years into the program, the fixed charge increase would have peaked at \$5.44; a difference of almost \$10 per month is very significant. Additionally, a rate case would enable the costs to be incorporated into base rates where utility expense reductions can offset some of the increase in capital costs, thus keeping the customer charge and volumetric rate lower than without a rate case.

³ The Staff Report recommends that the DEO program be aligned with the Vectren/CenterPoint Energy Ohio.

III. The Staff Report fails to recommend that customers be credited with the cumulative customer operations and maintenance spending annually.

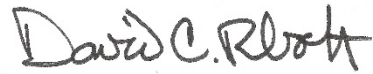
DEO annually credits customers with Operations and Maintenance (O&M) savings resulting from the PIR Program investments. At least some of these investments must be cumulative. For example, assuming the investment in new infrastructure reduces leakage and breakage of a particular distribution main, that savings continues for more than one year, yet the savings reported during the past two annual cycles was virtually identical, even though more pipe had been replaced. The Staff Report should have recommended a review to the O&M crediting protocols to ensure that savings from investments that accrue over a series of years are returned to consumers.

Conclusion

Rates must be just and reasonable. In the current climate, rates should be design to promote efficiency investments. The impacts of climate change are real, and the solutions are large and small. Encouraging customers to reduce usage is critical. The PIR Rider is trued up regularly. There is no danger that DEO will not recover prudently incurred expenditures if rates are volumetric.⁴ The PIR Program should also be tied to rate cases so that the PIR Rider does not become excessive. Regularly incorporating the infrastructure costs into base rates through a rate case is more likely to produce just and reasonable rates than a rider that increases 2,000 percent. It is also reasonable for customers to be credited with the full amount of O&M to provide a minimal offset to a very large capital investment program.

⁴ OPAE has been involved in a number of cases involving infrastructure riders and notes that Staff has periodically discovered discrepancies and recommended against recovery of certain costs. DEO's program has done an excellent job in justifying recovery of its expenses.

Sincerely,



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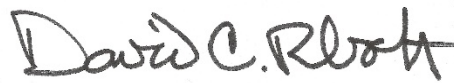
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(Willing to accept service by email.)

CERTIFICATE OF SERVICE

In accordance with Rule 4901-1-05, Ohio Administrative Code, I hereby certify that a copy of the foregoing Comments of Ohio Partners for Affordable Energy will be served by the Commission's Docketing Division on these parties on this 5th day of May, 2021.

A handwritten signature in black ink that reads "David C. Rinebolt". The signature is written in a cursive, slightly stylized font. The first name "David" is written with a large, looped 'D'. The middle initial "C." is written in a smaller, simpler font. The last name "Rinebolt" is written with a large, looped 'R' and a trailing flourish.

David C. Rinebolt

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Case No(s). 20-1634-GA-ALT

Summary: Objection of Ohio Partners for Affordable Energy electronically filed by Mr. David C Rinebolt on behalf of Ohio Partners for Affordable Energy