



Public Utilities Commission

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August 10, 2021


Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

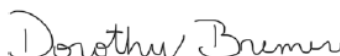
RE: *In the Matter of the Annual Report of the East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of an Adjustment to its Infrastructure Development Rider, Case No. 21-519-GA-IDR.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendation in regard to East Ohio Gas Company d/b/a Dominion Energy Ohio's application in Case No. 21-519-GA-IDR for approval of its economic development projects annual report and request to adjust its Infrastructure Development Rider.

Sincerely,


Marianne Townsend
Chief, Regulatory Utility Services
Rates and Analysis, Dept.
Public Utilities Commission of Ohio


Dorothy Bremer
Section Chief, Regulatory Utility Services
Rates and Analysis, Dept.
Public Utilities Commission of Ohio

Enclosure
Cc: Parties of Record

**East Ohio Gas Company
d/b/a Dominion Energy Ohio
Case No. 21-519-GA-IDR**

BACKGROUND:

By Finding and Order (Order) on January 24, 2018, in Case No. 17-1905-GA-ORD, the Public Utilities Commission of Ohio (Commission) adopted revised rules in accordance with Ohio Adm. Code 4901:1-43 concerning the recovery of infrastructure development costs for natural gas company infrastructure development to implement R.C. 4929.16 - 4929.167. These rules allow natural gas companies to file applications for an infrastructure development rider (IDR) to recover costs of certain economic development projects. The rules require natural gas companies to file an annual report with the Commission containing a detail of infrastructure development costs related to economic development projects, and to set forth the rider rate for the twelve months following the annual report. The annual report shall be filed not less than 75 days prior to the proposed effective date of the updated IDR, and the rider rate will become effective automatically on the 75th day after the filing of the annual report unless suspended by the Commission for good cause shown.

In Case Nos. 17-2514-GA-ATA and 17-2515-GA-IDR, East Ohio Gas Company d/b/a Dominion Energy Ohio's (Dominion or Company). By Finding and Order on May 2, 2018, the Commission approved Dominion's tariff.

On June 15, 2021, in Case No. 21-519-GA-IDR, Dominion filed its annual report in an application to adjust its IDR rate.

SUMMARY OF APPLICATION:

Dominion's IDR application proposes to change the IDR rate from the current \$0.06 per month to \$0.55 per month beginning with September 2021 billing. The computation of the IDR rate is based on infrastructure development costs incurred during the calendar year 2020 for Commission-approved economic development projects (EDP). According to the Company, the rate properly matches recoveries with expenses, is consistent with recovery methods proposed in Case Nos. 17-2514-GA-ATA and 17-2515-GA-IDR, does not result in over-collection of costs due to the annual true-up program requirements, and does not recover more than the annual caps for incurred infrastructure development costs from approved EDP. Dominion proposes an effective date of September 2021 billing for the rider, which is not less than 75 days after the filing of the annual report.

STAFF'S REVIEW AND RECOMMENDATIONS:

Staff has reviewed Dominion's annual report and rider adjustment in this case. Staff audited plant additions contained in the filing, reviewed invoices, and the general ledger. Staff also verified the calculation for the new rider rate. Staff received verification that the all IDR plant included in this filing is owned and operated by the Company. Staff also

received verification that Dominion did not sell incremental volumes or receive incremental revenues for the line extension projects listed in the application.

Staff recommends removal of \$19,518 in costs associated with the Belpre project. In Case No. 19-265-GA-EDP, the Company requested recovery of \$5,600,000.¹ In the current application, the Company is seeking recovery of \$5,619,518. R.C. 4929.163(C)(2) states that the EDP shall include infrastructure development costs to be expended in the project. Staff asserts that the amount included in the application is a cap for recovery purposes in the annual report. Removal of these costs does not impact the requested rate in this application.

In its Application, the Company requests to recover \$122,022 in costs incurred from a prior period. These costs were omitted from its prior annual report. Staff recommends removal of these costs in this annual report since they are out of period costs.

Based on this review, in Staff's opinion, including the recommendation outlined above, Dominion's annual report and rider adjustment are consistent with the Commission's rules governing the IDR annual report and rider adjustment process. Staff's recommendations modify the IDR rate to approximately \$0.54 per month. Therefore, Staff recommends that the Commission accept Dominion's annual report in this case and approve the modified proposed increase to the IDR rate by operation of the automatic approval process established by the Ohio Adm.Code 4901:1-43-04(D).

¹ EDP Notice at 3.

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Case No(s). 21-0519-GA-IDR

Summary: Staff Review and Recommendation electronically filed by Ms. Nicci Crocker on behalf of PUCO Staff