

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE ANNUAL
APPLICATION OF THE EAST OHIO GAS
COMPANY D/B/A DOMINION ENERGY
OHIO FOR AN ADJUSTMENT TO THE
CAPITAL EXPENDITURE PROGRAM RIDER
RATE.

CASE NO. 21-619-GA-RDR

ENTRY

Entered in the Journal on September 16, 2021

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

{¶ 2} R.C. 4929.111 provides that a natural gas company may file an application to implement a capital expenditure program (CEP) for any infrastructure expansion, improvement, or 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. If the Commission finds that the CEP is consistent with the applicant's statutory obligation to furnish necessary and adequate facilities, which are also found to be just and reasonable, the Commission is tasked with approving the application and authorizing the deferral or recovery of both a regulatory asset for post in-service carrying costs (PISCC) on that portion of assets of the CEP 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 but not reflected in rates.

{¶ 3} 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 d/b/a 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 d/b/a Dominion East Ohio*, Case No. 12-3279-GA-UNC, et al., Finding and Order (Oct. 9, 2013).

{¶ 4} 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 d/b/a Dominion East Ohio*, Case No. 13-2410-GA-UNC, et al., Finding and Order (July 2, 2014).

{¶ 5} On December 30, 2020, the Commission approved and adopted a stipulation and recommendation (Stipulation) that resolved all of the issues related to Dominion's application for an alternative rate plan to establish a CEP Rider for recovery of its CEP deferrals and investments from October 1, 2011, through December 31, 2018. *In re The East Ohio Gas Company d/b/a Dominion Energy Ohio*, Case No. 19-468-GA-ALT, Opinion and Order (Dec. 30, 2020). The Stipulation also provides that Dominion will file annual applications to update the CEP Rider rates on or before April 1 of each year and that the first annual update of the CEP Rider rates to be filed in 2021 will cover the CEP assets placed in service and the related CEP regulatory asset for the period of January 1, 2019, through December 31, 2020. The Commission also directed Staff to monitor measures of profitability as part of

Dominion's annual filings. Further, the Stipulation requires that Staff or its designee conduct a review of Dominion's annual application to update the CEP Rider rates to determine the lawfulness, used and usefulness, prudence, and reasonableness of the CEP assets placed in service and the related CEP regulatory asset included in the proposed CEP Rider revenue requirement.

{¶ 6} By Entry dated March 24, 2021, the Commission selected Blue Ridge Consulting Services, Inc. (Blue Ridge) to assist Staff in performing the necessary review of Dominion's CEP Rider for the period of January 1, 2019, through December 31, 2020.

{¶ 7} On May 28, 2021, Ohio Consumers' Counsel (OCC) filed a motion to intervene in this proceeding. That motion was granted by Entry dated August 4, 2021.

{¶ 8} On April 1, 2021, in the above-captioned case, Dominion filed its annual application to adjust the CEP Rider, along with the testimony of Celia B. Hashlamoun, in support of the application.

{¶ 9} On July 15, 2021, Blue Ridge filed its audit report.

{¶ 10} On August 2, 2021, Staff filed its review and recommendation (Staff Report) regarding Dominion's application.

{¶ 11} On August 4, 2021, the attorney examiner issued an Entry adopting a procedural schedule for the case, which was modified on August 6, 2021.

{¶ 12} On August 16, 2021, Interstate Gas Supply, Inc. (IGS) filed a motion to intervene. That motion was granted by Entry dated September 1, 2021.

{¶ 13} Also on August 16, 2021, OCC filed comments in this proceeding.

{¶ 14} On August 31, 2021, Dominion filed a notification stating that there are unresolved issues or objections, and there is a need for an expedited hearing process. Specifically, Dominion stated that it does not accept OCC's recommendation to exclude "all

financial incentives” from the CEP Rider or its recommendation that the rate of return be rejected. Additionally, Dominion noted that it does not agree with Blue Ridge Adjustment 1 but will accept the Staff Report recommendations to limit the number of contested issues in this proceeding while reserving the right to seek recovery in future proceedings before the Commission.

{¶ 15} On September 1, 2021, the attorney examiner set the deadline for the parties and Staff to file expert testimony by September 10, 2021, and set the hearing date for September 17, 2021. The deadline for OCC to file testimony was later extended to September 14, 2021.

{¶ 16} On September 7, 2021, Dominion filed a stipulation and recommendation (Stipulation) signed by Dominion and Staff. The Stipulation notes that IGS does not oppose the Stipulation, although IGS is not a signatory party.

{¶ 17} On September 10, 2021, Dominion filed the testimony of Celia B. Hashlamoun, in support of the Stipulation. On September 14, 2021, OCC filed the testimony of Kerry J. Adkins and Daniel J. Duann, in opposition to the Stipulation.

{¶ 18} On September 16, 2021, Dominion filed a letter in the docket stating that all the parties have agreed to waive cross-examination of the witnesses. The letter also listed exhibits from Dominion, Staff, and OCC and stated that the parties are in agreement that the exhibits can be entered into the record. Further, the letter states that the parties no longer believe that a hearing is necessary. The letter also notes that the parties have been unable to reach an agreement on a briefing schedule, with Dominion proposing October 5 and October 19 for initial and reply briefs, respectively. OCC proposes that initial briefs be filed 30 days from the entry setting the schedule, with reply briefs due 15 days thereafter. The letter notes that Staff and IGS have agreed to Dominion’s proposed dates.

{¶ 19} At this time, the attorney examiner finds that the hearing previously scheduled for September 17, 2021, should be cancelled, and the exhibits referenced in Dominion's September 16, 2021 letter should be entered into the record.

{¶ 20} The attorney examiner also finds that initial post-hearing briefs should be filed by October 12, 2021, and reply briefs should be filed by October 26, 2021.

{¶ 21} It is, therefore,

{¶ 22} ORDERED, That the hearing previously scheduled for September 17, 2021, be cancelled and the exhibits designated in Dominion's September 16, 2021 correspondence be entered into the record in accordance with Paragraph 19. It is, further,

{¶ 23} ORDERED, That parties wishing to file post-hearing initial or reply briefs do so no later than October 12, 2021, and October 26, 2021, respectively. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Jacky Werman St. John

By: Jacky Werman St. John
Attorney Examiner

SJP/kck

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Case No(s). 21-0619-GA-RDR

Summary: Attorney Examiner Entry ordering that the hearing previously scheduled for September 17, 2021, be cancelled and the exhibits designated in Dominion's September 16, 2021 correspondence be entered into the record in accordance with Paragraph 19; ordering that parties wishing to file post-hearing initial or reply briefs do so no later than October 12, 2021, and October 26, 2021, respectively.
electronically filed by Kelli C. King on behalf of Jacky Werman St. John, Ohio Public Utilities Commission