



October 27, 2021

Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

Re: *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of Changes in Rules and Regulations regarding Heat Content Conversion, Case No. 21-0296-GA-ATA; and*

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of Reliability Enhancement Program, Case No. 21-0297-GA-UNC.

To Whom It May Concern:

I'm writing now on behalf of the Ohio Oil and Gas Association in support of the applications filed by The East Ohio Gas Company (Dominion Energy Ohio) in the matters referred to above. The Association is one of the largest and most active state-based oil and natural gas trade associations in the country. Its 1,300+ members are primarily small business entities – similar to small family farms – involved in all aspects of the exploration, development, production and marketing of Ohio crude oil and natural gas. The Association participates in proceedings like these, both statewide and nationally, to protect its members' interests when Ohio production is at risk. And that risk is certainly present here in terms of Ohio conventional production.

Historically, Ohio is one of the oldest producing states in the world. Natural gas was first produced commercially in 1884, near the town of Findlay. Since that time, Ohio conventional producers have supplied more than 8 Tcf (trillion cubic feet) of natural gas to consumers, much of it from and into regions served by the Dominion Energy Ohio system. This has been of significant benefit to Ohio's citizens over the years, in terms of reliability of supply and a lower cost alternative to production from other regions in the country. Yet, conventional production in Ohio has seen a dramatic decline over the last several decades, going from 98 Bcf (billion cubic feet) of natural gas in 2001 to roughly 41 Bcf in 2019, or a nearly 60% decline. There has been an even more striking decline in new conventional wells drilled in Ohio, going from 699 in 2001 to



only 55 in 2019, or a decline of 92%. Ohio conventional producers are, and all of us should be, rightly concerned about these developments.¹

The Association and Dominion Energy Ohio have therefore entered into a series of agreements over time, culminating in the 2021 HCA, that have mitigated those declines in Ohio conventional production on the Dominion Energy Ohio system, **to the benefit of both conventional producers and the customers served off of that system**. And the benefits to those customers should not be discounted – in addition to increased reliability of supply due to the availability of local, conventional production, Ohio ratepayers save on avoided interstate pipeline transportation costs and through overall lower natural gas prices.² This is particularly the case where, as here, there are constraints on the system that would otherwise adversely affect customer supplies.

As a consequence, the Association supports the applications of Dominion Energy Ohio cited above. Parts of the Dominion Energy Ohio system, as set out in those applications and not disputed, depend on that local, conventional production for reliability. Nor is it disputed that certain areas served by Dominion Energy Ohio would suffer service limitations or abandonment altogether if that local, conventional production fails, absent significant capital investments on the part of Dominion Energy Ohio. The benefits to ratepayers from that Ohio conventional production outweigh the costs associated with the programs outlined in the applications intended to maintain that production for the future. The Association therefore urges the Commission to approve the applications and preserve the natural gas service Dominion Energy Ohio customers have enjoyed and come to expect.

Very truly yours,

Bruce Levengood, Chairman
The Ohio Oil and Gas Association

¹ This information was obtained from the annual production data located at the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management's website.

² See, e.g., Kleinhenz & Associates, *September 2011 Economic Impact Study – Ohio's Natural Gas and Crude Oil Industry* (published at the Ohio Oil and Gas Energy Education Program website oogeeep.org).

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Summary: Correspondence Correspondence Regarding Applications electronically
filed by Ms. Anna Sanyal on behalf of Ohio Oil & Gas Association