



Public Utilities Commission

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March 29, 2022

Docketing Division
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 an Alternative Form of Regulation, Case No. 21-1109-GA-ALT.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendation regarding the application by The East Ohio Gas Company d/b/a Dominion Energy Ohio as filed in Case No. 21-1109-GA-ALT.

Respectfully submitted,

A handwritten signature in black ink that reads "Kristin B DuPree".

Kristin DuPree
Manager, Grid Modernization & Retail Markets
Public Utilities Commission of Ohio

Enclosure
cc: Parties of Record

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The East Ohio Gas Company d/b/a Dominion Energy Ohio

Case No. 21-1109-GA-ALT

Staff Response to Dominion Energy Ohio's Application

BACKGROUND:

In accordance with Ohio Admn.Code 4901:1-19-06(A), on October 29, 2021, Dominion Energy Ohio (Dominion or the Company) filed a Notice of Intent to File an Application for an Alternative Rate Plan under R.C. 4929.05 to continue and expand the Company's portfolio of demand-side-management/energy efficiency (DSM/EE) programs and to recover the associated incremental costs on an annual basis through its existing DSM rider.

On November 30, 2021, the Company filed an application (Application) with the Public Utilities Commission of Ohio (PUCO or Commission) for authority to continue, expand, and fund DSM/EE programs in accordance with R.C. 4929.05, R.C. 4929.051 (A) & (B), R.C. 4929.11, and R.C. 4909.18.

The Staff of the PUCO (Staff) has reviewed Dominion's Application and offers the responses and recommendations set forth below.

APPLICATION:

In this Application, DEO requests authority to continue and expand its current DSM/EE portfolio by modifying and expanding existing programs and increasing funding. DEO's proposed DSM/EE portfolio includes the expansion of two existing low income programs, and the introduction of eight new programs for residential and small commercial customers. The new programs include the following: High Efficiency Residential Gas Equipment Program, E3 Smart Program, Home Energy Report Program, Residential New Construction Builder Program, Residential EE Marketplace Program, Multi-family Incentive Program, High Efficiency Commercial Gas Equipment Program, and Commercial Custom Program. Dominion also proposes to continue and expand its two current low-income programs known as Housewarming and the Home Performance with Energy Star Program.

Currently, Dominion recovers \$5.5 million in DSM/EE funding for low-income customer programs through base rates and is permitted to recover up to an additional \$4 million in DSM/EE funding for residential customer programs annually through its DSM rider. In this Application, Dominion proposes to increase funding over a five-year term from its current \$9.5 million budget to \$20.4 million in year five of the proposed plan. For subsequent years beyond the proposed program, DEO proposes that the total amount of DSM/EE funding increase annually by three percent, until such time that the Company files a subsequent application with the Commission to further modify the alternative rate plan to further increase DSM/EE funding and/or offer new DSM/EE programs. In this application, Dominion seeks recovery of the additional funds through the DSM rider apart from \$5.5 million that is annually recovered through base rates.

Year 1	Year 2	Year 3	Year 4	Year 5
\$14,552,967	\$16,965,667	\$19,695,463	\$20,418,770	\$20,400,323

The estimated bill impacts associated with expanded program are included below, as presented in the Direct Testimony of Celia B. Hashlamoun on behalf of the Company:

<i>Year</i>	<i>DSM Rider Rates (per Mcf¹)</i>	<i>Total Monthly Residential DSM Rider Charge²</i>	<i>% Increase DSM Rider Rate</i>
<i>Current (20-1626)</i>	<i>\$0.0286</i>	<i>\$0.23</i>	
<i>Proposed (21-1096)</i>	<i>\$0.0332</i>	<i>\$0.27</i>	16%
<i>Year One</i>	<i>\$0.0483</i>	<i>\$0.39</i>	45%
<i>Year Two</i>	<i>\$0.0823</i>	<i>\$0.66</i>	70%
<i>Year Three</i>	<i>\$0.1018</i>	<i>\$0.81</i>	24%
<i>Year Four</i>	<i>\$0.1071</i>	<i>\$0.86</i>	5%
<i>Year Five</i>	<i>\$0.1069</i>	<i>\$0.86</i>	0%

Customer participation in the programs is currently 6,452 participants annually, and the expanded programs are expected to serve between 212,000 to 256,000 participants on an annual basis. Dominion's current DSM program has achieved an annual savings of approximately 558,000 therms in 2021. Total energy savings for the proposed five-year term is projected to increase from 3.3 million therms in Year One of the program to approximately 5.4 million therms in Year Five.

No administrative, procedural, or accounting changes due to the expansion of Dominion's program were proposed in the application and the process for recovering costs would remain the same as in previous years.

STAFF'S RESPONSE AND RECOMMENDATION:

Staff has reviewed Dominion's application, along with supporting testimony and documentation. Staff finds that Dominion is in compliance with R.C. 4905.35 and is currently in substantial compliance with the policy of this state specified in R.C. 4929.02, and is expected to remain in substantial compliance with this policy in the event the Commission would allow the implementation of the alternative rate plan. However, Staff notes that currently, the Commission is in the process of conducting workshops to discuss

¹ Projected annual recovery divided by the most recently filed DSM planned volumes (139,359,931 Mcfs) per Case No. 21-1096-GA-RDR.

² Based on the typical residential customer's usage of 8 Mcf per month (97 Mcf per year).

and evaluate the role of energy efficiency in the state of Ohio. For that reason, Staff does not find the Company's request to increase spending and DSM rider rates to be reasonable at this time. Therefore, Staff does not recommend the Commission approve Dominion's alternative rate plan.

**This foregoing document was electronically filed with the Public Utilities
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in

Case No(s). 21-1109-GA-ALT

Summary: Staff Review and Recommendation electronically filed by Kristin DuPree
on behalf of PUCO Staff