

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE CAPITAL
EXPENDITURE PROGRAM RIDER OF THE
EAST OHIO GAS COMPANY D/B/A
DOMINION ENERGY OHIO.

CASE NO. 22-619-GA-RDR

ENTRY

Entered in the Journal on April 21, 2022

{¶ 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. 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 February 23, 2022, in this proceeding, the Commission directed Staff to issue a request for proposal for services to conduct a two-phase audit reviewing the accounting accuracy, necessity, prudence, lawfulness, and reasonableness of the Company's CEP-related assets and associated capital spending for calendar year 2021. Subsequently, on March 23, 2022, the Commission selected Blue Ridge Consulting Services, Inc. to conduct the ordered audit.

{¶ 7} On April 1, 2022, Dominion filed its annual application to adjust the CEP Rider (Application), along with the testimony of Celia B. Hashlamoun, in support of the Application. In the Application, Dominion requests that the Commission approve proposed adjustments to the CEP Rider rates, to be effective the first billing cycle in October 2022, to recover the costs of the CEP investments placed in service and the related CEP regulatory asset for the period January 1, 2021, through December 31, 2021. The Application also sets forth a proposed procedural schedule.

{¶ 8} The attorney examiner finds that the general schedule proposed by the Application should be observed, and therefore, implements the following procedural schedule:

- (1) August 15, 2022 - deadline for filing motions to intervene.
- (2) August 15, 2022 - deadline for Dominion and intervenors to file comments.
- (3) August 31, 2022 - deadline for Dominion to file a statement notifying the Commission as to whether issues raised in comments have been resolved.
- (4) If necessary, an evidentiary hearing will be conducted on September 7, 2022, at 10:00 a.m. at the offices of the Commission, 180 East Broad Street, 11th Floor, Hearing Room 11-C, Columbus, Ohio 43215.

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That the procedural schedule set forth in Paragraph 8 be adopted.
It is, further,

{¶ 11} ORDERED, That an evidentiary hearing, if necessary, be scheduled for September 7, 2022, at 10:00 a.m., as stated in Paragraph 8. It is, further,

{¶ 12} 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/mef

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in

Case No(s). 22-0619-GA-RDR

Summary: Attorney Examiner Entry setting the procedural schedule: motions to intervene due 8.15.22; comments due 8.15.22; statement of comment resolution due 8.31.22; and, an evidentiary hearing on 9.7.22 at 10:00 a.m. at the offices of the Commission electronically filed by Ms. Mary E. Fischer on behalf of Jacky Werman St. John, Attorney Examiner, Public Utilities Commission of Ohio