

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of the	)	
East Ohio Gas Company d/b/a Dominion	)	Case No. 22-179-GA-ATA
Energy Ohio for Approval of Tariff	)	
Revisions.	)	

In the Matter of the Application of the	)	
East Ohio Gas Company d/b/a Dominion	)	Case No. 22-180-GA-UNC
Energy Ohio for Approval of Carbon	)	
Offset Program.	)	

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**CONSUMER PROTECTION REPLY COMMENTS  
BY  
OFFICE OF THE OHIO CONSUMERS' COUNSEL**

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**I. INTRODUCTION**

Carbon reduction is a good thing. But Dominion's proposed Carbon Offset Program is not. Dominion's program would be an unlawful charge to consumers because it is not part of providing regulated utility service to them. Even the marketers, who in theory might receive some benefit (at consumer expense) from Dominion's monopoly intrusion into what is supposed to be a competitive market, are uncomfortable with Dominion's proposed program.<sup>1</sup> In a Columbia Gas case, the PUCO Staff concluded that a carbon-reduction program should not be offered as a regulated service.<sup>2</sup>

To protect consumers, the PUCO should deny Dominion's Carbon Offset Program.

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<sup>1</sup> RESA Comments at 4-6; IGS Comments at 4-6; NOPEC Comments at 3-6.

<sup>2</sup> Case No. 21-637-GA-AIR, et al., Staff Report (April 6, 2022) at 51.

## II. CONSUMER PROTECTION REPLY COMMENTS

**The PUCO should reject Dominion’s proposed Carbon Offset Program because it is unlawful,<sup>3</sup> creates more issues and problems than it resolves, and will increase charges to consumers, including those consumers who do not seek to participate in the program.**

Dominion, a monopoly utility with captive consumers, wants to offer a Carbon Offset Program. But consumers can already find such offerings in the competitive market. That is Ohio’s stated policy, favoring competition.<sup>4</sup> Dominion’s proposed program to make its captive monopoly consumers pay for this non-utility program is unlawful. The PUCO should not approve it.

Dominion’s proposed Carbon Offset Program is unlawful as OCC established in its initial comments.<sup>5</sup> In addition, OCC agrees with NOPEC and other commentators that there are other issues regarding limitations, conditions, program costs, program structure, and potential charges to consumers. But again, Dominion’s program is unlawful.

Dominion “acknowledges that the Company would incur costs to implement and administer the Program, which costs it would seek to collect from consumers in the future.”<sup>6</sup> Those charges to consumers would not be “voluntary.”

Dominion’s proposed program violates the well-established principles of cost-causation, where costs should be borne by those who cause the costs.<sup>7</sup> Here, the cost causers are the marketers and those that would subscribe to Dominion’s program.<sup>8</sup>

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<sup>3</sup> OCC Initial Comments at 2-3 (Under R.C. 4905.03, “[p]roviding carbon offsets is not engaging in the business of supplying natural gas for lighting, power, or heating purposes to consumers in Ohio.”).

<sup>4</sup> R.C. 4929.02.

<sup>5</sup> OCC Initial Comments at 2-3.

<sup>6</sup> Entry (March 31, 2022) at 2; *see also* Application.

<sup>7</sup> OCC Initial Comments at 4-5.

<sup>8</sup> *Id.*

Nonsubscribers should not be forced to pay for these costs.<sup>9</sup> Especially at a time when natural gas prices are hitting the highest prices in over a decade, Dominion should not be adding charges to consumers' bills for what should be a competitive, not monopoly, program. But again, the program is unlawful as not a charge for natural gas service.

OCC also agrees with NOPEC that Dominion's application opens the door for it to start incurring costs that it will seek to collect from consumers in future proceedings.<sup>10</sup> This is patently unfair to consumers, especially those who do not wish to participate in this program. To protect consumers who do not wish to participate in this program from overpaying for gas services, the PUCO should disapprove Dominion's proposed Carbon Offset Program. If it does approve the program, only marketers and those consumers who participate *on an opt-in basis* should pay for it.

OCC agrees with NOPEC that the PUCO should reject Dominion's proposal outright.<sup>11</sup> But if the PUCO doesn't reject the proposal (it should), then the PUCO should resolve that Dominion cannot charge monopoly consumers for the program. In other words, Dominion should put its money where its mouth is to fund a (non-utility service) carbon reduction program with its own money. The same can be said if this program is motivated by a Dominion desire to use captive consumers' money to enhance its environmental, social and corporate governance ("ESG") ratings.

The PUCO should not approve this program proposed by a monopoly utility. The competitive market should, and does, offer carbon offset programs. Dominion's proposed program is illegal, unnecessary for its utility service, and would harm consumers.

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<sup>9</sup> *Id.*

<sup>10</sup> NOPEC Initial Comments at 5.

<sup>11</sup> SFE Comments at 3-12; NOPEC Initial Comments at 6.

### III. CONCLUSION

Carbon reduction is a good idea for the environment. But Dominion's proposed program is a bad idea for Ohio utility consumers. In Ohio, carbon offset programs should be, and are, provided by the competitive market. The law does not allow the PUCO to let Dominion charge its captive monopoly consumers for this non-utility service.

And if the PUCO does approve Dominion's program (it shouldn't), then the costs should not be charged to all of Dominion's consumers. Instead, program costs should be paid for by program participants, consistent with principles of cost causation.

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of these Consumer Protection Reply Comments was served on the persons stated below via electronic transmission, this 13<sup>th</sup> day of June 2022.

/s/ William J. Michael  
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