### BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the East	)	
Ohio Gas Company d/b/a Dominion Energy	)	Case No. 22-619-GA-RDR
Ohio for Authority to Adjust Its Capital	)	
Expenditure Program Rider Charges	)	

## COMMENTS OF THE EAST OHIO GAS COMPANY D/B/A DOMINION ENERGY OHIO

In accordance with the Commission's April 21, 2022 Entry, The East Ohio Gas Company d/b/a Dominion Energy Ohio (DEO) hereby files its comments to the Staff Review and Recommendation (Staff Report).

#### **COMMENTS**

Staff filed its Report on July 28, 2022, in which it adopted the audit report of Blue Ridge Consulting Services, Inc. (Blue Ridge Audit Report) and recommended approval of DEO's Application, subject to certain recommendations. DEO responds to two of those recommendations as follows.

Although DEO does not agree with Staff's position regarding the Fitness Center

Adjustment, the adjustment does not affect the calculation of the Capital Expenditure Program

(CEP) Rider rate, and DEO is not opposing Staff's recommendation to remove the costs from the

CEP Rider. DEO reserves its rights regarding whether the costs may be proposed for recovery in

base rates; the issue of base-rate recovery, however, is not at issue in this proceeding and may be

addressed in DEO's next base rate filing if DEO pursues recovery of such costs.

Regarding Staff's recommendations regarding Accumulated Deferred Income Tax

(ADIT), DEO accepts Staff's recommendation in this proceeding on the procedural grounds as

explained herein. As both the Blue Ridge Audit Report and the Staff Report pointed out, the CEP

Rider's methodology was established by the application and stipulation approved in Case No. 19-468-GA-ALT. *See* 22-619 Blue Ridge Audit Report at 34 (noting that DEO sought to modify a "formula the Company put forward and the counterparties agreed to adopt in Case No. 19-0468-GA-ALT"); 22-619 Staff Report at 5 (recognizing that "the revenue requirement formula [was] created in Case No. 19-468-GA-ALT"). That application was filed under the authority of R.C. 4929.05, which authorizes alternative rate plans filed in conjunction with the general rate-setting statute, R.C. 4909.18, and the stipulation was approved after extensive negotiation with Staff and litigation with opposing parties.

In contrast with DEO's application to *establish* the CEP Rider, DEO's ability to *update* the CEP Rider derives from the Commission's order in Case No. 19-468-GA-ALT authorizing the program. Under the approved program terms, the purpose of the annual update is "to capture deferrals and investment in the prior year and any reconciliation adjustments." 19-468 Alt. Rate Plan Exhibits at 5 (May 1, 2019). Given its limited scope, this update proceeding is not the appropriate one to modify the ADIT calculations.

The next available opportunity for DEO to modify the ratemaking formulae and underlying methodology for calculating the CEP Rider is in conjunction with DEO's next base rate case application to be filed by October 2023. This aligns with the requirement to refile an alternative rate plan to continue the CEP Program because the authorized terms of the program expire at the conclusion of its 2023 CEP investments. For these reasons, on further review, DEO accepts Staff's recommendations regarding ADIT.

Dated: August 15, 2022 Respectfully submitted,

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ATTORNEYS FOR THE EAST OHIO GAS COMPANY D/B/A DOMINION ENERGY OHIO

#### **CERTIFICATE OF SERVICE**

I hereby certify that a courtesy copy of the foregoing pleading was served by electronic mail upon the following individuals on August 15, 2022:

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Summary: Comments Comments of The East Ohio Gas Company d/b/a Dominion Energy Ohio electronically filed by Christopher T. Kennedy on behalf of The East Ohio Gas Company d/b/a Dominion Energy Ohio