

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 September 2, 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} In this proceeding, by Entry dated March 23, 2022, the Commission selected Blue Ridge Consulting Services, Inc. (Blue Ridge) to assist Staff in performing the necessary review of Dominion's CEP Rider for the period of January 1, 2021, through December 31, 2021.

{¶ 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.

{¶ 8} On April 21, 2022, the attorney examiner issued an Entry adopting a procedural schedule for the case.

{¶ 9} Also on April 21, 2022, Ohio Consumers' Counsel (OCC) filed a motion to intervene in this proceeding. No memoranda contra were filed. The attorney examiner finds that the motion is reasonable and should be granted.

{¶ 10} On July 15, 2022, Blue Ridge filed its audit report.

{¶ 11} On July 28, 2022, Staff filed its review and recommendation (Staff Report) regarding Dominion's application.

{¶ 12} On August 15, 2022, OCC and Dominion filed comments in this proceeding.

{¶ 13} On August 31, 2022, Dominion filed a notification stating that there are unresolved issues or objections. Specifically, Dominion states that it is not opposed to Staff's recommendation to remove fitness area renovation costs from recovery in the CEP Rider but reserves the right to seek recovery of the costs in future base rates. Additionally, Dominion notes that OCC disagrees with the proposed CEP Rider rate of return.

{¶ 14} Also on August 31, 2022, OCC filed the testimony of Kerry J. Adkins and Daniel J. Duann. On the same day, Staff filed the testimony of Nicci Crocker, and Dominion filed the supplemental testimony of Celia B. Hashlamoun.

{¶ 15} On September 2, 2022, Dominion filed a letter in the docket stating that all the parties have agreed to waive cross-examination of the witnesses. The letter also lists exhibits from Dominion, Staff, and OCC and states that the parties are in agreement that the exhibits can be entered into the record. Further, the letter states that the parties no longer believe that a hearing is necessary. The letter also notes that the parties propose September 21, 2022, and October 5, 2022, for initial and reply briefs, respectively.

{¶ 16} At this time, the attorney examiner finds that the hearing previously scheduled for September 7, 2022, should be cancelled, and the exhibits referenced in Dominion's September 2, 2022 letter should be entered into the record.

{¶ 17} The attorney examiner also finds that initial post-hearing briefs should be filed by September 21, 2022, and reply briefs should be filed by October 5, 2022.

{¶ 18} It is, therefore,

{¶ 19} ORDERED, That the motion to intervene filed by OCC be granted. It is, further,

{¶ 20} ORDERED, That the hearing previously scheduled for September 7, 2022, be cancelled and the exhibits designated in Dominion's September 2, 2022 correspondence be entered into the record in accordance with Paragraph 16. It is, further,

{¶ 21} ORDERED, That parties wishing to file post-hearing initial or reply briefs do so no later than September 21, 2022, and October 5, 2022, respectively. It is, further,

{¶ 22} 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

MJA/hac

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in

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

Summary: Attorney Examiner Entry ordering that the motion to intervene filed by OCC be granted; that the hearing previously scheduled for September 7, 2022, be cancelled and the exhibits designated in Dominion's September 2, 2022 correspondence be entered into the record; and, that parties wishing to file post-hearing initial or reply briefs do so no later than September 21, 2022, and October 5, 2022, respectively electronically filed by Heather A. Chilcote on behalf of Jacky Werman St. John, Attorney Examiner, Public Utilities Commission of Ohio