

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
THE EAST OHIO GAS COMPANY D/B/A
DOMINION ENERGY OHIO FOR
IMPLEMENTATION OF THE TAX CUTS AND
JOBS ACT OF 2017.

CASE NO. 18-1908-GA-UNC

IN THE MATTER OF THE APPLICATION OF
THE EAST OHIO GAS COMPANY D/B/A
DOMINION ENERGY OHIO FOR
APPROVAL OF TARIFF AMENDMENTS.

CASE NO. 18-1909-GA-ATA

FOURTH FINDING AND ORDER

Entered in the Journal on March 8, 2023

I. SUMMARY

{¶ 1} The Commission approves the third supplemental application of The East Ohio Gas Company d/b/a Dominion Energy Ohio to adjust its Tax Savings Credit Rider, subject to Staff's recommendations.

II. DISCUSSION

{¶ 2} The East Ohio Gas Company d/b/a Dominion Energy Ohio (Dominion or the Company) is a natural gas company and a public utility as defined by R.C. 4905.03 and R.C. 4905.02, respectively. As such, Dominion is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4909.18 provides, in part, that a public utility may file an application to establish any rate, charge, regulation, or practice. If the Commission determines that the application is not for an increase in any rate and does not appear to be unjust or unreasonable, the Commission may approve the application without the need for a hearing.

{¶ 4} The Tax Cuts and Jobs Act of 2017 (TCJA), signed into law on December 22, 2017, provided for a number of changes in the federal tax system. Most notably, the federal corporate income tax rate was reduced from 35 percent to 21 percent, effective January 1, 2018.

{¶ 5} On January 10, 2018, the Commission opened an investigation to study the impacts of the TCJA on the Commission's jurisdictional rate-regulated utilities and to determine the appropriate course of action to pass benefits on to ratepayers. *In the Matter of the Commission's Investigation of the Financial Impact of the Tax Cuts and Jobs Act of 2017 on Regulated Ohio Utility Companies*, Case No. 18-47-AU-COI, Entry (Jan. 10, 2018), Finding and Order (Oct. 24, 2018).

{¶ 6} On December 31, 2018, in the above-captioned cases, Dominion filed an application seeking approval to return to customers the tax savings resulting from the TCJA that were not already reflected in various riders and to establish the Tax Savings Credit Rider (TSCR).

{¶ 7} On October 31, 2019, Dominion filed a stipulation and recommendation (Stipulation) to resolve all of the issues in these cases, as well as the issues raised in the Company's application to revise its depreciation rates and amortize its depreciation reserve imbalance, which was filed on October 28, 2019, in Case No. 19-1639-GA-AAM.

{¶ 8} By Finding and Order dated December 4, 2019, the Commission approved the Stipulation.

{¶ 9} Subsequently, on March 24, 2021, the Commission approved, subject to Staff's recommendations, a supplemental application to adjust the TSCR filed by Dominion on March 1, 2021.

{¶ 10} And on March 23, 2022, the Commission approved—again subject to Staff's recommendations—a second supplemental application to adjust the TSCR filed by the Company on February 28, 2022.

{¶ 11} On February 15, 2023, Dominion filed a third supplemental application in the above-captioned cases with a request for expedited treatment. In the third supplemental application, Dominion states that it has continued to return TCJA savings to customers

through application of the TSCR percentages to base rate charges on applicable customer bills. Dominion additionally states that, consistent with Staff's recommendation that the Company continue to track actual refunds and to reconcile variances in the amounts refunded to ensure the appropriate amount of tax savings are refunded to customers, the Company requests authority to further adjust the TSCR, as reflected in the attached schedules.

{¶ 12} On February 23, 2023, Staff filed correspondence stating that it has reviewed Dominion's supplemental application and proposed tariffs and finds that they comply with the December 4, 2019 Finding and Order. Staff recommends that Dominion continue to track actual refunds and to reconcile variances in the amounts refunded to ensure that appropriate amounts of tax savings are refunded to customers.

{¶ 13} Upon review of Dominion's third supplemental application and Staff's correspondence, the Commission finds that the proposed adjustments to the TSCR do not appear to be unjust or unreasonable and should, therefore, be approved, subject to Staff's recommendations. We also find that it is unnecessary to hold a hearing in these matters. Accordingly, Dominion's proposed TSCR tariffs should be approved.

III. ORDER

{¶ 14} It is, therefore,

{¶ 15} ORDERED, That Dominion's third supplemental application be approved, subject to Staff's recommendations. It is, further,

{¶ 16} ORDERED, That Dominion be authorized to file tariffs, in final form, consistent with this Third Finding and Order. Dominion shall file one copy in these case dockets and one copy in its TRF docket. It is, further,

{¶ 17} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

{¶ 18} ORDERED, That nothing in this Fourth Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 19} ORDERED, That a copy of this Fourth Finding and Order be served upon all parties of record.

COMMISSIONERS:

Approving:

Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

PAS/dr

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Case No(s). 18-1908-GA-UNC, 18-1909-GA-ATA

Summary: Finding & Order approving the third supplemental application of The East Ohio Gas Company d/b/a Dominion Energy Ohio to adjust its Tax Savings Credit Rider, subject to Staff's recommendations electronically filed by Debbie S. Ryan on behalf of Public Utilities Commission of Ohio