

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Glenwood Energy of Oxford, Inc. for) Case No. 09-439-GA-UEx
Approval of its Initial Uncollectible)
Expense Rider Rate.)

FINDING AND ORDER

The Commission finds:

- (1) On May 22, 2009, Glenwood filed an application to establish its first uncollectible expense (UEx) rider.
- (2) By entry issued on September 30, 2009, the Commission approved Glenwood's UEx rider. The September 30, 2009, entry noted that Staff was examining Glenwood's monthly uncollectible expense balances and write-offs and recoveries for 2007 and 2008, and stated that any recommended adjustments and/or corrections would be considered in Glenwood's 2010 UEx rider application.
- (3) On October 22, 2009, Staff filed its audit of Glenwood's uncollectible expense mechanisms for the period of November 2007 through December 2008. In its review of customer billing histories, Staff found that the customers' balances were written off at least 90 days after the last payment was made. Staff also found several instances in which customers were billed late payment fees for more than two billings. Staff believes that two late payments sufficiently recognizes the time necessary for Glenwood to complete the disconnection process and allows for the recovery of carrying cost on the outstanding balance prior to their inclusion in the monthly write-offs. To reflect that no more than two late payment fees are recovered through Glenwood's UEx rider, Staff reduced the December 2008 write-off amount from \$71,834 to \$66,846, a decrease of \$4,988. This reduction results in a year ending balance for 2008 of \$38,207.59. In addition, Staff noted that it did not find any collection or reporting agency fees in its audit of Glenwood's monthly write-off amounts.
- (4) As a result of these findings, in its audit report, Staff recommends that Glenwood use the 2008 ending balance of

\$38,207.59 as its starting point for calendar year 2009, and further recommends that Glenwood incorporate the January 2009 beginning balance of \$38,207.59 into its 2010 UEX application. Staff also recommends that Glenwood investigate the cost of utilizing collection agencies for non-paying customers, with collection fees being recoverable through the UEX rider. Finally, Staff recommends that Glenwood contact credit reporting agencies as a means of encouraging customers to pay their bills.

- (5) Upon consideration of Staff's audit recommendations concerning Glenwood's UEX expense mechanisms for the period of November 2007 through December 2008, the Commission finds that Staff's recommendations are reasonable and should be adopted. Therefore, for its beginning balance for 2009, Glenwood should use the 2008 ending balance of \$38,207.59. In addition, the commission expects Glenwood to explore every means available to reduce account balances for the UEX, including the use of collection and reporting agencies.
- (6) In accordance with the Commission's August 19, 2009, finding and order in Case No. 08-1229-GA-COL, *In the Matter of the Five-Year of Natural Gas Company Uncollectible Riders*, Glenwood should file a UEX rider report during the month of May 2010. The report should include the following information: the UEX balance at the beginning of the reporting year; additions to the UEX balance, including the vintage of the additions during the calendar year; and credits to the UEX balance during the calendar year.

It is, therefore,

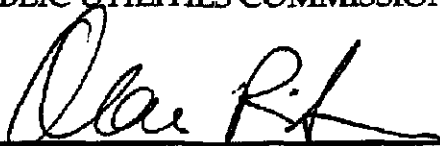
ORDERED, That Staff's audit recommendations concerning Glenwood's UEX expense mechanisms for the period of November 2007 through December 2008 be adopted. It is, further,

ORDERED, That Glenwood file a UEX rider report during the month of May 2010, in accordance with finding (6). It is, further,

ORDERED, That nothing in this finding and order shall be binding upon this Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

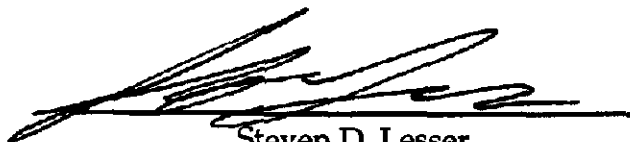
ORDERED, That a copy of this finding and order be served upon each party of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO




Alan R. Schriber, Chairman

Paul A. Centolella



Steven D. Lesser

Valerie A. Lemmie



Cheryl L. Roberto

HPG/sc

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Renee J. Jenkins
Secretary