

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Glenwood Energy of Oxford, Inc. for) Case No. 10-899-GA-UEX
Approval of an Adjustment to Its)
Uncollectible Expense Rider Rate.)

FINDING AND ORDER

The Commission finds:

- (1) By Finding and Order dated December 17, 2003, in Case No. 03-1127-GA-UNC (Order), the Commission approved, in concept, an application brought jointly by five natural gas companies, including Glenwood Energy of Oxford, Inc. (Glenwood), formerly Oxford Natural Gas Company, which proposed to alter the method by which the five recover uncollectible accounts expense. The Order provided discussion on several tangential issues and guidance as to implementation and reporting.
- (2) Glenwood's current UEX rider rate is \$0.08 per thousand cubic feet (Mcf). This rate was approved by Finding and Order dated September 30, 2009, in Case No. 09-439-GA-UEX.
- (3) On June 25, 2010, Glenwood filed the instant application to revise its existing uncollectible expense (UEX) rider rate. The proposed rate is an increase to \$0.26 per Mcf. Staff reviewed the application and, on September 7, 2010, filed its comments recommending approval.
- (4) On July 30, 2010, the city of Oxford filed a letter in this case stating that it was served with a copy of the UEX application by the Company. In its review of the application, Oxford noted an increased monthly bad debt balance and limited revenue from the collection agency. Oxford has subsequently met with the Company to discuss the application. According to the letter the Company's responses and representation have, for the time being, addressed Oxford concerns and it is not opposing the UEX application.

- (5) On September 2, 2010, the Company filed a letter indicating that it inadvertently began to bill its proposed UEX rate as of June 2010. The Company is currently substantially under-collected and the early billing was caused by an internal miscommunication. The Company stated that it regrets the confusion that it may have caused and is working with Staff to account for its error and ensure that it will not occur again.
- (6) Staff submitted a supplement to its filed comments on September 21, 2010. In its filed comments, Staff recommended approval of Glenwood's proposed UEX rate of \$0.26 per Mcf. Staff made this recommendation recognizing that Glenwood, upon filing of its application, inadvertently began billing the \$0.26 per Mcf UEX rate, without Commission approval. Staff incorporated into its calculations the additional revenue collected by Glenwood and the corresponding reduction to Glenwood's under-recovered UEX balance. As a result, the UEX rate that Staff would have proposed, absent Glenwood's error, was reduced to a rate approximating the \$0.26 per Mcf rate that was filed by Glenwood.
- (7) Having reviewed the application and Staff's filed comments, the Commission finds that Glenwood's application is reasonable and in the public interest, and should be approved.
- (8) In its comments, Staff also recommended that, in Glenwood's 2011 gas cost recovery (GCR) financial audit, Staff be directed to examine the monthly UEX balances and write-offs and recoveries for 2009 and 2010 and any required adjustments/corrections be incorporated into the 2012 UEX rider application. Staff also recommended that Glenwood receive Commission approval prior to billing any change in its UEX rate.
- (9) Therefore, the Commission finds that, with approval of the \$0.26 rate, the unauthorized portion charged since June 2010 fully credits consumers.

It is, therefore,

ORDERED, That Glenwood is authorized to increase its UEX rider rate to \$0.26 per Mcf. It is, further,

ORDERED, That Glenwood is authorized to file four complete copies of tariffs in final form consistent with this Finding and Order. Glenwood shall file one copy in this case docket and one copy in its TRF docket (or may make such filing electronically as directed in Case No. 06-900-AU-WVR). The remaining two copies shall be designated for distribution to the Rates and Tariffs, Energy and Water Division of the Commission's Utilities Department. It is, further,

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

ORDERED, That, in Glenwood's next GCR audit, Staff shall perform the reviews described in this order. It is, further,

ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any further proceeding or investigation 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 all parties of record in this proceeding.

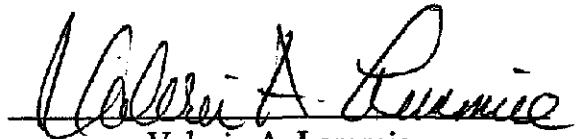
THE PUBLIC UTILITIES COMMISSION OF OHIO



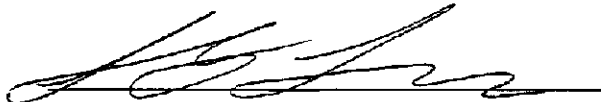
Alan R. Schriber, Chairman



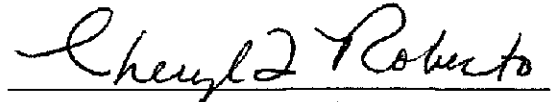
Paul A. Centolella



Valerie A. Lemmie



Steven D. Lesser



Cheryl L. Roberto

RS:js

Entered in the Journal

SEP 22 2010



Renee J. Jenkins
Secretary