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BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of )  
Ohio Gas Company for Approval ) Case No. 14-311-GA-UEx  
of an Adjustment to its Uncollectible )  
Expense Rider Rate. )

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COMMENTS  
OF THE STAFF OF  
THE PUBLIC UTILITIES COMMISSION OF OHIO

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Date submitted: June 6, 2014

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June 6, 2014

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, OH 43215

RE: *In the Matter of the Application of Ohio Gas Company. for Approval of an Adjustment to its Uncollectible Expense Rider Rate, Case No. 14-311-GA-UEX.*

Enclosed please find the Staff's Comments regarding Ohio Gas' application to implement an uncollectible expense rider in Case No. 14-311-GA-UEX.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Wm. Ross Willis". The signature is stylized with a large, circular initial "W" and a cursive "R" and "L".

Wm. Ross Willis  
Chief, Rates Division  
Public Utilities Commission of Ohio

Enclosure  
Cc: Parties of Record

Application of Ohio Gas Company  
Case No. 13-311-GA-UEx

Background

In Case No. 03-1127-GA-UNC, the Commission authorized the concept of an uncollectible accounts expense recovery mechanism for five natural gas companies. The mechanism approved allows for recovery of actual bad/uncollectible debt through a rider, rather than through base rates. Subsequently, Ohio Gas Company (Ohio Gas or Company) was authorized in Case No. 05-1439-GA-UEx to establish a rider recovery mechanism consistent with that which was approved in Case No. 03-1127-GA-UNC. On January 25, 2006, the Commission issued its Opinion and Order in that case and authorized an initial uncollectible rider rate of \$0.0282 per Mcf.

Since that time the Company has filed annual updates to adjust the rider rate and the Commission has authorized such subsequent revisions. The history of Ohio Gas' rider is as follows:

February 2006 - June 2006	\$0.0282 per Mcf
July 2006 - June 2007	\$0.0658 per Mcf
July 2007 - July 2008	\$0.0384 per Mcf
August 2008 - June 2009	\$0.0094 per Mcf
July 2009 - June 2010	\$0.0744 per Mcf
July 2010 - July 2011	\$0.0332 per Mcf
August 2011 - June 2012	(\$0.0200) per Mcf
July 2012 - July 2013	(\$0.0056) per Mcf
August 2013 to Present	(\$0.0200) per Mcf

On May 19, 2014, Ohio Gas filed the pending application to revise its current uncollectible expense rider rate. Staff has reviewed the application and makes its findings and recommendations in this staff report.

Application

Ohio Gas' present application would result in an increase to the existing rate by \$0.0041 per Mcf and reflects a proposed rate of (\$0.0159) per Mcf. Page 2 of Attachment 1 to the application shows an ending balance of (\$47,091) to the Company's Annual Balance Reconciliation (ABR) for calendar year 2013. Page 1 of Attachment 1 indicates an ending balance of (\$27,268) for the Company's ABR for January 1, 2014 through March 31, 2014.

In Attachment 2 to the application, Ohio Gas provides its uncollectible expense rider calculation utilizing the 12 months ending March 31, 2015. With the combination of the balance of Deferred Uncollectible Accounts Expense as of March 31, 2014, and the projected net amount to be collected from April 1, 2014 through March 31, 2015, there is an over collection of \$109,554. This total to be collected against applicable volumes results in the proposed rate of (\$0.0159) per Mcf.

In Attachment 3 to the application, Ohio Gas incorporates the proposed uncollectible expense rider rate in its tariffs.

#### Recommendation

On May 29, 2014, Staff filed its Audit of the Uncollectible Expense Mechanisms for the Period January 2012 through December 2013 in this case. The Staff Report concluded that Ohio Gas accurately calculated its uncollectible expense rider rates during the audit period.

Subsequently, Staff finds that Ohio Gas submitted in this application an accurate 2013 ABR as detailed in the May 29, 2014 Staff Report. Staff believes that Ohio Gas' submission of actual recoveries and expenses for the first quarter of 2014 is correctly calculated, consistent with the 2013 ABR.

Staff believes Ohio Gas' application appropriately calculates the rider and recommends the proposed rate of (\$0.0159) per Mcf be approved.