

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Regulation of the	)	
Purchased Gas Adjustment Clauses	)	Case No. 16-213-GA-GCR
Contained Within the Rate Schedules of	)	
Piedmont Gas Company and Related Matters.	)	
 In the Matter of the Uncollectible Expense	 )	
Rider of Piedmont Gas Company and	)	Case No. 16-313-GA-UEX
Related Matters.	)	

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STIPULATION AND RECOMMENDATION

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Pursuant to Ohio Administrative Code Rule 4901-1-30, the Piedmont Gas Company (Piedmont) and the Staff of the Public Utilities Commission of Ohio (Staff)<sup>1</sup> (individually “Party;” collectively “Parties”) do hereby stipulate and agree to resolve all issues in the instant proceeding.

While the Parties recognize that this Stipulation and Recommendation (Stipulation) is not binding upon the Public Utilities Commission of Ohio (Commission), the Parties state that the Stipulation is an agreement among all Parties to this proceeding; that the Stipulation is supported by adequate data and information; that it represents a just and reasonable resolution of all issues in this proceeding; that it violates no regulatory principle or precedent; and that, accordingly, the Stipulation is entitled to careful considera-

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<sup>1</sup> Staff will be considered a party for the purpose of entering into this Stipulation by virtue of O.A.C. 4901-1-10(C).

tion and should be adopted in its entirety by the Commission. The Parties request that the Stipulation and Recommendation be marked and submitted as Joint Exhibit 1.

This Stipulation shall not be cited as precedent for or against any signatory Party, if it is approved by the Commission. This Stipulation is a compromise involving a balancing of competing positions, and it does not necessarily reflect the position that any Party would have taken if these issues had been fully litigated.

The Parties believe that this Stipulation represents a reasonable compromise of varying interests. Should the Commission reject or modify all or any part of this Stipulation or impose additional conditions or requirements upon the Parties, each Party shall have the right, within 30 days of issuance of the Commission's order, either to file an application for rehearing or terminate and withdraw the Stipulation by filing a notice with the Commission. Upon rehearing, any Party may terminate and withdraw the Stipulation by filing a notice with the Commission within 30 days of the Commission's order on rehearing.

Upon notice of termination or withdrawal by any Party, pursuant to the above provisions, the Stipulation shall immediately become null and void. In such event, a hearing shall go forward and the Parties shall be afforded the opportunity to present evidence through witnesses, to cross-examine all witnesses, to present rebuttal testimony, and to brief all issues that shall be decided based upon the record and briefs as if this Stipulation had never been executed.

Subject to the terms and conditions set forth in this Stipulation, the Parties hereto agree, stipulate and recommend that the Commission find as follows:

- A. Piedmont is a natural gas company within the meaning of Section 4905.03(A)(6), Ohio Revised Code, and as such, is a public utility subject to the jurisdiction and supervision of the Commission.
- B. Section 4905.302, Ohio Revised Code, and Rule 4901:1-14-07, Ohio Administrative Code, require that the Commission conduct or cause to be conducted periodic audits of each natural gas company. By entry dated February 24, 2016, the Commission directed that its Staff conduct the audit of Piedmont for the actual gas costs incurred from December 1, 2013 through November 30, 2015. By that same entry, the Commission directed its Staff to conduct an audit for Piedmont's uncollectible expense rider (UEX) for the period January 2014 through December 2015.
- C. The Staff performed the aforementioned audit of the GCR rates for the period December 1, 2013 through November 30, 2015. The Staff performed its investigation and filed its Audit Report in this docket on April 15, 2016. The Audit Report shall be identified as Commission Ordered Exhibit 1 and admitted into evidence in this proceeding.
- D. Piedmont agrees that all findings and recommendations contained in the Audit Report identified in paragraph C are reasonable and Piedmont and the Staff recommend that they be adopted by the Commission. More specifically, Staff recommendations to be implemented include:
- That the Commission orders a reconciliation adjustment of \$42,651.66 in the Company's favor to correct errors in the Actual

Adjustment that are not self-correcting through the GCR mechanism.

The adjustment should be applied in the first GCR filing following the Opinion and Order in this case.

- That the Commission orders a reconciliation adjustment of (\$20,247.00) in the customers' favor to correct differences in the Balance Adjustment that are not self-correcting through the GCR mechanism. The adjustment should be applied in the first GCR filing following the Opinion and Order in this case.
- That the Commission orders that the Piedmont to re-verify purchase and sales volumes prior to making its monthly GCR filings with the Commission.
- That the Commission orders that Piedmont re-verify the correct GCR rate prior to billing their customers.

E. The Staff performed the audit of Piedmont's UEX rider for the period January 2014 through December 2015. The Staff performed its investigation and filed its Audit Report in this docket on April 15, 2016. The Audit Report shall be identified as Commission Ordered Exhibit 2 and admitted into evidence in this proceeding.


F. Piedmont agrees that all findings and recommendations contained in the Audit Report identified in paragraph E are reasonable and Piedmont and the Staff recommend that they be adopted by the Commission. More specifically, Staff recommendations to be implemented include:

- That the Commission order Piedmont to maintain a formal policy that determines when to write-off a bad debt account and the collection procedure and to provide Staff with a copy within 90 days to ensure compliance.
  - That the Commission order Piedmont to adopt Staff's recalculated write-off amounts for 2014 and 2015 as shown on Attachment 1 and 2 of the Audit Report and that the ending balance be \$5,588.37 as shown on Line 9 of Attachment 2 of the Audit Report.
- G. Piedmont has provided notice for this proceeding through billing inserts, proof of which Piedmont docketed on June 9, 2016. Proof of publication shall be identified as Piedmont Exhibit 1.
- H. The Stipulation meets the Commission's three-pronged test for approval of stipulation. The Stipulation is the product of serious bargaining among capable and knowledgeable parties. The Stipulation, considered as a package, benefits ratepayers and the public interest. The Stipulation does not violate any important regulatory principle.


**JOINT EXHIBIT 1**

The undersigned hereby stipulate, agree and represent that they are authorized to enter into this Stipulation on behalf of Piedmont and the Commission's Staff respectfully on this 9<sup>th</sup> day of June, 2016.

**PIEDMONT GAS COMPANY**

By:   
Rick Mako  
Piedmont Gas Company  
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330.339.5454

**THE STAFF OF THE  
PUBLIC UTILITIES COMMISSION OF  
OHIO**

By:   
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**This foregoing document was electronically filed with the Public Utilities**

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**in**

**Case No(s). 16-0213-GA-GCR, 16-0313-GA-UEX**

Summary: Stipulation and Recommendation Submitted on Behalf of The Public Utilities  
Commission of Ohio. electronically filed by Ms. Tonneta Scott on behalf of PUC