

THE PUBLIC UTILITIES COMMISSION OF OHIO

**IN THE MATTER OF THE REGULATION OF
THE PURCHASED GAS ADJUSTMENT
CLAUSES CONTAINED WITHIN THE
RATE SCHEDULES OF:**

**FORAKER GAS COMPANY
EASTERN NATURAL GAS COMPANY
GLENWOOD ENERGY OF OXFORD, INC.
PIKE NATURAL GAS COMPANY
WATERVILLE GAS AND OIL COMPANY
AND RELATED MATTERS.**

**CASE No. 17-204-GA-GCR
CASE No. 17-207-GA-GCR
CASE No. 17-210-GA-GCR
CASE No. 17-214-GA-GCR
CASE No. 17-217-GA-GCR**

**IN THE MATTER OF THE UNCOLLECTIBLE
EXPENSE RIDERS OF:**

**EASTERN NATURAL GAS COMPANY
GLENWOOD ENERGY OF OXFORD, INC.
PIKE NATURAL GAS COMPANY
WATERVILLE GAS AND OIL COMPANY
AND RELATED MATTERS.**

**CASE No. 17-307-GA-UEX
CASE No. 17-310-GA-UEX
CASE No. 17-314-GA-UEX
CASE No. 17-317-GA-UEX**

**IN THE MATTER OF THE PERCENTAGE OF
INCOME PAYMENT PLAN RIDERS OF:**

**EASTERN NATURAL GAS COMPANY
GLENWOOD ENERGY OF OXFORD, INC.
PIKE NATURAL GAS COMPANY
AND RELATED MATTERS.**

**CASE No. 17-407-GA-PIP
CASE No. 17-410-GA-PIP
CASE No. 17-414-GA-PIP**

ENTRY

Entered in the Journal on February 1, 2017

I. SUMMARY

{¶ 1} The Commission initiates gas cost recovery, uncollectible expense, and percentage of income payment plan audits for Foraker Gas Company, Eastern Natural Gas Company, Glenwood Energy of Oxford, Inc., Pike Natural Gas Company, and Waterville Gas and Oil Company.

II. DISCUSSION

{¶ 2} Foraker Gas Company (Foraker), Eastern Natural Gas Company (Eastern), Glenwood Energy of Oxford, Inc. (Glenwood), Pike Natural Gas Company (Pike), and Waterville Gas and Oil Company (Waterville) (individually or collectively, company or companies) are gas or natural gas companies as defined in R.C. 4905.03 and public utilities as defined in R.C. 4905.02, and, as such, are subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4905.302 and Ohio Adm.Code 4901:1-14-07 provide that the Commission shall conduct, or cause to be conducted, periodic audits of each gas or natural gas company under the Commission's jurisdiction. Such audits shall review each company's compliance with the gas cost recovery (GCR) mechanism as delineated in Ohio Adm.Code Chapter 4901:1-14.

{¶ 4} Through this Entry, the Commission is initiating the GCR financial audits for the following companies for the following months in which actual costs were incurred and reported:

<u>Company</u>	<u>Financial Audit Period</u>
Foraker	02/01/15 - 01/31/17
Eastern	01/01/15 - 12/31/16
Glenwood	01/01/15 - 12/31/16
Pike	01/01/15 - 12/31/16
Waterville	08/01/14 - 07/31/16

Staff shall conduct the GCR audits required under Ohio Adm.Code 4901:1-14-07 and file its audit findings for each company in the company's GCR docket.

{¶ 5} Staff shall conduct its GCR audits consistent with the following overall objectives:

- (a) To determine that the costs reflected in the company's GCR rates were properly incurred by the company.

- (b) To determine that the GCR rates were accurately computed by the company.
- (c) To determine that the GCR rates were accurately applied to customer bills.
- (d) To verify, if the company utilized weather-normalized historic and/or forecasted volumes, that the company has reasonably applied such approach throughout the audit period.
- (e) To identify and review the purchasing policies employed by the company in its procurement of gas supplies.

{¶ 6} With regard to the GCR audit results for each company listed in Paragraph 4, at least 60 days before the company's hearing date listed in Paragraph 7 below, Staff shall file its GCR audit report in the company's above-captioned GCR docket, and shall serve copies of the company's GCR audit report upon the company and any intervenors in the company's GCR proceeding.

{¶ 7} Ohio Adm.Code 4901:1-14-08 provides that the Commission shall hold a public hearing at least 60 days after the filing of each GCR audit report required under Ohio Adm.Code 4901:1-14-07. A public hearing shall be held in these matters, pursuant to R.C. 4905.302, to allow the Commission to review the gas purchasing practices and policies of the companies and the operations of their purchased gas adjustment clause and related matters. Each of the hearings shall be held beginning at 10:00 a.m., at the offices of the Commission, 180 East Broad Street, Hearing Room 11-C, Columbus, Ohio 43215-3793. At that time, all interested persons will be given an opportunity to be heard. The first day of each company's hearing shall be as follows:

Foraker	October 17, 2017
Eastern	January 16, 2018
Glenwood	August 29, 2017
Pike	January 16, 2018
Waterville	May 16, 2017

{¶ 8} Ohio Adm.Code 4901:1-14-08(C) specifies the requirement for notice of a GCR hearing, which each company should cause to be published between 15 and 30 days prior to the date set for its hearing. The notice may be provided by publication of a display ad in a newspaper (in a section other than the legal notice section), bill message, bill insert, or direct mailing to the customers. The form of the notice should be in substantially the following form as applicable to the individual company.

LEGAL NOTICE

The Public Utilities Commission of Ohio has set for public hearing Case No. [applicable GCR case number] to review the gas cost recovery rates of [applicable company] and the operation of its purchased gas adjustment clause, and related matters. This hearing is scheduled to begin at 10:00 a.m. on [applicable day of the week], [applicable date], at the offices of the Commission, 180 East Broad Street, Hearing Room 11-C, Columbus, Ohio 43215-3793. All interested persons will be given an opportunity to be heard. Further information may be obtained by viewing the Commission's web page at <http://www.puc.state.oh.us>, or contacting the Commission's hotline at 1-800-686-7826 or for hearing or speech impaired customers 7-1-1.

{¶ 9} The direct testimony of any witnesses testifying on behalf of each company should be filed at least 16 days prior to the GCR hearing. All direct testimony to be presented by any other party should be filed at least seven days prior to the hearing.

{¶ 10} Consistent with R.C. 4929.11, the Commission has authorized Eastern, Glenwood, Pike, and Waterville to recover uncollectible expenses (UEX) through riders. In approving the UEX riders for these companies, the Commission required that these riders would be audited in the course of each company's GCR audit. Therefore, the Commission is initiating the audits of the UEX riders for the following companies for the UEX rider rates effective during the following periods:

<u>Company</u>	<u>UEX Rider Audit Period</u>
Eastern	01/01/15 - 12/31/16
Glenwood	01/01/15 - 12/31/16
Pike	01/01/15 - 12/31/16
Waterville	01/01/15 - 12/31/16

{¶ 11} Staff shall conduct the UEX audits and file its audit findings for each company in the company's above-captioned UEX docket. In addition, Staff shall serve copies of the company's UEX audit report upon the applicable company and any intervenors in the company's UEX proceeding. The UEX audit results for Eastern, Glenwood, Pike, and Waterville should be filed concurrent with the filing of these companies' GCR audit reports, as required in Paragraph 6.

{¶ 12} The Commission has authorized Eastern, Glenwood, and Pike to recover percentage of income payment plan (PIPP) arrearages through riders. At this time, the Commission finds that these riders should be audited in the course of each company's GCR audit. Therefore, the Commission is initiating the audits of the PIPP riders for the following companies for the PIPP rider rates effective during the following periods:

<u>Company</u>	<u>PIPP Rider Audit Period</u>
Eastern	05/01/14 - 04/30/16
Glenwood	08/01/14 - 07/31/16
Pike	05/01/14 - 04/30/16

{¶ 13} Staff shall conduct the PIPP audits and file its audit findings for each company in the company's above-captioned PIPP docket. In addition, Staff shall serve

copies of the company's PIPP audit report upon the applicable company and any intervenors in the company's PIPP proceeding. The PIPP audit results for Eastern, Glenwood, and Pike should be filed concurrent with the filing of these companies' GCR audit reports, as required in Paragraph 6.

III. ORDER

{¶ 14} It is, therefore,

{¶ 15} ORDERED, That the GCR audit reports for Foraker, Eastern, Glenwood, Pike, and Waterville for the audit periods set forth in Paragraph 4 be filed with the Commission, as set forth in Paragraph 6. It is, further,

{¶ 16} ORDERED, That a public hearing be conducted in each of the GCR proceedings, consistent with the findings herein, on the dates specified in Paragraph 7. It is, further,

{¶ 17} ORDERED, That Foraker, Eastern, Glenwood, Pike, and Waterville publish legal notice in accordance with Paragraph 8. It is, further,

{¶ 18} ORDERED, That direct testimony be filed in the GCR cases consistent with Paragraph 9. It is, further,

{¶ 19} ORDERED, That the UEX audit reports for Eastern, Glenwood, Pike, and Waterville for the audit periods set forth in Paragraph 10 be filed with the Commission, as set forth in Paragraph 11. It is, further,

{¶ 20} ORDERED, That the PIPP audit reports for Eastern, Glenwood, and Pike for the audit periods set forth in Paragraph 12 be filed with the Commission, as set forth in Paragraph 13. It is, further,

{¶ 21} ORDERED, That a copy of this Entry be served upon the companies and upon all other parties of record in these proceedings.

THE PUBLIC UTILITIES COMMISSION OF OHIO

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Asim Z. Haque, Chairman

Lynn Slaby

Lynn Slaby

M. Beth Trombold

M. Beth Trombold

Thomas W. Johnson

Thomas W. Johnson

SJP/JR/SC

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FEB 01 2017

Barcy F. McNeal

Barcy F. McNeal
Secretary