

FILE



**Public Utilities  
Commission**

Asim Z. Haque, Chairman

Commissioners

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May 9, 2017

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

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RE: *In the Matter of the Application of Piedmont Gas Company for Approval of an  
Adjustment to its Uncollectible Expense Rider Rate, Case No. 17-313-GA-UEx*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the  
application filed by Piedmont Gas Company, to update its Uncollectible Expense Rider,  
in Case No. 17-313-GA-UEx.

  
\_\_\_\_\_  
Tamara S. Turkenton  
Chief, Regulatory Services Division  
Public Utilities Commission of Ohio

  
\_\_\_\_\_  
David Lipthrott  
Chief, Research and Policy Division  
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

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**Piedmont Gas Company  
Case No. 17-313-GA-UEx**

**SUMMARY**

In Case No. 03-1127-GA-UNC, the Commission authorized the concept of an Uncollectible Expense (UEX) 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, Piedmont Gas Company (Piedmont or Company) was authorized in Case No. 09-1862-GA-AIR to establish a rider recovery mechanism consistent with that which was approved in Case No. 03-1127-GA-UNC. On October 15, 2010, the Commission issued its Opinion and Order in that case and authorized an initial UEX rider rate of \$0.02385 per Mcf.

Since that time Piedmont has filed updates to adjust its rider rate and the Commission authorized such subsequent revisions. The recent history of Piedmont's rider rate is as follows:

January 2014 – December 2015	\$0.00122 per Mcf
January 2016 – June 2017	\$0.00000 per Mcf

On April 26, 2017, Piedmont filed the pending application to increase its current UEX rider rate from \$0.0000 per Mcf to \$0.01914 per Mcf, an adjustment of \$0.01914 per Mcf. Staff has reviewed the application and makes its findings and recommendations in this Staff Letter.

**STAFF REVIEW**

Staff performed a review of Piedmont's annual balance of actual uncollectible accounts expense net of recoveries as of January 1, 2016, through December 31, 2016 (Attachment 1 and 2); and proposed tariff sheets (Attachment 3).

**STAFF RECOMMENDATION**

Staff has performed a review of the actual annual balance reconciliation covering January 1, 2016, through December 31, 2016, and at this time does not propose any further adjustments to Piedmont's calculations and supports the Company's attachments filed on April 26, 2017.

Staff believes that Piedmont's application appropriately calculates the UEX rider rate and recommends the proposed rate of \$0.01914 per Mcf be approved.