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August 29, 2017

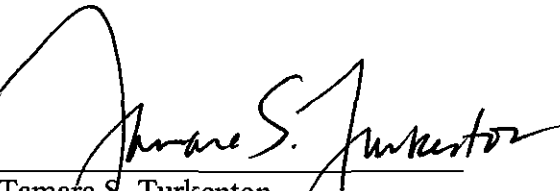
PUCO

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

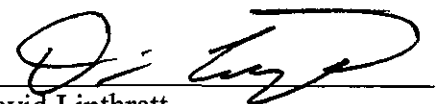
RE: *In the Matter of the Uncollectible Expense Rider of Orwell Natural Gas Company, Case No. 17-312-GA-UEX.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the application filed by Orwell Natural Gas Company, to update its Uncollectible Expense Rider, in Case No. 17-312-GA-UEX.



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



David Liphtratt
Chief, Research and Policy Division
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

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**Orwell Natural Gas Company
Case No. 17-312-GA-UEX**

SUMMARY;

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, Orwell Natural Gas Company (Orwell or Company) was authorized in Case No. 07-163-GA-AIR to establish a rider recovery mechanism consistent with that which was approved in Case No. 03-1127-GA-UNC. On June 27, 2007, the Commission issued its Opinion and Order in that case and authorized an initial uncollectible rider rate of \$0.1000 per Mcf.

Since that time Orwell has filed updates to adjust its rider rate and the Commission has authorized subsequent revisions. Orwell's most recent UEX rider history is as follows:

August 2012 – December 2013	\$0.06737 per Mcf
January 2014 – August 2014	\$(0.00834) per Mcf
September 2014 – December 2015	\$0.0077 per Mcf
January 2016 – Current	\$0.0876 per Mcf

On July 28, 2017, Orwell filed the pending application to increase its current uncollectible expense rider rate from \$0.0876 per Mcf to \$0.1465 per Mcf, an adjustment of \$0.0589 per Mcf. Staff has reviewed the application and makes its findings and recommendations in this Staff Letter.

STAFF REVIEW

Staff performed a review of Orwell's annual balance of actual uncollectible accounts expense net of recoveries as of January 1, 2016, through April 30, 2017 (Attachment 1); UEX Rider Rate Calculation (Attachment 2); and proposed tariff sheets (Attachment 3).

STAFF RECOMMENDATION

Staff believes that Orwell's application appropriately calculates the rider and recommends the proposed rate of \$0.1465 per Mcf be approved.