

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The East	)	
Ohio Gas Company d/b/a Dominion Energy	)	Case No. 19-319-GA-UEX
Ohio for Approval of an Adjustment to its	)	
Uncollectible Expense Rider Rate.	)	

**APPLICATION**

The East Ohio Gas Company d/b/a Dominion Energy Ohio (DEO) respectfully requests approval of an adjustment to its Uncollectible Expense Rider (UEX Rider) rate. In support of this Application, DEO states as follows:

1. DEO is an Ohio corporation engaged in the business of providing natural gas service to approximately 1.2 million customers in northwest, western, and southeast Ohio. As such, DEO is a “natural gas company” and “public utility” as defined by R.C. 4905.03(E) and 4905.02.
2. In its Finding and Order dated December 17, 2003 (2003 Order), in Case No. 03-1127-GA-UNC, the Commission approved a UEX Rider for DEO and several other natural gas companies.
3. In the 2003 Order, the Commission directed DEO and the other companies subject to that order to file a yearly report that identifies amounts recovered, deferred and/or amortized pursuant to the UEX Rider. The Commission Staff, in its report filed March 9, 2004, in Case No. 03-2573-GA-ATA, recommended that the information be provided in the format of Attachment C to that report. DEO’s annual report, in that format, is Attachment 1 to this Application.

4. By Entry dated March 17, 2004, in Case No. 03-2573-GA-ATA, the Commission approved DEO's initial UEX Rider tariffs, and DEO filed final tariffs consistent with that Entry on April 2, 2004, effective as of that date.

5. The Commission approved subsequent adjustments to the UEX Rider, and DEO filed final tariffs consistent with the Entries, in the following cases:

<u>Case No.</u>	<u>Date of Entry</u>
04-570-GA-UEX	May 19, 2004
05-672-GA-UEX	June 14, 2005
06-729-GA-UEX	June 28, 2006
07-659-GA-UEX	August 1, 2007
08-655-GA-UEX	July 2, 2008
09-457-GA-UEX	July 1, 2009
10-319-GA-UEX	June 30, 2010
11-319-GA-UEX	July 15, 2011
12-319-GA-UEX	July 2, 2012
13-319-GA-UEX	July 2, 2013
14-319-GA-UEX	July 2, 2014
15-319-GA-UEX	July 22, 2015
16-319-GA-UEX	August 3, 2016
17-319-GA-UEX	September 13, 2017
18-319-GA-UEX	September 26, 2018

6. DEO is proposing an updated UEX Rider rate of \$0.0720 per Mcf for all customers in its service territory subject to the UEX Rider. The rate comprises (a) the balance of deferred uncollectible-accounts expense net of rider and customer recoveries and late-payment charges as of March 31, 2019, and (b) an estimate of uncollectible-accounts expense net of customer recoveries and late-payment charges for the 12 months ending March 31, 2020. The

UEX Rider rate components are further described in paragraphs 8, 9, 10, and 11 below. The calculation of the revised rate is shown on Attachment 2 to this Application.

7. The proposed UEX Rider rate reflects an increase of \$0.0394 from the currently effective rate of \$0.0326. This net increase is primarily attributable to a decrease in the over-recovered balance of deferred uncollectible expense balance at March 31, 2019, compared with the balance at March 31, 2018. The over-recovery of previously deferred uncollectible expenses amounted to \$3,203,593.65 as of March 31, 2019, compared with an over-recovery of \$10,522,095.03 included in last year's calculation. The decrease in the over-recovered balance is attributable to an increase in uncollectible-accounts expense and decreases in UEX Rider recoveries and net recoveries from customer-arrearage payments and late payment charges for the 12 months ended March 31, 2019, compared to the prior year.

8. The UEX Rider states that "East Ohio shall file an application with the Public Utilities Commission of Ohio requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over- or under-collections." The portion of the proposed UEX Rider rate that is attributable to over-collection as of March 31, 2019, is \$(0.0191), calculated by dividing the deferred uncollectible-accounts expense balance at that date by applicable annual volumes.

9. The portion of the proposed UEX Rider rate attributable to estimated uncollectible expense net of applicable customer-arrearage payments and late-payment charges for the 12 months ending March 31, 2020, is \$0.0911, calculated by dividing the net estimated dollar amount by annual volumes.

10. The proposed UEX Rider calculation reflects a reduction in deferred uncollectible expense in the amount of \$6,599,476.35 from late-payment charges billed to customers for the

period from April 2018 through March 2019, as agreed to in the Stipulation and Recommendation filed in DEO's last base rate case, Case No. 07-829-GA-AIR. In addition, the same amount was used as the estimate of late-payment charges to be credited to deferred uncollectible expense for the 12 months ending March 31, 2020.

11. Consistent with the currently effective rider rate approved in Case No. 18-319-GA-UEx, DEO has calculated the per Mcf rate in this application using planned volumes based on normal weather for the prospective twelve-month period ending March 31, 2020.

12. The resulting rate of \$0.0720 per Mcf for all DEO customers subject to the UEx Rider is just and reasonable and should be approved. Copies of the proposed and scored current tariff sheets are Attachment 3 to this Application.

WHEREFORE, DEO respectfully requests that the Commission approve the adjustment of DEO's Uncollectible Expense Rider as proposed in this Application and grant any other necessary and proper relief.

Dated: May 23, 2019

Respectfully submitted,

/s/ Christopher T. Kennedy

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ATTORNEYS FOR THE EAST OHIO GAS  
COMPANY D/B/A DOMINION ENERGY  
OHIO

**Dominion Energy Ohio  
Uncollectible Expense Rider  
Annual Balance Reconciliation - 2019**

Attachment 1  
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	<u>January</u>	<u>February</u>	<u>March</u>	<u>YTD Q1 Total 2019</u>
<b>(1) Balance - Beginning of Month</b>	<b><u>\$ 2,131,665.86</u></b>	<b><u>\$ 385,452.69</u></b>	<b><u>\$ (1,690,126.98)</u></b>	<b><u>\$ 2,131,665.86</u></b>
<b>(2) Bad Debts Written Off</b>	1,989,326.57	1,301,671.02	1,512,640.06	4,803,637.65
<b>(3) Commission-Ordered UEX Audit</b>	-	-	-	-
<b>(4) Recovery - Base Rates</b>	-	-	-	-
<b>(5) Recovery - Bad Debt Rider</b>	948,720.29	969,973.73	837,861.04	2,756,555.06
<b>(6) Recovery - Other</b>	<u>2,789,223.60</u>	<u>2,405,700.00</u>	<u>2,182,525.88</u>	<u>7,377,449.48</u>
<b>(7) Incremental Bad Debt [(2)+(3)-[(4)+(5)+(6)]]</b>	<u>(1,748,617.32)</u>	<u>(2,074,002.71)</u>	<u>(1,507,746.86)</u>	<u>(5,330,366.89)</u>
<b>(8) Balance Subtotal [(1) + (7)]</b>	383,048.54	(1,688,550.02)	(3,197,873.84)	(3,198,701.03)
<b>(9) Carrying Charges [[(1)+(8)]/2 x (d)]</b>	<u>2,404.15</u>	<u>(1,576.96)</u>	<u>(5,719.81)</u>	<u>(4,892.62)</u>
<b>(10) Cumulative Balance for Recovery</b>	<b><u><u>\$ 385,452.69</u></u></b>	<b><u><u>\$ (1,690,126.98)</u></u></b>	<b><u><u>\$ (3,203,593.65)</u></u></b>	<b><u><u>\$ (3,203,593.65)</u></u></b>
 <b>(d) Monthly Carrying Charge Rate</b>	 0.19121%	 0.24203%	 0.23403%	
Annualized short-term debt rate	2.904401%	2.904394%	2.808415%	

Dominion Energy Ohio  
Uncollectible Expense Rider  
Annual Balance Reconciliation - 2018

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	January	February	March	April	May	June	July	August	September	October	November	December	Total 2018
(1) Balance - Beginning of Month	<u>\$ (2,434,757.54)</u>	<u>\$ (5,820,376.63)</u>	<u>\$ (8,534,553.85)</u>	<u>\$ (10,522,095.03)</u>	<u>\$ (11,402,709.96)</u>	<u>\$ (10,904,163.39)</u>	<u>\$ (9,921,290.21)</u>	<u>\$ (8,083,788.36)</u>	<u>\$ (6,796,570.83)</u>	<u>\$ (5,993,201.66)</u>	<u>\$ (6,719,841.70)</u>	<u>\$ (8,501,095.77)</u>	\$ (2,434,757.54)
(2) Bad Debts Written Off	1,724,924.00	1,235,810.00	1,619,415.80	2,059,246.29	2,503,087.37	2,617,030.78	3,363,459.01	2,840,638.87	2,347,588.81	1,149,391.32	380,719.68	14,211,246.34	36,052,558.27
(3) Commission-Ordered UEX Audit	-	-	-	-	-	-	-	-	-	-	-	-	-
(4) Recovery - Base Rates	-	-	-	-	-	-	-	-	-	-	-	-	-
(5) Recovery - Bad Debt Rider	2,246,880.18	1,671,906.42	1,464,644.22	1,241,378.66	457,536.92	220,086.12	190,048.19	177,787.65	194,923.40	220,818.11	568,766.94	842,970.82	9,497,747.63
(6) Recovery - Other	<u>2,857,552.81</u>	<u>2,266,809.71</u>	<u>2,125,885.18</u>	<u>1,676,303.93</u>	<u>1,524,168.33</u>	<u>1,392,172.39</u>	<u>1,317,223.81</u>	<u>1,360,393.01</u>	<u>1,336,352.58</u>	<u>1,641,879.89</u>	<u>1,576,952.75</u>	<u>2,729,821.09</u>	<u>21,805,515.48</u>
(7) Incremental Bad Debt [(2)+(3)-[(4)+(5)+(6)]]	<u>(3,379,508.99)</u>	<u>(2,702,906.13)</u>	<u>(1,971,113.60)</u>	<u>(858,436.30)</u>	<u>521,382.12</u>	<u>1,004,772.27</u>	<u>1,856,187.01</u>	<u>1,302,458.21</u>	<u>816,312.83</u>	<u>(713,306.68)</u>	<u>(1,765,000.01)</u>	<u>10,638,454.43</u>	<u>4,749,295.16</u>
(8) Balance Subtotal [(1) + (7)]	<u>(5,814,266.53)</u>	<u>(8,523,282.76)</u>	<u>(10,505,667.45)</u>	<u>(11,380,531.33)</u>	<u>(10,881,327.84)</u>	<u>(9,899,391.12)</u>	<u>(8,065,103.20)</u>	<u>(6,781,330.15)</u>	<u>(5,980,258.00)</u>	<u>(6,706,508.34)</u>	<u>(8,484,841.71)</u>	<u>2,137,358.66</u>	<u>2,314,537.62</u>
(9) Carrying Charges [[(1)+(8)]/2 x (d)]	<u>(6,110.10)</u>	<u>(11,271.09)</u>	<u>(16,427.58)</u>	<u>(22,178.63)</u>	<u>(22,835.55)</u>	<u>(21,899.09)</u>	<u>(18,685.16)</u>	<u>(15,240.68)</u>	<u>(12,943.66)</u>	<u>(13,333.36)</u>	<u>(16,254.06)</u>	<u>(5,692.80)</u>	<u>(182,871.76)</u>
(10) Cumulative Balance for Recovery	<u>\$ (5,820,376.63)</u>	<u>\$ (8,534,553.85)</u>	<u>\$ (10,522,095.03)</u>	<u>\$ (11,402,709.96)</u>	<u>\$ (10,904,163.39)</u>	<u>\$ (9,921,290.21)</u>	<u>\$ (8,083,788.36)</u>	<u>\$ (6,796,570.83)</u>	<u>\$ (5,993,201.66)</u>	<u>\$ (6,719,841.70)</u>	<u>\$ (8,501,095.77)</u>	<u>\$ 2,131,665.86</u>	<u>\$ 2,131,665.86</u>
(d) Monthly Carrying Charge Rate	0.14814%	0.15716%	0.17256%	0.20252%	0.20495%	0.21053%	0.20777%	0.20505%	0.20261%	0.20998%	0.21380%	0.17891%	
Annualized short-term debt rate	1.777693%	1.885893%	2.070679%	2.430243%	2.459398%	2.526386%	2.493239%	2.460635%	2.431338%	2.519747%	2.565640%	2.717677%	

**Dominion Energy Ohio**  
**Uncollectible Expense Rider Calculation**  
**2019**

Attachment 2  
Page 1 of 1

	<u>Amount</u>	<u>Unit Rate/ Mcf</u>	<u>2018 Filing Unit Rate/ Mcf</u>
<b>Balance of Deferred Uncollectible Accounts Expense @3/31/2019</b>	\$ (3,203,593.65)	\$ (0.0191)	\$ (0.0647)
<b><u>Estimated Uncollectible Accounts Expense for Twelve Months Ending 3/31/2020</u></b>			
Charge-offs, Net of Customer Recoveries	\$ 21,895,000.00		
Late Payment Charges	<u>\$ (6,599,476.35)</u>		
Net Amount	<u>\$ 15,295,523.65</u>	<u>\$ 0.0911</u>	<u>\$ 0.0972</u>
Total to be Collected	<u><u>\$ 12,091,930.00</u></u>		
Revised UEX Rider Rate		<b>\$ 0.0720</b>	<b><u><u>\$ 0.0326</u></u></b>
Approved Rate Implemented Effective October 12, 2018		<u>\$ 0.0326</u>	
Uncollectible Expense Rider Adjustment		<u><u>\$ 0.0394</u></u>	
Projected Volumes Apr 2019 - Mar 2020	<u><u>167,820,144</u></u>		

## **Attachment 3**

## **Uncollectible Expense Rider**

### **Applicability**

Applicable to all Customers responsible for payment of East Ohio's Interim Emergency and Temporary PIP Plan Rider.

An additional charge of \$0.0720 per Mcf shall be applied to all volumes for service rendered under the applicable rate schedules to recover the cost associated with uncollectible accounts arising from those Customers responsible for paying the Uncollectible Expense Rider. East Ohio shall file an application with the Public Utilities Commission of Ohio requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over- or under-collections.

This Rider is subject to reconciliation or adjustment, including, but not limited to, increases or refunds. Such reconciliation or adjustment shall be limited to the twelve-month period of expenditures subjected to annual review and audit by the Commission, if determined to be unlawful, unreasonable, or imprudent by the Commission in such docket or by the Supreme Court of Ohio.

Issued:

Effective: With bills rendered on or after

Filed under authority of the Public Utilities Commission of Ohio in Case No. 19-319-GA-UEX  
James E. Eck, Vice President and General Manager

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## Uncollectible Expense Rider

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Filed under authority of the Public Utilities Commission of Ohio in Case No. 19-319-GA-UEx  
~~James E. Eck~~, Vice President and General Manager

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**Case No(s). 19-0319-GA-UEX**

Summary: Application for Approval of an Adjustment to its Uncollectible Expense Rider Rate electronically filed by Ms. Rebekah J. Glover on behalf of The East Ohio Gas Company d/b/a Dominion Energy Ohio