

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Northeast Ohio Natural Gas Corporation) Case No. 06-1296-GA-UNC
for a Waiver of Rule 4901:1-18-05(B)(1),)
Ohio Administrative Code.)

In the Matter of the Commission's Review)
of its Rules at Chapters 4901:1-17 and)
4901:1-18, Ohio Administrative Code,)
Regarding the Establishment of Credit for) Case No. 03-888-AU-ORD
Residential Utility Services and the)
Disconnection of Natural Gas or Electric)
Service to Residential Customers,)
Respectively.)

ENTRY

The Commission finds:

- (1) On September 1, 2004, in Case No. 03-888-AU-ORD (03-888), amended rules in Chapter 4901:1-18, Ohio Administrative Code (O.A.C.), became effective. Among the rules reviewed and amended in 03-888 is Rule 4901:1-18-05, O.A.C.¹ Paragraph (B)(1) of Rule 18-5 directs that, from November 1 through April 15, electric and gas or natural gas distribution companies provide residential customers subject to disconnection of service for nonpayment with an additional notice and certain information. More specifically, Rule 18-5(B)(1) requires that the utility:

Make contact with the customer or other adult consumer at the premises ten days prior to disconnection of service by personal contact, telephone, or hand-delivered written notice.

Further, Rule 18-5(B) provides that if the customer does not respond to the notice described in paragraph (B)(1) of the rule, the company may disconnect service after the 10-day notice expires.

¹ Hereinafter, Rule 4901:1-18-05, O.A.C., will be referred to simply as Rule 18-5.

- (2) On October 26, 2006, Northeast Ohio Natural Gas Corporation (Northeast) filed an application for a permanent waiver of the above-noted winter notice requirements of Rule 18-5(B)(1). *Northeast states that the company serves over 8,600 residential accounts throughout an extensively rural service territory. Therefore, Northeast contends that the incremental costs of hand-delivery of the 10-day notice would outweigh the incremental benefits. Northeast explains that the company currently issues its 10-day notice by certified mail with return receipt requested. However, the company acknowledges that sending the 10-day notice certified mail and requiring a signed receipt may delay the customer's receipt of the notice. Further, Northeast states that if payment still is not made, the company hand-delivers a three-day notice to the delinquent customer's residence. The applicant states that the operations employee who is dispatched to disconnect the customer's service knocks on the door of the residence in an attempt to make personal contact one final time prior to terminating gas service. The company claims that 89 percent of its customers who receive a three-day notice make payment to avoid the termination of their gas service. Northeast states that in no event is a residential customer's gas service terminated if temperatures are forecasted to be below freezing.*

Northeast proposes to revise its winter disconnect notice procedures to take the following steps: (a) Issue the 10-day notice by first-class U.S. mail, as opposed to certified mail *return receipt requested*; (b) Northeast would next attempt to contact the customer by telephone, after the 10-day notice is mailed and before the subsequent three-day notice is hand-delivered; (c) Finally, Northeast would hand-deliver a three-day notice to the customer or an adult at the residence or hang the notice prominently on the front door. The applicant argues that, while its current notice procedures are effective, the proposed amended winter notice procedures will exceed the notice requirements in Rule 18-5(B). Northeast notes that the Commission has previously granted a similar waiver of Rule 18-5(B) to The Dayton Power & Light Company.² For these

² See Case No. 05-1171-EL-UNC, *In the Matter of the Application of The Dayton Power and Light Company for a Waiver of Rule 4901:1-18-05(B)(1)*, Ohio Administrative Code, entry issued January 4, 2006.

reasons, Northeast requests that the Commission grant permanent waiver of Rule 18-5(B)(1).

- (3) The Commission notes that the provision of Rule 18-5(B)(1) at issue, i.e., notification "by personal contact, telephone, or hand-delivered written notice," was not changed as a part of the most recent rule review proceeding, 03-888, and no comments or objections were raised by any electric, gas or natural gas distribution company concerning this part of Rule 18-5(B)(1).³ Nonetheless, the Commission recognizes that the purpose of Rule 18-5(B)(1) is to ensure that, during the critical winter heating season, every effort is made to reach customers, by personal contact, before the disconnection of their service. Northeast's proposed procedures include two additional attempts to reach the customer by telephone or via a hand-delivered notice before the disconnection of utility service. Further, Northeast states that the employee dispatched to disconnect service attempts to speak with an adult consumer at the residence immediately prior to disconnection and states that no customer's gas service will be disconnected if the temperatures are forecasted to be below freezing. Under the circumstances, the Commission finds that the process proposed in Northeast's waiver application, as discussed above, meets the intent of Rule 18-5(B)(1). Accordingly, Northeast's request for a waiver of Rule 18-5(B)(1) should be granted.
- (4) Northeast should implement the proposed winter disconnection procedures by no later than January 1, 2007. The Commission emphasizes that any violation of the terms and conditions of this waiver may result in the rescission of the waiver and/or other measures, as the Commission deems appropriate.

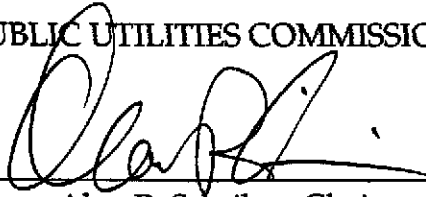
It is, therefore,

ORDERED, That Northeast's request for a waiver of Rule 18-5(B)(1) be granted in accordance with finding (3). It is, further,

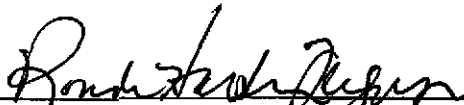
³ Rule 18-05(B)(1) was formerly Rule 4901:1-18-05(C)(1), O.A.C., which read: "Makes prior contact with the customer by personal contact, telephone, or hand-delivered written notice."

ORDERED, That a copy of this entry be served upon Northeast and its counsel, and all other interested persons of record in Case No. 06-1296-GA-UNC.

THE PUBLIC UTILITIES COMMISSION OF OHIO

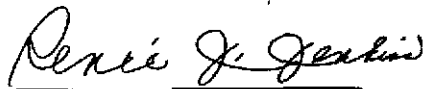


Alan R. Schriber, Chairman


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GNS:ct

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Renee J. Jenkins
Secretary