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The Public Utilities Commission of Ohio

Monitoring marketplaces and enforcing rules to assure safe, adequate, and reliable utility services.

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July 15, 2009

Docketing Division
Public Utilities Commission of Ohio
180 E. Broad Street
Columbus, OH 43215-3793

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2009 JUL 15 PM 4:00
PUCO

RE: *In the Matter of the Application of Suburban Natural Gas Company
For Approval of an Adjustment to its Uncollectible Expense Rider,
Case No. 09-438-GA-UEX*

Dear Docketing Division:

Enclosed please find the Staff's Comments regarding Suburban Natural Gas Company's application for approval of an adjustment to its existing uncollectible expense rider in Case No. 09-438-GA-UEX.

Respectfully submitted,

Steve Puican

Steve Puican
Co-Chief, Rates & Tariffs/Energy & Water Division
Public Utilities Commission of Ohio

Enclosure
Cc: Parties of Record

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Suburban	:	
Natural Gas Company for Approval of an	:	Case No. 09-438-GA-UEx
Adjustment to its Uncollectible Expense Rider	:	

**COMMENTS
OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO**

Date submitted: July 15, 2009

Application of Suburban Natural Gas Company
Case No. 09-438-GA-UEx

In Case No. 03-1127-GA-UNC, the Commission authorized the concept of an uncollectible accounts expense recovery mechanism for five gas companies. The mechanism approved allows for recovery of actual bad/uncollectible debt through a rider, rather than through base rates. Subsequently, Suburban Natural Gas Company (Suburban) was authorized in Case No. 07-689-GA-AIR to establish a rider recovery mechanism consistent with that which was approved in Case No. 03-1127-GA-UNC. Suburban implemented its first uncollectible expense rider in conjunction with its base rate revision in Case No. 07-689-GA-AIR in April 2008.

Suburban filed the current application to revise its uncollectible expense rider on May 22, 2009. Staff has completed its review of the application and herewith provides a brief description of the application, its attachments, our review and recommendation.

Application

Suburban's application proposes an increase in the rider rate from \$0.07012727 to \$0.08641518 per thousand cubic feet (Mcf). The proposed rate is comprised of: (1) the balance of deferred uncollectible accounts expense net of recoveries as of December 31, 2008, and (2) the actual bad debt write-offs for the year 2008.

Attachment 1 provides Suburban's calculation of the revised rate.

Attachment 2 provides copies of the current and proposed tariff sheets.

Recommendation

Staff has reviewed the application, as well as authoritative documents from prior affiliated cases. It is our opinion that the proposal appropriately calculates the rider to recover Suburban's bad debts written off. Staff recommends that the proposed Uncollectible Expense Rider of Suburban Natural Gas Company of \$0.08641518 per Mcf be approved.

Staff recommends that in the next financial audit of Suburban's gas cost recovery (GCR) mechanism, Staff examine the monthly uncollectible expense balances and write-offs and recoveries for 2008 and any required adjustments/corrections be considered in Suburban's next annual uncollectible expense rider application.

Staff recommends that the proposed rate of \$0.08641518 per Mcf be approved.