



# Public Utilities Commission

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4

June 22, 2012

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

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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. 12-316-GA-UEX.*

Enclosed please find the Staff's Comments regarding Suburban Natural Gas Company's Uncollectible Accounts Expense Rider balance reconciliation statement and rate proposal in Case No. 12-316-GA-UEX.

Respectfully submitted,

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

Enclosure  
cc: Parties of Record

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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 Adjustment to its	)	Case No. 12-316-GA-UEX
Uncollectible Expense Rider Rate.	)	

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

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Date submitted: June 22, 2011

Application of Suburban Natural Gas Company  
Case No. 12-311-GA-UEx

Background

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, in Case No. 07-689-GA-AIR, The Suburban Natural Gas Company (Suburban) filed an Application to Increase Rates (Application) with the Public Utilities Commission of Ohio (Commission). The application, among other things, sought approval to establish and implement an Uncollectible Expense Rider (UEx Rider). On March 19, 2008, the Commission issued an Opinion and Order authorizing Suburban to establish and implement an initial UEx Rider of \$0.07012727 per MCF, which became effective on April 17, 2008.

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

April 2008 - July 2009	\$0.07012727 per Mcf
August 2009 - October 2011	\$0.08641518 per Mcf
November 2011 - Current	\$0.05699811 per Mcf

On May 31, 2012, Suburban filed the pending application to revise its current uncollectible expense rider rate. Staff has reviewed the application and makes its findings and recommendations in this staff report.

Application

Suburban is proposing in this application to decrease its UEx rate from \$0.05699811 per Mcf to \$(0.04149040) per Mcf, a rate change of \$0.0985, or 173% per Mcf. Suburban proposes this decrease in the UEx rate based on its actual deferred uncollectible accounts expense net of recoveries as of December 31, 2011.

Page 1 of Attachment 1 to the application, provides Suburban's bad debt tracker calculation for 2010 in determining the new application rate.

Page 2 of Attachment 1 to the application, Suburban's beginning balance for January 1, 2011, is an over-collection of \$21,514. Subsequently, the ending balance for December, 2011, shows an over-collected balance in the amount of \$124,522. This total to be passed back net against applicable volumes results in the proposed rate of \$(0.04149040) per Mcf.

Attachment 2 to the application shows Suburban's updated tariff filing consistent with their new application rate.

### Recommendation

Staff has performed a preliminary review of Suburban's ABR covering calendar year 2011. Staff believes Suburban's application appropriately calculates the rider and recommends the proposed rate of (\$0.04149040) per Mcf be approved. Staff also recommends that in the next audit of Suburban's uncollectible expense rider rate in 2012, Staff examine the monthly uncollectible expense balances and write-offs and recoveries for 2010 and 2011 and that any required adjustments/corrections be incorporated into the 2013 uncollectible expense rider application.