

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Regulation of the)	
Purchased Gas Adjustment Clauses Contained)	
Within the Rate Schedules of:)	
)	
Brainard Gas Corporation	)	Case No. 13-206-GA-GCR
Eastern Natural Gas Company	)	Case No. 13-207-GA-GCR
Glenwood Energy of Oxford, Inc.	)	Case No. 13-210-GA-GCR
Pike Natural Gas Company	)	Case No. 13-214-GA-GCR
Southeastern Natural Gas Company	)	Case No. 13-215-GA-GCR
Waterville Gas & Oil Company	)	Case No. 13-217-GA-GCR
and Related Matters.)	
)	
In the Matter of the Uncollectible Expense)	
Riders of:)	
)	
Eastern Natural Gas Company	)	Case No. 13-307-GA-UEX
Glenwood Energy of Oxford, Inc.	)	Case No. 13-310-GA-UEX
Pike Natural Gas Company	)	Case No. 13-314-GA-UEX
Waterville Gas & Oil Company	)	Case No. 13-317-GA-UEX
and Related Matters.)	

ENTRY

The Commission finds:

- (1) Brainard Gas Corporation (Brainard), Eastern Natural Gas Company (Eastern), Glenwood Energy of Oxford, Inc. (Glenwood), Pike Natural Gas Company (Pike), Southeastern Natural Gas Company (Southeastern), and Waterville Gas & Oil Company (Waterville) (together companies) are gas or natural gas companies as defined by Sections 4905.03(A)(4) and (5), Revised Code, and public utilities by reason of Section 4905.02, Revised Code. As such, these companies are subject to the jurisdiction of the Commission in accordance with Sections 4905.04 and 4905.05, Revised Code.
- (2) Section 4905.302, Revised Code, and Rule 4901:1-14-07, Ohio Administrative Code (O.A.C.), provide that the Commission shall conduct, or cause to be conducted, periodic audits of each gas or natural gas company under the Commission's

jurisdiction. Such audits shall review each company's compliance with the gas cost recovery (GCR) mechanism as delineated in Section 4901:1-14, O.A.C.

- (3) Through this entry, the Commission is initiating the GCR financial audits for the following companies for the GCR rates effective during the following periods:

<u>Company</u>	<u>Financial Audit Period</u>
Brainard	07/01/11 - 06/30/13
Eastern	07/01/11 - 06/30/13
Glenwood	07/01/11 - 06/31/13
Pike	07/01/11 - 06/30/13
Southeastern	07/01/11 - 06/30/13
Waterville	02/01/11 - 01/31/13

The Commission's Staff (Staff) shall conduct the GCR audits required under Rule 4901:1-14-07(B), O.A.C., and file its audit findings for each company in the company's GCR docket.

- (4) Staff shall conduct its GCR audits consistent with the following overall objectives:
- (a) To determine that the costs reflected in the company's GCR rates were properly incurred by the company.
 - (b) To determine that the GCR rates were accurately computed by the company.
 - (c) To determine that the GCR rates were accurately applied to customer bills.
 - (d) If the company utilized weather-normalized historic and/or forecasted volumes, verify that the company has reasonably applied such approach throughout the audit period.
 - (e) To identify and review the purchasing policies employed by the company in its procurement of gas supplies.
- (5) With regard to the GCR audit results for each company listed in finding (3), at least 60 days before the company's hearing date

listed in finding (6) below, Staff shall file its GCR audit report in the company's above-captioned GCR docket, and shall serve copies of the company's GCR audit report upon the company and any interveners in the company's GCR proceeding.

- (6) Rule 4901:1-14-08, O.A.C., provides that the Commission shall hold a public hearing at least 60 days after the filing of each GCR audit report required under Paragraph (C) of Rule 4901:1-14-07, O.A.C. A public hearing shall be held in these matters pursuant to Section 4905.302(C), Revised Code, to allow the Commission to review the gas purchasing practices and policies of the Companies and the operations of their purchased gas adjustment clause and related matters. Each of the hearings shall be held beginning at 10:00 a.m., at the offices of the Commission, 180 East Broad Street, Hearing Room 11-C, Columbus, Ohio 43215-3793. At that time, all interested persons will be given an opportunity to be heard. The first day of each company's hearing shall be as follows:

Brainard	January 21, 2014
Eastern	November 12, 2013
Glenwood	August 6, 2013
Pike	November 12, 2013
Southeastern	November 12, 2013
Waterville	May 14, 2013

- (7) Rule 4901:1-14-08(C), O.A.C., specifies the requirement for notice of a GCR hearing, which each company should cause to be published between 15 and 30 days prior to the date set for its hearing. The notice may be provided by publication of a display ad in a newspaper (in a section other than the legal notice section), bill message, bill insert, or direct mailing to the customers. The form of the notice should be in substantially the following form as applicable to the individual company.

LEGAL NOTICE

The Public Utilities Commission of Ohio has set for public hearing Case No. [applicable GCR case number] to review the gas cost recovery rates of [applicable company] and the operation of its Purchased Gas Adjustment Clause,

and related matters. This hearing is scheduled to begin at 10:00 a.m. on [applicable day of the week], [applicable date], at the offices of the Commission, 180 East Broad Street, Hearing Room 11-C, Columbus, Ohio 43215-3793. All interested persons will be given an opportunity to be heard. Further information may be obtained by viewing the Commission's web page at <http://www.puc.state.oh.us>, or contacting the Commission's hotline at 1-800-686-7826 or for TTY at 1-800-686-1570.

- (8) The direct testimony of any witnesses testifying on behalf of each company should be filed at least 16 days prior to the GCR hearing. All direct testimony to be presented by any other party should be filed at least seven days prior to the hearing.
- (9) Furthermore, consistent with Section 4929.11, Revised Code, the Commission has authorized Eastern, Glenwood, Pike, and Waterville to recover uncollectible expenses (UEX) through riders. In approving the UEX riders for these companies, the Commission required that these riders would be audited in the course of each company's GCR audit. Therefore, the Commission is initiating the audits of the UEX riders for the following companies for the UEX rider rates effective during the following periods:

<u>Company</u>	<u>UEX Rider Audit Period</u>
Eastern	01/01/11 - 12/31/12
Glenwood	01/01/11 - 12/31/12
Pike	01/01/11 - 12/31/12
Waterville	01/01/11 - 12/31/12

- (10) Staff shall conduct the UEX audits and file its audit findings for each company in the company's above-captioned UEX docket. In addition, Staff shall serve copies of the company's UEX audit report upon the applicable company and any interveners in the company's UEX proceeding. The UEX audit results for Eastern, Glenwood, Pike, and Waterville should be filed concurrent with the filing of these companies' GCR audit reports, as required in finding (5).

It is, therefore,

ORDERED, That the GCR audit reports for Brainard, Eastern, Glenwood, Pike, Southeastern, and Waterville for the audit periods set forth in finding (3) be filed with the Commission, as set forth in finding (5). It is, further,

ORDERED, That a public hearing shall be conducted in each of the GCR proceedings, consistent with the findings herein, on the dates specified in finding (6). It is, further,

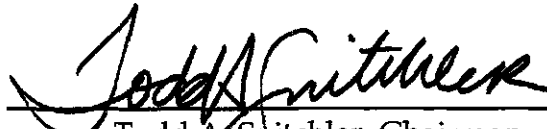
ORDERED, That Brainard, Eastern, Glenwood, Pike, Southeastern, and Waterville publish legal notice in accordance with finding (7). It is, further,

ORDERED, That the direct testimony be filed in the GCR cases consistent with finding (8). It is, further,

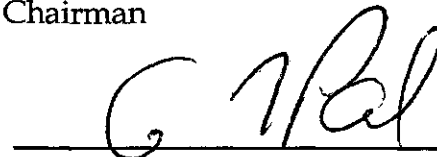
ORDERED, That the UEX audit reports for Eastern, Glenwood, Pike, and Waterville for the audit periods set forth in finding (9) be filed with the Commission, as set forth in finding (10). It is, further,

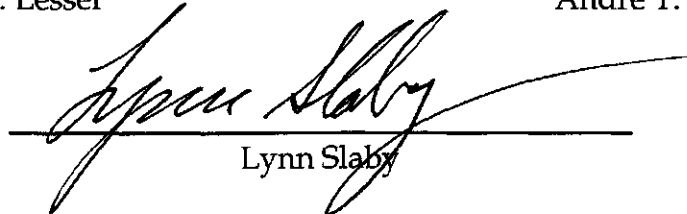
ORDERED, That a copy of this entry shall be served upon the companies and upon all other parties of record to these proceedings.

THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Steven D. Lesser


Andre T. Porter


Lynn Slaby

JR/js

Entered in the Journal

JAN 30 2013



Barcy F. McNeal
Secretary