

FILE

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May 29, 2013

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

RE: *In the Matter of the Annual Uncollectible Expense Rider Report of Waterville Gas & Oil Company and Application for Approval of an Adjustment to its Uncollectible Expense Rider Rate, Case No. 13-317-GA-UEx.*

Enclosed please find the Staff's Comments regarding Waterville's Uncollectible Accounts Expense Rider balance reconciliation statement and rate proposal in Case No. 13-317-GA-UEx.

Respectfully submitted,



Wm. Ross Willis
Chief, Rates 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 Annual)	
Uncollectible Expense Rider Report of)	
Waterville Gas & Oil Company and)	Case No. 13-317-GA-UEX
Application for Approval of an)	
Adjustment to its Uncollectible Expense)	
Rider Rate.)	

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

Date submitted: May 29, 2013

Application of Waterville Gas & Oil Company
Case No. 13-317-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. On October 11, 2007, in Case No. 07-194-GA-AIR, Waterville Gas & Oil Company (Waterville) entered into a stipulation to resolve issues related to its rate case. As a result of the stipulation, Waterville established its initial uncollectible expense rider (UEx) similar to those approved in Case No. 03-1127-GA-UNC. On November 20, 2007, the Commission approved the stipulation and the uncollectible expense mechanism which was set at three cents per Mcf.

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 Waterville's rider is as follows:

December 2009 – July 2011	\$(0.0200) per Mcf
August 2011 – July 2012	\$(0.0052) per Mcf
July 2012 to Present	\$0.0080 per Mcf

On May 13, 2013, Waterville filed the pending application to revise its current uncollectible expense rider rate. On May 23, 2013, Waterville filed a correction to its application. The Company amended the application to correct typographical errors made in the first paragraph of the application. No other changes were made to the application. Staff has reviewed the application and makes its findings and recommendations in this staff report.

Application

Waterville's present application would result in a decrease to the existing rate by \$0.0123 per Mcf and reflects a proposed rate of (\$0.0043) per Mcf. Page 1 of Attachment 1 to the application shows an ending balance of (\$390.93) to Waterville's Annual Balance Reconciliation (ABR) for calendar year 2012. Page 2 of Attachment 1 indicates an ending balance of (\$2,362.24) for the Company's ABR for January 1, 2013 through April 30, 2013.

In Attachment 2 to the application, Waterville provides its uncollectible expense rider calculation utilizing the 12 months ending April 30, 2014. With the combination of the balance of Deferred Uncollectible Accounts Expense as of April, 2013, and the projected net

amount to be collected from May, 2013 through April 30, 2014, there is an over-collection of \$1,811.83. This total to be collected against applicable volumes results in the proposed rate of (\$0.0043) per Mcf.

In Attachment 3 to the application, Waterville incorporates the proposed uncollectible expense rider rate in its tariffs.

Recommendation

Staff has performed a preliminary review of Waterville Gas & Oil's ABR covering calendar year 2012 and the first four months of 2013. Staff believes Waterville Gas & Oil's application appropriately calculates the rider and recommends the proposed rate of (\$0.0043) per Mcf be approved.