

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

RECEIVED-DOCKETING DIV
2013 JUL 31 PM 2:24

REC O

In the Matter of the Regulation of the)
Purchased Gas Adjustment Clauses)
Contained Within the Rate Schedules of)
Glenwood Energy of Oxford, Inc.)

Case No. 13-210-GA-GCE

In the Matter of the Regulation of the)
Uncollectable Expense Rider of)
Glenwood Energy of Oxford, Inc.)

Case No. 13-310-GA-UEX

STIPULATION AND RECOMMENDATION

Pursuant to Ohio Administrative Code (O.A.C.) Rule 4901-1-30, Glenwood Energy of Oxford, Inc. (Glenwood or Company), and the Commission Staff (Staff)¹ (individually Party; collectively Parties) do hereby stipulate and agree to resolve all issues in the instant proceedings.

While the Parties recognize that this Stipulation and Recommendation (Stipulation) is not binding upon the Commission, the Parties state that the Stipulation is an agreement among all Parties to this proceeding; that the Stipulation is supported by adequate data and information; that it represents a just and reasonable resolution of all issues in this proceeding; that it violates no regulatory principle or precedent; and that, accordingly, the Stipulation is entitled to careful consideration and should be adopted by the Commission.

¹ Staff will be considered a party for the purpose of entering into this Stipulation by virtue of O.A.C. 4901-1-10(c).

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.
Technician FN Date Processed JUL 31 2013

This Stipulation shall not be cited as precedent for or against any signatory Party, if it is approved the Commission. This Stipulation is a compromise involving a balancing of competing positions, and it does not necessarily reflect the position that any Party would have taken if these issues had been fully litigated.

The Parties believe that this Stipulation represents a reasonable compromise of varying interests. Should the Commission reject or materially modify all or any part of this Stipulation or impose additional conditions or requirements upon the Parties, each Party shall have the right, within 30 days of issuance of the Commission's order, to either file an application for rehearing or terminate and withdraw the Stipulation by filing a notice with the Commission. Upon rehearing, any Party may terminate and withdraw the Stipulation by filing a notice with the Commission within 30 days of the Commission's order on rehearing.

Upon notice of termination or withdrawal by any Party, according to the above provisions, the Stipulation shall immediately become null and void. In such event, a hearing shall go forward and the Parties shall be afforded the opportunity to present evidence through witnesses, to cross-examine all witnesses, to present rebuttal testimony, and to brief all issues that shall be decided based upon the record and briefs as if this Stipulation had never been executed. This Joint Stipulation and Recommendation shall be identified as Joint Exhibit 1 and admitted into evidence in the record in this proceeding.

Subject to the terms and conditions set forth in this Stipulation, the Parties agree, stipulate and recommend that the Commission find as follows:

I. The Gas Cost Recovery Proceeding (Case No. 13-210-GA-GCR)

- A. The Company is a natural gas company within the meaning of Section 4905.03, Revised Code (R.C.), and as such, is a public utility subject to the jurisdiction and supervision of the Commission.
- B. Staff completed an audit (GCR audit report) of Glenwood of the gas cost recovery (GCR) rates for July 1, 2011 to June 30, 2013. The GCR audit report was docketed on June 7, 2013. The GCR audit report shall be identified as Staff Exhibit 1 and admitted into evidence in the record in this proceeding.
- C. Except as noted below, Glenwood's GCR rates were accurately calculated during the audit period, in accordance with the provisions of O.A.C. 4901:1-14.
- D. All findings and recommendations contained in the GCR audit report (Staff Exhibit 1) are reasonable and should be adopted. More specifically, Staff recommendations to be implemented are as follows:
 - 1. The differences between the Staff and Company calculations in the AA are not self-correcting through the GCR mechanism. Staff recommends a reconciliation adjustment of \$11,272 in the company's favor; and

2. The differences between the Staff and Company calculations in the BA are not self-correcting through the GCR mechanism. Staff recommends a reconciliation adjustment of \$37,921 in the customers' favor.
- E. In satisfaction of the requirements of R.C. 4905.302(C) and O.A.C. 4901:1-14, Glenwood caused notice to be published in bill inserts included in customer bills throughout Glenwood's service territory for this proceeding. Glenwood shall file the affidavits of publication of the bill inserts which shall be identified as Glenwood Exhibit 1 and admitted into evidence in the record in this proceeding.

II. The Uncollectable Expense Rider Proceeding (Case No. 13-310-GA-UEx)

- A. The UEX balance reconciliation statement submitted by Glenwood prior to the audit shows the monetary amounts written off as bad debt or uncollectible and the amounts recovered through calendar year 2012. The statement also included carrying charges and gas sales volumes necessary to calculate the amount of the UEX rider.
- B. Staff performed an audit of Glenwood's bad debt write-off accounts and bad debt recoveries for the calendar years 2011 and 2012. Staff completed an audit report (UEX audit report) of Glenwood's UEX rates and docketed the report on June 7, 2013. The UEX audit report shall be identified as Staff Exhibit 2 and admitted into evidence in the record in this proceeding.

C. In the UEX audit report, staff recommended several changes to Glenwood's UEX process in order to streamline and avoid unnecessary costs. All findings and recommendations contained in the UEX audit report (Staff Exhibit 2) are reasonable and should be adopted. More specifically, Staff recommendations to be implemented are as follows:

1. Glenwood should remove the transfer process. Once a customer's account has been inactivated and the customer has been disconnected, Glenwood should move the entire balance directly to bad debt on a monthly basis. This will eliminate lag in collections and enable a more efficient process to track the individual customer account being written off;
2. Glenwood should strictly adhere to its collection policies and procedures. If a customer does not make a payment for 120 days, Glenwood should apply the deposit, disconnect the line and transfer the customer to bad debt. While Glenwood has a focus on individual customer service, the company should avoid making non-payment exceptions from individual customers. If a delinquent customer makes a late partial payment, then any partial payment amount should flow through the recovery-other section of the UEX rider. Moreover, customers who receive assisted funding be clearly designated within the billing system to avoid potential erroneous billings;

3. Glenwood should monitor and assess the value of the online collection agency. Collections could be handled by Glenwood internally and possibly yield better results at a lower cost; and
4. The 2012 ending balance of \$11,765.05, found in Attachment 2 of Staff Exhibit 2, should be the beginning balance for Glenwood's 2013 UEX rider.

The undersigned hereby stipulate, agree and represent that he or she is authorized to enter into this Stipulation on behalf of his or her respective Party this 31st day of July, 2013.

**GLENWOOD ENERGY OF
OXFORD, INC.**

By: John T. Stenger
John T. Stenger
Glenwood Energy of Oxford, Inc.
5181 College Corner Pike
Oxford, OH 45056

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

By: Steven L. Beeler
Steven L. Beeler
Assistant Attorney General
180 East Broad Street, 6th Floor
Columbus, OH 43215-3793