

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Uncollectible Expense)
Rider of Northeast Ohio Natural Gas) Case No. 13-309-GA-UEX
Corporation and Related Matters.)

FINDING AND ORDER

The Commission finds:

- (1) Northeast Ohio Natural Gas Corporation (NEO) is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) By Finding and Order issued on December 17, 2003, in *In the Matter of the Joint Application of The East Ohio Gas Company dba Dominion East Ohio, et al., for Approval of an Adjustment Mechanism to Recover Uncollectible Expenses*, Case No. 03-1127-GA-UNC, the Commission approved, in concept, an application brought jointly by five natural gas companies, including NEO, that proposed to alter the method by which the five recover uncollectible accounts expenses.
- (3) NEO's current uncollectible expense (UEX) rider rate of \$0.00 per thousand cubic feet (Mcf) was approved by Finding and Order dated August 24, 2011, in *In the Matter of the Uncollectible Expense Rider of Northeast Ohio Natural Gas Corporation*, Case No. 11-3505-GA-UEX.
- (4) On October 2, 2013, NEO filed an application proposing an updated UEX rider rate. Specifically, NEO proposes a credit of (\$0.014)¹ per Mcf for all customers in its service territory subject to the UEX Rider. NEO states that the proposed rate is based on actual bad debt deferral as of April 30, 2013, actual volume from July 2012 through June 2013 and the \$0.030 recovery rate, estimated bad debt write-offs, and UEX Rider recoveries and sales volumes through June 2014. NEO adds that the revised rider rate, proposed to be effective on and after November 1, 2013, is calculated to be a credit to customers of (\$0.014) Mcf, and, therefore, is a decrease to (\$0.014) per Mcf from the currently effective rate

¹ Throughout this Order, amounts shown in parenthesis indicate negative numbers.

of \$0.00 per Mcf. Finally, asserts NEO, the proposed change is based on actual experience for the 12 months ended June 2010, as adjusted for estimated uncollectible accruals and projected sales volumes through June 2014.

- (5) On October 17, 2013, Staff filed comments on NEO's proposed UEX rider adjustment. Staff states that it examined Attachment 2 of NEO's application, which provides NEO's calculation method for determining the proposed UEX rider rate, and discovered that NEO had made a mathematical error. Staff determined that the estimated uncollectible accounts amount for July 2013 through June 2014 is \$45,000, not \$35,000 as NEO had calculated. Consequently, Staff recalculated the UEX rate, and recommends approval of a new rate of (\$0.0091) per Mcf.
- (6) On October 22, 2013, NEO filed a response to Staff's comments. In its response, NEO agrees with Staff's recalculation and requests the Commission approve the revised UEX rider rate of (\$0.0091).
- (7) The Commission has reviewed the application, as well as Staff's comments and NEO's response, and finds that NEO's application, as revised, to decrease its UEX rider rate to (\$0.0091) per Mcf is reasonable, is in the public interest, and should be approved.

It is, therefore,

ORDERED, That NEO's application, as revised, to decrease NEO's UEX rider rate to (\$0.0091) per Mcf be approved. It is, further,

ORDERED, That NEO is authorized to file two complete copies of tariffs in final form consistent with this Finding and Order. NEO shall file one copy in this case docket and one copy in its TRF docket (or may file electronically as directed in Case No. 06-900-AU-WVR). It is, further,

ORDERED, That the effective date of the new tariff shall be a date not earlier than the date upon which final tariffs are filed with the Commission. It is, further,


ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any further proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

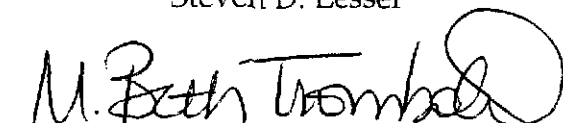
ORDERED, That a copy of this Finding and Order be served upon all parties and interested persons of record.

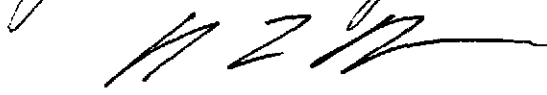
THE PUBLIC UTILITIES COMMISSION OF OHIO



Todd A. Snitchler, Chairman

Steven D. Lesser

Lynn Slaby

M. Beth Trombold

Asim Z. Haque

JML/sc

Entered in the Journal

OCT 30 2013



Barcy F. McNeal
Secretary