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April 21, 2014

Ms. Barcy F. McNeal, Secretary  
Public Utilities Commission of Ohio  
180 E. Broad Street, 11th Floor  
Columbus, OH 43215-3793

Re: Case No. 89-8018-GA-TRF  
Glenwood Energy of Oxford, Inc.  
City of Oxford Ordinance No. 3267

Dear Ms. McNeal:

I am filing a copy of City of Oxford Ordinance No. 3267 which amends Ordinance No. 3147 which regulates the rates and charges to be charged for natural gas service by Glenwood Energy of Oxford, Inc. during the period June 1, 2011 through May 31, 2014. Ordinance No. 3267 establishes a Pipeline Relocation Rider of \$0.2406 per mcf of gas to recover the actual costs, including the actual carrying costs, associated with moving a natural gas pipeline to accommodate the U.S. 27 South improvement project. This Pipeline Relocation Rider will go into effect with all bills rendered on or after May 1, 2014 through the bills for the monthly service period ending April 30, 2019 or until the costs are fully recovered, whichever first occurs.

City of Oxford Ordinance No. 3267 was passed by Oxford City Council on March 18, 2014 and was accepted by Glenwood Energy of Oxford, Inc. within thirty days after its passage. City of Oxford Ordinance No. 3267 went into effect on April 17, 2014.

Thank you in advance for your cooperation.

Sincerely yours,

Stephen M. Howard  
Attorneys for Glenwood Energy of Oxford, Inc.

SMH/sl  
cc: Barth Royer

## **ORDINANCE NO. 3267**

AN ORDINANCE TO AMEND ORDINANCE NO. 3147 REGULATING THE RATES AND CHARGES TO BE CHARGED AND COLLECTED AND THE SERVICES TO BE RENDERED BY GLENWOOD ENERGY OF OXFORD, INC., ITS SUCCESSORS AND ASSIGNS, FOR GAS AND GAS SERVICE FURNISHED TO ALL OF ITS CUSTOMERS WITHIN THE CORPORATE LIMITS OF THE CITY OF OXFORD DURING THE PERIOD ENDING APRIL 30, 2019 BY AUTHORIZING GLENWOOD ENERGY OF OXFORD, INC. TO IMPLEMENT A RIDER TO RECOVER THE COSTS OF MOVING A PIPELINE ASSOCIATED WITH THE U.S. 27 SOUTH IMPROVEMENT PROJECT.

- SECTION I: On April 19, 2011, Council of the City of Oxford adopted Ordinance No. 3147 regulating the rates and charges to be charged and collected by Glenwood Energy of Oxford, Inc. (the "Company") for natural gas service furnished to customers within the City of Oxford ("City") for the period ending May 31, 2014.
- SECTION II: On October 4, 2011, Council for the City of Oxford adopted Ordinance No. 3157 amending Ordinance 3147 by adding Paragraph 9.i of Section 1 of said ordinance authorizing the Company to impose a fee for pressure testing required by the Minimum Gas Service Standards of the Public Utilities Commission of Ohio ("PUCO") set forth in Chapter 4901:1-13, Ohio Administrative Code ("OAC") and providing in Section VIII thereof, that said amendment would have no effect on any other provisions of Ordinance No. 3147.
- SECTION III: As a result of the U.S. 27 South Improvement project the Company will be required to move a natural gas pipeline and will incur significant construction and installation costs (the "Project Costs") to comply with this mandate.
- SECTION IV: The Company has proposed that it be authorized to recover the Project Costs, including carrying costs, over a five-year period by implementing a separate rider on the rates established by Ordinance No. 3147, rather than including these costs in the revenue requirement used to determine the General Service Rate to be charged and collected after Ordinance 3147 is superseded or replaced by a new ordinance or as otherwise provided in Section 2, Paragraph 13 of said ordinance.
- SECTION V: Although the recovery of the Project Costs over five years through a separate rider will result in customers paying more in the near term than if the Project Costs were recovered through the General Service Rate over the life of the facilities, the overall cost to customers will ultimately be lower because the five-year recovery will enable the Company to secure financing on more favorable terms and because the return on the investment will be based solely on the interest rate on the loan rather than on the Company's overall cost of

capital, as would be the case if the property were included in the revenue requirement upon which future General Service Rates are based.

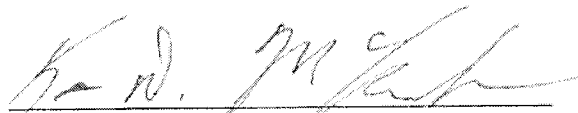
SECTION VI: Section 2 of Ordinance No. 3147 shall be amended by inserting the following provision as Paragraph 8A:

Pipeline Relocation Rider. In addition to all other rates and charges set forth in this section, the Company shall be entitled to implement a Pipeline Relocation Rider of \$0.2406 per Mcf of gas delivered to recover the actual costs, including the actual carrying costs, associated with moving its natural gas pipeline to accommodate the U.S. 27 South improvement project. The Pipeline Relocation Rider shall be effective with bills rendered on or after May 1, 2014 through the bills for the monthly service period ending April 30, 2019 or until the costs are fully recovered, whichever first occurs. This Pipeline Relocation Rider shall be the exclusive mechanism for recovery of the costs associated with moving the natural gas pipeline, and the Company shall not be entitled to include said costs in the revenue requirement used to determine rates and charges in any subsequent City rate ordinance or in any proceeding before the PUCO. Commencing in 2014, the reduction in annual pro forma tax expense resulting from the investment associated with moving the pipeline that would otherwise be recognized in determining the General Service Rate revenue requirement shall be quantified by the Company and shall be credited to customers through an adjustment to the Pipeline Relocation Rider rate, such adjustment to be effective with the bills for the monthly service period ending May 31 of the year following the tax year. The Company shall provide documentation to the City Manager showing the calculation of the credit no later than fifteen days prior to the date of the annual adjustment.

SECTION VII: The amendment adopted by this ordinance shall have no effect on any other provision of Ordinance No. 3147, as amended by Ordinance No. 3157, all of which shall remain in force and effect.

SECTION VIII: If the Company accepts this ordinance, the Company shall file a written acceptance of this ordinance with the Clerk of the City within thirty (30) days after its passage by Council and this ordinance shall constitute a contract between the City and the Company. If the Company does not accept this ordinance, the Company shall file a complaint and appeal from this ordinance with the PUCO pursuant to Section 4909.34, ORC, within (30) days after its passage. If the Company does not file a written acceptance of this ordinance with the Clerk of the City within thirty (30) days after its passage and does not file a complaint and appeal from this ordinance with the PUCO within (30) days after its passage by Council, the Company shall be deemed to have accepted this ordinance and shall be bound by its terms as if it had filed a written acceptance.

SECTION IX: This ordinance shall take effect at the earliest time allowed by law.

  
MAYOR

ADOPTED: March 18, 2014

ATTEST:

  
CLERK OF OXFORD CITY COUNCIL

INTRODUCED BY : KEVIN MCKEEHAN

PREPARED BY: LAW (STAFF)

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

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**in**

**Case No(s). 89-8018-GA-TRF**

Summary: Correspondence City of Oxford Ordinance No. 3267 electronically filed by Mr. Stephen M Howard on behalf of Glenwood Energy of Oxford, Inc.