

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Uncollectible Expense )  
Rider of Eastern Natural Gas Company, ) Case No. 14-307-GA-UEx  
Inc. and Related Matters. )

FINDING AND ORDER

The Commission finds:

- (1) Eastern Natural Gas Company (Eastern) is a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.
- (2) In *In re Eastern Natural Gas Company*, Case No. 04-1619-GA-UEx, Finding and Order (Jan. 26, 2005), the Commission authorized Eastern to begin to defer its uncollectible expenses (UEx) for future recovery. In that same proceeding, the Commission directed that the establishment of a rider to recover those deferrals would be considered in conjunction with Eastern's base rate case in *In re Eastern Natural Gas Company*, Case No. 04-1779-GA-AIR (*Eastern Rate Case*). On January 11, 2006, the Commission issued its Opinion and Order in the *Eastern Rate Case*, approving a stipulation and authorizing an initial UEx rider rate of \$0.0880 per thousand cubic feet (Mcf). Since that time, Eastern has filed updates to adjust the rider when appropriate.
- (3) Eastern's current UEx rider rate of (\$0.0087)<sup>1</sup> per Mcf was approved in *In re Eastern Natural Gas Company*, Case No. 13-307-GA-UEx, Finding and Order (July 2, 2013).
- (4) On June 19, 2014, Eastern filed the pending application to decrease its current UEx rider rate to (\$0.0129) per Mcf. The rate is comprised of the balance of deferred uncollectible accounts expense net of recoveries as of December 31, 2013, amortized over a one-year period and the actual bad debt write-offs and collection expenses for the year 2013.
- (5) On July 21, 2014, Staff filed comments on the proposed UEx rider adjustment. Staff notes that Eastern's ending

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<sup>1</sup> Throughout this Order, numbers in parenthesis indicate negative numbers.

uncollectible balance as of December 31, 2013, is an over-collected balance of \$33,379. If passed back to customers over a one year period, the resulting rate would be (\$0.0434) per Mcf. Eastern projects its UEX for the next 12 months to be \$23,478, which would result in a charge of \$0.0305 per Mcf. Combining the two charges results in the revised rider rate of (\$0.0129) per Mcf.

In its recommendation, Staff highlights that Eastern has experienced customer billing issues for calendar year 2013 through March 2014. Eastern has not classified any accounts as uncollectible during this period. The billing issues are expected to continue until late 2014, with the continued accumulation of unpaid balances. Since the over-collection and the UEX amounts are distorted for the period, Staff recommends a rider rate of \$0.0000.

Staff intends to examine the monthly UEX balances, write-offs, and recoveries for both the 2013 and 2014 periods during Eastern's gas cost recovery audit in 2015. Any required adjustments or corrections will be incorporated into the next UEX rider application.

- (6) In a letter filed July 16, 2014, Eastern agreed with Staff's recommendation.
- (7) The Commission reviewed the application, as well as Staff's comments, and finds that a UEX rider rate of \$0.0000 is reasonable and in the public interest, and that it should be approved.

It is, therefore,

ORDERED, That Staff's recommendation, as agreed to by Eastern, to set Eastern's UEX rider rate to \$0.0000 be approved. It is, further,

ORDERED, That Eastern be authorized to file two complete copies of tariffs, in final form, consistent with this Finding and Order. Eastern shall file one copy in this case docket and one copy in its TRF docket. It is, further,

ORDERED, That the effective date of the new tariffs 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 subsequent investigation or proceeding 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.

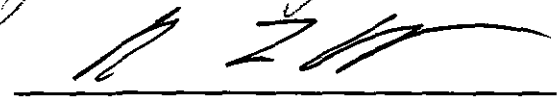
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Thomas W. Johnson, Chairman

  
Steven D. Lesser

  
Lynn Slaby

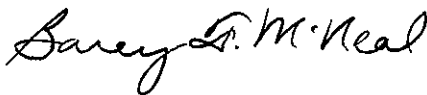
  
M. Beth Trombold

  
Asim Z. Haque

LDJ/vrm

Entered in the Journal

**AUG 27 2014**



Barcy F. McNeal  
Secretary