BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Suburban Natural Gas Company for An Adjustment to the Infrastructure Replacement Program Rider

Case No. 14-1006-GA-RDR

APPLICATION FOR APPROVAL OF AN ADJUSTMENT TO THE INFRASTRATURE REPLACEMENT RIDER OF SUBURBAN NATURAL GAS COMPANY

Pursuant to the Commission's September 15, 2009 *Finding and Order* in Case No. 09-573-GA-RDR, Suburban Natural Gas Company ("Suburban") respectfully requests that the Commission approve an adjustment to Suburban's infrastructure Replacement Rider ("Rider IRP") reflecting costs associated with capital investments made by Suburban during the period July 1, 2013 through June 30, 2014. In support of its Application, Suburban states:

- 1. Suburban, a privately-owned Ohio corporation, is a public utility and natural gas company within the definitions of Sections 4905.02 and 4905.03(A)(6), Ohio Revised Code and, as such, is subject to the jurisdiction of this Commission pursuant to R.C. 4905.04, 4905.05, and 4905.06.
- 2. Suburban currently provides natural gas service in Ohio to approximately 15,000 residential, commercial, and industrial customers in Wood, Henry, Lucas, Delaware, and Marion Counties.
- 3. On June 1, 2009, pursuant to the *Finding and Order* in Case No. 07-689-GA-AIR, Suburban filed a plan for the timely replacement of prone-to-fail risers and a plan for the assumption of responsibilities associated with the installation, repair, replacement, and maintenance of customer service lines ("IRP").

- On September 15, 2009, in a Finding and Order in Case No. 09-573-GA-UNC, 4. the Commission approved Suburban's IRP and the recovery of the cost associated with the IRP.
- At the time of the Commission's approval, Suburban estimated that the IRP 5. charge to customers would be \$0.29, \$0.58, \$0.84, \$1.10, and \$0.92 per month per customer in years one through five, respectively.
- 6. The approved IRP also requires that Suburban annually file an application to update its Rider IRP. Accordingly, by this Application, Suburban requests that the Commission approve a decrease in Suburban's Rider IRP from \$0.73 per month per customer to \$0.64 per month per customer.
- 7. Suburban hereby submits the following schedules and exhibits supporting its request to adjust Rider IRP:
 - a. Schedules A-1, A-2, and A-3 supporting Suburban's IRP rate calculation;
 - b. Schedules B-1, B-2, and B-3 representing Suburban's proposed IRP tariff sheet, the proposed changes to Suburban's IRP tariff sheet, and Suburban's current tariff sheet, respectively; and
 - c. Exhibit 1: Direct Testimony of Nichole M. Clement.

Respectfully submitted,

SUBURBAN NATURAL GAS COMPANY

IAM V. MICHAEL (0070921)

Attorney for Suburban Natural Gas Company

2626 Lewis Center Road

Lewis Center, OH 43035-9206 E-mail: bmichael@sngco.com

Telephone: (740) 548-2450 Facsimile: (740) 548-2455

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application for Approval of an Adjustment to the Infrastructure Replacement Rider was served upon the following parties of record or as a courtesy, via U.S. Mail, postage prepaid, on the day of August 2014.

Thomas G. Lindgren Werner L. Margard Attorney General Public Utilities Commission of Ohio 180 East Broad Street Columbus, OH 43215

Doris E. McCarter, Division Chief Capital Recovery and Financial Analysis Utilities Department Public Utilities Commission of Ohio 180 East Broad Street Columbus, OH 43215

William I. Michael

REPLACEMENT OF SERVICE LINES AND RISERS – COMBINED EFFECT

Suburban Natural Gas Company
Infrastructure Replacement Program and Rider
Replacement of Service Lines and Risers - Combined Effect
For the period July 2013 to June 2014 (12 mo actual)

		Circuate	. д т
(recovered over 4 years) First Month Expenditure Second Month Expenditure First Month Expenditure Sixth Month Expenditure Eleventh Month Expenditure Eleventh Month Expenditure Tenth Month Expenditure First Month Expenditure Firsty-First Month Expenditure Firsty-First Month Expenditure Firsty-First Month Expenditure Firsty-Second Month Expenditure Firsty-First Month Expenditure Firsty-First Month Expenditure Firsty-First Month Expenditure Firsty-Sixth Month Expenditure Firsty-First Month Expenditure Firsty-Sixth Month Expenditure Firsty-First Month Expenditure Firsty-First Month Expenditure Forty-Second Month Expenditure Forty-First Month Expenditure Forty-Fourth Month Expenditure Forty-Sixth Month Expenditure	TOTAL	38060 IRP Service Lines 38070 IRP Risers	Account Account Description
	 ,,	9 69	July Mor
39.58 7.81 100.00 4.17 23.96 9.07 375.68 308.46 52.69 173.16 173.	Actual July 2013 Month 46	1	Actual July 2013 Month 46
\$ 39.58 7.81 100.00 4.17. \$ 23.96 9.07 \$ 370.52 8 88.56 5 308.44 \$ 520.52 173.16 \$ 178.92 3.65 3.65 3.65 5.201.41 2.69.28 \$ 588.70 \$ 149.67 \$ 162.08 \$ 172.92 \$ 172.92 \$ 165.55 \$ 165.55 \$ 172.92 \$ 172.92 \$ 165.55 \$ 165.55 \$ 165.55 \$ 172.92 \$ 18.55 \$ 201.41 \$ 269.28 \$ 201.41 \$ 269.28 \$ 271.43 \$ 269.28 \$ 149.67 \$ 162.08 \$ 165.55 \$ 165.55 \$ 165.55 \$ 119.57 \$ 119.57	Actual Aug 2013 Month 47	,	Actual Aug 2013 Month 47
\$ 39.58 \$ 10.00 \$ 10.00 \$ 23.96 \$ 308.56 \$ 308.56 \$ 308.56 \$ 308.56 \$ 308.56 \$ 173.16 \$ 173.16 \$ 173.16 \$ 1,03 \$ 201.41 \$ 269.28 \$ 598.70 \$ 3.65 \$ 1,03 \$ 1,	Actual Sept 2013 Month 48		Actual Sept 2013 Month 48
7.81 7.81 7.81 7.81 7.81 7.81 7.81 7.81	\$ 69 Actual Oct 2013 Month 49		Actual Oct 2013 Month 49
\$ 100.00 \$ 4.17 \$ 23.96 \$ 305.48 \$ 370.52 \$ 88.56 \$ 520.93 \$ 173.16 \$ 173.16 \$ 173.16 \$ 173.16 \$ 173.16 \$ 173.16 \$ 173.16 \$ 173.16 \$ 1.03 \$ 1.03 \$ 1.03 \$ 1.03 \$ 1.03 \$ 1.03 \$ 1.03 \$ 1.03 \$ 201.41 \$ 203.33 \$ 1.03 \$ 1.03 \$ 203.33 \$ 1.0	\$ 3,028 Actual Nov 2013 Month 50	, ω	Actual Nov 2013 Month 50
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\$ 23.96 \$ 375.68 \$ 376.68 \$ 376.68 \$ 376.68 \$ 370.52 \$ 173.16 \$ 173.16 \$ 201.41 \$ 265.28 \$ 598.70 \$ 343.33 \$ 2671.43 \$ 265.28 \$ 101.44 \$ 172.92 \$ 1	\$ Actual Jan 2014 Month 52	·	Actual Jan 2014 Month 52
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\$ 375.68 \$ 376.58 \$ 370.52 \$ 88.56 \$ 526.58 \$ 173.16 \$ 201.41 \$ 269.28 \$ 10.42 \$ 259.28 \$ 10.42 \$ 259.28 \$ 10.42 \$ 259.28 \$ 172.92 \$ 10.42 \$ 1	\$ 1,000 Actual Mar 2014 Month 54		Actual Mar 2014 Month 54
\$ 308.41 \$ 370.52 \$ 88.56 \$ 52.69 \$ 173.16 \$ 201.41 \$ 209.28 \$ 598.70 \$ 343.33 \$ 145.67 \$ 162.08 \$ 371.21 \$ 104.42 \$ 101.44 \$ 371.21 \$ 102.08 \$ 205.57 \$ 162.08 \$ 343.33 \$ 145.08 \$ 104.29 \$ 371.21 \$ 365.55 \$ 10.42 \$ 371.21 \$ 365.55 \$ 365.	\$ Estimated Apr 2014 Month 55		Actual Apr 2014 Month 55
	\$ 618 Estimated May 2014 Month 56	\$ 618	Actual May 2014 Month 56
\$ 88.56 \$ 36.46 \$ 173.16 \$ 173.16 \$ 178.92 \$ 201.41 \$ 209.28 \$ 209.28 \$ 209.28 \$ 101.42 \$ 162.08 \$ 162.08 \$ 178.92 \$ 178.92 \$ 178.92 \$ 179.27 \$ 177.92 \$ 177.92 \$ 189.53 \$ 250.57 \$ 269.28 \$ 371.21 \$ 371.21	\$ 3,293 Estimated June 2014 Month 57	پ ن	Actual June 2014 Month 57

Thirty-First Month Expenditure Thirty-Second Month Expenditure Thirty-Third Month Expenditure Thirty-Fourth Month Expenditure Thirty-Firth Month Expenditure Thirty-Sixth Month Expenditure Thirty-Sixth Month Expenditure Thirty-Sighth Month Expenditure Thirty-Eighth Month Expenditure Thirty-Highth Month Expenditure Forteth Month Expenditure Forty-First Month Expenditure	50% recovered over 45 years (cost * 50% / 45 years) (not taken First Month Expenditure Second Month Expenditure Fifth Month Expenditure Fifth Month Expenditure Fifth Month Expenditure Sixth Month Expenditure Sixth Month Expenditure Eighth Month Expenditure Eighth Month Expenditure Tenth Month Expenditure Tenth Month Expenditure Tenth Month Expenditure Tweifth Month Expenditure Fourteenth Month Expenditure Fourteenth Month Expenditure Sixteenth Month Expenditure Fifteenth Month Expenditure Sixteenth Month Expenditure Sixteenth Month Expenditure Twenty-First Month Expenditure Twenty-Fifth Month Expenditure Twenty-Fifth Month Expenditure Twenty-Fifth Month Expenditure Twenty-Sixth Month Expenditure Twenty-Sixth Month Expenditure Twenty-Sixth Month Expenditure Twenty-Seventh Month Expenditure Twenty-Seventh Month Expenditure Twenty-Seventh Month Expenditure Twenty-Seventh Month Expenditure Twenty-Ninth Month Expenditure	Total Cost of Debt to be Recovered	Account Account Description Forty-Seventh Month Expenditure Forty-Sighth Month Expenditure Forty-Alinth Month Expenditure Fritieth Month Expenditure Frity-First Month Expenditure Frity-Ford Month Expenditure Frity-Fourth Month Expenditure Frity-Sixth Month Expenditure Frity-Seventh Month Expenditure Frity-Seventh Month Expenditure Frity-Seventh Month Expenditure Frity-Seventh Month Expenditure
***		မ မ ဇ္	Ac July Moo
33.00 59.16 13.33 24.76 22.27 15.37 16.85 - 10.60 2.31		6,854.98 336.79	Actual July 2013 Month 46
\$ 53.16 \$ 59.16 \$ \$ 13.33 \$ \$ 22.76 \$ \$ 22.27 \$ \$ 15.37 \$ \$ 16.85 \$ \$ 10.60 \$ \$ 10.60 \$ \$ 2.31 \$ \$	se)	\$ 6,854.98 \$ \$ 323.28 \$	Actual Aug 2013 \$ Month 47 \$ \$ - \$
59.16 \$ 59.16 \$ 13.33 \$ 6 24.76 \$ 22.27 \$ 6 15.37 \$ 6 16.85 \$ 7 9 7 9 8 10.60 \$ 2.31 \$	3.52 0.69 0.89 0.37 2.13 0.81 33.39 27.41 32.94 7.87 7.87 7.87 7.87 15.39 15.39 0.32 0.32 0.32 0.32 15.39 15.39 17.90 0.32 0.32 17.90 0.32 0.32 0.32 0.32 0.32 0.32 0.32 0.3	\$ 6,860.19 \$ 305.94 \$	Actual Sept 2013 Month 48 5.21 \$
33.00 \$ 59.16 \$ 13.33 \$ 24.76 \$ 22.27 \$ 15.37 \$ 16.85 \$ 10.60 \$ 2.31 \$	3.52 \$ 3.24 \$ 3.	6,821.33 \$ 292.38 \$	Actual Oct 2013 Month 49 5.21 0.72
33.00 \$ 59.16 \$ 13.33 \$ 24.76 \$ 22.27 \$ 15.37 \$ 16.85 \$ 10.60 \$ 2.31 \$ 3.00 \$	3.52 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	6,845.05 \$ 280.66 \$	Actual Nov 2013
33.00 \$ 59.16 \$ 13.30 \$ 24.76 \$ \$ 22.27 \$ 15.37 \$ \$ 10.60 \$ 2.31 \$ \$	3.52 3.52 3.34 3.34 3.34 3.35 3.36	6,755.47 \$ 268.49 \$	Actual Dec 2013 J Month 51 N 5.21 \$ 0.72 \$ 31.54 \$ 10.42 \$
	3.52 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	6,751.30 \$ 255.60 \$	Actual Jan 2014 F Month 52 N 521 \$ 0.72 \$ 10.42 \$ 10.42 \$
	3.52 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	6,727.35 \$ 241.32 \$	Actual Feb 2014 N Month 53 N 5.21 S 0.72 S 31.54 S 10.42 S - S 5 S 10.42 S 5 S 7 S 8 S 10.42 S
	3.52 3.69 3.89 3.39 2.7.41 3.27.41	6,728.69 \$ 228.94 \$	Actual Mar 2014 Month 54 5.21 5.21 5.21 5.21 6.10.42 5.10.42 5.10.42 5.10.42 5.10.42 5.10.42 5.10.42 5.10.42 5.10.42 5.10.42 5.10.42 5.10.42 5.10.42 5.10.42
	3.52 \$ 0.69 \$ 0.69 \$ 0.88 \$ 0.81 \$ 2.13 \$ 2.7.41 \$ 3.24 \$ 3.24 \$ 3.24 \$ 3.24 \$ 3.25 \$ 0.32 \$ 0.32 \$ 0.32 \$ 0.32 \$ 0.32 \$ 0.32 \$ 0.32 \$ 0.32 \$ 0.32 \$ 0.32 \$ 0.32 \$ 0.32 \$ 0.32 \$ 0.33 \$ 0.33 \$ 0.34 \$ 0.35 \$ 0.36 \$ 0.36 \$ 0.37 \$ 0.38 \$ 0.38 \$ 0.39 \$ 0.30 \$	6,353.01 \$ 215.76 \$	Actual Apr 2014 Apr 2014 Month 55 5
33.00 59.16 13.33 24.76 22.27 15.37 16.85 - 10.60 2.31	3.52 3.68 3.68 3.39 3.74 4.68 3.74 4.68 3.74 4.68 5.74	6,051.04 \$	Actual May 2014 Month 56 5.21 0.72 31.54 10.42 10.42 10.42
	3.52 3.68 3.88 3.89 3.39 3.39 3.39 4.68	\$ 5,714.83 \$ 195.66	Actual June 2014 Month 57 5.21 0.72 5.31.54 5.10.42 5.

\$ 0.64																Projected Revised Rate
15,643																Estimated Number of Customers
\$ 120,090.99																Revised Amount to Be Recovered through Rider
\$ 106,419.00																Year 6 Total Amount to Be Recovered through Rider
2,559.86) \$ 1,552.11	\$ (1,398.63) \$ (1,464.60) \$ (1,470.44) \$ (1,886.52) \$ (2,220.80) \$ (2,559.86)	\$ (1,886.52) \$	(1,470.44)	\$64.60) \$	3) \$ (1,2	§ (1,398.6;	1,899.37	↔	\$ 2,048.36	2,075.14	2,130.25 \$	€9	\$ 2,182.05	2,217.79 \$	₩	Net Over/Under recovered at 6/30/14
\$ 12,119.88																Net Over/Under recovered at 6/30/13
1,428.15 \$ 343,351.14	\$11,386.54 \$11,381.43 \$11,404.06 \$11,423.04 \$11,428.15	\$ 11,404.06 \$	11,381.43	386.54 \$		8,087.04 \$ 11,363.39	.087.04	69	\$ 8,039.72	\$ 7,991.36	\$ 7,992.92 \$		\$ 7,955.48	7,937.80	\$ 7,9	Total Amount that Was Billed through Rider to Customers
8,868.29	9,202.24 \$	\$ 9,517.54 \$	9,910.99	9,921.94 \$	69	\$ 9,964.76	9,986.41 \$	↔	\$ 10,088.08	\$ 10,066.50	\$ 10,123.17 \$		\$ 10,137.53	\$ 10,155.59	\$ 10,	Total Amount to Be Recovered through Rider
\$ 2,339.67	\$ 2,331,96 \$ 2	\$ 2,334.24 \$	\$ 2,338.84	2,339.69 \$	€9	\$ 2,344.27	\$ 2,348.86 \$		\$ 2,349.70	\$ 2,347.24 \$ 2,342.94	347.24 \$	3 \$ 2	\$ 2,349.93	\$ 2,354.49		Retum on Equity (based upon approved 8.97% from rate case)
3.05	↔															Fifty-Eighth Month Expenditure
0.57	0.57 \$	44														Fifty-Seventh Month Expenditure
•	· ·	⇔														Fifty-Sixth Month Expenditure
0.93	0.93 \$	\$ 0.93 \$	0.93	69												Fifty-Fourth Month Expenditure
•	, &	()	'	, (9	co											Fifty-Third Month Expediture
•				' 69												Fifty-Second Month Expenditure
0.93	0.93	0.93														Fifty-First Month Expenditure
2.80	2.80															Fiftieth Month Expenditure
0.06	0.06										€9					Forty-Ninth Month Expenditure
0.46	0.46	\$ 0.46	0.46	0.46 \$	υ 69	\$ 0.46	0.46 \$	0.46 \$.o.	0.46	0.46 \$	G				Forty-Eighth Month Expenditure
1	,													,,		Forty-Seventh Month Expenditure
0.87	0.87	0.87									0.87 \$	7 \$		0.87 \$	69	Forty-Sixth Month Expenditure
1.88	1.88	1.88		1.88 \$											€9	Forty-Fifth Month Expenditure
6.14										6.14					69	Forty-Fourth Month Expenditure
0.35	0.35	\$ 0.35	0.35	0.35 \$	σ ₁	\$ 0.35	0.35	0.35 \$	\$	0.35	0.35 \$		\$ 0.35	0.35 \$	↔	Forty-Third Month Expenditure
•	اي	م،	'	₩,	م	٠,	- }		٠	•	€	44	₽		↔	Forty-Second Month Expenditure
June 2014 Month 57	4 16	44 10	Mar 2014 Month 54	4 13		Jan 2014 Month 52	Dec 2013 Month 51		Nov 2013 Month 50	Oct 2013 Month 49	ឨឨ		Aug 2013 Month 47	July 2013 Month 46	July Mon	Account Account Description
Actual	Actual A	Actual	Actual	Actual	Act	Actual	Actual		Actual	Actual	Actual	Ą	Actual	Actual	Ac	

COST OF DEBT CALCULATION

Suburban Natural Gas Company Infrastructure Replacement Program and Rider Cost of Debt Calculation For the period July 2013 to June 2014 (12 mo actual)

Interest to be Recovered Cost of Debt Per LOC **Ending Balance** Beginning Balance Amount Repaid Amount Borrowed (collected through rider - 1 mo. lag)
 Actual
 Actual< \$ 6,845.20 \$ 6,854.98 \$ 6,854.98 \$ 6,860.19 \$ 6,821.33 \$ 6,845.05 \$ 6,755.47 \$ \$170,888.10 \$164,033.12 \$157,428.13 \$150,602.33 \$145,295.01 \$138,949.95 \$132,194.48 \$125,443.18 \$119,215.83 \$112,487.14 \$106,443.13 \$102,038.58 469.50 \$ 250.00 \$ 34.39 \$ 1,514.00 \$ 500.00 \$ 2.31800% 2.31875% 268.49 \$ 2.32020% 255.60 \$ 6,751.30 \$ 6,727.35 \$ 6,728.69 \$ 6,353.01 \$ 6,051.04 2.30850% 241.32 \$ 49 2.30450% 500.00 228.94 \$ ↔ 2.30175% 215.76 \$ 2.30150% 309.00 \$ 1,646.50 204.15 \$ 2.30100% 195.66

RATE OF RETURN

Suburban Natural Gas Company Infrastructure Replacement Program and Rider Rate of Return For the period July 2013 to June 2014 (12 mo actual)

Return on Equity	Allowable Rate of Return	Ending Balance	(collected through rider - 1 yr. lag)	Amount Repaid	Amount Expended	Beginning Balance			
\$		⇔ ⇔		49	€9	⇔ Ω	3	ت	
\$ 2.354.49 \$ 2.349.93 \$ 2.347.24 \$ 2.342.94 \$ 2.349.70 \$ 2.348.86 \$ 2.344.27 \$ 2.339.69 \$ 2.338.84 \$ 2.334.24 \$ 2.331.96 \$ 2.339.67	8.970%	\$314,981.33 \$314,372.00 \$314,012.67 \$313,437.26 \$314,341.41 \$314,228.74 \$313,615.16 \$313,001		608.46 \$	469.50 \$	\$315,120.30 \$314,981.33 \$314,372.00 \$314,012.67 \$313,437.26 \$314,341.41 \$314,228.74 \$313,615.16 \$313,001.57 \$312,887.98 \$312,273.47 \$311,967.95	Month 46	July 2013	Actual
8		\$ 314		1	€9	\$ 314	M	Au	₽
2,349.93	8.970%	4,372.00		609.33 \$		4,981.33	Month 47	Aug 2013	Actual
€9 N		\$ 314			↔	\$ 314	ĕ	Sep	Þ
347.24	8.970%	1,012.67		609.33 \$	250.00 \$,372.00	Month 48	Sept 2013	Actual
€9		\$ 313		l	↔	\$ 314	Mo	Ö	Þ
.342.94	8.970%	,437.26		609.79 \$	34.39	,012.67	Month 49	Oct 2013	Actual
69		\$ 314		69	€9	\$ 313	Mo	Š	Þ
2,349.70	8.970%	,341.41		609.86	,514.00	3,437.26	Month 50	Nov 2013	Actual
69		\$ 314		49	₩	\$ 312	ĕ ĕ	De	₽
348.86	8.970%	1,228.74		612.66	34.39 \$ 1,514.00 \$ 500.00 \$,341.41	Month 51	Dec 2013	Actual
65		\$ 313		€9	↔	\$ 314	ĕ.	Jar	Þ
2,344.27	8.970%	3,615.16		613.59	i	1,228.74	Month 52	Jan 2014	Actual
€5		\$ 313		69	€9	\$ 313	š	Fe	٨
2,339.69	8.970%			613.59	,	3,615.16	Month 53	Feb 2014	Actual
€9		\$ 312		ea	₩	\$ 313	Mo	Ma	₽
2,338.84	8.970%	2,887.98		613.59	500.00 \$	3,001.57	Month 54	Mar 2014	Actual
⇔		\$ 312		€Đ	G	\$ 312	Mo	Ą	Þ
2,334.24	8.970%	.57 \$312,887.98 \$312,273.47 \$311,967.95 \$312,999.37		609.86 \$ 612.66 \$ 613.59 \$ 613.59 \$ 614.51 \$ 614.51 \$ 615.09	1	2,887.98	Month 55	Apr 2014	Actual
€9		\$ 311		69	↔	\$ 312	Mo	Ma	Þ
2.331.96	8.970%	1,967.95		614.51	309.00 \$ 1,646.50	2,273.47	Month 56	May 2014	Actual
8		\$ 31.		€9	↔	\$ 31	Mo	Jun	₽
2,339,67	8.970%	2,999.37		615.09	1,646.50	1,967.95	Month 57	June 2014	Actual

PROPOSED TARIFF SHEET

Suburban Natural Gas Company Cygnet, Ohio

SECTION V Sixth Revised Sheet No. 2B Cancels and Supersedes Fifth Revised Sheet No. 2B

INFRASTRUCTURE REPLACEMENT PROGRAM RIDER

APP	LICABIL	.ITY:
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Applicable to all customers.

DESCRIPTION:

An additional charge per month per account, regardless of gas consumed, to recover costs associated with Suburban's riser inventory and identification process; customer notification and education; the replacement of customerowned Natural Gas Risers identified in the November 24, 2006 Report by the Staff of the Public Utilities Commission of Ohio in Case No. 05-463-GA-COI as prone to failure and repair or replacement of service lines as specified in the Company's IRP Plan filed with the Public Utilities Commission of Ohio. This Rider shall be calculated annually pursuant to a Notice filed no later than May 31 of each year based on nine months of actual data and three months of estimated data for the reporting year. The filing shall be updated by no later than August 31 of the same year to reflect the use of actual reporting year data. Such adjustments to the Rider will become effective with bills rendered on November 1 of each year.

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1		٦	ı	L	_	ı

\$.64 per Month

			
ISSUED:	, 2014	EFFECTIVE:	, 2014
Filed pursuant to Commission of Ohio in C	the Opinion ase No. 14-10	and Order of the Public 006-GA-RDR dated	c Utilities , 2014

ISSUED BY DAVID L. PEMBERTON, JR., PRESIDENT

CHANGES TO CURRENT TARIFF SHEET

Suburban Natural Gas Company Cygnet, Ohio

SECTION V
Fifth-Sixth Revised Sheet No. 2B
Cancels and Supersedes
Fourth-Fifth Revised Sheet No. 2B

INFRASTRUCTURE REPLACEMENT PROGRAM RIDER

APPL	ICABIL	ITY:
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Applicable to all customers.

DESCRIPTION:

RATE:

An additional charge per month per account, regardless of gas consumed, to recover costs associated with Suburban's riser inventory and identification process; customer notification and education; the replacement of customerowned Natural Gas Risers identified in the November 24, 2006 Report by the Staff of the Public Utilities Commission of Ohio in Case No. 05-463-GA-COI as prone to failure and repair or replacement of service lines as specified in the Company's IRP Plan filed with the Public Utilities Commission of Ohio. This Rider shall be calculated annually pursuant to a Notice filed no later than May 31 of each year based on nine months of actual data and three months of estimated data for the reporting year. The filing shall be updated by no later than August 31 of the same year to reflect the use of actual reporting year data. Such adjustments to the Rider will become effective with bills rendered on November 1 of each year.

ŀ	\$.73 .64 per Month		
	cember 12, 2013	, 2014	EFFECTIVE: December
12, 2013 _	<u>, 2014</u>		

Filed pursuant to the Opinion and Order of the Public Utilities

Commission of Ohio in Case No. 43-123114-1006-GA-RDR dated December 11,

2013 _______, 2014

ISSUED BY DAVID L. PEMBERTON, JR., PRESIDENT

CURRENT TARIFF SHEET

Suburban Natural Gas Company Cygnet, Ohio

SECTION V Fifth Revised Sheet No. 2B Cancels and Supersedes Fourth Revised Sheet No. 2B

INFRASTRUCTURE REPLACEMENT PROGRAM RIDER

APPLICABILITY:

Applicable to all customers.

DESCRIPTION:

An additional charge per month per account, regardless of gas consumed, to recover costs associated with Suburban's riser inventory and identification process; customer notification and education; the replacement of customerowned Natural Gas Risers identified in the November 24, 2006 Report by the Staff of the Public Utilities Commission of Ohio in Case No. 05-463-GA-COI as prone to failure and repair or replacement of service lines as specified in the Company's IRP Plan filed with the Public Utilities Commission of Ohio. This Rider shall be calculated annually pursuant to a Notice filed no later than May 31 of each year based on nine months of actual data and three months of estimated data for the reporting year. The filing shall be updated by no later than August 31 of the same year to reflect the use of actual reporting year data. Such adjustments to the Rider will become effective with bills rendered on November 1 of each year.

RATE:

\$.73 per Month

ISSUED: December 12, 2013

EFFECTIVE: December 12, 2013

Filed pursuant to the Opinion and Order of the Public Utilities
Commission of Ohio in Case No. 13-1231-GA-RDR dated December 11, 2013

ISSUED BY DAVID L. PEMBERTON, JR., PRESIDENT

TESTIMONY OF NICHOLE M. CLEMENT

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)	
Suburban Natural Gas Company for an)	Case No. 14-1006-GA-RDR
Adjustment to the Infrastructure)	
Replacement Program Rider)	

DIRECT TESTIMONY OF NICHOLE M. CLEMENT ON BEHALF OF THE SUBURBAN NATURAL GAS COMPANY

1 I. INTRODUCTION

- 2 Q. Please state your name and business address.
- 3 A. Nichole M. Clement, 551 Lake Cascades Parkway, Findlay, Ohio 45840.
- 4 O. By whom are you employed and in what capacity?
- 5 A. Gilmore Jasion Mahler, Ltd. ("GJM"), Certified Public Accountant.
- 6 Q. How long have you been associated with GJM?
- 7 A. Approximately one year. Before, I had been associated with Pry Professional Group ("Pry") for over 18 years. GJM acquired Pry.
- 8 O. On whose behalf are you offering testimony in this proceeding?
- 9 A. I have been authorized to appear and testify on behalf of Suburban Natural Gas
- 10 Company, the applicant in this case.
- 11 Q. Please outline your educational background and business experience.
- 12 A. I graduated from Bowling Green State University in 1994 with a degree in Business
- Administration with a specialization in accounting. I received my Certified Public
- Accountants designation in 1998. I have worked with public utility companies at Pry
- and GJM for the past 19 years.
- 16 Q. Do you have any experience testifying at the Commission?
- 17 A. Yes. On August 17, 2007, I submitted testimony at the Commission on behalf of
- 18 Suburban in Case No. 07-689-GA-AIR, on September 14, 2010 in Case No. 10-763-
- 19 GA-RDR, on August 30, 2011 in Case No. 11- 3234-GA-RDR, on August 30, 2012 in
- 20 Case No. 12-1698-GA-RDR, and on August 30, 2013 in Case No. 13-1231-GA-RDR.
- Also, I am generally familiar with the rate-making process and the accounting practices of public utilities.
- 22 Q. What is the purpose of your testimony in this proceeding?
- 23 A. The purpose of my testimony is to support Suburban's Infrastructure Replacement Plan
- 24 Rider ("Rider IRP"). I will describe the infrastructure replacement efforts that
- Suburban has made. Also, I will describe how Suburban calculated the cost of such
- efforts as set forth in Schedules A-1, A-2, and A-3.
- 27 Q. Are you sponsoring any part of the Application?
- 28 A. Yes, I am sponsoring Schedules A-1, A-2, and A-3.
- 29 II. SUBURBAN'S INFRASTRUCTURE REPLACEMENT PLAN
- 30 O. What are the costs Suburban is recovering through Rider IRP?
- 31 A. In Case No. 09-573-GA-UNC, the Commission approved Suburban's plan for timely
- replacement of prone-to-fail risers and a plan for the assumption of the responsibilities

33		associated with installation, repair, replacement, and maintenance of customer service
34		lines ("IRP"). In that case, the Commission also approved the recovery of costs
35		associated with the IRP. When the IRP was approved, Suburban estimated that the
36		incremental costs of the IRP would be approximately \$252,000 per year.
37	Q.	Has Suburban begun implementing the IRP?
38	A.	Yes, in October 2009, Suburban began replacing aging service lines at various locations
39		throughout its service territory and replacing prone-to-fail customer risers.
40	Q.	Are the costs of implementing the IRP in line with Suburban's original estimates?
41	A.	The costs are lower for year five in comparison with Suburban's original estimate;
42		however, the costs for year five are in line with the adjusted estimate presented in the
43		prior year filing. For the twelve month period beginning July 1, 2013 and ending June
44		30, 2014 the cost of the IRP is \$10,447. The adjusted estimate presented in the prior
45		year filing was \$0.
46	Q.	What is the current rate that customers are being charged under Rider IRP?
47	A.	Customers are now charged \$0.73 per customer per month for Rider IRP.
48	Q.	What is the new rate you are proposing for Rider IRP?
49	A.	\$0.64 per customer per month.
50	Q.	Why is Suburban proposing to decrease the Rider IRP Charge?
51	A.	Suburban is proposing to decrease Rider IRP to reflect the decrease in costs Suburban
52		incurred as a result of implementing the IRP.
53	Q.	Is the \$0.64 customer charge in line with Suburban's estimates for the sixth year of
54		the IRP?
55	A.	When the Commission approved the IRP, the charge to customers was estimated to be
56		\$0.29, \$0.58, \$0.84, \$1.10, \$0.92, and \$0.75 per month per customer in years one
57		through six, respectively. A \$0.64 charge is less than the initial estimates for year six of
		the IRP.
58	Q.	How was the \$0.64 customer charge calculated for the sixth year of the IRP?
59	A.	The calculation was based on actual data for July 1, 2013 through June 30, 2014 and
60		estimated data for July 1, 2014 through June 30, 2015. The basis of the calculation is
61		that approved in Case No. 09-573-GA-UNC.
62	Q.	In your opinion is a \$0.64 customer charge reasonable?
63	A.	Yes. As you can see from Schedules A-1, A-2, and A-3 of the Application, \$0.64 is a
64		reasonable charge for year six of the IRP and thus should be approved by the

Commission.

- 66 Q. Does this conclude your testimony?
- A. Yes, it does.

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Summary: Application for Approval of an Adjustment to the Infrastructure Replacement Rider of Suburban Natural Gas Company electronically filed by Brandi L. Kayser on behalf of Suburban Natural Gas Company