

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Uncollectible Expense     )  
Rider of Northeast Ohio Natural Gas     ) Case No. 14-309-GA-UEX  
Corporation.     )

FINDING AND ORDER

The Commission finds:

- (1) Northeast Ohio Natural Gas Company (NEO) is a public utility as defined in R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.
- (2) By Finding and Order issued December 17, 2003, in *In re Joint Application of The East Ohio Gas Company dba Dominion East Ohio, et al.*, 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 expenses (UEX).
- (3) NEO's current UEX rider rate of (\$0.0091)<sup>1</sup> per thousand cubic feet (Mcf) was approved in *In re Northeast Ohio Natural Gas Corporation*, Case No. 13-309-GA-UEX, Finding and Order (Oct. 30, 2013).
- (4) On June 27, 2014, NEO filed an application to revise its current UEX rider rate. NEO included with the application three attachments. Attachment 1 is NEO's Annual UEX Report for calendar year 2013 and shows actual uncollectible balances for January through December 2013, and from January 1, 2014, through May 31, 2014, and estimated balances from June 1, 2014, through December 31, 2014, and from January 1, 2015, through May 31, 2015. Attachment 2 provides NEO's calculation method that was used to determine the proposed UEX rate. Attachment 3 includes redlined and clean proposed revisions to NEO's tariff reflecting the proposed increased UEX rider rate. In its June 27, 2014 filing, NEO proposed to increase the UEX rider rate from (\$0.0091) to \$0.0164 per Mcf. NEO notes that the proposed rate is based on actual experience for

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

the 12 months ended May 2014, as adjusted for estimated uncollectible accruals and projected sales volumes through May 2015.

- (5) On August 14, 2014, NEO filed a revision to its application and two attachments. NEO noted that, since its June 27, 2014 filing, due to an inadvertent data entry error, pointed out by Staff, the attachments filed with the application on June 27, 2014, contained an accounting error. NEO stated that it agrees with Staff's calculation.
- (6) On August 25, 2014, Staff filed comments on the proposed UEX rider adjustment. Staff noted that NEO's application, as revised, would result in a change from the existing rate of (\$0.0091) per Mcf to a proposed rate of \$0.0164 per Mcf.

Staff states that it performed a preliminary review of the annual budget reconciliation covering January 2013 through May 2014. As noted in the revised application, Staff detected a minor error in the original filing. Staff discussed the matter with the NEO, and NEO filed a subsequent revision agreeing with Staff's adjustment.

Staff intends to examine the monthly UEX balances, write-offs, and recoveries for both the 2012 and 2013 periods during Orwell's upcoming audit in 2014. Any required adjustments or corrections will be incorporated into the next UEX rider application.

- (7) The Commission reviewed the application, as revised, as well as Staff's comments, and finds that a UEX rider rate of \$0.0164 per Mcf is reasonable and in the public interest, and that it should be approved.

It is, therefore,

ORDERED, That NEO's application, as revised, to adjust its UEX rider rate to \$0.0164 per Mcf be approved. It is, further,

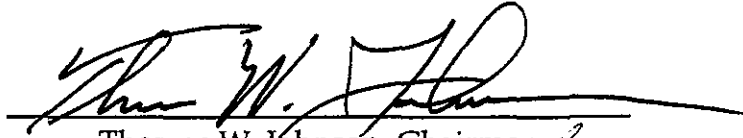
ORDERED, That NEO be authorized to file two complete copies of tariffs, in final form, consistent with this Finding and Order. NEO shall file one copy in this case docket and one copy in its TRF docket. It is, further,

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,

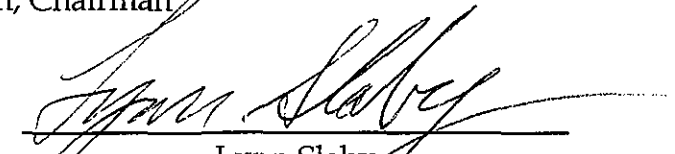
ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

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

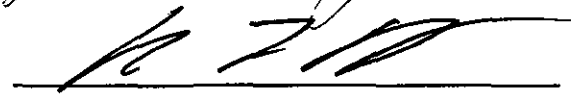
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Thomas W. Johnson, Chairman

  
Steven D. Lesser

  
Lynn Slaby

  
M. Beth Trombold

  
Asim Z. Haque

SEF/dah

Entered in the Journal **SEP 10 2014**



Barcy F. McNeal  
Secretary