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September 21, 2015

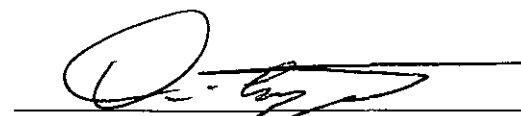
Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

RE: *In the Matter of the Application of Eastern Natural Gas Company for Approval of an Adjustment to its Uncollectible Expense Rider Rate, Case No. 15-307-GA-UEX*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the application filed by Eastern Natural Gas Company, to update its Uncollectible Expense Rider, in Case No. 15-307-GA-UEX.


Tamara S. Turkenton
Chief, Regulatory Services Division
Public Utilities Commission of Ohio


David Lipthrott
Chief, Research and Policy Division
Public Utilities Commission of Ohio

Enclosure
Cc: Parties of Record

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
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**Eastern Natural Gas Company
Case No. 15-307-GA-UEx**

SUMMARY

In Case No. 03-1127-GA-UNC, the Commission authorized the concept of an uncollectible accounts expense recovery mechanism for five natural gas companies. The mechanism approved allows for recovery of actual bad/uncollectible debt through a rider, rather than through base rates. Subsequently, Eastern Natural Gas Company (Eastern) was authorized, in Case No. 04-1619-GA-UEx, to defer its uncollectible expenses for future recovery. The Commission found that the establishment of a rider to recover those deferrals would be considered in conjunction with Eastern's base rate revision in Case No. 04-1779-GA-AIR. On January 11, 2006, the Commission issued its Opinion and Order that authorized an initial uncollectible rider rate of \$0.0880 per Mcf.

Since that time Eastern has filed annual updates to adjust the rider when appropriate, and the Commission has authorized such subsequent revisions. The history of Eastern's rider is as follows:

January 2006 - June 2007	\$0.0880 per Mcf
July 2007 - July 2008	\$0.1203 per Mcf
August 2008 - June 2009	\$0.0808 per Mcf
July 2009 - June 2010	\$0.0460 per Mcf
July 2010 - June 2011	\$0.0758 per Mcf
July 2011 - June 2012	(\$0.0044) per Mcf
July 2012 – June 2013	\$0.0604 per Mcf
July 2013 – August 2014	(\$0.0087) per Mcf
September 2014 – Current	\$0.0000 per Mcf

On July 20, 2015, Eastern filed an application to increase its current uncollectible expense rider rate from \$0.0000 per Mcf to \$0.5145 per Mcf, an adjustment of \$0.5145 per Mcf. Staff has reviewed the application and makes its findings and recommendations in this Staff Letter.

STAFF REVIEW

Staff performed a review of Eastern's annual balance of actual uncollectible accounts expense net of recoveries as of January 1, 2014, through April 30, 2015 (Attachment 1); and proposed tariff sheets (Attachment 2).

Staff discovered an error in Eastern's calculations on Page 1 of Attachment 1. Eastern corrected the error and adjusted their Attachment 1 worksheet. The recalculated rate decreases the proposed UEX rider rate to be collected over a two year period from \$0.5145 per Mcf to \$0.4260 per Mcf.

STAFF RECOMMENDATION

Staff performed a review of the actual annual balance reconciliation covering January 1, 2014, through April 30, 2015, and at this time proposes a downward adjustment to Eastern's original proposed calculations by \$0.0885 per Mcf. Staff is in agreement with the Company and recommends a new UEX rider rate of \$0.4260 per Mcf.

Staff believes the uncollectible rate of \$0.4260 per Mcf is reasonable and should be approved.