

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Regulation of the )  
Purchased Gas Adjustment Clauses Contained )  
Within the Rate Schedules of: )

Brainard Gas Corporation	)	Case No. 16-206-GA-GCR
Northeast Ohio Natural Gas Corporation	)	Case No. 16-209-GA-GCR
Ohio Cumberland Gas Company	)	Case No. 16-211-GA-GCR
Orwell Natural Gas Company	)	Case No. 16-212-GA-GCR
Piedmont Gas Company	)	Case No. 16-213-GA-GCR
Suburban Natural Gas Company and Related	)	Case No. 16-216-GA-GCR
Matters.	)	

In the Matter of the Uncollectible Expense )  
Riders of: )

Northeast Ohio Natural Gas Corporation	)	Case No. 16-309-GA-UEX
Ohio Gas Company	)	Case No. 16-311-GA-UEX
Orwell Natural Gas Company	)	Case No. 16-312-GA-UEX
Piedmont Gas Company	)	Case No. 16-313-GA-UEX
Suburban Natural Gas Company and Related	)	Case No. 16-316-GA-UEX
Matters.	)	

In the Matter of the Percentage of Income )  
Payment Plan Riders of: )

Northeast Ohio Natural Gas Corporation	)	Case No. 16-409-GA-PIP
Ohio Gas Company	)	Case No. 16-411-GA-PIP
Suburban Natural Gas Company and Related	)	Case No. 16-416-GA-PIP
Matters.	)	

ENTRY

The Commission finds:

- (1) Brainard Gas Corporation (Brainard), Northeast Ohio Natural Gas Corporation (NEO), Ohio Cumberland Gas Company (Cumberland), Ohio Gas Company (Ohio Gas), Orwell Natural Gas Company (Orwell), Piedmont Gas Company (Piedmont)

and Suburban Natural Gas Company (Suburban) (individually or collectively, company or companies) are gas or natural gas companies as defined in R.C. 4905.03 and public utilities as defined in R.C. 4905.02, and, as such, are subject to the jurisdiction of this Commission.

- (2) R.C. 4905.302 and Ohio Adm.Code 4901:1-14-07 provide that the Commission shall conduct, or cause to be conducted, periodic audits of each gas or natural gas company under the Commission's jurisdiction. Such audits shall review each company's compliance with the gas cost recovery (GCR) mechanism as delineated in Ohio Adm.Code Chapter 4901:1-14.
- (3) Through this Entry, the Commission is initiating the GCR financial audits for the following companies for the following months in which actual costs were incurred and reported:

<u>Company</u>	<u>Financial Audit Period</u>
Brainard	07/01/14 - 06/30/16
NEO	07/01/14 - 06/30/16
Orwell	07/01/14 - 06/30/16
Cumberland	08/01/13 - 07/31/15
Piedmont	12/01/13 - 11/30/15
Suburban	09/01/13 - 08/31/15

Staff shall conduct the GCR audits required under Ohio Adm.Code 4901:1-14-07 and file its audit findings for each company in the company's GCR docket.

- (4) Staff shall conduct its GCR audits consistent with the following overall objectives:
  - (a) To determine that the costs reflected in the company's GCR rates were properly incurred by the company.
  - (b) To determine that the GCR rates were accurately computed by the company.
  - (c) To determine that the GCR rates were accurately applied to customer bills.

- (d) If the company utilized weather-normalized historic and/or forecasted volumes, verify that the company has reasonably applied such approach throughout the audit period.
  - (e) To identify and review the purchasing policies employed by the company in its procurement of gas supplies.
- (5) With regard to the GCR audit results for each company listed in finding (3), at least 60 days before the company's hearing date listed in finding (6) below, Staff shall file its GCR audit report in the company's above-captioned GCR docket, and shall serve copies of the company's GCR audit report upon the company and any intervenors in the company's GCR proceeding.
- (6) Ohio Adm.Code 4901:1-14-08 provides that the Commission shall hold a public hearing at least 60 days after the filing of each GCR audit report required under Ohio Adm.Code 4901:1-14-07. A public hearing shall be held in these matters, pursuant to R.C. 4905.302, to allow the Commission to review the gas purchasing practices and policies of the Companies and the operations of their purchased gas adjustment clause and related matters. Each of the hearings shall be held beginning at 10:00 a.m., at the offices of the Commission, 180 East Broad Street, Hearing Room 11-C, Columbus, Ohio 43215-3793. At that time, all interested persons will be given an opportunity to be heard. The first day of each company's hearing shall be as follows:
- |            |                    |
|------------|--------------------|
| Brainard   | January 17, 2017   |
| NEO        | January 17, 2017   |
| Orwell     | January 17, 2017   |
| Cumberland | May 10, 2016       |
| Piedmont   | June 14, 2016      |
| Suburban   | September 27, 2016 |
- (7) Ohio Adm.Code 4901:1-14-08(C) specifies the requirement for notice of a GCR hearing, which each company should cause to be published between 15 and 30 days prior to the date set for its hearing. The notice may be provided by publication of a display ad in a newspaper (in a section other than the legal notice section), bill message, bill insert, or direct mailing to the

customers. The form of the notice should be in substantially the following form as applicable to the individual company.

### LEGAL NOTICE

The Public Utilities Commission of Ohio has set for public hearing Case No. [applicable GCR case number] to review the gas cost recovery rates of [applicable company] and the operation of its purchased gas adjustment clause, and related matters. This hearing is scheduled to begin at 10:00 a.m. on [applicable day of the week], [applicable date], at the offices of the Commission, 180 East Broad Street, Hearing Room 11-C, Columbus, Ohio 43215-3793. All interested persons will be given an opportunity to be heard. Further information may be obtained by viewing the Commission's web page at <http://www.puc.state.oh.us>, or contacting the Commission's hotline at 1-800-686-7826 or for hearing or speech impaired customers 7-1-1.

- (8) The direct testimony of any witnesses testifying on behalf of each company should be filed at least 16 days prior to the GCR hearing. All direct testimony to be presented by any other party should be filed at least seven days prior to the hearing.
- (9) Consistent with R.C. 4929.11, the Commission has authorized NEO, Ohio Gas, Orwell, Piedmont, and Suburban to recover uncollectible expenses (UEX) through riders. In approving the UEX riders for these companies, the Commission required that these riders would be audited in the course of each company's GCR audit. Therefore, the Commission is initiating the audits of the UEX riders for the following companies for the UEX rider rates effective during the following periods:

<u>Company</u>	<u>UEX Rider Audit Period</u>
NEO	01/01/14 - 12/31/15
Ohio Gas	01/01/14 - 12/31/15
Orwell	01/01/14 - 12/31/15
Piedmont	01/01/14 - 12/31/15
Suburban	01/01/14 - 12/31/15

- (10) Staff shall conduct the UEX audits and file its audit findings for each company in the company's above-captioned UEX docket. In addition, Staff shall serve copies of the company's UEX audit report upon the applicable company and any intervenors in the company's UEX proceeding. The UEX audit results for NEO, Orwell, Piedmont, and Suburban should be filed concurrent with the filing of these companies' GCR audit reports, as required in finding (5). In light of the fact that Ohio Gas is not subject to the GCR requirements, Staff should file the UEX audit results for Ohio Gas in its UEX docket by May 27, 2016.
- (11) The Commission has authorized NEO, Ohio Gas, and Suburban to recover percentage of income payment plan (PIPP) arrearages through riders. At this time, the Commission finds that these riders should be audited in the course of each company's GCR audit. Therefore, the Commission is initiating the audits of the PIPP riders for the following companies for the PIPP rider rates effective during the following periods:

<u>Company</u>	<u>PIPP Rider Audit Period</u>
NEO	01/01/14 - 12/31/15
Ohio Gas	01/01/14 - 12/31/15
Suburban	01/01/14 - 12/31/15

- (12) Staff shall conduct the PIPP audits and file its audit findings for each company in the company's above-captioned PIPP docket. In addition, Staff shall serve copies of the company's PIPP audit report upon the applicable company and any intervenors in the company's PIPP proceeding. The PIPP audit results for NEO and Suburban should be filed concurrent with the filing of these companies' GCR audit reports, as required in finding (5). In light of the fact that Ohio Gas is not subject to the GCR audit requirements, Staff should file the PIPP audit results for Ohio Gas in its PIPP docket by May 27, 2016.

It is, therefore,

ORDERED, That the GCR audit reports for Brainard, NEO, Orwell, Cumberland, Piedmont, and Suburban for the audit periods set forth in finding (3) be filed with the Commission, as set forth in finding (5). It is, further,

ORDERED, That a public hearing be conducted in each of the GCR proceedings, consistent with the findings herein, on the dates specified in finding (6). It is, further,

ORDERED, That Brainard, NEO, Orwell, Cumberland, Piedmont, and Suburban publish legal notice in accordance with finding (7). It is, further,

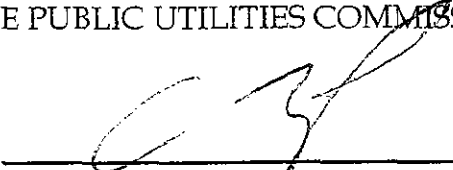
ORDERED, That direct testimony be filed in the GCR cases consistent with finding (8). It is, further,

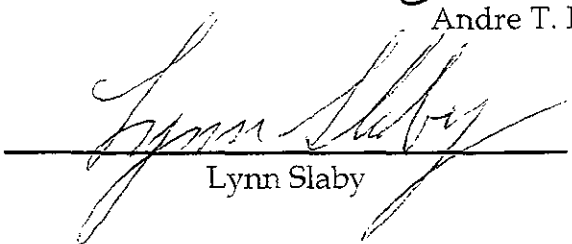
ORDERED, That the UEX audit reports for NEO, Ohio Gas, Orwell, Piedmont, and Suburban for the audit periods set forth in finding (9) be filed with the Commission, as set forth in finding (10). It is, further,

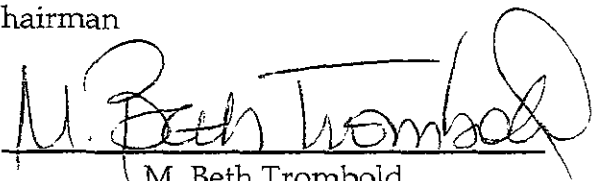
ORDERED, That the PIPP audit reports for NEO, Ohio Gas, and Suburban for the audit periods set forth in finding (11) be filed with the Commission, as set forth in finding (12). It is, further,


ORDERED, That a copy of this Entry be served upon the companies and all other parties of record in these proceedings.

THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Andre T. Porter, Chairman

  
Lynn Slaby

  
M. Beth Trombold


  
Asim Z. Haque

  
Thomas W. Johnson

SJP/sc

Entered in the Journal

**FEB 24 2016**

  
Barcy F. McNeal  
Secretary