

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Regulation of the  
Purchased Gas Adjustment Clause  
Contained Within the Rate Schedules of  
Suburban Natural Gas Company, and  
Related Matters.

Case No. 16-0216-GA-GCR

In the Matter of the Uncollectible Expense  
Rider of Suburban Natural Gas Company  
and Related Matters.

Case No. 16-0316-GA-UEX

In the Matter of the Percentage of Income  
Payment Plan Riders of Suburban Natural  
Gas Company and Related Matters.

Case No. 16-0416-GA-PIP

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**JOINT STIPULATION AND RECOMMENDATION**

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These cases are before the Public Utilities Commission of Ohio (Commission) pursuant to Ohio Admin. Code Rules 4901:1-14-07 and 4901:1-14-08 for review of the following audits: (1) the Financial Audit of the Gas Cost Recovery (GCR) Mechanisms of Suburban Natural Gas Company for the Period September 1, 2013 through August 31, 2015 (GCR Audit) prepared by the Staff of the Commission (Staff) and filed in Case No. 16-216-GA-GCR on July 29, 2016; (2) the Audit of the Uncollectible Expense (UEX) Mechanisms for the period January 1, 2014 through December 31, 2015 (UEX Audit) filed in Case No. 16-316-GA-UEX on July 29, 2016; and (3) the Audit of the Percentage of Income Payment Plan (PIPP) for the period January 1, 2014 through December 31, 2015 (PIPP Audit) filed in Case No. 16-416-GA-PIP on July 29, 2016. Suburban Natural

Gas Company (Suburban) has reviewed all three Audit Reports and, for the purpose of reaching this Stipulation only, agrees with and endorses the Staff conclusions and recommendations contained therein, except as otherwise agreed to herein.

Ohio Admin. Code Rule 4901-1-30 provides that any two or more parties to a proceeding may enter into a written or oral stipulation concerning the issues presented in any Commission proceeding. Pursuant to Ohio Admin. Code Rule 4901-1-10(C), the Staff is considered a party for the purposes of entering into a stipulation under Ohio Admin. Code Rule 4901-1-30.

There being no matters in dispute between Suburban and the Staff (collectively, “parties”), Suburban stipulates and the Staff recommends as follows:

A. **GCR Audit**

1. That Suburban is a natural gas company within the meaning of Ohio Rev. Code §4905.03(A)(5), and, as such, is a public utility subject to the jurisdiction and supervision of the Commission
2. This case is properly before the Commission pursuant to Ohio Admin. Code Rule 4901:1-14-08 and the Commission has jurisdiction to determine the issues involved pursuant to Ohio Rev. Code §4905.302.
3. Pursuant to Ohio Admin Code Rule 4901:1-14-07, the Staff conducted an audit of the Company and compiled its findings in a document entitled, “Financial Audit of the Gas Cost Recovery Mechanisms for the Cost Incurred for the period of September 1, 2013 through August 31, 2015.”

The GCR Audit Report was filed with the Docketing Division of the Commission on July 29, 2016. The GCR Audit Report should be identified and admitted into evidence as “Commission-Ordered Exhibit 1.”

4. Suburban’s Gas Cost Recovery (“GCR”) rates were fairly determined in accordance with the provisions of Ohio Admin. Code Chapter 4901:1-14 during the audit period, except for those instances noted in the GCR Audit Report conclusions or as otherwise agreed herein.
5. Suburban accurately determined and billed the GCR rates for the period, September 1, 2013 through August 31, 2015, in accordance with Chapter 4901:1-14 and related appendices of the Ohio Administrative Code, except for those instances noted in the GCR Audit Report conclusions or as otherwise agreed herein.
6. Suburban’s GCR rates were properly applied to customer bills during the audit period.
7. Suburban agrees to implement the Staff’s recommendations contained in the GCR Audit Report except as otherwise agreed herein. More specifically, Suburban agrees to:
  - a. Suburban will make a reconciliation adjustment in the amount of \$38.00 in the customers' favor in connection with the Actual Adjustment. This adjustment will be applied in the first GCR filing following the Opinion and Order in this case.

- b. Suburban will continue to monitor its customer growth in order to adequately serve its existing customers, while addressing changes to daily and seasonal requirements
  - c. Suburban will continue to assess capacity entitlements based on customer growth and the changing capacity market for natural gas.
8. Suburban's level of unaccounted for gas for the audit period under review is reasonable and well within the requirements of the Commission rules.
  9. The Commission should adopt the conclusions and recommendations contained in the GCR Audit Report except as otherwise modified herein.
  10. Rule 4901:1-14-08(C), O.A.C., requires that the subject natural gas company publish notice of the hearing in its GCR audit proceeding at least fifteen and not more than thirty days prior to the scheduled date of the hearing by: (1) a display ad in a newspaper or newspapers of general circulation throughout its service area; (2) a bill message or bill insert included with the customer bills; or (3) a separate direct mailing to customers. Suburban has caused a bill message or bill insert included with the customer bills. The proof of publication, attached hereto, should be identified and admitted into evidence as "Suburban Exhibit 1," and should be made a part of the record of this proceeding. The Commission should find that the manner of publication described therein complies with Ohio Admin. Code Rule 4901:1-14-08(C)(2).

**B. UEX Audit**

1. Pursuant to order of the Public Utilities Commission of Ohio, the Staff conducted an audit of Suburban Uncollectible Expense Rider (UEX) rates for January 1, 2014 through December 31, 2015, and compiled its findings in a document entitled, “Audit of the Uncollectible Expense Mechanisms for the period January 2014 through December 2015.” The UEX Audit Report was filed with the Docketing Division of the Commission on July 29, 2016. The UEX Audit Report should be identified and admitted into evidence as “Commission-Ordered Exhibit 2.”
2. Suburban’s UEX Rider rates were accurately calculated and billed for the effective audit period, January 1, 2014 through December 31, 2015, except for those instances noted in the UEX Audit Report.
3. Suburban’s UEX Rider rates were properly applied to customer bills during the audit period.
4. Suburban agrees to implement the Staff’s recommendations contained in the UEX Audit Report. More specifically, Suburban agrees to:
  - a. Change its procedure in reporting payments received from their Outside Collection Agency (OCA) so that collection receipts be reported on Line 5 of the Annual Balance Reconciliation (ABR), titled “Recovery – Other.”
5. The Commission should adopt the findings and recommendations contained in the UEX Audit Report.

C. **PIP Audit**

1. Pursuant to order of the Public Utilities Commission of Ohio, the Staff conducted an audit of Suburban's Percentage of Income Payment Plan (PIPP) rates for January 1, 2014 through December 31, 2015, and compiled its findings in a document entitled, "Audit of the Percentage of Income Payment Plan for the period January 2014 through December 2015." The PIPP Audit Report was filed with the Docketing Division of the Commission on July 29, 2016. The PIPP Audit Report should be identified and admitted into evidence as "Commission-Ordered Exhibit 3."
2. Suburban properly accounted for charge-offs and recoveries for 2014 and 2015.
3. Suburban's treatment of credit balances was consistent with the Ohio Administrative Code Rules.

D. **Procedural Matters**

1. This Joint Stipulation and Recommendation should be adopted and admitted into evidence as "Joint Exhibit 1," and made a part of the record of these proceedings. Although the parties recognize that this Stipulation is not binding upon the Commission, the parties respectfully submit that this Stipulation, which has been executed by the parties to these proceedings, is supported by the record, represents a just and reasonable resolution of the

issues involved, violates no regulatory principle or precedent, and is in the public interest.

2. The agreement of the parties reflected in this Stipulation is expressly conditioned upon its acceptance without material modification by the Commission. In the event the Commission should reject or materially modify all or any portion of this Stipulation, or impose additional conditions or requirements, each party shall have the right, within thirty (30) days of the Commission's order, to either file an application for rehearing or terminate and withdraw the Stipulation by filing a notice with the Commission. Upon rehearing, either party shall have the right within fifteen (15) days of the Commission's order on rehearing to file a notice of termination or withdrawal of the stipulation. Upon notice of termination or withdrawal pursuant to the above provisions, the Stipulation shall immediately become null and void. In such an event, a hearing shall go forward and the parties shall be afforded the opportunity to present evidence through witnesses, to cross-examine all witnesses, to present rebuttal testimony, and to file briefs on all issues. The proceedings shall be decided based upon the record and briefs as if this Stipulation had never been executed.
3. The parties agree that the foregoing Stipulation is in the best interests of the parties, and urge the Commission to adopt the same.

WHEREFORE, Suburban and the Staff respectfully request that the foregoing Stipulation be adopted.

In witness whereof, the parties have manifested their consent to this Joint Stipulation and Recommendation affixing their signatures below on this 23<sup>rd</sup> day of September, 2016.

**On Behalf of the Staff of the Public  
Utilities Commission of Ohio**

**On Behalf of Suburban Natural Gas  
Company**

/s/ Werner L. Margard III

**Werner L. Margard III**  
Assistant Attorneys General  
30 E. Broad St., 16<sup>th</sup> Floor  
Columbus, OH 43215  
(614) 466-4395

/s/ Andrew J. Sonderman [per authorization]

**Andrew J. Sonderman**  
President  
Suburban Natural Gas Company  
2626 Lewis Center Road  
Lewis Center, OH 43035  
(740) 548-2450



# AFFIDAVIT

STATE OF OHIO )  
 ) ss:  
COUNTY OF FRANKLIN )

The undersigned Andrew J. Sonderman hereby states the following:

1. That he is President and Chief Operating Officer of Suburban Natural Gas Company (hereinafter, "Suburban).
2. That by procedural order in Case No. 16-216-GA-GCR issued on February 24, 2016, Suburban was ordered to provide notice of its hearing scheduled in this matter for September 27, 2016 to its customers by publication, direct mail, bill message or bill insert between 15 and 30 days prior to the scheduled hearing date.
3. By motion filed on August 4, 2016, Suburban requested a waiver of the requirement that the notice be published by bill insert between 15 days and 30 days prior the scheduled hearing date, which waiver was granted by entry dated August 25, 2016.
4. Suburban states that it employs two billing cycles for all its customers. Notice was provided to its customer by bill insert to its billing cycle 1 customers on August 22, 2016, and to its billing cycle 2 customers on September 16, 2016.
5. A Copy of the published bill insert notice is attached to this affidavit.

Andrew Johnson

Sworn and subscribed before me, a Notary Public for the State of Ohio, on this 16 day of September, 2016.



**HEATHER CHURCH**  
**NOTARY PUBLIC**  
**STATE OF OHIO**  
**RECORDED IN**  
**DELAWARE COUNTY**  
**My Commission Expires**  
**October 1, 2019**

Heather Church  
Notary Public

### LEGAL NOTICE

The Public Utilities Commission of Ohio has set for public hearing Case No. (16-216-GA-GCR) to review the gas cost recovery rates of Suburban Natural Gas 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 Tuesday, September 27, 2016 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.

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**9/23/2016 9:42:58 AM**

**in**

**Case No(s). 16-0216-GA-GCR, 16-0316-GA-UEX, 16-0416-GA-PIP**

Summary: Stipulation Joint Stipulation and Recommendation submitted by Assistant Attorney General Werner Margard on behalf of the Staff of the Public Utilities Commission of Ohio. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio