

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
NORTHEAST OHIO NATURAL GAS
CORPORATION
ORWELL NATURAL GAS COMPANY AND
RELATED MATTERS.**

**CASE No. 16-206-GA-GCR
CASE No. 16-209-GA-GCR
CASE No. 16-212-GA-GCR**

**IN THE MATTER OF THE UNCOLLECTIBLE
EXPENSE RIDERS OF:**

**NORTHEAST OHIO NATURAL GAS
CORPORATION
ORWELL NATURAL GAS COMPANY AND
RELATED MATTERS.**

**CASE No. 16-309-GA-UEX
CASE No. 16-312-GA-UEX**

**IN THE MATTER OF THE PERCENTAGE OF
INCOME PAYMENT PLAN RIDER OF
NORTHEAST OHIO NATURAL GAS
CORPORATION AND RELATED MATTERS.**

CASE No. 16-409-GA-PIP

ENTRY

Entered in the Journal on February 10, 2017

{¶ 1} Brainard Gas Corporation, Northeast Ohio Natural Gas Corporation (Northeast), and Orwell Natural Gas Company (Orwell) (collectively, the 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 require that the Commission conduct, or cause to be conducted, periodic audits of each gas or natural gas company. Ohio Adm.Code 4901:1-14-07 requires an independent auditor and/or consulting firm, selected by the Commission, to perform a management/performance audit of the gas or natural gas company's compliance with the provisions of Ohio Adm.Code Chapter 4901:1-14.

{¶ 3} In Case No. 14-206-GA-GCR, et al., the Commission approved a stipulation in which the parties agreed to a management/performance audit to be conducted by an independent auditor, with the auditor to be selected by the Commission. *In re Brainard Gas Corp., Northeast Ohio Natural Gas Corp., and Orwell Natural Gas Co.*, Case No. 14-206-GA-GCR, et al., Opinion and Order (Oct. 21, 2015) at 11-12.

{¶ 4} By Entry issued on February 24, 2016, the Commission initiated an audit to review the Companies' compliance with the gas cost recovery (GCR) mechanism. 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 audit report required under Ohio Adm.Code 4901:1-14-07. Thus, the Commission established a hearing date of January 17, 2017, along with legal notice requirements and the deadline for filing testimony. Additionally, the Commission ordered Staff to conduct audits of the uncollectible expense riders of Northeast and Orwell, as well as Northeast's percentage of payment plan rider. The audit reports are to be filed concurrently with the GCR audit reports.

{¶ 5} By Entry issued on May 11, 2016, the Commission ordered a management/performance audit to be conducted for the Companies and directed Staff to distribute a request for proposal (RFP) to potential auditing and consulting firms. On July 20, 2016, the Commission found, due to an insufficient number of proposals submitted to the Commission, that Staff should distribute the RFP to potential auditing and consulting firms, in accordance with the May 11, 2016 Entry. Consequently, the Commission adjusted the procedural schedule and rescheduled the hearing date to April 14, 2017.

{¶ 6} By Entry on August 31, 2016, the Commission selected Rehmann Corporate Investigative Services (Rehmann) to complete the audit. As described in the RFP, the audit report would cover the period of July 1, 2014, through June 30, 2016, and was to be filed with the Commission no later than February 10, 2017.

{¶ 7} On February 10, 2017, Staff filed a motion for an extension of the deadline to file the audit report. Staff asserts that additional time is necessary to complete the audit. Thus, Staff requests that the deadline be extended to February 24, 2017. With the request to extend the filing deadline, Staff also requests a continuance of the hearing. According to Staff, the Companies do not object to the requests.

{¶ 8} Pursuant to Ohio Adm.Code 4901-1-13, the attorney examiner may grant a request for an extension of time for good cause shown. Accordingly, the attorney examiner finds Staff's motion should be granted. Thus, the audit report should be filed by February 24, 2017.

{¶ 9} Additionally, in light of the extension of the due date for the management/performance audit report, the procedural schedule should be adjusted. Accordingly, a hearing shall be held on May 2, 2017, 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. Staff shall file the audit report in the docket at least 60 days before the hearing, and shall serve copies of the report upon the Companies and any intervenors. The direct testimony of any witnesses testifying on behalf of the Companies should be filed at least 16 days prior to the hearing. All direct testimony to be presented by any other party should be filed at least seven days prior to the hearing.

{¶ 10} Ohio Adm.Code 4901:1-14-08(C) specifies the requirement for notice of a hearing, which the Companies should cause to be published between 15 and 30 days prior to the date set for their 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.

LEGAL NOTICE

The Public Utilities Commission of Ohio has set for public hearing Case No. 16-206-GA-GCR, Case No. 16-209-GA-GCR, and Case No. 16-212-GA-GCR to review the gas cost recovery rates of Brainard Gas Corporation, Northeast Ohio Natural Gas Corporation, and Orwell Natural Gas Company and the operation of their purchased gas adjustment clause, and related matters. This hearing is scheduled to begin at 10:00 a.m. on May 2, 2017, 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.

{¶ 11} It is, therefore,

{¶ 12} ORDERED, That Staff's motion be granted. It is, further,

{¶ 13} ORDERED, That the audit report be filed by February 24, 2017. It is, further,

{¶ 14} ORDERED, That a public hearing be conducted on May 2, 2017, in accordance with paragraph 9. It is, further,

{¶ 15} ORDERED, That the Companies publish legal notice in accordance with paragraph 10. It is, further,

{¶ 16} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Nicholas Walstra

By: Nicholas Walstra
Attorney Examiner

sjp/vrm

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Case No(s). 16-0206-GA-GCR, 16-0209-GA-GCR, 16-0212-GA-GCR, 16-0309-GA-UEX, 16-0312-GA-U

Summary: Attorney Examiner Entry setting forth procedural schedule; electronically filed by Vesta R Miller on behalf of Nicholas Walstra, Attorney Examiner, Public Utilities Commission of Ohio