

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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| In the Matter of the Regulation of the | : | |
| Purchased Gas Adjustment Clause | : | Case No. 18-213-GA-GCR |
| Contained Within the Rate Schedules of | : | |
| Piedmont Gas Company, Inc. and | : | |
| Related Matters. | : | |
| | : | |
| | : | |
| In the Matter of the Uncollectible | : | Case No. 18-313-GA-UEX |
| Expense Rider of Piedmont Gas | : | |
| Company and Related Matters. | : | |
| | : | |

STIPULATION AND RECOMMENDATION

Pursuant to Ohio Administrative Code Rule 4901-1-30, the Piedmont Gas Company (Piedmont) and the Staff of the Public Utilities Commission of Ohio (Staff)¹ (individually “Party” and collectively “Parties”) do hereby stipulate and agree to resolve all issues in the instant proceeding.

While the Parties recognize that this Stipulation and Recommendation (Stipulation) is not binding upon the Public Utilities Commission of Ohio (Commission), the Parties state that the Stipulation is an agreement among all Parties to this proceeding; that the Stipulation is supported by adequate data and information; that it represents a just and reasonable resolution of all issue in these proceeding; that it violates no regulatory principles or precedent; and that, accordingly, the Stipulation is entitled to careful

¹ Staff will be considered a party for the purpose of entering into this Stipulation be virtue of O.A.C. 4901-1-10(C).

consideration and should be adopted in its entirety by the Commission. The Parties request that the Stipulation and Recommendation be marked and submitted as Joint Exhibit 1.

This Stipulation shall not be cited as precedent for or against any signatory Party, if it is approved by the Commission. This Stipulation is a compromise involving a balancing of competing positions, and it does not necessarily reflect the position that any Party would have taken if these issues had been fully litigated.

The Parties believe that this Stipulation represents a reasonable compromise of varying interest. Should the Commission reject or modify all or any part of this Stipulation or impose additional condition or requirements upon Parties, each Party shall have the right, within 30 days of issuance of the Commission's order, either to file an application for rehearing or terminate and withdraw the Stipulation by filing a notice with the Commission. Upon rehearing, any Party may terminate and withdraw the Stipulation by filing a notice with the Commission within 30 days of the Commission's order on rehearing.

Upon notice of termination or withdrawal by any Party, pursuant to the above provisions, the Stipulation shall immediately become null and void. In such 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 brief all issues that shall be decided based upon the record and briefs as if this Stipulation had never been executed.

Subject to the terms and conditions set forth in this Stipulation, the Parties hereto agree, stipulate and recommend that the Commission find as follows:

- A. Piedmont is a natural gas company within the meaning of Section 4905.03(A)(5), Revised Code, and, as such, is a public utility subject to the jurisdiction and supervision of the Commission.
- B. Section 4905.302, Ohio Revised Code, and Rule 4901:1-14-07, Ohio Administrative Code, require that the Commission conduct or cause to be conducted periodic audits of each natural gas company. By entry dated January 24, 2018, the Commission directed that its Staff conduct the audit of Piedmont's compliance with its gas cost recovery (GCR) mechanism from December 1, 2015 to November 30, 2017.
- C. The Staff performed the aforementioned audit of the GCR rates (GCR Audit) for the period December 1, 2015 to November 30, 2017. The Staff performed its investigation and filed its GCR Audit Report in this docket on April 27, 2018. The GCR Audit Report shall be identified as Commission Ordered Exhibit 1 and admitted into evidence in these proceedings.
- D. Piedmont agrees that all findings and recommendations to be implemented include:
 - i. That the Commission order a reconciliation adjustment of \$8,496.78 for an under-collection to correct for the differences identified in the Actual Adjustment (AA) Section of this audit to be applied in the first GCR filing following the Opinion and Order in this case.
 - ii. That the Commission order a reconciliation adjustment of (\$42,431.69) for an over-collection to correct for the differences

identified in the Balance Adjustment (BA) Section of this audit to be applied in the first GCR filing following the Opinion and Order in this case.

- iii. That the Company confirm their purchase and sales volume prior to making its monthly GCR filings with the Commission.
- iv. That the company confirm that they are using the correct GCR rate prior to billing their customers.
- v. That the Commission require Piedmont to work with Staff going forward to file Balance Adjustments as part of its GCR filings.

E. The Commission directed its Staff to conduct an audit for Piedmont's uncollectible expense rider (UEX) for the period January 1, 2016 to December 31, 2017. The Staff performed the audit of Piedmont's UEX rider (UEX Audit) for the period of January 1, 2016 to December 31, 2017. The Staff performed its investigation and filed its UEX Audit Report in this docket on April 27, 2018. The UEX Audit Report shall be identified as Commission Ordered Exhibit 2 and admitted into evidence in this proceeding.

F. Piedmont agrees that all findings and recommendation contained in the Audit Report identified in paragraph E are reasonable and Piedmont and the Staff recommend that they be adopted by the Commission. More Specifically, Staff recommendations to be implemented include:

- i. That the Commission order Piedmont to adopt Staff's recalculated annual balance reconciliations for 2016 and 2017 as shown on Attachments 1 and

2 of the UEX Audit and adjust the ending balance as of December 31, 2017, to \$3,790.01, as shown on line 9; Attachment 2.

- G. The Signatory Parties agree that the proof of publication, to be filed and submitted as Company Exhibit 1, demonstrates that proper notice of this proceeding has been published in compliance with the Commission's rules and the Commission's Entry herein dated January 24, 2018, and should be admitted into evidence.
- H. The Stipulation meets the Commission's three-prong test for approval of stipulation. The Stipulation is the product of serious bargaining among capable and knowledgeable parties. The Stipulation, considered as a package, benefits ratepayers and the public interest. The Stipulation does not violate any important regulatory principle.

Agreed to and signed this 22nd day of June, 2018.

/s/Robert Eubanks

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

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/s/Rick D. Mako

**On Behalf of the Piedmont Gas
Company, Inc.**

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Case No(s). 18-0213-GA-GCR, 18-0313-GA-UEX

Summary: Stipulation and Recommendation electronically filed by Ms. Tonnetta Scott on behalf of PUC