

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION TO  
MODIFY THE UNCOLLECTIBLE EXPENSE  
RIDER OF EASTERN NATURAL GAS  
COMPANY.

CASE NO. 18-307-GA-UEX

### FINDING AND ORDER

Entered in the Journal on October 10, 2018

#### I. SUMMARY

{¶ 1} The Commission approves the application, as amended, of Eastern Natural Gas Company to decrease its uncollectible expense rider rate, subject to Staff's recommendations.

#### II. DISCUSSION

{¶ 2} Eastern Natural Gas Company (Eastern or Company) is a natural gas company as defined in R.C. 4905.03 and a public utility as defined in R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} On January 26, 2005, the Commission authorized Eastern to begin to defer its uncollectible expenses (UEX) for future recovery. *In re Eastern Natural Gas Co.*, Case No. 04-1619-GA-UEX, et al., Finding and Order (Jan. 26, 2005). In that same proceeding, the Commission directed that the establishment of a rider to recover those deferrals would be considered in conjunction with Eastern's base rate case, *In re Eastern Natural Gas Co.*, Case No. 04-1779-GA-AIR (*Eastern Rate Case*). In the *Eastern Rate Case*, the Commission approved a stipulation and authorized an initial UEX rider rate of \$0.0880 per thousand cubic feet (Mcf). *Eastern Rate Case*, Opinion and Order (Jan. 11, 2006). Since that time, Eastern has filed periodic updates to adjust the rider.

{¶ 4} On October 28, 2015, the Commission approved Eastern's current UEX rider rate of \$0.4260 per Mcf. *In re Eastern Natural Gas Co.*, Case No. 15-307-GA-UEX, Finding and Order (Oct. 28, 2015).

{¶ 5} In Case No. 17-207-GA-GCR, et al., the Commission approved a stipulation, which provided, in part, that Eastern would file an application to adjust its UEX rider rate no later than 30 days from the date of the Commission's Opinion and Order. *In re Eastern Natural Gas Co.*, Case No. 17-207-GA-GCR, et al., Opinion and Order (July 25, 2018).

{¶ 6} On July 26, 2018, as amended on August 6, 2018, August 8, 2018, and August 28, 2018, in the above-captioned case, Eastern filed an application to decrease its UEX rider rate from \$0.4260 per Mcf to (\$0.2256) per Mcf,<sup>1</sup> as summarized below:

Current Rate	Proposed Rate	Proposed Decrease
\$0.4260 per Mcf	(\$0.2256) per Mcf	\$0.6516 per Mcf

Eastern also proposes to add the following language to its UEX tariff: "Reconciliation. The Uncollectible Expense Rider is updated annually. The Company's actual uncollectible expense for the applicable Rate Schedules, including carrying charges, shall be reconciled annually, with any over or under collection being reflected as a charge or credit in a subsequent update of the Rider Rate. The charge or credit may include Customer refunds if the Commission or Supreme Court of Ohio determines, as a result of an audit of the audit period in which the Rider Rate was in effect, that the Company's charge was unlawful or unreasonable or included imprudent amounts."

{¶ 7} On September 7, 2018, Staff filed its review and recommendations. Staff states that Eastern appropriately calculated the UEX rider and recommends that the proposed rate of (\$0.2256) per Mcf be approved. Staff also recommends that Eastern's proposed tariff language be approved. In addition, to eliminate future occurrences of large over- or under-collections, Staff recommends that Eastern follow its obligation to file

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<sup>1</sup> Amounts shown in parentheses indicate negative numbers.

annually a UEX application in May of each year if the Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over- or under-collections. If no adjustment to the rider will occur as a result of the ten percent threshold, Staff recommends that a separate filing be provided, as ordered in Case No. 03-1127-GA-UNC.

{¶ 8}. The Commission has reviewed Eastern's application, as amended, and Staff's review and recommendations, and finds that the amended application is reasonable, is in the public interest, and should be approved, in accordance with Staff's recommendations. Accordingly, the Commission finds that Eastern should be authorized to include the revised UEX rider rate and tariff language in its tariff, which contains the terms, conditions, and rates that the Company applies to the gas service that it provides to customers.

{¶ 9} In accordance with Staff's recommendation, Eastern should file an application to adjust its UEX rider in May of each year if the Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over- or under-collections. If there is no adjustment to the rider as a result of not meeting the ten percent threshold, a separate filing identifying the uncollectible amounts recovered, deferred, and, if applicable, amortized must be provided, consistent with the process adopted by the Commission for other natural gas companies in *In re The East Ohio Gas Co.*, Case No. 03-1127-GA-UNC, Finding and Order (Dec. 17, 2003) at 13-14.

### III. ORDER

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That Eastern's application, as amended, be approved in accordance with Staff's recommendations and that Eastern be authorized to decrease the rate for its UEX rider to (\$0.2256) per Mcf. It is, further,

{¶ 12} ORDERED, That Eastern is authorized to file tariffs, in final form, consistent with this Finding and Order. Eastern shall file one copy in this case docket and one copy in its TRF docket. It is, further,

{¶ 13} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

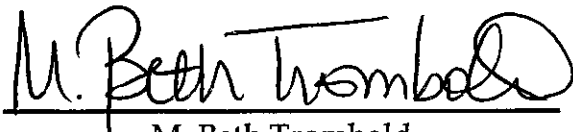
{¶ 14} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 15} ORDERED, That a copy of this Finding and Order be served upon all parties and interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



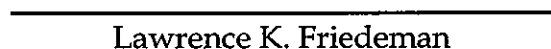
Asim Z. Haque, Chairman



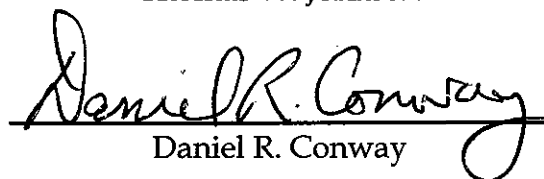
M. Beth Trombold



Thomas W. Johnson



Lawrence K. Friedeman

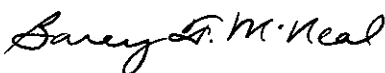


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Barcy F. McNeal  
Secretary