



**Public Utilities
Commission**

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May 28, 2020

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RE: *In the Matter of the Application of Waterville Gas & Oil Company for Approval of an Adjustment to its Uncollectible Expense Rider, Case No. 20-317-GA-UEX.*

Enclosed please find the Staff's Review and Recommendations in regard to the application filed by Waterville Gas & Oil Company to update its Uncollectible Expense Rider in Case No. 20-317-GA-UEX.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "DLipthrott", written over a horizontal line.

David Lipthrott
Chief, Accounting and Finance Division
Public Utilities Commission of Ohio

Enclosure
cc: Parties of Record

Waterville Gas & Oil Company
Case No. 20-317-GA-UEx

OVERVIEW

In Case No. 03-1127-GA-UNC, the Commission authorized the concept of an uncollectible accounts expense recovery mechanism for five natural gas companies. The mechanism approved allows for recovery of actual bad/uncollectible debt through a rider, rather than through base rates. Subsequently, Waterville Gas & Oil Company (Waterville or Company) was authorized in Case 07-194-GA-AIR to establish a rider recovery mechanism consistent with that which was approved in Case No. 03-1127-GA-UNC. On November 20, 2007, the Commission issued its Opinion and Order in that case and authorized an initial Uncollectible Expense (UEX) rider rate of \$0.03 per Mcf.

Since that time Waterville has filed annual updates to adjust its rider rate and the Commission has authorized such subsequent revisions. The recent history of the Company's rider rate is as follows:

October 2017 – June 2018	\$0.0002	per Mcf
July 2018 – August 2019	\$0.0007	per Mcf
September 2019 – Present	\$0.0021	per Mcf

On May 18, 2020, Waterville filed the pending application to revise its current UEX rider rate. Waterville is proposing in its application to increase its UEX rate from \$0.0021 per Mcf to \$0.0031 per Mcf, a rate change of \$0.0010 per Mcf. Waterville proposes this increase in the UEX rider rate based on its balance of deferred uncollectible accounts expense net of recoveries as of May 1, 2020 and forecasted sales volumes and uncollectible expenses through April 30, 2021.

STAFF REVIEW

Staff performed a review of Waterville's annual balance of actual uncollectible accounts expense net of recoveries as of January 1, 2019 through April 30, 2020 (Attachment 1), uncollectible expense rider calculation (Attachment 2), and proposed tariff language sheets (Attachment 3). Staff found that Waterville's proposed UEX rate of \$0.0031 per Mcf is based on a projected uncollectible expense of \$1,192.24 and a projected 12-month sales volume of 546,745 Mcf.

CONCLUSION

Staff completed its review of Waterville's UEX from January 1, 2019 through April 30, 2020 and believes that the Company appropriately calculated the rider rate in the pending application and recommends that the proposed rate of \$0.0031 per Mcf be approved.

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 20-0317-GA-UEX

Summary: Staff Review and Recommendation in regard to the application filed by Waterville Gas & Oil Company to update its Uncollectible Expense Rider electronically filed by Zee Molter on behalf of PUCO Staff