



Public Utilities Commission

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July 27, 2020

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

RE: *In the Matter of the Application of Ohio Gas Company for Approval of an Adjustment to its Uncollectible Expense Rider Rate, Case No. 20-0311-GA-UEX.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations regarding the application filed by Ohio Gas Company to update its Uncollectible Expense Rider, in Case No. 20-0311-GA-UEX.

Respectfully submitted,

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

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

Enclosure
cc: Parties of Record

Ohio Gas Company
Case No. 20-0311-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 that was approved allowed for recovery of actual bad/uncollectible debt through a rider, rather than through base rates. Subsequently, Ohio Gas Company (Ohio Gas) was authorized in Case 05-1439-GA-UEx to establish an uncollectible expense rider recovery mechanism, initially set at \$0.0282 per Mcf, consistent with the methodology that was approved in Case No. 03-1127-GA-UNC.

Since that time, Ohio Gas has filed annual updates to adjust its rider rate and the Commission has authorized such revisions. The recent history of Ohio Gas' uncollectible expense rider rate is as follows:

August 2016 - July 2017	\$0.0038 per Mcf
August 2017 - July 2018	(\$0.0152) per Mcf
August 2018 – July 2019	(\$0.0043) per Mcf
August 2019 – Present	\$0.0047 per Mcf

In its application, filed on May 29, 2020, Ohio Gas proposes to modify its existing uncollectible expense rider rate of \$0.0047 per Mcf to (\$0.0004) per Mcf, a decrease of \$0.0051 per Mcf. Staff has reviewed Ohio Gas' application and makes its findings and recommendations herein.

STAFF REVIEW

Staff's review of Ohio Gas' application included examination of its bad debt rider annual balance reconciliation through March 31, 2020 (Attachment 1, pages 1 and 2), its estimate of additional uncollectible accounts expense for the twelve months ending March 31, 2021 (Attachment 2), its uncollectible expense rider calculation (also on Attachment 2), and its proposed tariff sheet (Attachment 3). Ohio Gas' proposed uncollectible expense rider rate of (\$0.0004) per Mcf is based on a projected net uncollectible expense amount of (\$2,115) and a projected sales volume of 5,838,463 Mcf, for the twelve months ending March 31, 2021. Staff notes that a prudence review of this rate, if approved, will occur in a future uncollectible expense audit proceeding.

STAFF RECOMMENDATION

Staff believes that Ohio Gas appropriately calculated the proposed rider rate in its application, and recommends that the proposed rate of (\$0.0004) per Mcf be approved.

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in

Case No(s). 20-0311-GA-UEx

Summary: Staff Review and Recommendation regarding the application filed by Ohio Gas Company to update its Uncollectible Expense Rider electronically filed by Zee Molter on behalf of PUCO Staff