



**Public Utilities
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June 23, 2021

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 Rate, Case No. 21-0317-GA-UEx.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations regarding the application filed by the Waterville Gas & Oil Company to update its Gas Uncollectible Expense Rider, in Case No. 21-0317-GA-UEx.

Respectfully submitted,

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

Adam Burns
Accounting and Finance Division
Public Utilities Commission of Ohio

Enclosure
cc: Parties of Record

Waterville Gas and Oil Company
Case No. 21-0317-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 No. 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 Public Utilities Commission of Ohio (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 Waterville's rider rate is as follows:

October 2017 – June 2018	\$0.0002 per Mcf
July 2018 - August 2019	\$0.0007 per Mcf
September 2019 – July 2020	\$0.0021 per Mcf
August 2020 – Current	\$0.0031 per Mcf

In its application, filed on May 20, 2021, Waterville proposes to modify its existing UEX rider rate of \$0.0031 per Mcf to \$0.0023 per Mcf, a decrease of \$0.0054 per Mcf. Staff has reviewed Waterville's application and makes its findings and recommendations herein.

STAFF REVIEW

Staff's review of Waterville's Application included examination of its Uncollectible Accounts Expense Rider Reconciliation (Attachment 1), the Company's UEX Revised Rider Rate Calculation (Attachment 2), and the Company's Rules and Regulations Governing the Distribution and Sale of Natural Gas in the State of Ohio (Attachment 3). Staff notes that a prudence review of this rate, if approved, will occur in a future uncollectible expense audit proceeding.

STAFF RECOMMENDATION

Staff completed its review of Waterville's UEX from January 1, 2020 through April 30, 2021 and finds that the Company appropriately calculated the rider rate in the pending application and recommends that the proposed rate of \$0.0023 per Mcf be approved.

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6/23/2021 3:34:32 PM

in

Case No(s). 21-0317-GA-UEx

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