

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Regulation of the)	
Purchased Gas Adjustment Clauses)	
Contained Within the Rate Schedule of:)	
)	
Eastern Natural Gas Company)	Case No. 21-207-GA-GCR
Pike Natural Gas Company)	Case No. 21-214-GA-GCR
and Related Matters.)	
)	
In the Matter of the Uncollectible)	
Expense Riders of:)	
)	
Eastern Natural Gas Company)	Case No. 21-307-GA-UEx
Pike Natural Gas Company)	Case No. 21-314-GA-UEx
and Related Matters.)	
)	
In the Matter of the Percentage of Income)	
Payment Plan Rider of:)	
)	
Eastern Natural Gas Company)	Case No. 21-407-GA-PIP
Pike Natural Gas Company)	Case No. 21-414-GA-PIP
and Related Matters.)	

STIPULATION AND RECOMMENDATION

Ohio Administrative Code (“O.A.C”) Rule 4901-1-30 provides that any two or more parties to a proceeding before the Public Utilities Commission of Ohio (“Commission”) may enter a written stipulation covering the issues presented in that proceeding. The purpose of this Stipulation and Recommendation (“Stipulation”) is to set forth the understanding and agreement of Eastern Natural Gas Company (“Eastern”) and Pike Natural Gas Company (“Pike”) (collectively referred to as “Companies” or

individually referred to as “Company”), and the Commission Staff (“Staff”)¹ (collectively, the “Signatory Parties”), and to recommend that the Commission approve and adopt this Stipulation as part of its Opinion and Order, which will resolve all of the issues raised in the above-captioned proceedings.

This Stipulation is a product of lengthy, serious, arm’s-length bargaining among the Signatory Parties with diverse interests, who are capable, knowledgeable parties, which negotiations were undertaken by the Signatory Parties to settle this proceeding. This Stipulation was negotiated among all parties to the proceeding, and no party was excluded from negotiations. This Stipulation is supported by adequate data and information. As a package, the Stipulation benefits customers and the public interest; represents a just and reasonable resolution of all issues in this proceeding; and violates no regulatory principle or practice. While this Stipulation is not binding on the Commission, it is entitled to careful consideration by the Commission, where, as here, it is sponsored by parties representing a wide range of interests, including Staff.

For resolving all issues raised in these proceedings, the Signatory Parties stipulate, agree and recommend as follows:

¹ For the purpose of entering into this Stipulation, Staff will be considered a party pursuant to O.A.C. Code 4901-1-10(C).

I. PARTIES

This Stipulation is entered by and among the Companies, their successors and assigns, and the other Signatory Parties. The Companies are subsidiaries of Utility Pipeline Limited and have given Utility Pipeline Limited's president authority to sign on their behalf. The Signatory Parties fully support this Stipulation and urge the Commission to accept and approve it without modifications.

II. BACKGROUND

1. On January 27, 2021, the Commission issued an Entry in the above captioned cases which initiated GCR financial audits for Eastern and Pike (Case Nos. 21-207-GA-GCR and 21-214-GA-GCR), audits of Eastern's and Pike's uncollectible expense ("UEX") riders (Case Nos. 21-307-GA-UEX and 21-314-GA-UEX), and audits of Eastern's and Pike's percentage of income payment plan ("PIPP") riders (Case Nos. 21-407-GA-PIP and 21-414-GA-PIP).

2. On June 11, 2021, Staff filed the following reports: (a) the Financial Audit of the Gas Cost Recovery Mechanisms for Eastern and Pike for the Effective GCR Period of January 1, 2019 through December 31, 2020 ("GCR Report"); (b) the Audit of the Uncollectible Expense ("UEX") Mechanisms of Eastern Natural Gas Company for the period January 2019 through December 2020 ("Eastern UEX Audit") filed in Case No. 21-307-GA-UEX; (c) the Audit of the Uncollectible Expense ("UEX") Mechanisms of Pike Natural Gas Company for the period January 2019 through December 2020 ("Pike

UEX Audit”) filed in Case No. 21-314-GA-UEX; and (d) the Audit of the Percentage of Income Payment Plans (“PIPP”) of Eastern Natural Gas Company and Pike Natural Gas Company for the period January 2019 through December 2020 (PIPP Audit) filed in Case Nos. 21- 407-GA-PIP and 21-414-GA-PIP.

III. GCR FINANCIAL AUDIT

The Companies agree that all the recommendations in the GCR Report are reasonable and should be adopted. More specifically, the Companies agree to the following recommendations:

1. For Eastern, the Signatory Parties agree to Staff’s recommendation of an Actual Adjustment (“AA”) of (\$9,757) for an over-collection.
2. For the Pike – Hillsboro Division, the Signatory Parties agree to Staff’s recommendation of an actual adjustment (“AA”) of \$12 for an under-collection.
3. For the Pike – Waverly Division, the Signatory Parties agree to Staff’s recommendation of an actual adjustment (“AA”) of (\$2,565) for an over-collection.
4. The Signatory Parties agree that Eastern and Pike Staff will verify that the appropriate tariff rates are used prior to any bills being issued to customers
5. The Signatory Parties agree that Eastern’s and Pike’s unaccounted-for gas (“UFG”) rates were within acceptable levels.

IV. UNCOLLECTIBLE EXPENSE AUDITS

1. Staff found Eastern's rider rates and monthly sales volumes were calculated correctly through December 2020. The Company applied a balance adjustment as recommended in Case No. 19-307-GA-UEx; however, the UEx Staff Report did not account for the provision of the Commission's order that established the June 2019 ending balance as an overcollection of \$598,331.45, and the Company's requirement to refund this amount to customers. Therefore, subsequent to the filing of the UEx Staff Report, Staff confirmed the Company properly refunded to customers the amount ordered by the Commission.

2. Eastern agrees that its January 1, 2021 beginning UEx balance should be adjusted to the December 31, 2020 under-collected ending balance of \$34,635.96, which incorporates the June 2019 ending balance and subsequent refund ordered by the Commission, the amounts credited through the rider during July and August of 2019, and the inclusion of bad debt expense incurred by the Company from July 2019 through December 2020.

3. Eastern agrees to file an application to adjust its UEx rider rate within 30 days of the Commission's Order in this proceeding.

4. Eastern further agrees to resume recognition of bad debt expenses, and to work with Staff prior to the Company's next UEx audit to ensure the aging reports are reliable, and the UEx is being tracked accurately on a monthly basis.

5. Staff found Pike's rider rates and monthly sales volumes were calculated correctly through December 2020, and the Company correctly applied a balance adjustment as ordered in Case No. 19-314-GA-UEx.

6. Pike agrees that its January 1, 2021 beginning UEX balance should be adjusted to the December 31, 2020 over-collected ending balance of \$86,962.41, which incorporates updated bad debt information received subsequent to the filing of the UEX Staff Report.

7. Pike further agrees to file an application to adjust its UEX rider rate within 30 days of the Commission's Order in this proceeding.

V. PERCENTAGE OF INCOME PAYMENT PLAN AUDITS

1. Eastern agrees that all the recommendations in the PIPP Report are reasonable and should be adopted. Specifically, Eastern agrees that its January 1, 2021 beginning deferred PIPP balance should be adjusted to the December 31, 2020 ending balance of (\$2,470).

2. Pike agrees that all the recommendations in the PIPP Report are reasonable and should be adopted. Specifically, Pike agrees that its January 1, 2021 beginning deferred PIPP balance should be adjusted to the December 31, 2020 ending balance of (\$63,088). Additionally, Pike agrees to work with Staff to update the tariffs filed to reflect the current rate billed to customers.

VI. OTHER CONDITIONS

1. In arms-length bargaining, the Signatory Parties have negotiated terms and conditions that are embodied in this Stipulation. This Stipulation resolves a variety of difficult, complicated issues that would otherwise be resolved only through expensive, complex, and protracted litigation. This Stipulation contains the entire agreement among the Signatory Parties, and embodies a complete settlement of all claims, defenses, issues, and objections in this proceeding. Any objections or motions filed by the Signatory Parties that are inconsistent with this Stipulation shall be deemed withdrawn upon approval by the Commission of this Stipulation. The Signatory Parties agree that this Stipulation is in the best interests of the public and of all parties and urge the Commission to adopt it.

2. This Stipulation is submitted for purposes of this case and should not be understood to reflect the positions which the Signatory Parties would have taken if all the issues in the proceeding had been litigated. As with most stipulations reviewed by the Commission, the willingness of the Signatory Parties to sponsor this document jointly is predicated on the reasonableness of the Stipulation taken.

3. This Settlement is conditioned upon adoption of the Settlement by the Commission in its entirety and without material modification. Each Signatory Party has the right, in its sole discretion, to determine whether the Commission's approval of this Settlement constitutes a "material modification" thereof. If the Commission rejects or materially modifies all or any part of this Settlement, any Signatory Party shall have the

right to apply for rehearing. If the Commission does not adopt the Settlement without material modification upon rehearing, or if the Commission makes a material modification to any Order adopting the Settlement pursuant to any reversal, vacation and/or remand by the Supreme Court of Ohio, then within thirty (30) days of the Commission's Entry on Rehearing or Order on Remand any Signatory Party may withdraw from the Settlement by filing a notice with the Commission ("Notice of Withdrawal"). No Signatory Party shall file a Notice of Withdrawal without first negotiating in good faith with the other Signatory Parties to achieve an outcome that substantially satisfies the intent of the Settlement. If a new agreement achieves such an outcome, the Signatory Parties will file the new agreement for Commission review and approval. If the discussions to achieve an outcome that substantially satisfies the intent of the Settlement are unsuccessful, and a Signatory Party files a Notice of Withdrawal, then the Commission will convene an evidentiary hearing to afford that Signatory Party the opportunity to contest the Settlement. If the discussions to achieve an outcome that substantially satisfies the intent of the Settlement are successful, then some or all of the Signatory Parties shall submit the amended Settlement to the Commission for approval after a hearing if necessary.


4. This Stipulation is not to be relied upon in any other proceedings, except as necessary to enforce the terms of this Stipulation. The Signatory Parties agree that if the Commission rejects all or any part of this Stipulation, or otherwise materially modifies its terms, any adversely affected party shall have the right within thirty (30) business days of

the Commission's Order, either to file an application for rehearing or to terminate and withdraw from the Stipulation by filing a notice with the Commission. The Signatory Parties agree to, and intend to support the reasonableness of, this Stipulation before the Commission and in any appeal from the Commission's adoption or enforcement of this Stipulation. If not fully adopted by the Commission or if rejected by the Supreme Court of Ohio, the Stipulation shall not prejudice any of the positions taken by any party on any issue before the Commission in any other proceeding and shall not be admissible evidence in this or any other proceeding.

The undersigned hereby stipulate and agree and each represents that it is authorized to enter this Stipulation on the 3rd of August, 2021. This Stipulation can be signed in counterparts.

**ON THE BEHALF OF EASTERN
NATURAL GAS COMPANY AND
PIKE NATURAL GAS COMPANY**

**ON THE BEHALF OF STAFF OF THE
PUBLIC UTILITIES COMMISSION OF
OHIO**

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Summary: Stipulation and Recommendation electronically filed by Mrs. Kimberly M. Naeder
on behalf of PUCO