



Public Utilities Commission

Mike DeWine, Governor
Jenifer French, Chair

Commissioners

M. Beth Trombold
Lawrence K. Friedeman
Dennis P. Deters
Daniel R. Conway

July 7, 2022

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

RE: *In the Matter of the Application of Piedmont Gas Company for Approval of an Adjustment to its Uncollectible Expense Rider Rate, Case No. 22-0313-GA-UEX.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations regarding the application filed by Piedmont Gas Company to update its Gas Uncollectible Expense Rider, in Case No. 22-0313-GA-UEX.

Respectfully submitted,

A handwritten signature in black ink that reads 'Adam Burns'.

Adam Burns
Supervisor, Accounting and Finance Division
Public Utilities Commission of Ohio

Enclosure
cc: Parties of Record

Piedmont Gas Company
Case No. 22-0313-GA-UEx

OVERVIEW

In Case No. 03-1127-GA-UNC, the Public Utilities Commission of Ohio (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, Piedmont Gas Company (Piedmont) was authorized in Case No. 09-1862-GA-AIR, to establish an uncollectible expense rider recovery mechanism, initially set at \$0.02385 per Mcf, consistent with the methodology that was approved in Case No. 03-1127-GA-UNC.

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

January 2014 – December 2015	\$0.00122 per Mcf
January 2016 – May 2017	\$0.00 per Mcf
June 2017 – Current	\$0.01914 per Mcf

In its application, filed on February 22, 2022, Piedmont proposes to modify its existing uncollectible expense rider rate of \$0.01914 per Mcf to \$0.00 per Mcf, a decrease of \$0.01914 per Mcf. Staff reviewed Piedmont's application and makes its findings and recommendations herein.

STAFF REVIEW

Staff's review of Piedmont's application included an examination of its bad debt rider annual balance reconciliation through December 31, 2021 (Attachment 1), its estimate of additional uncollectible accounts expense for twelve months ending December 31, 2022 (Attachment 2), its uncollectible expense rider calculation (Attachment 2), and its proposed tariff sheet (Attachment 3). Piedmont's proposed uncollectible expense rider rate of \$0.00 is based on a projected net uncollectible expense amount of \$(28,478.23) and projected sales volume of 576,000 mcf for the twelve months ending December 31, 2022.

Based upon Staff's calculations, Staff projected a net uncollectible expense amount of \$(18,478.23). The difference between the Company and Staff's calculations was Staff reduced the Company's over-collected balance as of 12/31/2021 by the estimated uncollectible accounts for January 1, 2022, through December 31, 2022, instead of adding them to the over-collected balance. Staff's revised rider rate is \$(0.0321). Staff notes that a prudence review of this rate, if approved, will occur in a future uncollectible expense audit proceeding.

STAFF RECOMMENDATION

Staff recommends the Commission adopt and order Staff's revised UEX rider rate of \$(0.0321) per Mcf.

**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on**

7/7/2022 12:32:12 PM

in

Case No(s). 22-0313-GA-UEX

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