THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REGULATION OF THE PURCHASED GAS ADJUSTMENT CLAUSES CONTAINED WITHIN THE RATE SCHEDULES OF NORTHEAST OHIO NATURAL GAS CORP.	**CASE NO. 22-209-GA-GCR**
IN THE MATTER OF THE UNCOLLECTIBLE EXPENSE RIDER OF NORTHEAST OHIO NATURAL GAS CORP.	**CASE NO. 22-309-GA-UEX**
IN THE MATTER OF THE PERCENTAGE OF INCOME PAYMENT PLAN RIDER OF NORTHEAST OHIO NATURAL GAS CORP.	**CASE NO. 22-409-GA-PIP**

OPINION AND ORDER

Entered in the Journal on May 31, 2023

I. SUMMARY

{¶ 1} The Commission adopts the Stipulation and Recommendation filed March 24, 2023, resolving all issues relating to the gas cost recovery, uncollectible expense, and percentage of income payment plan rider audits of Northeast Ohio Natural Gas Corporation.

II. PROCEDURAL BACKGROUND

{¶ 2} Northeast Ohio Natural Gas Corporation (NEO or the Company) is a natural gas company and public utility as defined in R.C. 4905.03 and 4905.02, respectively. As such, the Company is subject to the jurisdiction of this Commission.

{¶ 3} As a natural gas company subject to the Commission's jurisdiction, NEO implements a purchased gas adjustment mechanism pursuant to R.C. 4905.302. This mechanism allows a natural gas company to adjust the rates that it charges to its customers in accordance with any fluctuation in the cost to the company of obtaining the gas that it sells to its customers. R.C. 4905.302(A)(1). To facilitate the implementation and audit of the purchased gas adjustment mechanism, the rules in Ohio Adm.Code Chapter 4901:1-14 direct that the jurisdictional cost of gas be separated from all other costs incurred by a natural gas company and provide for each company's recovery of the gas costs.

{¶ 4} R.C. 4905.302 further directs the Commission to establish investigative procedures and proceedings, including periodic reports, audits, and hearings; to examine the arithmetic and accounting accuracy of the gas costs reflected in a company's gas cost recovery (GCR) rates; and to review each company's production and purchasing policies vis-à-vis those rates. Pursuant to this authority, Ohio Adm.Code 4901:1-14-07 requires that the gas costs for each gas or natural gas company be audited annually unless otherwise ordered by the Commission. Further, Ohio Adm.Code 4901:1-14-08(A) requires the Commission to hold a public hearing at least 60 days after the filing of an audit report. And Ohio Adm.Code 4901:1-14-08(C) requires that the affected company publish notice of that hearing throughout its service territory at least 15, but no more than 30, days prior to its scheduled date.

{¶ 5} On February 9, 2022, the Commission initiated these proceedings to audit NEO's compliance with the GCR mechanism, as well as the Company's uncollectible expense (UEX) and percentage of income payment plan (PIPP) riders. The Entry established July 1, 2020, through June 30, 2022, as the audit period for the GCR mechanism and January 1, 2020, through December 31, 2021, for the UEX and PIPP rider audits. The Entry further directed the Company to publish required legal notices, established due dates for various filings, and set a hearing date of February 14, 2023, in conformity with Ohio Adm.Code 4901:1-14-08.

{¶ 6} By Entry dated December 9, 2022, the attorney examiner granted an unopposed motion by Staff for an extension of time in which to file the ordered audit reports and for expedited consideration of its request. The attorney examiner directed Staff to file the audit reports no later than January 17, 2023, and continued the evidentiary hearing to March 30, 2023. The Entry also directed the Company to issue public notice of the rescheduled hearing date consistent with Ohio Adm.Code 4901:1-14-08.

{¶ 7} On January 17, 2023, Staff filed the GCR, UEX, and PIPP audit reports for the Company, each in its respective docket.

{¶ 8} On March 17, 2023, NEO filed the proofs of publication of the hearing date in accordance with Ohio Adm.Code 4901:1-14-08(C).

{¶ 9} On March 24, 2023, NEO and Staff filed a Stipulation and Recommendation (Stipulation) encompassing all three of the audits ordered and performed in these combined cases.

{¶ 10} On March 30, 2023, the attorney examiner conducted the evidentiary hearing. No members of the public attended the hearing (Tr. at 6). As evidence for the Commission's consideration, Staff offered the Company's GCR audit report (Staff Ex. 1), the Stipulation (Staff Ex. 2); the UEX audit report (Staff Ex. 3), and the PIPP audit report (Staff Ex. 4). All exhibits were admitted to the record (Tr. at 17). Staff also presented the testimony of Mr. Tornain Matthews in support of the Stipulation and the various audit reports (Tr. at 7-17).

III. Discussion

A. *Summary of GCR Audit Report*

1. Introduction

{¶ 11} Headquartered in Lancaster, Ohio, NEO[1] has over 1,420 miles of natural gas distribution facilities located in 30 Ohio counties. As of June 2022, NEO served approximately 29,931 residential, 3,164 commercial, and six industrial customers on its non-contiguous systems through interconnects with two interstate and two intrastate pipelines, one local distribution company, and local production. The Company also provides transportation service to 166 customers. (Staff Ex. 1 at 4.)

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1 On January 3, 2019, the Commission approved an application filed by NEO, Brainard Gas Corp., Orwell Natural Gas Company (Orwell), and Spelman Pipeline Holdings, LLC (Spelman), to merge with NEO as the surviving company. *In re Joint Application*, Case No. 18-1484-GA-UNC, et al., Finding and Order (Jan. 3, 2019). (Staff Ex. 1 at 4.)

2. Expected Gas Cost

{¶ 12} The Expected Gas Cost (EGC) is a mechanism that attempts to match future gas revenues for the upcoming quarter with the anticipated cost to procure gas supplies. The EGC is calculated by extending 12 months of historical purchased volumes, from each supplier, by the rate that is expected to be in effect during the upcoming period. The cost for each supplier is summed and the total is divided by 12 months of historical sales to develop an EGC rate to be applied to customer bills. (Staff Ex. 1 at 5.)

{¶ 13} NEO receives its gas supplies through direct connections to interstate pipelines, including Columbia Gas Transmission Corporation (TCO) and Tennessee Gas Pipeline. The Company also receives gas from Dominion Energy Ohio, Cobra Pipeline Co., LTD (Cobra), Orwell-Trumbull Pipeline Company, and approximately 30 local producers. Staff verified that the Company purchased 9,370,073 thousand cubic feet (Mcf) during the audit period. Staff found differences between the purchased volumes and those filed by NEO for each month of the audit period, which amounted to a decrease in purchased volumes of 96,903 Mcf over the entire audit period. Staff verified sales volumes of 8,581,138 Mcf, which matched the sales volumes filed by the Company. Staff additionally reviewed the Company's meter reading and bill register summaries for the two-year audit period to ensure that sales volumes were properly calculated and totaled each month for inclusion in the Company's GCR calculation. In all, Staff had no recommendations regarding NEO's EGC. (Staff Ex. 1 at 5.)

3. Actual Adjustment

{¶ 14} The Actual Adjustment (AA) reconciles the monthly cost of purchased gas with the EGC billing rate. The AA is calculated by dividing the total cost of gas purchases for each month by the total sales for that month. The calculations are performed quarterly and result in the unit book cost of gas, which is the cost incurred by the company for procuring each Mcf it sold that month. The unit book cost for each month is compared with the EGC rate billed for that quarter, and the difference is multiplied by the respective monthly jurisdictional sales to identify the total of under- or over-recoveries of gas costs. The monthly under- or over-recoveries are summed and divided by the 12-month historic jurisdictional sales to develop the AA rate to be included in the GCR for four quarters. Errors in the AA calculation can result from several factors, such as incorrectly reported purchased gas costs, errors in the stated sales volumes, and use of the wrong EGC rate. (Staff Ex. 1 at 6.)

{¶ 15} Staff reviewed the Company's monthly purchased gas costs and volumes starting with the monthly summary sheets provided during the audit period. Staff reports that it created a calculation to resemble the Company's monthly summary sheets and then input the invoiced costs. Staff calculated the purchased gas costs using invoices from pipelines, suppliers, and local producers and accounted for the imbalance volumes/differences on Cobra, Spelman, and TCO pipelines for the purpose of calculating monthly storage costs. Following the Company's methodology, Staff adjusted the purchased volumes and costs based on whether gas was being injected or withdrawn from storage. Where gas was injected, costs were removed from purchased gas costs, and where gas was withdrawn, costs were added. (Staff Ex. 1 at 6.)

{¶ 16} Staff indicates that it found differences over the course of the audit resulting from differences in purchased volumes and costs. Staff made the necessary adjustments to reflect the differences discovered during its investigation. The differences between Staff's calculated AA and the Company's filed AA are shown on Table I in the GCR Audit Report. (Staff Ex. 1 at 6-11).

{¶ 17} Ultimately, Staff states that the errors to the AA are not self-correcting through the GCR mechanism. Thus, Staff recommends that the Commission order a reconciliation adjustment of ($431)[2] for an over-collection to be applied to the Company's

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2 Numbers in parentheses indicate negative amounts.

GCR rates in the first GCR filing following the Opinion and Order in this case. (Staff Ex. 1 at 6.)

4. Refund and Reconciliation Adjustment

{¶ 18} The Refund and Reconciliation Adjustment (RA) is used to pass through the jurisdictional portion of refunds received from gas suppliers and adjustments ordered by the Commission. Annual interest of ten percent is applied to the net jurisdictional amount of the RA, which is then divided by 12 months of historic sales volumes to develop a unit rate to be included in the GCR calculation for four quarters. (Staff Ex. 1 at 12.)

{¶ 19} Staff notes that, in NEO's last GCR audit proceeding, the Commission ordered the Company to implement an RA of $400,700 plus interest into rates. *In re the Regulation of the Purchased Gas Adjustment Clause Contained Within the Rate Schedules of Northeast Ohio Natural Gas Corporation and Related Matters*, Case No. 20-209-GA-GCR, et al., Opinion and Order (May 19, 2021). During the instant audit, Staff verified that NEO implemented rates in the Company's June 2021 GCR filing and that the Company completed the RA prior to the end of the audit period. Staff has no recommendation regarding the RA in this proceeding. (Staff Ex. 1 at 12.)

5. Balance Adjustment

{¶ 20} The Balance Adjustment (BA) mechanism corrects for under- or over-recoveries of previously calculated AAs and RAs. Staff explains that the BA is calculated by subtracting the product of the respective AA and RA rate and the sales to which those rates were applied from the dollar amounts of the respective AA and RA previously included in the GCR and used to generate those adjustment rates. And, since those adjustment rates were derived by dividing the dollar amounts by historic sales, the BA calculation depicts the differences in revenues generated for each of these adjustment mechanisms using actual versus historical sales. The sum of the differences for the AA and RA calculations is the total BA for the quarter, which is then combined with the quarterly AA adjustment and divided by 12 months of historical sales to obtain a new AA rate to be included in the GCR. Errors detected in the BA are generally the result of incorrectly reported sales volumes, but also may be due to selecting an incorrect rate from previous AA and RA calculations. (Staff Ex. 1 at 13.)

{¶ 21} Staff states that, during the audit, Staff discovered differences between NEO's and Staff's BA calculation for the periods ending May 2021, May 2022, and August 2022. As shown in Table II to the report, those differences resulted in a total BA of ($473,992) over the course of the audit period. (Staff Ex. 1 at 13-19.) Staff relates that the identified differences are not self-correcting through the GCR mechanism. Accordingly, Staff recommends that a reconciliation adjustment of ($473,992) for an over-collection be applied to NEO's GCR rate in the first GCR filing to follow this Opinion and Order. (Staff Ex. 1 at 13.)

6. UNACCOUNTED-FOR GAS

{¶ 22} Unaccounted-for gas (UFG) is the difference between purchased volumes and sales volumes. It is calculated on a 12-month basis, ending in one of the low-usage summer months to minimize the effects of unbilled volumes on the calculation. Pursuant to Ohio Adm.Code 4901:1-14-08, the Commission may adjust any gas company's future GCR rates for UFG above a reasonable level, which is presumed to be no more than five percent for an audit period. According to Staff, NEO's UFG levels are within the five-percent range permitted by the GCR rules. Accordingly, Staff has no recommendations for this area. (Staff Ex. 1 at 20.)

7. CUSTOMER BILLING

{¶ 23} Staff notes that an important component in the GCR process is the proper application of GCR rates to customer bills. To audit this aspect, Staff randomly selected invoices from each month of the period to verify GCR and base rates, along with the customer charges applied to each account. Staff reports that it did not identify any errors in customer billing. Accordingly, Staff has no recommendations regarding customer billing. (Staff Ex. 1 at 21.)

B. Summary of UEX Audit Report

{¶ 24} On February 9, 2022, the Commission initiated the financial audit of NEO's UEX rider for the calendar years 2020 and 2021. Staff began its audit by issuing data requests to the Company requesting its monthly bad debt write-offs, collections, expenses, and sales volumes reports. Staff then utilized the billing histories of customers, as provided by the Company, to mathematically re-calculate the bad debt write-offs and collections as reported in the 2020 and 2021 Annual Balance Reconciliation (ABR). Staff found that the last three months of NEO's collections had been updated from when Staff sent its original data request, but no other exceptions were found. (Staff Ex. 3.)

{¶ 25} Additionally, Staff noted that while the Company filed tariffs to adjust its UEX Rider rates, as well as to combine the NEO and Orwell rider rates into a single rate, NEO did not process these updates in its billing system until December 2021. Staff did not identify any adverse impacts to the calculated UEX balances in the Company's ABR. Staff recommends, however, that the Company strive to implement Commission-approved adjustments to its UEX Rider rate in a timelier manner. (Staff Ex. 3.)

{¶ 26} Staff states that Staff randomly selected accounts written off and obtained billing histories to verify those accounts were accurate and adhered to the Company's policies. During this process, Staff discovered entries coded as "Payment on Account" within the billing history of one of the selected accounts. These payments, which totaled $1,532.81, were later reversed. The delinquent account balance totaling $1,881.41 was ultimately written off in February 2021, with the reversed payments being included in the balance. Staff relates that the Company was unable to explain why the $1,532.81 payment was reversed. Staff asserts that, without a sufficient explanation for why the payment was reversed, $1,532.81 of the $1,881.41 written off was ineligible for inclusion in the UEX balance. Therefore, Staff recommends an adjustment to remove $1,532.81 from Orwell's February 2021 write-offs. (Staff Ex. 3.)

{¶ 27} Continuing, Staff states that it also calculated the rider revenue for the audit period by multiplying the Company's approved UEX Rider rate by Staff's verified sales volumes. Additionally, Staff updated and re-calculated the Company's carrying charges, as well as NEO's collection policies, and found no exceptions. Staff also verified that no PIPP customers were placed into NEO's UEX Rider during the audit period. (Staff Ex. 3.)

{¶ 28} Ultimately, incorporating its recommended adjustment, Staff recommends a December 2021 ending UEX balance of ($469,517) for the combined UEX balance of NEO and Orwell (Staff Ex. 3).

C. Summary of PIPP Audit Report

{¶ 29} In the same February 9, 2022 Entry that initiated the GCR and UEX audits discussed above, the Commission also initiated the financial audit of NEO's PIPP rider in effect for 2020 and 2021 (Staff Ex. 4). Initially, Staff notes that NEO did not file to update its PIPP Rider rates in 2020 or 2021. Currently, the PIPP Rider rate is $0.00 and, as of January 1, 2020, the Company had an overcollection of $181,244. (Staff Ex. 4.)

{¶ 30} Staff conducted its audit using documents assembled and provided by NEO in response to an August 15, 2022 data request seeking documentation of write-offs, customer payments, arrearage credits, and account balances.[3] From this information, Staff relied upon NEO's Gas PIPP Reports from January 2020 through December 2020, which contained monthly queries mirroring the information found in a customer's billing history. From these reports, Staff reviewed PIPP invoices, other invoices, PIPP payments (whether from customers or Home Energy Assistance Program credits), other customer credits (adjusting entries, credit memos, and write-offs), and account balances. Staff randomly selected and compared customers' billing histories and the PIPP Reports. Staff did not discover any instances where differences existed between the two. (Staff Ex. 4.)

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3 Staff did not audit rider revenue because the PIPP Rider was set at zero for the duration of the audit period.

{¶ 31} Staff compared the PIPP Reports to the information contained in Schedules 27 and 28 of the Company's Annual Reports for 2020 and 2021 (Annual Reports). Schedule 27 – PIPP Customer Accounts Receivable contains monthly summarized data for the accounts receivable balances of PIPP customers (Account 142), including PIPP invoices, other invoices, PIPP payments, and other customer credits. Schedule 28 – PIPP Customer Deferred Accounts Receivable (Account 186.XX/182.3) contains monthly summarized data for write-offs, arrearage credits, and recoveries through the PIPP Rider. Staff states that its initial review of Account 142 showed inconsistencies in which accounts were credited or charged each month. Staff worked with the Company to address these inconsistencies, and the issue did not impact Account 186, but Staff recommends that the Company have a consistent approach to these accounts going forward. (Staff Ex. 4.)

{¶ 32} In order to ensure the transfers to the deferred PIPP balance included only actual write-offs and arrearage credits, Staff reviewed the write-off summary provided by the Company and requested the general ledger support to corroborate a selection of write-offs. During this review, Staff found that the Company correctly applied the write-offs during the audit periods. (Staff Ex. 4.)

{¶ 33} Staff notes that the Commission ordered an adjustment of $3,360 associated with various adjustments agreed to by the Company in the last PIPP audit. *In re the Percentage of Income Payment Plan Rider of Northeast Ohio Natural Gas Corp.*, Case No. 20-409-GA-PIP, Opinion and Order (May 19, 2021); Stipulation (Dec. 18, 2020). In this case, Staff recommends the Company adjust Account 186 to reflect that Commission-ordered adjustment. (Staff Ex. 4.)

{¶ 34} In addition to the above, Staff reviewed NEO's arrearage forgiveness program by reviewing customer billing data from 2020 and 2021, specifically data from PIPP customers whose balances could have been credited for timely and in-full payments, to determine if the calculated arrearage credits were properly applied to account balances. Staff found no exceptions to the total arrearage credits. (Staff Ex. 4.)

{¶ 35} In conclusion, Staff found that NEO did not properly account for Commission-ordered adjustments in the deferred PIPP balance and recommends an adjustment of $2,912 in Account 186. Additionally, while the Commission ordered a $448 adjustment to Account 142, Staff learned during its investigation that NEO is unable to adjust Account 142. Therefore, Staff recommends that NEO adjust Account 186 for the additional $448. As such, Staff recommends a total adjustment of $3,360 to Account 186 to account for previously ordered adjustments. Staff further recommends that the Commission order NEO to make a filing to update the current PIPP rate from zero to one that is more reflective of the Company's current deferral balance in Account 186 and Company-projected write-offs. Staff states that, through its investigation, Staff calculated an over-collection in the amount of $122,958 for the audit period as of December 31, 2021. Staff asserts that the Company should not continue to hold this amount but, instead, should start to refund the overcollection to customers. Thus, Staff recommends that NEO file an updated PIPP Rider rate in calendar year 2023. (Staff Ex. 4.)

IV. STIPULATION OF THE PARTIES

{¶ 36} On March 24, 2023, Staff and the Company (Signatory Parties) filed a Stipulation that, if adopted, would resolve all of the issues in these proceedings. The following summary is not intended to supersede or replace the Stipulation executed by the parties:

<u>GCR Financial Audit</u>

1. Due to an error in Staff's purchased gas cost calculation used in the GCR Staff Report, Staff's calculation did not include storage volumes and costs for December 2020, January 2021, and February 2022. Staff acknowledges that error and has corrected its calculation accordingly.

2. Staff's purchased gas cost calculation also did not include an invoice in the amount of $1,551.30 for the month of December 2020. Staff has also made this correction.

3. Staff's purchased gas cost calculation also did not include two invoices for February 2022 in the amount of a credit of ($5,548.56) and ($8,459.66) Staff agrees the amounts should be included and has made this correction.

4. The corrected AA should be $5,200.

5. The Signatory Parties agree that NEO's UFG rates were within the five-percent range allowed by Commission rules.

6. The Signatory Parties agree that the Company's monthly GCR rates on file with the Commission were properly billed to customers. The Company agrees to ensure that the individual preparing the GCR calculations verifies the accuracy of the calculations by comparing them to source documents.

Uncollectible Expense Audit

1. NEO accepts Staff's findings and recommendations contained in the UEX audit report. With the adoption of Staff's recommended adjustment, NEO shall reduce its December 2021 ending UEX balance to ($469,517).

Percentage of Income Payment Plan Audit

1. NEO agrees that all recommendations in the PIPP audit report are reasonable and should be adopted. In this, NEO agrees to adjust Account 186 by $3,360 to account for previously ordered adjustments. Additionally, NEO agrees that the current deferral balance in Account 186 as of December 31, 2021, is over-collected in the amount of $122,958. The Company agrees to file an application to adjust its PIPP Rider rate to start passing back this overcollection to customers.

(Staff Ex. 2.)

V. CONCLUSION

{¶ 37} Ohio Adm.Code 4901-1-30 authorizes parties to Commission proceedings to enter into a stipulation. Although not binding upon us, the Commission may afford substantial weight to the terms of such an agreement. *Consumers' Counsel v. Pub. Util. Comm.*, 64 Ohio St.3d 123, 126, 592 N.E.2d 1370 (1992). This is especially true where the stipulation is unopposed by any party and resolves all issues presented in the proceeding in which it is offered.

{¶ 38} The standard of review for considering the reasonableness of a stipulation has been discussed in a number of prior Commission proceedings. *See, e.g.*, *In re Cincinnati Gas & Elec. Co.*, Case No. 91-410-EL-AIR, Order on Remand (Apr. 14, 1994); *In re Western Reserve Telephone Co.*, Case No. 93-230-TP-ALT, Opinion and Order (Mar. 30, 1994); *In re Ohio Edison Co.*, Case No. 91-698-EL-FOR, et al., Opinion and Order (Dec. 30, 1993); *In re Cleveland Elec. Illum. Co.*, Case No. 88-170-EL-AIR, Opinion and Order (Jan. 31, 1989); *In re Restatement of Accounts and Records*, Case No. 84-1187-EL-UNC, Opinion and Order (Nov. 26, 1985). The ultimate issue for our consideration is whether the agreement, which embodies considerable time and effort by the signatory parties, is reasonable and should be adopted. In considering the reasonableness of a stipulation, the Commission has used the following criteria:

(1) Is the settlement a product of serious bargaining among capable, knowledgeable parties?

(2) Does the settlement, as a package, benefit ratepayers and the public interest?

(3) Does the settlement package violate any important regulatory principle or practice?

The Supreme Court of Ohio has endorsed the Commission's use of these criteria to resolve cases in a manner economical to ratepayers and public utilities. *Indus. Energy Consumers of Ohio Power Co. v. Pub. Util. Comm.*, 68 Ohio St.3d 559, 561, 629 N.E.2d 423 (1994), citing *Consumers' Counsel* at 126.

{¶ 39} In his testimony, Mr. Matthews indicated that he was part of the team that conducted the Company's GCR audit, as well as the team that reviewed the Company's UEX and PIPP audits. Mr. Matthews confirmed that he has been involved in numerous GCR, UEX, and PIPP audit proceedings during his time at the Commission, with smaller local distribution companies such as NEO being subject to such audits every two years. Mr. Matthews testified that it is common for proceedings such as this to be resolved through stipulations. Mr. Matthews further testified that he believes the settlement contained in the Stipulation is the product of serious bargaining among capable and knowledgeable parties, that its terms benefit the public interest and the interests of consumers, and that the Stipulation does not violate any important regulatory principle or policy. In short, Mr. Matthews expressed Staff's support for the Stipulation. (Tr. at 8-13.)

{¶ 40} The Commission notes NEO and Mr. Matthews' extensive experience with and knowledge of the regulatory mechanisms under review in these proceedings. The Commission further acknowledges that, through the Stipulation, errors made during the audit process were rectified and previous commitments by the Company were reaffirmed. These actions benefit both the Company and its customers. Additionally, the Stipulation allows the parties to implement Staff's recommendations without the need of additional litigation. Finally, there is no indication that the Stipulation violates any regulatory principles or practices. With these observations, the Commission finds that the Stipulation satisfies all three elements of our reasonableness test.

{¶ 41} Accordingly, we conclude that the Stipulation represents a reasonable resolution to the issues presented in these combined cases and should be adopted in its entirety.

VI. FINDINGS OF FACT AND CONCLUSIONS OF LAW

{¶ 42} NEO is a natural gas company and public utility as defined in R.C. 4905.03 and 4905.02, respectively. As such, the Company is subject to the Commission's jurisdiction.

{¶ 43} Pursuant to R.C. 4905.302, Ohio Adm.Code 4901:1-14-07, and Ohio Adm.Code 4901:1-14-08, on February 9, 2022, the Commission initiated Case No. 22-209-GA-GCR to review the Company's GCR rates.

{¶ 44} By the same February 9, 2022 Entry, the Commission also initiated audits of NEO's UEX and PIPP riders.

{¶ 45} On January 17, 2023, Staff filed the GCR, UEX, and PIPP audit reports for the Company.

{¶ 46} On March 17, 2023, the Company filed its proof of publication of notices of the hearing.

{¶ 47} On March 24, 2023, NEO and Staff filed a Stipulation encompassing all issues raised in these proceedings.

{¶ 48} The public hearing commenced on March 30, 2023. No public witnesses testified.

{¶ 49} The Stipulation meets the criteria used by the Commission to evaluate stipulations, represents a just and reasonable resolution of all issues in these proceedings, and should be adopted.

{¶ 50} With the exceptions noted in the GCR audit report, as corrected through the Stipulation, the Company's GCR rates for the audit period were determined to be in compliance with financial and procedural aspects of Ohio Adm.Code Chapter 4901:1-14. Thus, and subject to the same noted exceptions, the gas costs passed through the Company's GCR rates for the audit period were fair, just, and reasonable.

{¶ 51} NEO accurately calculated its UEX rider rates during the applicable audit period.

{¶ 52} NEO accurately calculated its PIPP rider rates during the audit period, except as noted in the PIPP audit report.

VII. ORDER

{¶ 53} It is, therefore,

{¶ 54} ORDERED, That the Stipulation filed by the parties is adopted and approved. It is, further,

{¶ 55} ORDERED, That the Company take all steps necessary to carry out the terms of the Stipulation and this Opinion and Order. It is, further,

{¶ 56} ORDERED, That a copy of this Opinion and Order be served upon all parties of record.

COMMISSIONERS:
Approving:
Jenifer French, Chair
Daniel R. Conway
Lawrence K. Friedeman
Dennis P. Deters
John D. Williams

PAS/dmh

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Case No(s). 22-0209-GA-GCR, 22-0309-GA-UEX, 22-0409-GA-PIP

Summary: Opinion & Order that the Commission adopts the Stipulation and Recommendation filed March 24, 2023, resolving all issues relating to the gas cost recovery, uncollectible expense, and percentage of income payment plan rider audits of Northeast Ohio Natural Gas Corporation electronically filed by Ms. Donielle M. Hunter on behalf of Public Utilities Commission of Ohio.