

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Regulation of the)	
Purchased Gas Adjustment Clauses)	
Contained Within the Rate Schedules of:)	
)	
Eastern Natural Gas Company)	Case No. 23-207-GA-GCR
Pike Natural Gas Company)	Case No. 23-214-GA-GCR
and Related Matters.)	
)	
In the Matter of the Uncollectible)	
Expense Riders of:)	
)	
Eastern Natural Gas Company)	Case No. 23-307-GA-UEX
Pike Natural Gas Company)	Case No. 23-314-GA-UEX
and Related Matters.)	
)	
In the Matter of the Percentage of Income)	
Payment Plan Rider of:)	
)	
Eastern Natural Gas Company)	Case No. 23-407-GA-PIP
Pike Natural Gas Company)	Case No. 23-414-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 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. Rule 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 February 22, 2023, the Commission issued an Entry in the above captioned cases which initiated Gas Cost Recovery ("GCR") financial audits for Eastern and Pike (Case Nos. 23- 207-GA-GCR and 23-214-GA-GCR), audits of Eastern and Pike's uncollectible expense ("UEX") riders (Case Nos. 23-307-GA-UEX and 23-314-GA-UEX), and audits of Eastern and Pike's percentage of income payment plan ("PIPP") riders (Case Nos. 23-407-GA-PIP and 23-414-GA-PIP).

2. On June 15, 2023, 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, 2021 through December 31, 2022 ("GCR Report"); (b) the Audit of the Uncollectible Expense Mechanisms of Eastern Natural Gas Company for the period January 2021 through December 2022 ("Eastern UEX Audit") filed in Case No. 23-307-GA-UEX; (c) the Audit of the Uncollectible Expense Mechanisms of Pike Natural Gas Company for the period January 2021 through December 2022 ("Pike

UEX Audit") filed in Case No. 23-314-GA-UEX; and (d) the Audit of the Percentage of Income Payment Plans of Eastern Natural Gas Company and Pike Natural Gas Company for the period January 2021 through December 2022 ("PIPP Audit") filed in Case Nos. 23-407-GA-PIP and 23-414-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 \$576 for an under-collection. The Signatory Parties also agree to Staff's recommendation that the Commission order Eastern to implement the Reconciliation Adjustment ("RA") of (\$9,757) for an over-collection that was ordered in Case 21-207-GA-GCR in the first GCR following the Commission order in this case. Eastern will work with Staff to ensure it uses the appropriate gross receipts tax rate in its Commission approved tariff in customer billing.

2. For Pike - Hillsboro Division, the Signatory Parties agree to Staff's recommendation of an AA of \$64,605 for an under-collection and a Balance Adjustment ("BA") of \$462 for an under-collection. The Signatory Parties agree to Staff's recommendation that the Commission order the Pike – Hillsboro Division to implement an RA of \$12 for an under-collection that was ordered in Case No. 21-

214-GA-GCR following the Commission order in this case.

3. For Pike - Waverly Division, the Signatory Parties agree to Staff's recommendation of an AA of (\$76,525) for an over-collection and a BA of \$320,470 for an under-collection. The Signatory Parties agree to Staff's recommendation that the Commission order the Pike – Waverly Division, to implement the RA of (\$2,565) for an over-collection that was ordered in Case No.

21-214-GA-GCR following the Commission order in this case.

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 were calculated correctly through December 2022.
2. Eastern agrees to Staff's recommendation of the December 2022 ending UEX balance to be an under-collection of \$44,463.
3. Eastern agrees to update its bad debt policies and procedures to address issues and concerns identified during Staff's reviews. Eastern agrees to develop formal policy and procedures for writing off older bad debt accounts deemed to be ineligible for placement with the collection agency. Eastern will take steps to track write-offs associated with deceased accounts to differentiate these write-offs from the other types of write-offs. In instances where event- specific coding of journal entries is not possible, Eastern will track and keep a list of the deceased account write-offs in a separate file which can be provided to Staff during future UEX audits.
4. Eastern will take steps to ensure future UEX rider rate updates are implemented in its billing system in a timely manner.
5. Eastern agrees to file an application to adjust its UEX rider rate within 30 days of the Commission's Order in this proceeding.

6. Staff found Pike's UEX rider rates were calculated correctly in the Annual Balance Reconciliation (“ABR”) through December 2022.

7. Pike agrees to remove the bad debt adjustment entries of \$1,886 and \$346 from February 2021 and December 2022, respectively. Pike agrees to include Other Recoveries for December 2022, the payment of \$49 made by the customer to pay off their prior bad debt balance. Pike agrees to the elimination of the adjustment of \$2,773 for February 2022, which was recommended in Case No. 22-314-GA-UEX. Pike agrees to Staff’s recommendation of the December 2022 ending UEX balance to be an under-collection of \$13,134.57.

8. Pike agrees to update its bad debt policies and procedures to address the issues identified in Staff’s review. Pike will develop a formal policy and associated procedures for writing off older bad debt accounts deemed to be ineligible for placement with the collection agency. Pike will take steps to track write-offs associated with deceased accounts to differentiate those write-offs from other types of write-offs. In instances where event- specific coding of journal entries is not possible, Pike will track and keep a list of the deceased account write-offs in a separate file which can be provided to Staff during future UEX audits.

9. Pike will take steps necessary to ensure future UEX ride rate updates are implemented in its billing system in a timely manner.

10. 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 December 31, 2022 PIPP ending balance should be an over-collection of (\$6,021.81). The PIPP ending balance has accounted for errors associated with recording credits and charges to rider recoveries in account 186-100.

2. Pike agrees that all the recommendations in the PIPP Report are reasonable and should be adopted. Specifically, Pike agrees that its December 31, 2022 PIPP ending balancing should be an over-collection of (\$88,549.46). The PIPP ending balance accounted for a minor difference in customer billing.

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 11th of August 2023. This Stipulation can be signed in counterparts.

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



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**ON THE BEHALF OF STAFF OF THE
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/s/ Rhiannon D. Howard

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Date: 8/11/2023

Date: 8/11/2023

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the **Stipulation and Recommendation** has been served upon the below-named parties via electronic mail, this 11th day of August, 2023.

/s/ Rhiannon D. Howard

Rhiannon D. Howard

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GA-UEX, 23-0407-GA-PIP, 23-0414-GA-PIP**

Summary: Stipulation and Recommendation electronically filed by Mrs. Tonnetta Y.
Scott on behalf of PUCO.