



By contrast, the Company's proposed gas soft-off tariff does not reflect a similar "maximum usage" limitation for unbilled gas. Accounts can remain in soft-off status in perpetuity and charges associated with unbilled gas continue to accrue regardless of the Company's efforts to contact either tenant or landlord. While unbilled electric usage for premises in soft-off status will typically accrue at a constant rate assuming normal usage, unbilled gas usage and associated charges at premises in soft-off status can increase exponentially on a monthly basis due to adverse weather conditions. As a result, the general body of ratepayers will be required to bear a far larger amount of unrecoverable charges per account for gas accounts left in the soft-off status than for electric accounts left in soft-off status. A cap is necessary to ensure that gas customers, like their electric counterparts, do not bear unjust and unreasonable amounts of unbilled charges associated with accounts left in soft-off gas status. Unrecoverable charges for excessive usage resulting from an unrestricted soft-off policy must be borne by the Company's shareholders.

While the Division acknowledges the Company's assertion that permitting soft closures produces some savings relative to an all hard-closure policy, at some point, the alleged savings will be significantly diminished by the unrecoverable charges associated with unbilled gas usage associated with accounts left in soft-off status. The Company has not made any showing whatsoever that its proposed uncapped soft-off policy will produce savings that exceed the inevitable costs associated with perpetual soft-off status. The cap, as proposed by the Division, resolves this deficiency by ensuring that the Company's shareholders bear excessive unrecoverable gas charges associated with the accounts' soft-off status.

A cap is also of paramount importance given of the Company's ongoing difficulties in promptly and efficiently terminating overdue gas accounts. An uncapped soft-off policy, such as

that proposed by the Company, only has the tendency of exacerbating the magnitude of the Company's unrecoverable gas charges given its current collection practices.

The Division selected 33 ccfs as an appropriate volume of gas usage to constitute such a cap. The Division arrived at the 33 ccf figure by multiplying the ratio that the electric cap (250 kwhs) bears to the electric notification cap (100 kwhs) or 2.5 by 13 ccf, *i.e.*,  $2.5 \times 13$  ccf equals 32.5 ccf, rounded up to 33 ccf.