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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of Northeast
Ohio Natural Gas Corporation for Approval
of an Uncollectible Expense Rider.

Case No. 04-964-GA-UEX

PUGO

ANNUAL UNCOLLECTIBLE EXPENSE RIDER REPORT
BY NORTHEAST OHIO NATURAL GAS CORP.

Northeast Ohio Natural Gas Corporation (hereinafter, "Northeast Ohio") herewith submits its annual Uncollectible Expense Rider Report for calendar year 2006 pursuant to the Commission's finding and order of December 17, 2003 in Case No. 03-1127-GA-UNC, and the Stipulation and Recommendation ("Stipulation") adopted by the Commission in its opinion and order in this docket of November 10, 2004. In submitting this Report, Northeast Ohio states the following:


1. On November 10, 2004, in its Opinion and Order in consolidated case numbers 03-2170-GA-AIR and 04-964-GA-UEX, the Commission approved the establishment of Northeast's Uncollectible Expense Rider and established the Uncollectible Rider rate at \$0.010 per Mcf, applicable to its customers served under Rate SGS, Rate GS and Rate LGS, based on test year expenses of the twelve months ended June 30, 2003. The establishment of the Uncollectible Rider was based on a stipulation adopted by the Commission, pursuant to which Northeast would file its first annual Uncollectible Expense Rider Report in May 2005. The stipulation further provided that Northeast would apply to adjust the rider only if the proposed adjustment would increase or reduce

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the rider by ten percent or more. Northeast filed its compliance tariff consistent with the Commission's Opinion and Order on the consolidated cases on November 12, 2004.

2. On May 31, 2005 and May 31, 2006, Northeast filed its annual Uncollectible Expense Rider Reports for the preceding calendar years but requested no modification in its uncollectible rider rate.
3. Northeast's annual Uncollectible Expense Rider Report for 2006 is attached hereto as and marked Attachment 1.
4. Northeast Ohio will make application in the near future for approval of a revised Uncollectible Expense Rider rate. The rate will be calculated based on actual bad debt write-offs, rider recoveries and ending balance for 2006, together with an estimate of write-offs to be made in 2007. Northeast observes that an implied Rider rate of \$0.039 per Mcf is derived from the 2006 data, which is a greater than ten percent increase from the currently effective Rider rate. See Attachment 2. It is anticipated that its estimated write-offs for 2007 will increase the proposed Rider rate to be submitted shortly in a new UEX application

Respectfully submitted this 30th day of May, 2007,



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Counsel for Northeast Ohio Natural Gas Corp.

ATTACHMENT 1

Northeast Ohio Natural Gas Corp.
Bad Debt Rider
Annual Balance Reconciliation
2006

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
(1) Balance - Beginning of Month	\$ 10,349.42	\$ 8,498.87	\$ 6,922.15	\$ 7,877.64	\$ 6,655.60	\$ 6,004.36	\$ 5,466.43	\$ 5,105.34	\$ 16,435.54	\$ 16,054.65	\$ 41,861.99	\$ 40,829.11	
(2) Bad Debts Written Off		2,750.10			(24.21)			11,612.25		25,123.91	(230.00)	7,076.41	
(3) Recovery - Base Rates													
(4) Recovery - Bad Debt Rider	(1,907.65)	(1,823.44)	(1,839.44)	(1,266.07)	(689.59)	(548.47)	(393.12)	(347.30)	(479.32)	(482.02)	(1,053.99)	(1,389.75)	(\$12,009.56)
(5) Recovery - Other													
(6) Incremental Bad Debt	(1,907.65)	(1,823.44)	910.66	(1,266.07)	(689.59)	(572.68)	(393.12)	11,264.95	(479.32)	25,631.89	(1,283.99)	5,706.66	
(7) Balance Subtotal	8,441.77	6,875.43	7,832.81	6,611.57	5,966.01	5,431.68	5,073.31	16,370.29	15,956.22	41,686.54	40,578.60	46,535.77	
(8) Carrying Charges	57.10	46.72	44.83	44.03	36.35	34.75	32.03	65.26	98.43	175.45	250.51	285.47	
(9) Balance - End of Month	\$ 8,498.87	\$ 6,922.15	\$ 7,877.64	\$ 6,655.60	\$ 6,004.36	\$ 5,466.43	\$ 5,105.34	\$ 16,435.54	\$ 16,054.65	\$ 41,861.99	\$ 40,829.11	\$ 46,801.24	

MEMO ONLY

Net Monthly Carrying Charge Rate	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	
Billing System Volumes	190,722.3	162,251.7	183,933.2	126,460.5	68,615.0	54,593.1	39,152.6	34,524.3	47,646.8	48,975.6	105,469.2	136,739.6	1199283.6 MCF

ATTACHMENT 2

NORTHEAST OHIO NATURAL GAS CORPORATION
2006
UNCOLLECTIBLE EXPENSE RIDER RATE CALCULATION

Line No.		
1	Actual 2006 Sales	1,199,283.9 Mcf
2	Bad Debts Written Off	\$40,232.05
3	Recovery-UEX Rider	\$12,009.56
4	Rider Account Balance 12/31/06	\$46,801.24
5	Calculated Revised Rider Rate (line 4 /line 1)	\$0.039 per Mcf
6	UEX Rider Rate approved in Case No. 04-964-GA-UEX	\$0.01 per Mcf
7	Increase (line 5 – line 6)	\$0.029
8	Percent Increase	290

CASE NUMBER: 07-0563-TR-CVF
CASE DESCRIPTION: TOM PELECK (OH0158000566D)
DATE OF SERVICE: 5/30/2007
DOCUMENT SIGNED ON: 5/30/07

Sign Here: _____

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APPLICANT

PARTY OF RECORD

ATTORNEY

PELECK, TOM

NONE

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