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BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbia Gas )  
of Ohio, Inc. for Approval of an Adjustment to its )  
Uncollectible Expense Rider Rate )

Case No. 09- 372 -GA-UEX

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APPLICATION OF  
COLUMBIA GAS OF OHIO, INC.

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Columbia Gas of Ohio, Inc. ("Columbia") hereby submits its annual Uncollectible Expense Rider Report, and also requests approval to decrease its Uncollectible Expense Rider rate. In support of its Application, Columbia states as follows:

1. By Finding and Order dated December 17, 2003 (the "December 17 Order"), in Case No. 03-1127-GA-UNC, the Commission approved, in concept, an Uncollectible Expense Rider for Columbia and several other natural gas companies.

2. Pursuant to the December 17 Order, Columbia is required to file an annual report each May that identifies the amounts recovered, deferred and, as applicable, amortized pursuant to the Uncollectible Expense Rider. Attached hereto as Attachment 1 is Columbia's annual Uncollectible Expense Rider Report.

3. By Entry dated April 7, 2004, in Case No. 03-2572-GA-ATA, the Commission approved Columbia's initial Uncollectible Expense Rider rate. However, the December 17 Order further provided utilities with the opportunity to adjust their Uncollectible Expense Rider rates. Pursuant to Columbia's Uncollectible Expense Rider tariffs,<sup>1</sup> Columbia shall request "approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over or under-collections."

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<sup>1</sup> See Section IV, Ninth Revised Sheet No. 29, for customers served under rate schedules SGS, GS, SGTS and GTS. Please refer to Section VII, Eighth Revised Sheet 29, Page 9 of 11, for customers served through Columbia's CHOICE Program. Both tariff sheets include identical billing rates and adjustment provisions.

4. On May 1, 2008, Columbia filed an Application for Approval of an Adjustment to its Uncollectible Expense Rider established pursuant to the Commission's April 7, 2004, Entry. This filing proposed the establishment of a revised Uncollectible Expense Rider rate of \$.2265/Mcf which includes Gross Receipts Tax. By Entry dated June 25, 2008, in Case No. 08-564-GA-UEX, the Commission approved the application and the revised Uncollectible Expense Rider rate. This rate was reduced to \$.2157/Mcf in December 2008 as a result of the Commission's Order in Case Nos. 08-0072-GA-AIR et al., when the Gross Receipts Tax was removed from the rate.

5. Attachment 2 hereto shows that an adjustment of -.0007/Mcf in Columbia's current Uncollectible Expense Rider is required to pass back prior period over-collections. This adjustment is based on actual balance of -\$121,201 at March 31, 2009. The implementation of this adjustment in rates results in a revised Uncollectible Expense Rider of \$.2150/Mcf, a decrease of -.31%. However, Columbia has also prepared another schedule, attached hereto as Attachment 3, in which Columbia projects uncollectible expenses and recoveries for the twelve-month period ending March 31, 2010. Attachment 3 shows that absent further adjustment, Columbia will experience an over-collection of \$5,085,092 during the twelve months ending March 31, 2010. To attempt to prevent this over-collection during the next reporting period, Columbia's current Uncollectible Expense Rider would need to be decreased by approximately 14% rather than the .31%.

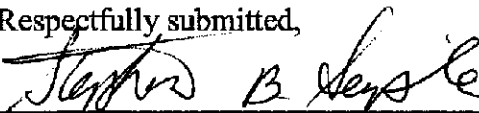
6. Columbia believes that it is reasonable to consider the prospective application of the Uncollectible Expense Rider in the development of the appropriate Uncollectible Expense Rider rate since it better matches expenses with recoveries. The computation of the Uncollectible Expense Rider rate based on the collection year: (1) properly matches recoveries with expenses; (2) is consistent with the method approved by Commission in Case No. 08-564-GA-UEX for determination of Columbia's current Uncollectible Expense Tracker rate; and, (3) in the aggregate

cannot result in over-collection of costs due to the annual true-up program requirements. For this reason, Columbia therefore proposes to decrease its Uncollectible Expense Rider rate from \$.2157/Mcf to \$.1866/Mcf. The rate is comprised of: (1) Columbia's deferred uncollectible expenses at March 31, 2009; (2) Columbia's estimated uncollectible accounts expense for the twelve-month period ending March 31, 2010; and, (3) a portion of the deferred accounts receivable balance as authorized by the Commission in Case No. 01-3278-GA-AAM. The calculation of the proposed Uncollectible Expense Rider rate is shown on Attachment 4. To arrive at the proposed Uncollectible Expense Rider rate, the three components described above were summed together.

7. The resulting Uncollectible Expense Rider rate of \$.1866/Mcf is just and reasonable and Columbia requests that the Commission expeditiously approve the proposed rate. Clean copies of the proposed tariff sheets and the scored current tariff sheets are attached hereto as Attachment 5.

**WHEREFORE**, Columbia respectfully requests that the Commission approve the proposed Uncollectible Expense Rider rate proposed herein.

Respectfully submitted,



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Attorneys for  
**COLUMBIA GAS OF OHIO, INC.**

# **ATTACHMENT 1**

Columbia Gas of Ohio, Inc.  
Uncollectible Expense Rider Report

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Balance - Beginning of Month (a)	16,437,860	12,133,388	8,012,526	4,493,574	3,889,761	6,022,681	10,657,735	17,394,213	22,771,353	27,108,826	28,340,403	22,922,977
2	Bad Debts Written Off	3,884,800	3,943,370	3,339,178	4,275,584	4,425,513	5,149,391	8,436,142	7,082,080	6,527,469	8,959,239	12,500,878	6,451,508
3	Amortization of 2001 Deferral	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847
4	Recovery - Base Rates												
5	Recovery - Bad Debt Rider	(4,675,005)	(4,874,815)	(4,635,356)	(2,985,797)	(1,300,255)	(786,177)	(763,865)	(685,700)	(709,817)	(1,031,829)	(2,828,320)	(5,658,483)
6	Recovery - Other	(3,939,828)	(3,594,204)	(2,618,809)	(2,284,524)	(1,388,186)	(1,125,549)	(1,343,328)	(1,437,000)	(1,906,339)	(7,142,483)	(15,523,764)	(6,969,292)
7	Incremental Bad Debt (2)+[(3)+(4)+(5)+(6)	(4,346,187)	(4,141,802)	(3,531,134)	(610,890)	2,123,907	4,621,512	6,712,795	5,343,228	4,285,161	1,168,775	(5,467,359)	(5,792,420)
8	Balance Subtotal (1) + (7)	12,091,873	7,991,586	4,481,392	3,882,684	6,013,668	10,644,193	17,370,529	22,737,441	27,066,513	28,277,401	22,873,044	17,130,557
9	Carrying Charges [(1)+[(7)2]x(11)	41,724	20,930	12,182	7,078	9,012	13,542	23,684	33,911	42,113	63,002	49,963	20,828
10	Balance - End of Month (8)+(9)	12,133,598	8,012,526	4,493,574	3,889,761	6,022,681	10,657,735	17,394,213	22,771,353	27,108,626	28,340,403	22,922,977	17,151,385
11	Monthly Pool Rates	0.45%	0.32%	0.30%	0.28%	0.28%	0.25%	0.26%	0.26%	0.26%	0.35%	0.30%	0.18%

Columbia Gas of Ohio, Inc.  
Uncollectible Expense Rider Report  
Calendar Year 2009 Actual

Line No.		January	Actual February	March
1	Balance - Beginning of Month	17,151,385	10,197,968	4,067,452
2	Bad Debts Written Off	4,356,555	4,079,289	4,173,121
3	Amortization of 2001 Deferral	383,847	383,847	383,847
4	Recovery - Base Rates			
5	Recovery - Bad Debt Rider	(7,570,329)	(7,190,992)	(5,573,815)
6	Recovery - Other	(4,131,487)	(3,406,369)	(3,173,473)
7	Incremental Bad Debt (2)+[(3)+(4)+(5)+(6)]	(6,961,414)	(6,134,224)	(4,190,319)
8	Balance Subtotal (1) + (7)	10,189,971	4,063,744	(122,867)
9	Carrying Charges [(1)+[(7)/2]x(11)]	7,997	3,708	1,667
10	Balance - End of Month (8)+(9)	10,197,968	4,067,452	(121,201)
11	Monthly Pool Rates	0.09%	0.08%	0.13%

**NISOURCE INC. AND SUBSIDIARIES**  
**OPERATING COMPANIES MONEY POOL RATES**  
January 2008 Through March 2009

MONTH	MONTH DAYS	AVERAGE DAILY BALANCES			MONTHLY INTEREST ACCRUALS			MONTHLY RATES *		
		S-T DEBT	INVESTMENT	COMPOSITE	S-T DEBT	INVESTMENT	COMPOSITE	S-T DEBT	INVEST	COMPOSITE
		\$	\$	\$	\$	\$	\$	%	%	%
JAN	31	919,345,161.29	36,285,829.40	955,630,990.69	4,195,388.47	146,519.95	4,341,908.42	5.37%	4.75%	5.35%
FEB	28	594,703,445.28	78,110,603.89	672,814,049.17	1,877,877.05	296,537.22	2,174,414.27	3.97%	4.78%	4.07%
MAR	31	441,470,987.74	27,086,967.47	468,557,935.21	1,329,924.23	78,445.22	1,408,369.45	3.55%	3.41%	3.54%
APR	30	605,166,666.67	35,795,476.76	640,962,143.43	1,575,420.89	91,994.30	1,667,415.19	3.17%	3.13%	3.17%
MAY	31	319,225,806.45	139,824,235.45	459,050,041.90	976,370.82	319,613.18	1,295,984.00	3.60%	2.69%	3.32%
JUN	30	430,666,666.67	88,630,467.43	519,297,134.10	1,121,338.53	191,915.83	1,313,254.36	3.17%	2.63%	3.08%
JUL	31	576,235,483.87	3,055,887.23	579,291,371.10	1,502,325.63	6,046.12	1,508,371.75	3.07%	2.33%	3.07%
AUG	31	890,387,086.77	6,946,719.31	897,333,816.08	2,333,716.25	14,215.73	2,347,931.98	3.09%	2.41%	3.08%
SEP	30	1,057,700,000.00	5,729,689.50	1,063,428,689.50	2,807,219.95	11,331.00	2,818,550.95	3.23%	2.41%	3.22%
OCT	31	1,264,235,483.87	6,971,133.99	1,271,206,617.86	4,381,924.36	13,683.45	4,395,607.81	4.08%	2.31%	4.07%
NOV	30	1,424,990,000.00	3,780,167.06	1,428,770,167.06	4,337,034.98	8,934.05	4,345,969.03	3.70%	2.88%	3.70%
DEC	31	1,303,554,838.71	14,318,252.10	1,317,873,090.81	2,133,015.40	31,143.40	2,164,158.80	1.93%	2.56%	1.93%
JAN	31	1,071,161,290.32	86,367,654.34	1,157,528,944.66	946,354.76	119,186.38	1,065,541.14	1.04%	1.62%	1.08%
FEB	28	844,417,857.14	53,256,313.32	897,674,170.46	669,630.64	53,437.25	723,067.89	1.03%	1.31%	1.05%
MAR	31	220,272,580.65	43,382,308.82	263,654,889.47	308,926.29	26,189.66	335,115.95	1.65%	0.71%	1.50%

## **ATTACHMENT 2**



Columbia Gas of Ohio, Inc.  
Uncollectible Expense Rider Report  
Based on Historic Balance @ March 31, 2009

Line No.	Description	Amount
1	Deferred Uncollectible Accounts Expense Balance As of March 31, 2009	-121,201
2	Projected Volumes Twelve Months Ending March 31, 2010	178,666,273
3	Rate Adjustment Per Mcf	-0.0007
4	Approved Rate Per Mcf Implemented May 31, 2008	0.2157
5	Percent of Change From Current Rate	-0.31%
6	Proposed Revised Rate Effective May 31, 2008	0.2150

## **ATTACHMENT 3**

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## **ATTACHMENT 4**

Attachment 4

Columbia Gas of Ohio, Inc.  
Uncollectible Expense Rider Calculation

Line No.	Description	Amount
1	Change In Balance March 2010 vs. March 2009	(5,085,092)
2	Projected Volumes TME March 31, 2010	178,666,273
3	Additional Rate Adjustment Per Mcf	(0.0285)
4	Rate Adjustment Per Attachment 2, Sheet 1	-0.00068
5	Total Proposed Adjustments (3) + (4)	(0.0291)
6	Approved Rate Per Mcf Implemented May 31, 2008	0.2157
7	Percent of Change From Current Rate (5) / (6)	-14%
8	Proposed Revised Rate Effective May 31, 2009 (5) + (6)	0.1866

## **ATTACHMENT 5**

COLUMBIA GAS OF OHIO, INC.

Eighth Revised Sheet No. 29

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION  
AND SALE OF GAS**

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**UNCOLLECTIBLE EXPENSE RIDER**

**APPLICABLE:**

To all customers served under rate schedules SGS and GS.

**UNCOLLECTIBLE EXPENSE RIDER:**

An additional charge of \$0.1866 per Mcf shall be applied to all volumes for service rendered under applicable rate schedules to recover cost associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. Columbia shall file an application with the Public Utilities Commission of Ohio requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over or under-collections.

Filed in accordance with Public Utilities Commission of Ohio Entries dated July 6, 1989 in Case No. 89-500-GA-TRF.

Issued:

Effective:

Issued By  
J. W. Partridge Jr., President

COLUMBIA GAS OF OHIO, INC.

~~Eighth~~<sup>Seventh</sup> Revised Sheet No. 29

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION  
AND SALE OF GAS**

---

**UNCOLLECTIBLE EXPENSE RIDER**

**APPLICABLE:**

To all customers served under rate schedules SGS and GS.

**UNCOLLECTIBLE EXPENSE RIDER:**

An additional charge of \$0.24571866 per Mcf shall be applied to all volumes for service rendered under applicable rate schedules to recover cost associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. Columbia shall file an application with the Public Utilities Commission of Ohio requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over or under-collections.

Filed in accordance with Public Utilities Commission of Ohio Order Entries dated December 3, 2008 July 6, 1989 in Case Nos. 08-0072-GA-AIR, 08-0073-GA-ALT, 08-0074-GA-AAM, and 08-0075-GA-AAM89-500-GA-TRF.

Issued: December 3, 2008

Effective: December 3, 2008

Issued By  
J. W. Partridge Jr., President



Columbia Gas of Ohio, Inc.

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**SECTION VII**  
**PART 29 - BILLING ADJUSTMENTS**  
**UNCOLLECTIBLE EXPENSE RIDER**

29.18 Applicability

To all customers served under rate schedules FRSGTS and FRGTS.

29.19 UNCOLLECTIBLE EXPENSE RIDER

An additional charge of \$0.1866 per Mcf shall be applied to all volumes for service rendered under applicable rate schedules to recover cost associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. Columbia shall file an application with the Public Utilities Commission of Ohio requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over or under-collections.

Filed in accordance with Public Utilities Commission of Ohio Entries dated July 6, 1989 in Case No. 89-500-AU-TRF.

Issued:

Effective:

Issued By  
J. W. Partridge Jr., President

Columbia Gas of Ohio, Inc.

SECTION VII

**PART 29 - BILLING ADJUSTMENTS**

**UNCOLLECTIBLE EXPENSE RIDER**

29.18 Applicability

To all customers served under rate schedules FRSCTS and FRGTS.

29.19 UNCOLLECTIBLE EXPENSE RIDER

An additional charge of ~~\$0.2457~~\$1.866 per Mcf shall be applied to all volumes for service rendered under applicable rate schedules to recover cost associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. Columbia shall file an application with the Public Utilities Commission of Ohio requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over or under-collections.

Filed in accordance with Public Utilities Commission of Ohio Order Entries dated ~~December 3, 2008~~July 6, 1989 in Case Nos. ~~08-0072-GA-AIR, 08-0073-GA-ALT, 08-0074-GA-AAM, and 08-0075-GA-AAM~~89-500-AU-TRF.

Issued: ~~December 3, 2008~~

Effective: ~~December 3, 2008~~

Issued By  
J. W. Partridge Jr., President