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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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IN THE MATTER OF THE APPLICATION OF)
EASTERN NATURAL GAS COMPANY FOR)
APPROVAL OF AN ADJUSTMENT TO ITS)
UNCOLLECTIBLE EXPENSE RATE RIDER)

CASE NO. 10-572-GA-UEx

APPLICATION

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Kenneth N. Rosselet, Jr.
Eastern Natural Gas Company
P.O. Box 430
Frazeyburg, Ohio 43822

Regulatory Compliance Officer for
Eastern Natural Gas Company

April 29, 2010

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

IN THE MATTER OF THE APPLICATION OF)	
EASTERN NATURAL GAS COMPANY FOR)	CASE NO. 10-572-GA-UEx
APPROVAL OF AN ADJUSTMENT TO ITS)	
UNCOLLECTIBLE EXPENSE RATE RIDER)	

APPLICATION

The Eastern Natural Gas Company ("Eastern") hereby submits its annual Uncollectible Expense Rider Report and respectfully requests approval to revise its Uncollectible Expense Rider rate. In support of its Application, Eastern states as follows:

1. On January 26, 2005, the Commission issued an Entry in Case No. 04-1619-GA-UEx, in which it approved Eastern's application to defer its uncollectible expenses for calendar year 2004 rather than immediately institute an uncollectible rider.
2. The Commission in its Entry in Case No. 04-1619-GA-UEx, ordered that an uncollectible rider would be considered in Eastern's then current base rate case, Case No. 04-1779-GA-AIR.
3. On January 11, 2006, the Commission issued its Opinion and Order in Case No. 04-1779-GA-AIR, in which it approved the Stipulation and Recommendation of the parties and authorized the current uncollectible expense rider rate of \$0.0088 per Ccf.
4. The Stipulation and Recommendation further required Eastern to submit a report of 2004 and 2005 uncollectibles written off, balances deferred, and amounts recovered within 60 days of approval of the rider along with a description of its

credit and collection policies. This report and the description of the credit and collection policies was filed with the Commission on March 10, 2006.

5. The Stipulation and Recommendation approved by the Commission, requires that subsequent reports will be filed in May of each year and will include annual data from the prior year.
6. Eastern filed a report in compliance with the Stipulation and Recommendation on April 30, 2007 (Case NO. 07-512-GA-UEx) and requested a new rider of \$0.01203 per Ccf. This rider was approved by the Commission in its Entry of June 27, 2007 and became effective July 1, 2007.
7. On April 30, 2008, Eastern filed Case No. 08-561-GA-UEx requesting a new Uncollectible Rider rate of \$0.00808 per Ccf. This rate was approved by the Commission in its Entry on July 2, 2008 and became effective August 1, 2008.
8. On April 30, 2009 filed for its current rate of \$0.00460 per Ccf (Case No. 09-367-GA-UEx) ,which was approved by the Commission's Entry on June 10, 2009 and became effective July 1, 2009.
9. Eastern now proposes a revised Rider rate of \$0.00758 per Ccf. The rate is comprised of (1) the balance of deferred uncollectible accounts expense net of recoveries as of December 31, 2009 amortized over a two-year period and (2) the actual bad debt write-offs for the year 2009. The calculation of the revised rate is shown on Attachment 1 hereto.
10. Eastern's Rider states "The Company 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." The portion of the proposed Rider increase that is attributable to the prior period under-collection exceeds +/- 10%.

11. The resulting rate of \$0.00758 per Ccf is a 64.78% increase and is just and reasonable and should be approved. Copies of the proposed and scored current tariff sheets are Attachment 2 to this Application.

WHEREFORE, Eastern respectfully requests the Commission approve the new Uncollectible Expense Rider rate proposed in this application and authorize the filing in final form of Third Revised Sheet 29 contained in Attachment 2 of the application.

Respectfully submitted,



Kenneth N. Rosselet, Jr.
Eastern Natural Gas Company
P.O. Box 430
Frazeyburg, Ohio 43822
Telephone: (740) 828-2892 Ext. 254
Regulatory Compliance Officer
Eastern Natural Gas Company

ATTACHMENT 1

**Eastern Natural Gas
Case No. 10-572-GA-UEx
Bad Debt Tracker**

Line
No.

1	Actual annual sales for Twelve Months Ended December 31, 2009	738,025	Mcf
2	Actual Bad debt deferral as of: 12/31/2009	\$ (5,520)	
3	Recovery period	<u>2</u>	Years
4	Recovery amount - Line 2 ÷ Line 3	<u>(2,760)</u>	
5	Recovery rate - Line 4 ÷ Line 1	\$ (0.0037)	per Mcf
6	Actual annual bad debt write-off	<u>58,647</u>	
7	Recovery rate - Line 6 ÷ Line 1	\$ 0.0795	per Mcf
8	Total Bad debt tracker - Line 5 + line 7	\$ 0.0758	per Mcf
9	Tracker Rate Approved Case No. 09-367-GA-UEx	\$ 0.0460	per Mcf
10	Change \$ - Line 8 - Line 9	<u>\$ 0.0298</u>	
11	Percent Change % - Line 10 ÷ Line 9	<u>64.78%</u>	

EASTERN NATURAL GAS COMPANY
PUCO CASE NO. 10-572-GA-UJEX
UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER
2009

Annual Balance Reconciliation

	January	February	March	April	May	June	July	August	September	October	November	December
(1) Balance - Beginning of Month (a)	\$ (1,163)	\$ (5,052)	\$ (9,515)	\$ (4,533)	\$ 2,976	\$ 18,887	\$ 26,389	\$ 23,505	\$ 24,053	\$ 19,386	\$ 12,591	\$ 5,129
(2) Bad Debts Written Off	7,386	7,447	13,812	13,257	18,668	9,009	(2,206)	1,164	(4,038)	(5,359)	(4,876)	4,582
(3) Recovery - Base Rates	0	0	0	0	0	0	0	0	0	0	0	0
(4) Recovery - Bad Debt Rider (b)	11,275	11,911	8,630	5,749	2,756	1,508	678	615	629	1,436	2,587	4,191
(5) Recovery - Other (c)												
(6) Incremental Bad Debt (2)-[(3)+(4)+(5)]	(3,889)	(4,463)	4,983	7,509	15,912	7,501	(2,884)	548	(4,667)	(6,796)	(7,462)	391
(7) Balance Subtotal (1)+(6)	(5,052)	(9,515)	(4,533)	2,976	18,887	26,389	23,505	24,053	19,386	12,591	5,129	5,520
(8) Carrying Charges {[(1)+(7)]/2}x(d)	0	0	0	0	0	0	0	0	0	0	0	0
(9) Balance - End of Month (7)+(8)	\$ (5,052)	\$ (9,515)	\$ (4,533)	\$ 2,976	\$ 18,887	\$ 26,389	\$ 23,505	\$ 24,053	\$ 19,386	\$ 12,591	\$ 5,129	\$ 5,520

- (a) Excludes any deferred balance related to disconnection moratorium until amortized
(b) Calculated: Actual consumption per month times authorized rider rate of rate **\$0.0808** per Ccf effective August 1, 2008 (Case No. 08-561-GA-UJEX) and authorized rider rate of **\$0.00460** per Ccf effective July 1, 2009 (Case No. 09-387-GA-UJEX.)
(c) Consists of customer payments, agency assistance, supplier discounts
(d) Enter net monthly carrying charge rate 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%

Notes:
Carrying charge rate should be net of tax rate in calculation of recoverable balance
Disconnection Moratorium balances not eligible for carrying charges

ATTACHMENT 2

6. Uncollectible Expense Rider

Applicability. Applicable to all volumes served under the General Service Residential Rate (GSR) and General Service Commercial Rate (GSC). An additional charge shall be applied to all volumes for service rendered to recover costs associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. The Company 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. The current Uncollectible Expense Rider rate is \$0.00758 per Ccf.

Issued: _____

Effective: _____

Filed Under Authority of Case No. 10-572-GA-UEX
Issued by the Public Utilities Commission of Ohio

Issued by Brian R. Jonard, President

Eastern Natural Gas Company

Fourth Revised Sheet No. 29

Deleted: Third

Replaces

P.U.C.O. No. 2

Third Revised Sheet No. 29

Deleted: Second

6. Uncollectible Expense Rider

Applicability. Applicable to all volumes served under the General Service Residential Rate (GSR) and General Service Commercial Rate (GSC). An additional charge shall be applied to all volumes for service rendered to recover costs associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. The Company 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. The current Uncollectible Expense Rider rate is \$0.00758 per Ccf.

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Issued: _____

Effective: _____

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