

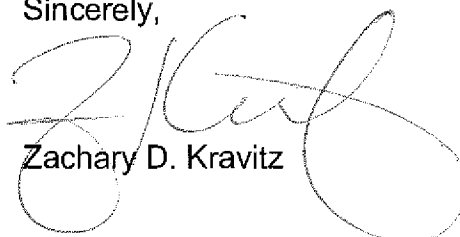
Ms. Betty McCauley
Chief of Docketing
PUCO
180 E. Broad Street
Columbus, OH 43215

Dear Ms. McCauley,

Please find enclosed Orwell Natural Gas Company's Annual Uncollectible Expense Rider Report ("Report"). On November 15, 2013 the Report was filed in a new docket for PUCO Case No. 13-2224-GA-UEX. Pursuant to PUCO Staff instructions, the Report should be filed in the existing docket for Case No. 13-0312-GA-UEX.

Please file the Report in Case No. 13-0312-GA-UEX and close the docket for PUCO Case No. 13-2224-GA-UEX.

Sincerely,

A handwritten signature in black ink, appearing to read 'Z. Kravitz', written over the printed name.

Zachary D. Kravitz

Enclosure

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Uncollectible Expense Rider of Orwell Natural Gas Company)))	Case No. 13-0312-GA-UEX
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ANNUAL UNCOLLECTIBLE EXPENSE RIDER REPORT

Orwell Natural Gas Company (hereinafter, "Orwell") submits herewith its Annual Report for May 1, 2012 through April 30, 2013, plus the information required in Paragraph 12 of the Commission's Finding and Order Dated August 19, 2009 in Case No. 08-1229-GA-COI, *In the Matter of Five-Year Review of Natural Gas Company Uncollectible Riders* for calendar year 2012. In case No. 12-312-GA-UEX, the Commission approved Orwell's current UEX Rider rate of \$0.06737 per Mcf. The report is as follows:

1. Attached hereto and marked Attachment 1, is Orwell's Annual Uncollectible Expense Report for calendar year 2012, Page 1 of 3 of Attachment 1 shows actual uncollectible balances for January through December 2012. Orwell reports an Uncollectible Account balance of (\$41,880.39) on January 1, 2012. The ending balance is (\$23,074.97) as of December 31, 2012.

2. Attachment 1, page 2 of 3, shows actual balances for January 1, 2013 through September 30, 2013 and additionally shows estimated balances by month through December 31, 2013, estimated bad debt expense by month, and the estimated monthly sales volume, as applicable. On December 31, 2013, the estimated Uncollectible account balance is expected to be (\$51,081.81) if the UEX Rider rate is unchanged.

3. Attachment 1, page 3 of 3, shows estimated balances for January, 2014 through June 30, 2014 assuming no modification in Uncollectible Expense Rider. The estimated balance assuming no change to the Uncollectible Expense Rider is (\$73,929.90) as of June 30, 2014.

4. Orwell believes it is appropriate and 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 Commission has found this procedure to be reasonable in applications for an adjustment in the Uncollectible Expense Rider rates of Columbia Gas of Ohio, Inc. in Case No. 10-578-GA-UEX, and Duke Energy Ohio in Case No. 10-726-GA-UEX.

5. Attachment 2 details the calculation showing the potential change in Orwell's Uncollectible Expense Rider Rate based on its Actual Bad Debt Deferral as of June 30, 2013, Actual Volume from July of 2012 through June of 2013 and the \$0.06737 recovery rate, estimated bad debt write-offs, UEX Rider recoveries and sales volumes through June 2014. The revised Rider rate proposed to be effective on and after January 1, 2014 is calculated to be a credit to customers of \$0.00834 per Mcf, which is a decrease of \$0.05903 per Mcf from the currently effective rate of \$0.06737 per Mcf. Orwell's tariff provides, pursuant to the Commissions guidelines adopted in Case No. 03-1127-GA-UNC, that an annual adjustment in an Uncollectible Expense Rider rate is appropriate when the over- or under-collection balance would exceed plus/minus ten percent absent adjustment, which is the case in this instance.

6. Such a change is based on actual experience for the twelve (12) months ended September 2013 as adjusted for estimated uncollectible accruals and projected sales volumes through June 2014 and should be approved no later than January 1,

2014, subject to adjustment when Orwell files its next Annual Report of Uncollectible Expense Rider Balance as of the twelve months ending June, 2014.

7. For this reason, Orwell Natural Gas Company submits that the proposed decrease from its currently effective Uncollectible Expense Rider rate of \$0.06737 per Mcf to a credit in the amount of \$0.00834 per Mcf is appropriate.

8. Attachment 3 page 1 of 2 shows an ending balance of \$37,355.32 overcollected from customers on December 31, 2013 if the Rider rate is changed to the proposed \$.00834 on November 1, 2013.

9. Attachment 3 page 2 of 2 shows an ending balance of \$22,464.02 overcollected from customers on June 30, 2014 if the Rider rate is changed to the proposed \$.00834 on November 1, 2013.

10. Attachment 4 also includes redlined and clean proposed revisions to Orwell's tariff reflecting the decreased Uncollectible Expense Rider Rate proposed herein.

Respectfully submitted this 19th day of November, 2013



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2013 Annual Balance Reconciliation

[illegible]

**ORWELL NATURAL GAS COMPANY
UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER**

2014 Annual Balance Reconciliation

Estimates	EST											
	January	February	March	April	May	June	July	August	September	October	November	December
(1) Balance - Beginning of Month	(47,774.24)	(58,226.09)	(69,330.49)	(70,712.80)	(71,823.30)	(72,638.40)	(70,637.68)	(70,809.55)	(70,981.82)	(71,154.52)	(71,327.64)	(71,501.18)
(2) Bad Debts Written Off	2,760.97	2,991.05	3,298.11	3,572.95	3,870.70	4,119.79						
(3) Recovery - Base Rates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(4) Recovery - Bad Debt Rider (a)	13,084.02	13,940.46	4,510.27	4,510.27	4,510.27	1,944.99	0.00	0.00	0.00	0.00	0.00	0.00
(5) Recovery - Other (b)	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
(6) Incremental Bad Debt (2)-[(3)-(4)]	(10,323.05)	(10,939.42)	(1,121.16)	(937.32)	(639.57)	2,174.80	0.00	0.00	0.00	0.00	0.00	0.00
(7) Balance Subtotal (1)+(6)	(58,097.30)	(69,175.50)	(70,542.65)	(71,650.12)	(72,462.87)	(70,463.60)	(70,637.68)	(70,809.55)	(70,981.82)	(71,154.52)	(71,327.64)	(71,501.18)
(8) Carrying Charges [(1)+(7)]/2 x (d)	(128.79)	(154.98)	(170.16)	(173.18)	(175.52)	(174.08)	(171.86)	(172.28)	(172.70)	(173.12)	(173.54)	(173.96)
(9) Balance - End of Month (7)+(8)	(58,226.09)	(69,330.49)	(70,712.80)	(71,823.30)	(72,638.40)	(70,637.68)	(70,809.55)	(70,981.82)	(71,154.52)	(71,327.64)	(71,501.18)	(71,675.15)
(a) Calculated: actual consumption times authorized rider rate												
(b) Consists of customer payments, net-collection agency revenue, and other collections												
(c) Net monthly carrying charge rate (e)	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%
(d) Annual CC rate (Staff calc)	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%
Utilized Prior Year + 3% for Jan & Feb. Utilized zero uptick for March based on Prior Year Anomaly in Heat Index - Prior Yr only for Apr-Jan												
Sales Volumes	194,219	206,932	66,950	66,950	51,915	28,871						
Less DEOGR	(2)	(2)	(8)	(6)								
Volumes with a Rider	194,216	206,929	66,942	66,944	51,915	28,871	0	0	0	0	0	0
Rider Rate of Recovery	\$0.06737	\$0.06737	\$0.06737	\$0.06737	\$0.06737	\$0.06737						

Rolling prior 12/12

\$20,613.56

\$271,780.00

616,837.16

**Orwell Natural Gas Company
July 2013 - June 2014
UEX Rider Calculation**

1	Balance of Deferred UEX balance as of June 2013				(\$33,411)
2	Actual UEX write-offs for 3 months ending September 2013	(July, Aug & Sep)	\$1,922		
	Estimated UEX write-offs for 3 months ending December 2013	(Oct, Nov, Dec)	\$6,214		
	Estimated UEX write-offs for 6 months ending June 2014	(Jan - Jun)	\$20,614		
3	Estimated Recoveries Other for the 12 months ending April 2013		\$0		
4	Net Amount Line 2 minuse Line 3				<u>\$28,750</u>
5	Amount to be collected through UEX rider				(\$4,661)
6	Applicable Sales Volumes				\$941,883
7	Proposed UEX Rider Rate				(\$0.0049) Per Mcf
8	Current UEX Rider Rate				\$0.0874 Per Mcf
9	Change From Current to Proposed Rider Rate				(\$0.0723) Per Mcf

**ORWELL NATURAL GAS COMPANY
UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER**

Key in Actual Figures		2013												EST	
		January	February	March	April	May	June	July	August	September	October	November	December		
(1)	Balance - Beginning of Month	(23,074.97)	(33,207.98)	(44,025.25)	(51,955.38)	(56,597.54)	(59,354.21)	(36,608.89)	(37,952.37)	(37,647.90)	(38,618.61)	(38,286.67)	(36,908.65)		
(2)	Bad Debts Written Off	0.00	0.00	0.00	0.00	881.59	24,806.91	0.00	1,620.89	301.60	3,175.33	2,345.26	693.72		
(3)	Recovery - Base Rates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
(4)	Recovery - Bad Debt Rider (a)	10,064.63	10,723.43	7,813.51	4,510.27	3,497.37	1,944.99	1,252.89	1,224.56	1,179.64	2,749.95	875.87	1,050.17		
(5)	Recovery - Other (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
(6)	Incremental Bad Debt (2)-[(3)-(4)+(5)]	(10,064.63)	(10,723.43)	(7,813.51)	(4,510.27)	(2,615.78)	22,861.92	(1,252.89)	396.33	(878.04)	425.38	1,469.39	(356.44)		
(7)	Balance Subtotal (1)+(6)	(33,139.59)	(43,931.41)	(51,838.76)	(56,465.65)	(59,213.33)	(36,492.30)	(37,861.78)	(37,556.04)	(38,525.94)	(38,193.23)	(36,817.28)	(37,265.09)		
(8)	Carrying Charges [(1)+(7)/(2)]x(d)	(68.39)	(93.84)	(116.62)	(131.89)	(140.88)	(116.60)	(90.59)	(91.86)	(92.67)	(93.44)	(91.36)	(90.23)		
(9)	Balance - End of Month (7)+(8)	(33,207.98)	(44,025.25)	(51,955.38)	(56,597.54)	(59,354.21)	(36,608.89)	(37,952.37)	(37,647.90)	(38,618.61)	(38,286.67)	(36,908.65)	(37,353.32)		
(a)	Calculated: actual consumption times authorized rider rate														
(b)	Consists of customer payments, net-collection agency revenue, and other collections														
(c)	Net monthly carrying charge rate (e)	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%		
(d)	Annual CC rate (Staff calc)	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%		
	Sales Volumes	149,399	159,178	115,983	66,950	51,915	28,871	18,598	18,177	17,511	40,820	105,021	125,919		
	Less DEOGR	(2)	(2)	(8)	(6)										
	Volumes with a Rider	149,397	159,176	115,975	66,944	51,915	28,871	18,598	18,177	17,511	40,820	105,021	125,919		
	Rider Rate of Recovery	\$0.06737	\$0.06737	\$0.06737	\$0.06737	\$0.06737	\$0.06737	\$0.06737	\$0.06737	\$0.06737	\$0.06737	\$0.06737	\$0.06737	\$0.06737	\$0.06737

Oct - Dec 3% uptick

**ORWELL NATURAL GAS COMPANY
UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER**

2014 Annual Balance Reconciliation

Estimates	EST											
	January	February	March	April	May	June	July	August	September	October	November	December
(1) Balance - Beginning of Month	(37,355.32)	(36,303.64)	(35,125.19)	(32,467.57)	(29,528.31)	(26,283.79)	(22,464.02)	(22,518.67)	(22,573.46)	(22,628.38)	(22,683.44)	(22,738.63)
(2) Bad Debts Written Off	2,760.97	2,991.05	3,298.11	3,572.95	3,870.70	4,119.79						
(3) Recovery - Base Rates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(4) Recovery - Bad Debt Rider (a)	1,619.78	1,725.81	558.37	558.37	558.37	240.79	0.00	0.00	0.00	0.00	0.00	0.00
(5) Recovery - Other (b)	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
(6) Incremental Bad Debt (2)-(3)-(4)	1,141.18	1,265.24	2,739.74	3,014.59	3,312.33	3,879.00	0.00	0.00	0.00	0.00	0.00	0.00
(7) Balance Subtotal (1)+(6)	(36,214.14)	(35,038.40)	(32,385.44)	(29,452.98)	(26,215.98)	(22,404.79)	(22,464.02)	(22,518.67)	(22,573.46)	(22,628.38)	(22,683.44)	(22,738.63)
(8) Carrying Charges $[(1)+(7)]/2 \times (d)$	(89.50)	(86.79)	(82.13)	(75.33)	(67.81)	(59.23)	(54.65)	(54.79)	(54.92)	(55.05)	(55.19)	(55.32)
(9) Balance - End of Month (7)+(8)	(36,303.64)	(35,125.19)	(32,467.57)	(29,528.31)	(26,283.79)	(22,464.02)	(22,518.67)	(22,573.46)	(22,628.38)	(22,683.44)	(22,738.63)	(22,793.95)
(a) Calculated: actual consumption times authorized rider rate												
(b) Consists of customer payments, net-collection agency revenue, and other collections												
(c) Net monthly carrying charge rate (e)	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%
(d) Annual CC rate (Staff calc)	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%
Unfired Prior Year + 3% for Jan & Feb. Utilized zero uptick for March based on Prior Year Anomaly in Heat Index. Prior Yr only for Apr-Jan												
Sales Volumes	194,219	206,932	66,950	66,950	51,915	28,871						
Less DEUCOR	(2)	(2)	(8)	(6)								
Volumes with a Rider	194,216	206,929	66,942	66,944	51,915	28,871	0	0	0	0	0	0
Rider Rate of Recovery	\$0.00834	\$0.00834	\$0.00834	\$0.00834	\$0.00834	\$0.00834						

Rolling prior 12/12

\$20,613.56

\$271,760.00

615,837.16

Orwell Natural Gas Company
Orwell, Ohio

Section 5
Third Revised Sheet
No. 2

P.U.C.O. No. 1

accordance with Chapter 4901:1-14 of the Ohio Administrative Code which is incorporated herein by this reference, and shall be subject to Subparagraphs (ii) through (v), below.

- (ii) Gross Receipts Tax Rider. The Company will charge and collect each billing period the effect of the gross receipts taxes assessed against the Company under all applicable rates and charges. However, this Gross Receipts Tax Rider will not be applied to bills of customers statutorily exempt from the payment of gross receipts taxes. The current gross receipt tax rate is 4.75 percent, thus the current gross receipts tax charged will be at the effective rate of 4.98725 percent.
- (iii) Mcf Tax Rider. In addition to the above rates, the Company will charge and collect each billing period the effect of its excise tax liability. For each Mcf delivered, the Mcf tax will be \$.0411.
- (iv). Uncollectible Accounts Rider. In addition to and independent of the adjustments provided for in Subsections A and B above, the rates will be adjusted by an additional charge of \$0.06737 per Mcf by the Company to recover costs associated with uncollectible accounts for customers served pursuant to this schedule. No more frequently than annually, the Company may file an application with the Public Utilities Commission of Ohio requesting approval to adjust this charge if the Company determines that in the preceding year uncollectible account expense was over or under-recovered by plus or ten percent.

(C). Miscellaneous Charges

- (i) Late Payment Charge. Payment of the total amount due must be received by Company or an authorized agent by the due date shown on the Bill which shall be fourteen (14) days from the date rendered. If a bill payment is not received within fourteen days of the date of the invoice, an additional amount of one and one half percent (1.5%) of the unpaid balance on the Customer's bill will be added to the Customer's subsequent bill and be due and payable as part of Customer's total obligation. This provision is not applicable to unpaid account balances of any customer enrolled in a payment plan pursuant to Rule 4901:1-18-04, Ohio Administrative Code.

Filed under Authority of the Public Utilities Commission of Ohio in Case No. 12-312-GA-UEx

ISSUED: August 3, 2012

EFFECTIVE: for bills rendered on or after August 6, 2012

Issued By
Orwell Natural Gas Company
Thomas J. Smith, President

Orwell Natural Gas Company
Orwell, Ohio

Section 5
Fourth Revised Sheet
No. 2

P.U.C.O. No. 1

accordance with Chapter 4901:1-14 of the Ohio Administrative Code which is incorporated herein by this reference, and shall be subject to Subparagraphs (ii) through (v), below.

- (ii) Gross Receipts Tax Rider. The Company will charge and collect each billing period the effect of the gross receipts taxes assessed against the Company under all applicable rates and charges. However, this Gross Receipts Tax Rider will not be applied to bills of customers statutorily exempt from the payment of gross receipts taxes. The current gross receipt tax rate is 4.75 percent, thus the current gross receipts tax charged will be at the effective rate of 4.98725 percent.
 - (iii) Mcf Tax Rider. In addition to the above rates, the Company will charge and collect each billing period the effect of its excise tax liability. For each Mcf delivered, the Mcf tax will be \$.0411.
 - (iv). Uncollectible Accounts Rider. In addition to and independent of the adjustments provided for in Subsections A and B above, the rates will be adjusted by a credit to customers of \$.00834 per Mcf by the Company to recover costs associated with uncollectible accounts for customers served pursuant to this schedule. No more frequently than annually, the Company may file an application with the Public Utilities Commission of Ohio requesting approval to adjust this charge if the Company determines that in the preceding year uncollectible account expense was over or under-recovered by plus or ten percent.
- (C). Miscellaneous Charges
- (i) Late Payment Charge. Payment of the total amount due must be received by Company or an authorized agent by the due date shown on the Bill which shall be fourteen (14) days from the date rendered. If a bill payment is not received within fourteen days of the date of the invoice, an additional amount of one and one half percent (1.5%) of the unpaid balance on the Customer's bill will be added to the Customer's subsequent bill and be due and payable as part of Customer's total obligation. This provision is not applicable to unpaid account balances of any customer enrolled in a payment plan pursuant to Rule 4901:1-18-04, Ohio Administrative Code.

Filed under Authority of the Public Utilities Commission of Ohio in Case No. **13-0312-GA-UEx**

ISSUED: **November**, 2013

EFFECTIVE: for bills rendered on or after , 2013

Issued By
Orwell Natural Gas Company
Gregory Osborne, President

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 13-0312-GA-UEx

Summary: Annual Report for Uncollectible Expense Rider electronically filed by Mark Yurick
on behalf of Orwell Natural Gas Company