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BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of )  
Columbia Gas of Ohio, Inc. for ) Case No. 14-321-GA-UEx  
Approval of an Adjustment to its )  
Uncollectible Expense Rider Rate )

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COMMENTS  
OF THE STAFF OF  
THE PUBLIC UTILITIES COMMISSION OF OHIO

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**Public Utilities  
Commission**

John R. Kasich, Governor  
Thomas W. Johnson, Chairman

**Commissioners**

Steven D. Lesser  
Asim Z. Haque  
Lynn Slaby  
M. Beth Trombold

May 15, 2014

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, OH 43215

RE: *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. 14-321-GA-UEX.*

Enclosed please find the Staff's Comments regarding Columbia's application to implement an uncollectible expense rider in Case No. 14-321-GA-UEX.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Wm. Ross Willis'.

Wm. Ross Willis  
Chief, Rates Division  
Public Utilities Commission of Ohio

Enclosure  
Cc: Parties of Record

Application of Columbia Gas of Ohio, Inc.  
Case No. 14-321-GA-UEx

Background

In Case No. 03-1127-GA-UNC, the Commission authorized the concept of an uncollectible accounts expense recovery mechanism for five gas companies, including Columbia Gas of Ohio, Inc. (Columbia). The mechanism approved allows for recovery of actual bad/uncollectible debt through a rider, rather than through base rates. Columbia first implemented its uncollectible expense rider in April of 2004.

Since that time Columbia has filed annual updates to adjust its rider rate and the Commission has authorized such subsequent revisions. The history of Columbia's rider rate is as follows:

November 2004-June 2005	\$0.2076 per MCF
July 2005-June 2006	\$0.1338 per MCF
July 2006-May 2007	\$0.2166 per MCF
June 2007-June 2008	\$0.1631 per MCF
July 2008-July 2009	\$0.2265 per MCF
August 2009-May 2010	\$0.1866 per MCF
June 2010-June 2011	\$0.1512 per MCF
July 2011-May 2012	\$(0.0064) per MCF
June 2012-May 2013	\$0.0781 per MCF
June 2013 - Current	\$(0.0176) per MCF

On April 14, 2014 Columbia filed the pending application to revise its current uncollectible expense rider rate. Staff has reviewed the application and makes its findings and recommendations in this staff report.

Application

Columbia's application filed on April 14, 2014 would increase the existing rider rate of \$(0.0173) per Mcf to \$0.1457 per Mcf, an increase of \$0.1633 cents. The proposed rate is based upon Columbia projected deferred uncollectible expenses as of May 31, 2014 and Columbia's estimated uncollectible accounts expense for the twelve-month period ending May 31, 2015.

Attachment 1 provides Columbia's annual balance reconciliation for calendar year 2013 and actual data for the first three months of 2014.

Attachment 2 shows that an adjustment of \$0.0470 per Mcf is required to recover prior period under-collections of \$8,321,074 at May 31, 2014.

Attachment 3 of the application shows Columbia's projections of uncollectible expenses and recoveries for the twelve month period ending May 31, 2015. This attachment indicates Columbia will anticipate additional bad debt of \$17,467,967 for the next twelve months.

Attachment 4 details the calculation of the proposed UEX Rider rate based on Columbia's deferred uncollectible expenses as of May 31, 2014, and their estimated uncollectible accounts expense for the twelve month period ending May 31, 2015. The implementation of this adjustment would result in a new UEX Rider rate of \$0.1457 per Mcf.

Attachment 5 provides copies of the proposed tariff sheets.

### Recommendation

Staff has performed a preliminary review of the annual balance reconciliation covering calendar year 2013 and the first quarter of 2014, and at this time, Staff does not propose any further adjustments to Columbia's calculations and supports Columbia's revised attachments filed on April 14, 2014. The proposed rate increase to \$0.1457 recovers prior period under-collections and attempts to prevent over-collection from anticipated bad debt write-offs through May 31, 2015.

Staff believes that Columbia's revised application appropriately calculates the rider and recommends the proposed rate of \$0.1457 per Mcf be approved. Staff recommends that in the next audit of Columbia's riders in 2014, the auditors examine the monthly uncollectible expense balances and write-offs and recoveries for 2013 and first quarter of 2014 and any required adjustments/corrections be incorporated into the 2015 uncollectible expense rider application.

The Public Utilities Commission of Ohio  
John R. Kasich, Governor  
Todd A. Snitchler, Chairman

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