

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Uncollectable Expense	)	
Rider of Orwell Natural Gas Company.	)	Case No. 17-0312-GA-UEX
	)	

---

**ORWELL NATURAL GAS COMPANY’S ANNUAL UNCOLLECTABLE EXPENSE  
RIDER REPORT AND APPLICATION FOR APPROVAL OF AN ADJUSTMENT TO  
UNCOLLECTABLE EXPENSE RIDER RATE**

---

Orwell Natural Gas Company (“Orwell”) hereby submits its annual uncollectable expense rider report (“UEX Report”), plus the information required by the order of the Public Utilities Commission of Ohio (“PUCO” or “Commission”).<sup>1</sup> Orwell requests that the Commission approve Orwell’s revision of its UEX rider to reflect a charge in the amount of \$0.1465 per Mcf. Support for this request is as follows:

1. Attached hereto and marked as Attachment 1 is Orwell’s Annual UEX Report for calendar year 2016. Page 1 of 3 of Attachment 1 shows actual uncollectible balances for January through December 2016. Orwell reports an Uncollectible Account balance of \$73,264.17 on January 1, 2016. The ending balance is \$113,384.55 as of December 31, 2016.

2. Attachment 1, page 2 of 3, shows actual balances for January 1, 2017 through April, 2017 and additionally shows estimated balances by month through December 31, 2017, estimated bad debt expense by month, and the estimated monthly sales volume, as applicable. On December 31, 2017, the estimated Uncollectible account balance is expected to be \$122,899.68 if the UEX Rider rate is unchanged.

---

<sup>1</sup> *In the Matter of Five-Year Review of Natural Gas Company Uncollectible Riders*, Case No. 08-1229-GA-COI, Finding and Order at 5-6 (August 19, 2009).

3. Attachment 1, page 3 of 3, shows estimated balances for January 1, 2018 through April 30, 2018 assuming no modification in the UEX Rider. The estimated balance, assuming no change to the UEX Rider, is \$152,801.29 as of April 30, 2018.

4. Orwell believes it is appropriate and reasonable to consider the prospective application of the UEX Rider because it better matches expenses with recoveries. The Commission has found this procedure to be reasonable in applications for an adjustment in the UEX Rider rates of Columbia Gas of Ohio, Inc. in Case No. 10-578-GA-UEX, and Duke Energy Ohio, Inc. in Case No. 10-726-GA-UEX.

5. Attachment 2 to the Application details the calculation showing the potential change in Orwell's UEX Rider rate based on its Actual Bad Debt Deferral as of April 30, 2017, estimated bad debt write-offs, and UEX Rider recoveries and sales volumes through April 30, 2017. The revised UEX Rider rate proposed to be effective upon Commission approval is calculated to be \$0.1465 per Mcf, which is an increase of \$0.0589 per Mcf from the currently effective rate of \$.0876 per Mcf. Orwell's tariff provides, pursuant to the Commission's guidelines adopted in Case No. 03-1127-GA-UNC, that an annual adjustment in an UEX 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 April 30, 2017 as adjusted for estimated uncollectible accruals and projected sales volumes through April 2018.

7. For this reason, Orwell submits that the proposed increase from its currently effective Uncollectible Expense Rider rate of \$0.0876 per Mcf to a charge in the amount of \$0.1465 per Mcf is appropriate.

8. Attachment 3 to the Application includes redlined and clean proposed revisions to Orwell's tariff reflecting the increased UEX Rider Rate proposed herein.

Respectfully submitted on behalf of  
ORWELL NATURAL GAS COMPANY



---

Devin D. Parram  
BRICKER & ECKLER, LLP  
100 South Third Street  
Columbus, OH 43215-4291  
Telephone: (614) 227-8813  
Facsimile: (614) 227-2390  
E-mail: [dparram@bricker.com](mailto:dparram@bricker.com)

**ATTACHMENT 1 P. 1 OF 3**

**Orwell Natural Gas  
Bad Debt Rider  
Annual Balance Reconciliation  
2016**

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
(1) Balance - Beginning of Month	\$ 87,648.51	\$ 73,264.17	\$ 70,316.06	\$ 61,686.12	\$ 58,099.97	\$ 58,904.70	\$ 80,685.84	\$ 89,069.03	\$ 102,452.39	\$ 111,182.08	\$ 115,700.16	\$ 120,983.58	
(2) Bad Debts Written Off	(641.96)	12,967.47	3,728.05	4,348.78	5,814.10	24,593.17	9,900.73	14,637.12	10,215.28	10,450.33	13,580.14	6,108.78	
(3) Recovery - Base Rates													
(4) Recovery - Bad Debt Rider	(14,320.37)	(16,645.61)	(12,641.01)	(8,372.66)	(5,396.07)	(3,232.03)	(2,028.58)	(1,476.37)	(1,749.65)	(2,042.32)	(5,083.09)	(11,842.00)	
(5) Recovery - Other	90.52	295.06	(116.87)	74.85	32.24	(2.87)	(3.22)	(357.59)	(383.13)	(4,577.25)	(3,930.65)	(2,575.81)	
(6) Incremental Bad Debt	(14,871.81)	(3,383.08)	(9,029.83)	(3,949.03)	450.27	21,358.27	7,868.93	12,803.16	8,082.50	3,830.76	4,566.40	(8,309.03)	
(7) Balance Subtotal	72,776.70	69,881.09	61,286.23	57,737.09	58,550.24	80,262.97	88,554.77	101,872.19	110,534.89	115,012.84	120,266.56	112,674.55	
(8) Carrying Charges	487.47	434.96	399.89	362.88	354.46	422.88	514.26	580.20	647.19	687.32	717.01	710.00	
(9) Balance - End of Month	\$ 73,264.17	\$ 70,316.06	\$ 61,686.12	\$ 58,099.97	\$ 58,904.70	\$ 80,685.84	\$ 89,069.03	\$ 102,452.39	\$ 111,182.08	\$ 115,700.16	\$ 120,983.58	\$ 113,384.55	
<b><u>MEMO ONLY</u></b>													
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%	
Projected Sales Volumes	163,474.6	190,018.4	144,303.8	95,578.3	61,599.0	36,895.3	23,157.3	16,853.5	19,973.2	23,314.1	58,026.1	135,182.7	968,376.3

(2) Bad Debts Written Off  
(5) Recovery - Other

# ATTACHMENT 1 P. 2 OF 3

## Orwell Natural Gas Bad Debt Rider Annual Balance Reconciliation 2017

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
(1) Balance - Beginning of Month	\$ 113,384.55	\$ 94,619.75	\$ 80,208.75	\$ 70,294.65	\$ 62,462.12	\$ 69,862.99	\$ 75,302.76	\$ 81,778.62	\$ 87,290.80	\$ 97,851.68	\$ 108,476.73	\$ 119,166.36	
(2) Bad Debts Written Off	307.99	692.20	1,288.42	2,052.53	7,000.00	5,000.00	6,000.00	5,000.00	10,000.00	10,000.00	10,000.00	3,000.00	
(3) Recovery - Base Rates													
(4) Recovery - Bad Debt Rider	(16,430.71)	(15,485.95)	(11,588.84)	(10,129.23)									
(5) Recovery - Other	(3,272.21)	(146.88)	(69.61)	(158.01)									
(6) Incremental Bad Debt	(19,394.93)	(14,940.63)	(10,370.03)	(8,234.71)	7,000.00	5,000.00	6,000.00	5,000.00	10,000.00	10,000.00	10,000.00	3,000.00	
(7) Balance Subtotal	93,989.62	79,679.12	69,838.72	62,059.94	69,462.12	74,862.99	81,302.76	86,778.62	97,290.80	107,851.68	118,476.73	122,166.36	
(8) Carrying Charges	630.13	529.63	455.94	402.18	400.87	439.77	475.87	512.18	560.87	625.06	689.63	733.32	
(9) Balance - End of Month	\$ 94,619.75	\$ 80,208.75	\$ 70,294.65	\$ 62,462.12	\$ 69,862.99	\$ 75,302.76	\$ 81,778.62	\$ 87,290.80	\$ 97,851.68	\$ 108,476.73	\$ 119,166.36	\$ 122,899.68	

### MEMO ONLY

Net Monthly Carrying Charge R:	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	
--------------------------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--

Projected Sales Volumes	187,565.2	176,780.2	132,292.7	115,630.5	38,079	16,989	20,241	23,377	38,532	52,373	95,910	129,403	1,027,172.6
-------------------------	-----------	-----------	-----------	-----------	--------	--------	--------	--------	--------	--------	--------	---------	-------------

- (2) Bad Debts Written Off
- (5) Recovery - Other

# ATTACHMENT 1 P. 3 OF 3

## Orwell Natural Gas Bad Debt Rider Annual Balance Reconciliation 2018

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
(1) Balance - Beginning of Month	\$ 122,899.68	\$ 133,676.96	\$ 142,012.14	\$ 147,890.37				\$ -	\$ -	\$ -	\$ -	\$ -	
(2) Bad Debts Written Off	10,000.00	7,500.00	5,000.00	4,000.00									
(3) Recovery - Base Rates													
(4) Recovery - Bad Debt Rider													
(5) Recovery - Other													
(6) Incremental Bad Debt	10,000.00	7,500.00	5,000.00	4,000.00									
(7) Balance Subtotal	132,899.68	141,176.96	147,012.14	151,890.37									
(8) Carrying Charges	<u>777.28</u>	<u>835.18</u>	<u>878.24</u>	<u>910.92</u>									
(9) Balance - End of Month	\$ 133,676.96	\$ 142,012.14	\$ 147,890.37	\$ 152,801.29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

### 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%

Projected Sales Volumes	<u>197,557</u>	<u>193,763</u>	<u>138,462</u>	<u>74,623</u>	<u>38,079</u>	<u>16,989</u>	<u>20,241</u>	<u>23,377</u>	<u>38,532</u>	<u>52,373</u>	<u>95,910</u>	<u>129,403</u>	1,019,309
-------------------------	----------------	----------------	----------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	----------------	-----------

- (2) Bad Debts Written Off
- (5) Recovery - Other

## ATTACHMENT 2

### Orwell Natural Gas Revised Rider Rate Calculation 04/30/17

Bad Debt Deferral as of 4/30/17	\$ 62,462.12
Projected Volumes 5/17-4/18	1,019,309
Recovery Rate	\$0.0613
Estimated Uncollectible accounts	\$82,500
Sales Volumes 1/16-12/16	968,376 Mcf
Projected Recovery Rate	\$0.0852
Total Bad Debt Rate	\$0.1465
Current Rider Rate	\$0.0876
Change	\$0.0589

## ATTACHMENT 3, P 1 of 2

Orwell Natural Gas Company  
Orwell, Ohio

Section 5  
~~Sixth~~ Seventh 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, a charge of \$0.~~0876~~ 1465274 per Mcf shall be applied 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 on ~~December 17, 2015~~ December 17, 2017 under Authority of the Public Utilities Commission of Ohio in Case No. ~~175~~ 175-0312-GA-UEx

ISSUED: ~~December 17, 2015~~ December 17, 2017

EFFECTIVE: for bills rendered on or after ~~December 17, 2015~~ December 17, 2017.

Issued By  
Orwell Natural Gas Company  
Martin Whelan, President



## ATTACHMENT 3, P 2 of 2

Orwell Natural Gas Company  
Orwell, Ohio

Section 5  
Seventh 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, a charge of \$0.1465 per Mcf shall be applied 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 on \_\_\_\_\_, 2017 under Authority of the Public Utilities Commission of Ohio in Case No. 17-0312-GA-UEx

ISSUED: \_\_\_\_\_, 2015

EFFECTIVE: for bills rendered on or after \_\_\_\_\_, 2017

Issued By  
Orwell Natural Gas Company  
Martin Whelan, President

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**7/28/2017 1:47:35 PM**

**in**

**Case No(s). 17-0312-GA-UEx**

Summary: Text Orwell Natural Gas Company's Annual Uncollectable Rider Report and Application for Approval of an Adjustment to Uncollectable Expense Rider Rate electronically filed by Teresa Orahod on behalf of Devin D. Parram