**Before**

**The Public Utilities Commission Of Ohio**

In the Matter of the Application of )

Ohio Gas Company for Approval ) Case No. 12-311-GA-UEX

of an Adjustment to its Uncollectible )

Expense Rider Rate. )

**APPLICATION**

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**May 8, 2012 Attorneys for Ohio Gas Company**

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**APPLICATION**

Ohio Gas Company (“Ohio Gas”) hereby submits its annual Uncollectible Expense (“UEX”) Rider Report and respectfully requests approval to revise its Uncollectible Expense Rider (“UEX Rider”) rate. In support of its Application, Ohio Gas states as follows:

1. On January 25, 2006, the Public Utilities Commission of Ohio (“Commission”) issued an Entry (“Entry”), in Case No. 05-1439-GA-UEX, in which it approved Ohio Gas’ application for authority to establish a UEX Rider.

2. In the same Entry, the Commission approved Ohio Gas’ initial UEX Rider rate. Ohio Gas filed its final tariff consistent with the Entry on January 26, 2006, effective as of that date.

3. In the Entry, the Commission directed Ohio Gas to file a yearly report that identifies amounts recovered, deferred, and amortized pursuant to the UEX Rider. In its August 19, 2009 Finding and Order in Case No. 08-1229-GA-COI, the Commission ordered that the yearly report should include the UEX balance at the beginning of the reporting year; additions to the UEX balance, including the vintage of the additions during the calendar year; and credits to the UEX balance during the calendar year. Ohio Gas’ required report is Attachment 1 to this Application.

4. Ohio Gas proposes a revised UEX Rider rate of ($0.0056) per Mcf. The rate is comprised of: (1) the balance of deferred uncollectible accounts expense net of recoveries as of March 31, 2012, and (2) an estimate of net uncollectible accounts expense for the 12 months ending March 31, 2013. The calculation of the revised rate is shown on Attachment 2 hereto.

5. Ohio Gas’ UEX Rider states that “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 for prior period over- or under-collections.” The portion of the proposed UEX Rider decrease that is attributable to the prior period over-collection exceeds 10% of the current UEX Rider rate.

6. The portion of the proposed UEX Rider rate attributable to the estimated UEX is derived by subtracting from the estimated charge-off amount the estimated dollars attributable to agency assistance and customer payments.

7. The resulting rate of ($0.0056) per Mcf is just and reasonable and should be approved. Copies of the proposed and scored current tariff sheets are Attachment 3 to this Application.

WHEREFORE, Ohio Gas respectfully requests that the Commission approve the new UEX Rider rate proposed in this Application.

Respectfully submitted,

/s/ Gretchen J. Hummel

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