BEFORE

THE PUBLIC UTILITES COMMISSION OF OHIO

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| 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. 12-321-GA-UEX |

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# APPLICATION OF

**COLUMBIA GAS OF OHIO, INC.**

Columbia Gas of Ohio, Inc. (“Columbia”) hereby submits its annual Uncollectible Expense Rider Report, and also requests approval to increase its Uncollectible Expense Rider rate. In support of its Application, Columbia states as follows:

1. By Finding and Order dated December 17, 2003 (the “December 17 Order”), in Case No. 03-1127-GA-UNC, the Commission approved, in concept, an Uncollectible Expense Rider for Columbia and several other natural gas companies.

2. Pursuant to the December 17 Order, Columbia is required to file an annual report each May that identifies the amounts recovered, deferred and, as applicable, amortized pursuant to the Uncollectible Expense Rider. Attached hereto as Attachment 1 is Columbia’s annual Uncollectible Expense Rider Report.

3. By Entry dated April 7, 2004, in Case No. 03-2572-GA-ATA, the Commission approved Columbia’s initial Uncollectible Expense Rider rate. However, the December 17, 2003 Order further provided utilities with the opportunity to adjust their Uncollectible Expense Rider rates. Pursuant to Columbia’s Uncollectible Expense Rider tariffs,[[1]](#footnote-1) Columbia shall request “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.”

4. On April 20, 2011, Columbia filed an Application for Approval of an Adjustment to its Uncollectible Expense Rider in Case No. 11-321-GA-UEX. This filing proposed the establishment of a revised Uncollectible Expense Rider rate of ($0.0064)/Mcf. By Finding and Order dated June 22, 2011, in Case No. 11-321-GA-UEX, the Commission approved the application and the revised Uncollectible Expense Rider rate.

5. Attachment 2 hereto shows that a further decrease of $0.0152/Mcf in Columbia’s current Uncollectible Expense Rider is required to pass back prior period over-collections. This adjustment is based on a negative projected balance of $3,736,385 at May 31, 2012. The implementation of this adjustment results in a revised Uncollectible Expense Rider of ($0.0216) per Mcf. Columbia has also prepared another schedule, attached hereto as Attachment 3, in which Columbia projects uncollectible expenses and recoveries for the twelve-month period ending May 31, 2013. This period was selected since it is anticipated to be the initial twelve month period the new Uncollectible Expense Rider will be in effect. Attachment 3 shows that absent further adjustment, Columbia will experience an under-collection of $13,508,213 during the twelve months ending May 31, 2013. To attempt to prevent this under-collection during the next reporting period and to pass back the prior period over-collection, Columbia’s current Uncollectible Expense Rider would need to be increased by $0.0845 per Mcf. This change is necessary since it results in an increase greater than 10 percent. The implementation of this adjustment would result in a rate of $0.0781 per Mcf.

6. Columbia believes that it is reasonable to consider the prospective application of the Uncollectible Expense Rider in the development of the appropriate Uncollectible Expense Rider rate because it better matches expenses with recoveries. The computation of the Uncollectible Expense Rider rate based on the collection year: (1) properly matches recoveries with expenses; (2) is consistent with the method approved by Commission in Case No. 11-321-GA-UEX for determination of Columbia’s current Uncollectible Expense Tracker rate; and, (3) in the aggregate cannot result in over-collection of costs due to the annual true-up program requirements. For this reason, Columbia therefore proposes to increase its Uncollectible Expense Rider rate from ($0.0064)/Mcf to $0.0781/Mcf. The rate is comprised of: (1) Columbia’s projected deferred uncollectible expenses at May 31, 2012; and, (2) Columbia’s estimated uncollectible accounts expense for the twelve-month period ending May 31, 2013. The calculation of the proposed Uncollectible Expense Rider rate is shown on Attachment 4.

7. The resulting Uncollectible Expense Rider rate of $0.0781/Mcf is just and reasonable and Columbia requests that the Commission expeditiously approve the proposed rate. Clean copies of the proposed tariff sheets and the scored current tariff sheets are attached hereto as Attachment 5.

**WHEREFORE**, Columbia respectfully requests that the Commission approve the proposed Uncollectible Expense Rider rate proposed herein.

Respectfully submitted,

/s/ Stephen B. Seiple

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## ATTACHMENT 1ATTACHMENT 2ATTACHMENT 3

### ATTACHMENT 4

### ATTACHMENT 5

1. See Section IV, Eleventh Revised Sheet No. 29, for customers served under rate schedules SGS and GS, Third Revised Sheet No. 69, for customers served under rate schedules SGTS and GTS. Please refer to Section VII, Tenth Revised Sheet 29, Page 9 of 11, for customers served through Columbia’s CHOICE Program. All tariff sheets include identical billing rates and adjustment provisions. [↑](#footnote-ref-1)