

FILE  
NC

<b>RECEIVED</b>
APR 27 2007
DOCKETING DIVISION Public Utilities Commission of Ohio

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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. 07- 499 -GA-UEX

---

**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 decrease 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 Order further provided utilities with the opportunity to adjust their Uncollectible Expense Rider rates. Pursuant to Columbia's Uncollectible Expense Rider tariffs,<sup>1</sup> Columbia may request "approval to

<sup>1</sup> See Section IV, Fifth Revised Sheet No. 29, for customers served under rate schedules SGS, GS, SGTS, MGTS and GTS. Please refer to Section VII, Third Revised Sheet 29, Page 9 of 10, for customers served through Columbia's CHOICE Program. Both tariff sheets include identical billing rates and adjustment provisions.

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business. Reimoldan Amc Date Processed 4/27/07

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 May 3, 2006, Columbia filed an Application for Approval of an Adjustment to its Uncollectible Expense Rider established pursuant to the Commission’s April 7, 2004, Entry. This filing proposed the establishment of a revised Uncollectible Expense Rider rate of \$.2116/Mcf. By Entry dated May 31, 2006, in Case No. 06-649-GA-UEx, the Commission approved the application and the revised Uncollectible Expense Rider rate.

5. Attachment 2 hereto shows that an adjustment of \$.0313/Mcf in Columbia’s current Uncollectible Expense Rider is required to recover prior period under-collections. This adjustment is based on actual outstanding balance of \$5,143,913 at March 31, 2007. The implementation of this adjustment in rates results in a revised Uncollectible Expense Rider of \$.2429/Mcf, an increase of 15%. However, 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 March 31, 2008. Attachment 3 shows that absent further adjustment, Columbia will experience an additional over-collection of \$13,102,328 during the twelve months ending March 31, 2008. To attempt to prevent this additional over-collection during the next reporting period, Columbia’s current Uncollectible Expense Rider would need to be decreased by approximately 23% rather than increased by the 15%.

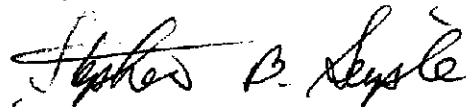
6. Columbia believes that it is reasonable to consider the prospective application of the Uncollectible Expense Rider in the development of the appropriate Uncollectible Expense Rider rate since it better matches expenses with recoveries. The computation of the Uncollectible Expense Rider rate based on the collection year (1) properly matches recoveries with expenses; (2) is consistent with the method approved by Commission in Case No. 06-649-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 decrease its Uncollectible Expense Rider rate from \$.2116/Mcf to \$.1631/Mcf. The rate is comprised of: (1) Columbia's deferred uncollectible expenses at March 31, 2007; (2) Columbia's estimated uncollectible accounts expense for the twelve-month period ending March 31, 2008; and, (3) a portion of the deferred accounts receivable balance as authorized by the Commission in Case No. 01-3278-GA-AAM. The calculation of the proposed Uncollectible Expense Rider rate is shown on Attachment 4. To arrive at the proposed Uncollectible Expense Rider rate, the sum of the three components described above was grossed up for gross receipts taxes.

7. The resulting Uncollectible Expense Rider rate of \$.1631/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,



Stephen B. Seiple, Trial Attorney

Mark Kempic, Assistant General Counsel  
Stephen B. Seiple, Lead Counsel  
200 Civic Center Drive  
P.O. Box 117  
Columbus, Ohio 43216-0117  
Telephone (614) 460-4648  
Fax: (614) 46-6986  
Email: sseiple@nisource.com

Attorneys for  
**COLUMBIA GAS OF OHIO, INC.**

# **ATTACHMENT 1**

Columbia Gas of Ohio, Inc.  
Uncollectible Expense Rider Report

Line No.		Calendar Year 2006 Actual Balances											
		January	February	March	April	May	June	July	August	September	October	November	December
1	Balance - Beginning of Month (a)	12,978,591	9,835,016	7,458,401	6,324,300	7,048,164	10,295,929	14,488,843	19,871,778	24,613,848	27,394,120	27,492,057	24,514,485
2	Bad Debts Written Off	2,776,384	2,789,270	3,720,477	4,020,487	5,233,610	5,887,264	6,883,833	6,356,845	4,937,511	6,120,211	7,969,891	4,697,206
3	Amortization of 2001 Deferral	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847
4	Recovery - Base Rates	(3,731,509)	(3,406,168)	(3,208,110)	(2,121,764)	(1,060,866)	(983,899)	(710,362)	(673,110)	(882,310)	(1,320,284)	(2,868,088)	(4,221,585)
5	Recovery - Bad Debt Rider	(2,601,517)	(2,114,335)	(2,049,103)	(1,575,503)	(1,333,440)	(1,137,877)	(1,228,828)	(1,493,511)	(1,939,782)	(6,173,104)	(8,432,541)	(4,777,710)
6	Recovery - Other	(3,173,186)	(2,387,388)	(1,152,889)	707,067	3,223,122	4,168,325	5,430,491	4,574,071	2,699,266	10,669	(3,066,891)	(3,918,222)
7	Incremental Bad Debt (2)-(3)+(4)-(5)+(6)	8,905,396	7,437,630	6,305,512	7,031,367	10,272,285	14,455,254	19,920,394	24,545,848	27,313,114	27,404,780	24,435,166	20,596,263
8	Balance Subtotal (1) + (7)	29,619	20,770	18,788	17,788	23,644	34,580	51,443	68,001	81,006	87,267	79,319	71,839
9	Carrying Charges [(1)-(7)+2](1)	9,835,016	7,458,400	6,324,300	7,048,164	10,295,928	14,488,843	19,871,778	24,613,848	27,394,120	27,492,057	24,514,485	20,688,102
10	Balance - End of Month (8)+(9)												
11	Monthly Pool Rates	0.40%	0.37%	0.42%	0.41%	0.42%	0.43%	0.46%	0.47%	0.48%	0.49%	0.47%	0.49%

Recovery -  
Unrecovered Net of  
Federal Income Tax Offset

Columbia Gas of Ohio, Inc.  
Uncollectible Expense Rider Report  
Calendar Year 2007 Actual

Attachment 1  
Sheet 2 of 3

Line No.		January	Actual February	March
1	Balance - Beginning of Month	20,668,102	16,070,726	9,868,419
2	Bad Debts Written Off	3,620,222	3,647,106	3,540,590
3	Amortization of 2001 Deferral	383,847	383,847	383,847
4	Recovery - Base Rates			
5	Recovery - Bad Debt Rider	(5,060,940)	(6,971,006)	(5,801,066)
6	Recovery - Other	(3,597,728)	(3,299,294)	(2,871,746)
7	Incremental Bad Debt (2)+[(3)+(4)+(5)+(6)	(4,654,599)	(6,239,347)	(4,748,374)
8	Balance Subtotal (1) + (7)	16,013,503	9,831,379	5,120,044
9	Carrying Charges [(1)+[(7)/2]x(11)	57,223	37,040	23,869
10	Balance - End of Month (8)+(9)	16,070,726	9,868,419	5,143,913
11	Monthly Pool Rates	0.48%	0.44%	0.49%

NISOURCE INC. AND SUBSIDIARIES  
OPERATING COMPANIES MONEY POOL RATES  
January 2006 Through March 2007

AVERAGE DAILY BALANCES				MONTHLY INTEREST ACCRUALS				MONTHLY RATES *		
MONTH	DAYS	S-T DEBT \$	INVESTMENT \$	COMPOSITE \$	S-T DEBT \$	INVESTMENT \$	COMPOSITE \$	S-T DEBT %	INVEST %	COMPOSITE %
JAN	31	723,725,806.45	74,175,475.12	797,901,281.57	2,945,229.38	266,159.30	3,211,388.68	4.79%	4.22%	4.74%
FEB	28	539,196,428.57	43,343,410.76	582,539,839.33	1,991,986.79	161,107.19	2,153,093.98	4.82%	4.85%	4.82%
MAR	31	440,425,806.45	91,129,510.60	531,555,317.05	1,932,777.41	324,287.99	2,257,065.40	5.17%	4.19%	5.00%
APR	30	270,566,666.67	2,330,482.09	272,897,148.76	1,099,649.16	8,789.08	1,108,438.24	4.94%	4.59%	4.94%
MAY	31	267,661,290.32	44,239,551.90	311,900,842.22	1,126,288.20	173,519.83	1,299,808.03	4.95%	4.62%	4.91%
JUN	30	305,626,666.67	75,730,525.10	381,357,191.77	1,342,471.09	313,398.30	1,655,869.39	5.34%	5.03%	5.28%
JUL	31	399,019,354.84	2,895,212.90	401,914,567.74	1,853,138.48	11,675.33	1,864,813.81	5.47%	4.75%	5.46%
AUG	31	432,958,064.52	2,762,679.10	435,720,743.62	2,047,120.09	11,888.13	2,059,008.22	5.57%	5.07%	5.56%
SEP	30	663,073,333.33	4,764,352.79	667,837,686.12	3,150,972.30	20,744.79	3,171,717.09	5.78%	5.30%	5.78%
OCT	31	838,635,483.87	2,422,046.04	841,067,529.91	4,099,617.86	10,166.18	4,109,784.04	5.76%	4.94%	5.75%
NOV	30	1,275,423,333.33	3,898,425.61	1,279,321,758.94	6,050,883.33	16,906.36	6,067,789.69	5.77%	5.28%	5.77%
DEC	31	1,185,225,806.45	48,456,427.13	1,233,682,233.58	5,788,766.90	211,503.55	6,000,270.45	5.75%	5.14%	5.73%
JAN	31	1,045,170,967.74	13,973,639.59	1,059,144,607.33	5,072,137.22	60,616.28	5,132,753.50	5.71%	5.11%	5.71%
FEB	28	840,485,714.29	13,355,673.05	853,841,387.34	3,697,244.51	58,140.52	3,755,385.03	5.73%	5.67%	5.73%
MAR	31	694,777,419.35	3,206,560.94	697,983,980.29	3,402,048.00	12,604.29	3,414,652.29	5.77%	4.63%	5.76%

## **ATTACHMENT 2**



Columbia Gas of Ohio, Inc.  
Uncollectible Expense Rider Report  
Based on Historic Balance @ March 31, 2007

Line No.	Description	Amount
1	Deferred Uncollectible Accounts Expense Balance As of March 31, 2007	5,143,913
2	Projected Volumes Twelve Months Ending March 31, 2008	172,286,720
3	Rate Adjustment Per Mcf Before Gross Receipts Taxes	0.0299
4	Gross Receipts Tax @ 4.9296%	0.0015
5	Total Rate Adjustment Per Mcf	0.0313
6	Approved Rate Per Mcf Implemented May 31, 2006	0.2116
7	Percent of Change From Current Rate	15%
8	Proposed Revised Rate Effective May 31, 2006	0.2429

## **ATTACHMENT 3**

Columbia Gas of Ohio, Inc.  
Uncollectible Expense Rider Calculation

Attachment 3  
Sheet 1 of 1

Line No.		Twelve Months Ending March 31, 2008											
		April	May	June	July	August	September	October	November	December	January	February	March
1	Balance - Beginning of Month	5,143,913	4,097,874	5,093,011	7,664,383	11,775,346	14,916,700	16,538,353	16,868,284	12,366,888	8,174,211	2,012,128	(3,639,536)
2	Bad Debts Written Off	1,728,390	2,516,682	3,212,765	4,462,588	3,553,186	2,099,308	235,718	(1,381,452)	(81,402)	3,388	199,184	442,618
3	Amortization of 2007 Deferral	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847
4	Recovery - Base Rates	-	-	-	-	-	-	-	-	-	-	-	-
5	Recovery - Bad Debt Rider	(3,170,474)	(1,918,952)	(1,044,836)	(766,391)	(737,811)	(789,782)	(1,240,237)	(2,658,300)	(4,519,726)	(6,565,488)	(9,232,361)	(5,126,932)
6	Recovery - Other	-	-	-	-	-	-	-	-	-	-	-	-
7	Incremental Bad Debt (2)+(3)+(4)+(5)+(6)	(1,060,237)	930,547	2,551,774	4,090,104	2,999,222	1,673,403	(620,672)	(3,653,905)	(4,217,281)	(6,178,253)	(5,646,330)	(4,300,469)
8	Balance Subtotal (1) + (7)	4,083,676	5,076,421	7,644,794	11,744,487	14,774,568	16,490,184	16,917,681	12,315,378	8,141,617	1,985,958	(3,637,202)	(7,840,004)
9	Carrying Charges [(1)+(7)+2%*(1)]	14,188	14,590	19,599	30,869	42,212	48,170	51,602	43,520	32,504	16,170	(2,334)	(18,411)
10	Balance - End of Month (8)+(9)	4,097,874	5,093,011	7,664,383	11,775,346	14,816,780	16,538,353	16,969,284	12,358,898	8,174,211	2,012,128	(3,639,536)	(7,858,415)
11	Monthly Pool Rates	0.47%	0.49%	0.47%	0.49%	0.49%	0.47%	0.49%	0.47%	0.49%	0.49%	0.44%	0.49%

## **ATTACHMENT 4**

## Attachment 4

Columbia Gas of Ohio, Inc.  
Uncollectible Expense Rider Calculation

Line No.	Description	Amount
1	Change In Balance March 2008 vs. March 2007	(13,102,328)
2	Projected Volumes TME March 31, 2008	172,286,720
3	Additional Rate Adjustment Per Mcf Before Gross Receipts Taxes	(0.0760)
4	Gross Receipts Tax @ 4.9296%	(0.0037)
5	Total Additional Rate Adjustment Per Mcf (3) + (4)	(0.0798)
6	Rate Adjustment Per Attachment 2, Sheet 1	0.03133
7	Total Proposed Adjustments (5) + (6)	(0.0485)
8	Approved Rate Per Mcf Implemented June 29, 2005	0.2116
9	Percent of Change From Current Rate (7) / (8)	-23%
10	Proposed Revised Rate Effective May 31, 2006 (7) + (8)	0.1631

## **ATTACHMENT 5**

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION  
AND SALE OF GAS**

---

**UNCOLLECTIBLE EXPENSE RIDER**

**APPLICABLE:**

To all customers served under rate schedules SGS, SGTS, GS, GTS, and MGS

**UNCOLLECTIBLE EXPENSE RIDER:**

An additional charge of \$.1631 per Mcf shall be applied to all volumes for service rendered under applicable rate schedules to recover cost associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. Columbia 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 to adjust for prior period over or under-collections.

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-GA-TRF

Issued

Effective:

Issued By  
J. W. Partridge, Jr., President

Columbia Gas of Ohio, Inc.

**SECTION VII**  
**PART 29 - BILLING ADJUSTMENTS**  
**UNCOLLECTIBLE EXPENSE RIDER**

29.18 Applicability

To all customers served under rate schedules FRSGTS, FRGTS and FRMGTS.

29.19 UNCOLLECTIBLE EXPENSE RIDER

An additional charge of \$.1631 per Mcf shall be applied to all volumes for service rendered under applicable rate schedules to recover cost associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. Columbia 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 to adjust for prior period over or under-collections.

Filed Pursuant to PUCO Entries dated July 6, 1989 in Case No. 89-500-AU-TRF.

Issued:

Effective:

Issued By  
J. W. Partridge, Jr., President



COLUMBIA GAS OF OHIO, INC.

Fourth ~~Fifth~~ Revised Sheet No. 29

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION  
AND SALE OF GAS**

---

**UNCOLLECTIBLE EXPENSE RIDER**

**APPLICABLE:**

To all customers served under rate schedules SGS, SGTS, GS, GTS, and MGS

**UNCOLLECTIBLE EXPENSE RIDER:**

An additional charge of \$.~~16312446~~ per Mcf shall be applied to all volumes for service rendered under applicable rate schedules to recover cost associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. Columbia 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 to adjust for prior period over or under-collections.

Filed Pursuant to PUCO Entries dated ~~May 31, 2006 in Case No. 06-649-GA-UEX and~~ July 6, 1989 in Case No. 89-500-GA-TRF.

Issued: May 31, 2006

Effective: ~~With bills rendered on and after May 31, 2006~~

Issued By  
J. W. Partridge, Jr., President

Columbia Gas of Ohio, Inc.

**SECTION VII**

**PART 29 - BILLING ADJUSTMENTS**

**UNCOLLECTIBLE EXPENSE RIDER**

29.18 Applicability

To all customers served under rate schedules FRSGTS, FRGTS and FRMGTS.

29.19 UNCOLLECTIBLE EXPENSE RIDER

An additional charge of ~~\$.2446~~1631 per Mcf shall be applied to all volumes for service rendered under applicable rate schedules to recover cost associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. Columbia 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 to adjust for prior period over or under-collections.

Filed Pursuant to PUCO Entries dated May 31, 2006 in Case No. 06-649-  
~~GA-UEX~~ and July 6, 1989 in Case No. 89-500-AU-TRF.

Issued: May 31, 2006

Effective: ~~With bills rendered on and after May 31, 2006~~

Issued By  
J. W. Partridge, Jr., President