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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. 10- 578 -GA-UEx

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APPLICATION OF  
COLUMBIA GAS OF OHIO, INC.

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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 shall request "approval

<sup>1</sup> See Section IV, Tenth Revised Sheet No. 29, for customers served under rate schedules SGS and GS, Second Revised Sheet No. 69, for customers served under rate schedules SGTS and GTS. Please refer to Section VII, Ninth 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.

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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 30, 2009, 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 \$.1866/Mcf. By Entry dated July 1, 2009, in Case No. 09-372-GA-UEx, the Commission approved the application and the revised Uncollectible Expense Rider rate.

5. Attachment 2 hereto shows that a decrease of \$.0216/Mcf in Columbia’s current Uncollectible Expense Rider is required to pass back prior period over-collections. This adjustment is based on actual balance of -\$3,727,250 at March 31, 2010 net of the inclusion of the independent consultant fee of \$85,241 incurred as a result of the Commission’s entries in Case No. 08-1229-GA-COI. The implementation of this adjustment in rates results in a revised Uncollectible Expense Rider of \$.1650/Mcf, a decrease of 11.57%. 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, 2011. Attachment 3 shows that absent further adjustment, Columbia will experience an additional over-collection of \$2,381,011 during the twelve months ending March 31, 2011. To attempt to prevent this over-collection during the next reporting period, Columbia’s current Uncollectible Expense Rider would need to be decreased by 18.97% rather than the 11.57%.

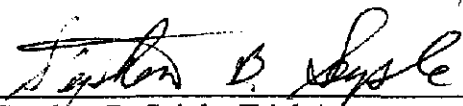
6. Columbia believes that it is reasonable to consider the prospective application of the Uncollectible Expense Rider in the development of the appropriate Uncollectible Expense Rider rate since it better matches expenses with recoveries. The computation of the Uncollectible Expense Rider rate based on the collection year: (1) properly matches recoveries with expenses; (2) is consistent with the method approved by Commission in Case No. 09-372-GA-UEx for de-

termination 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 \$.1866/Mcf to \$.1512/Mcf. The rate is comprised of: (1) Columbia's deferred uncollectible expenses at March 31, 2010; and, (2) Columbia's estimated uncollectible accounts expense for the twelve-month period ending March 31, 2011. The calculation of the proposed Uncollectible Expense Rider rate is shown on Attachment 4. To arrive at the proposed Uncollectible Expense Rider rate, the two components described above were summed together.

7. The resulting Uncollectible Expense Rider rate of \$.1512/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,

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

# **ATTACHMENT 1**

Columbia Gas of Ohio, Inc.  
Uncollectible Expense Rider Report

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Balance - Beginning of Month (a)	17,151,385	10,197,968	4,067,452	(121,201)	(1,340,192)	1,411,304	6,977,991	13,855,909	19,476,499	23,159,967	23,440,569	19,285,892
2	Bad Debts Written Off	4,356,555	4,079,289	4,173,121	4,369,079	5,367,279	7,681,148	8,488,951	7,553,314	6,327,967	7,857,037	12,964,103	8,193,888
3	Amortization of 2001 Deferral	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,847	383,841	-	-
4	Recovery - Base Rates												
5	Recovery - Bad Debt Rider	(7,570,329)	(7,190,992)	(5,573,815)	(3,545,265)	(1,665,372)	(927,904)	(741,232)	(587,479)	(608,985)	(1,174,398)	(2,204,089)	(3,821,961)
6	Recovery - Other	(4,131,487)	(3,400,369)	(3,173,473)	(2,426,510)	(1,354,266)	(1,571,222)	(1,454,989)	(1,531,246)	(2,423,518)	(6,791,336)	(14,923,021)	(9,943,772)
7	Incremental Bad Debt [(3)+(4)+(5)+(6)]	(6,961,414)	(6,134,224)	(4,190,319)	(1,218,849)	2,751,489	5,565,868	6,676,577	5,818,436	3,679,311	274,545	(4,163,006)	(5,571,835)
8	Balance Subtotal (1) + (7)	10,199,971	4,063,744	(122,867)	(1,340,049)	1,411,297	6,977,173	13,654,568	19,474,345	23,155,810	23,434,511	19,277,562	13,714,058
9	Carrying Charges [(1)+(7)/(2)x(11)]	7,997	3,708	1,667	(142)	7	818	1,341	2,153	4,157	8,057	8,330	6,435
10	Balance - End of Month (8)+(9)	10,197,968	4,067,452	(121,201)	(1,340,192)	1,411,304	6,977,991	13,655,909	19,476,499	23,159,967	23,440,569	19,285,892	13,720,493
11	Monthly Pool Rates	0.08%	0.08%	0.13%	0.03%	0.03%	0.03%	0.02%	0.02%	0.03%	0.04%	0.06%	0.06%

Columbia Gas of Ohio, Inc.  
Uncollectible Expense Rider Report  
Calendar Year 2010 Actual

Line No.		January	Actual February	March
1	Balance - Beginning of Month	13,720,493	7,452,918	984,706.01
2	Bad Debts Written Off	3,937,023	3,994,232	3,408,565.78
3	Amortization of 2001 Deferral	-	-	-
4	Recovery - Base Rates	-	-	-
5	Consultant Fees	-	-	85,241.16
6	Recovery - Bad Debt Rider	(5,995,861)	(6,159,728)	(4,910,223.09)
7	Recovery - Other	(4,212,177)	(4,304,088)	(3,295,094.14)
8	Incremental Bad Debt (2)+[(3)+(4)+(5)+(6)	(6,271,015)	(6,469,583)	(4,711,510.29)
9	Balance Subtotal (1) + (7)	7,449,478	983,335	(3,726,804.28)
10	Carrying Charges [(1)+[(7)/2]x(11)	3,440	1,371	(445.59)
11	Balance - End of Month (8)+(9)	7,452,918	984,706	(3,727,250)
12	Monthly Pool Rates	0.05%	0.05%	0.05%

NISOURCE INC. AND SUBSIDIARIES  
OPERATING COMPANIES MONEY POOL RATES  
January 2009 Through March 2010

MONTH	MONTH DAYS	AVERAGE DAILY BALANCES			MONTHLY INTEREST ACCRUALS			MONTHLY RATES *		
		S-T DEBT	INVESTMENT	COMPOSITE	S-T DEBT	INVESTMENT	COMPOSITE	S-T DEBT	INVEST	COMPOSITE
		\$	\$	\$	\$	\$	\$	%	%	%
JAN	31	1,071,161,290.32	86,367,654.34	1,157,528,944.66	946,354.76	119,186.38	1,065,541.14	1.04%	1.62%	1.08%
FEB	28	844,417,857.14	53,256,313.32	897,674,170.46	669,630.64	53,437.25	723,067.89	1.03%	1.31%	1.05%
MAR	31	220,272,580.65	43,382,308.82	263,654,889.47	308,926.29	26,189.66	335,115.95	1.65%	0.71%	1.50%
APR	30	0.00	70,296,814.31	70,296,814.31	0.00	23,606.17	23,606.17	0.00%	0.41%	0.41%
MAY	31	0.00	442,681,917.73	4,426,816,917.73	0.00	141,940.03	141,940.03	0.00%	0.38%	0.38%
JUN	30	0.00	416,960,215.15	416,960,215.15	0.00	125,668.22	125,668.22	0.00%	0.37%	0.37%
JUL	31	0.00	287,449,736.82	287,449,736.82	0.00	56,481.10	56,481.10	0.00%	0.23%	0.23%
AUG	31	7,870,967.74	224,414,512.25	232,285,479.99	16,231.42	21,488.92	37,720.34	2.43%	0.11%	0.19%
SEP	30	128,990,000.00	156,768,073.09	285,758,073.09	95,654.48	1,258.90	96,913.38	0.90%	0.01%	0.41%
OCT	31	93,680,645.16	35,236,458.15	128,917,103.31	57,354.59	1.09	57,355.68	0.72%	0.00%	0.52%
NOV	30	88,486,666.67	1,894,631.33	90,381,298.00	56,477.51	0.03	56,477.54	0.78%	0.00%	0.76%
DEC	31	236,645,161.29	0.00	236,645,161.29	140,551.24	0.00	140,551.24	0.70%	0.00%	0.70%
JAN	31	25,767,741.94	0.00	25,767,741.94	13,059.89	0.00	13,059.89	0.60%	0.00%	0.60%
FEB	28	4,071,428.57	0.00	4,071,428.57	1,896.43	0.00	1,896.30	0.61%	0.00%	0.61%
MAR	31	2,125,806.45	0.00	2,125,806.45	1,098.67	0.00	1,098.67	0.61%	0.00%	0.61%

## **ATTACHMENT 2**



Columbia Gas of Ohio, Inc.  
Uncollectible Expense Rider Report  
Based on Historic Balance @ March 31, 2010

Line No.	Description	Amount
1	Deferred Uncollectible Accounts Expense Balance As of March 31, 2010	(3,727,250)
2	Projected Volumes Twelve Months Ending March 31, 2011	172,582,593
3	Rate Adjustment Per Mcf	(0.0216)
4	Approved Rate Per Mcf Implemented May 31, 2009	0.1866
5	Percent of Change From Current Rate	-11.57%
6	Proposed Revised Rate Effective May 31, 2010	0.1650

## **ATTACHMENT 3**

Line No.		Twelve Months Ending March 31, 2011											
		April	May	June	July	August	September	October	November	December	January	February	March
1	Balance - Beginning of Month	(3,727,250)	(5,854,005)	(4,656,927)	(1,459,700)	3,674,113	11,225,650	17,323,874	18,988,903	12,965,441	6,105,587	347,042	(3,663,516)
2	Bad Debts Written Off	1,221,902	2,920,362	4,064,002	5,722,919	8,078,644	6,639,454	2,431,597	(3,924,471)	(3,061,475)	(439,301)	1,185,933	1,890,730
3	Amortization of 2001 Deferral	-	-	-	-	-	-	-	-	-	-	-	-
4	Recovery - Base Rates	-	-	-	-	-	-	-	-	-	-	-	-
5	Recovery - Bad Debt Rider	(3,347,096)	(1,721,545)	(906,771)	(549,472)	(529,616)	(545,891)	(872,765)	(2,074,086)	(3,841,595)	(5,320,330)	(5,195,987)	(4,333,829)
6	Recovery - Other	-	-	-	-	-	-	-	-	-	-	-	-
7	Incremental Bad Debt (2)+(3)+(4)+(5)+(6)	(2,125,194)	1,198,847	3,168,231	6,173,447	7,549,028	6,093,573	1,658,832	(5,698,556)	(8,893,070)	(5,759,831)	(4,010,054)	(2,443,099)
8	Balance Subtotal (1) + (7)	(5,852,444)	(4,655,158)	(1,496,697)	3,673,747	11,223,141	17,319,223	18,982,707	12,990,247	6,102,371	345,958	(3,663,012)	(6,106,616)
9	Carrying Charges (1)+(7)+(2)+(11)	(1,561)	(1,769)	(1,003)	366	2,508	4,651	6,096	6,195	3,218	1,098	(804)	(1,646)
10	Balance - End of Month (8)+(9)	(5,854,005)	(4,656,927)	(1,499,700)	3,674,113	11,225,650	17,323,874	18,988,903	12,995,441	6,105,587	347,042	(3,663,516)	(6,108,261)
11	Monthly Pool Rates	0.05%	0.05%	0.05%	0.05%	0.05%	0.06%	0.05%	0.06%	0.06%	0.05%	0.05%	0.05%

## **ATTACHMENT 4**

Columbia Gas of Ohio, Inc.  
Uncollectible Expense Rider Calculation

Line No.	Description	Amount
1	Change In Balance March 2011vs. March 2010	(2,381,011)
2	Projected Volumes TME March 31, 2011	172,582,593
3	Additional Rate Adjustment Per Mcf	(0.0138)
4	Rate Adjustment Per Attachment 2, Sheet 1	(0.0216)
5	Total Proposed Adjustments (3) + (4)	(0.0354)
6	Approved Rate Per Mcf Implemented May 31, 2009	0.1866
7	Percent of Change From Current Rate (5) / (6)	-18.97%
8	Proposed Revised Rate Effective May 31, 2010 (5) + (6)	0.1512

## **ATTACHMENT 5**

COLUMBIA GAS OF OHIO, INC.

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

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**UNCOLLECTIBLE EXPENSE RIDER**

**APPLICABLE:**

To all customers served under rate schedules SGS and GS.

**UNCOLLECTIBLE EXPENSE RIDER:**

An additional charge of \$0.1512 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 in accordance with Public Utilities Commission of Ohio Entries dated July 6, 1989 in Case No. 89-500-GA-TRF.

Issued:

Effective:

Issued By  
J. W. Partridge Jr., President

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

---

**UNCOLLECTIBLE EXPENSE RIDER**

**APPLICABLE:**

To all customers served under rate schedules SGS and GS.

**UNCOLLECTIBLE EXPENSE RIDER:**

An additional charge of \$0.4866-1512 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 in accordance with Public Utilities Commission of Ohio Entries dated July 6, 1989 in Case No. 89-500-GA-TRF and July 1, 2009 in Case No. 09-0372-GA-UEN.

Issued: July 6, 2009

Effective: July 29, 2009

Issued By  
J. W. Partridge Jr., President



COLUMBIA GAS OF OHIO, INC.

First Sheet No. 69

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

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**UNCOLLECTIBLE EXPENSE RIDER**

**APPLICABLE**

To all customers served under rate schedules SGTS and GTS.

**UNCOLLECTIBLE EXPENSE RIDER**

An additional charge of \$0.1512 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 in accordance with Public Utilities Commission of Ohio Order 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.

First Revised ~~Original~~ Sheet No. 69

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

---

**UNCOLLECTIBLE EXPENSE RIDER**

**APPLICABLE**

To all customers served under rate schedules SGTS and GTS.

**UNCOLLECTIBLE EXPENSE RIDER**

An additional charge of \$0.~~1512~~ 1866 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 in accordance with Public Utilities Commission of Ohio Order dated July 6, 1989 in Case No. 89-500-AU-TRF, and July 1, 2009 in Case No. 09-0372-GA-UEX.

Issued: ~~September 1, 2009~~

Effective: July 29, 2009

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 and FRGTS.

29.19 UNCOLLECTIBLE EXPENSE RIDER

An additional charge of \$0.1512 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 in accordance with Public Utilities Commission of Ohio 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.

SECTION VII

PART 29 - BILLING ADJUSTMENTS

UNCOLLECTIBLE EXPENSE RIDER

29.18 Applicability

To all customers served under rate schedules FRSGTS and FRGTS.

29.19 UNCOLLECTIBLE EXPENSE RIDER

An additional charge of ~~\$0.4866~~ 1512 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.