

FILE

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Five-Year Review of )  
Natural Gas Company Uncollectible ) Case No. 08-1229-GA-COI  
Rider )  
)

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COMMENTS OF  
COLUMBIA GAS OF OHIO, INC.

In its August 19, 2009 Entry, the Public Utilities Commission of Ohio ("Commission") mandated an audit to evaluate the collection policies and practices of each major gas company in order to determine each company's effectiveness of minimizing uncollectible expenses. On September 30, 2009, the Commission selected Northstar Consulting Group to conduct the audit. The Consultant submitted the Audit Report ("Report") to the Commission on May 3, 2010. By Entry on November 3, 2010, the Commission invited interested persons to file comments on the Report submitted by Northstar. Columbia Gas of Ohio, Inc. ("Columbia") hereby submits its comments to the Report.

Columbia does not contest the findings in the Report and in fact, has already implemented several of the Report's recommendations. Columbia, however, would like to highlight a specific point made by the Consultant and urge the Commission to consider adopting this finding.

In Chapter II, p.1 and in Chapter VIII, p.1 the Consultant notes that the cost to recover bad debt is not included in the bad debt tracker which could discourage utilities from making its best efforts to collect. Specifically, the Consultant notes:

While the riders allow for the recovery of the bad debts themselves, most of the costs associated with the actual collection costs continue to be recovered through the base rates. This provides a potential incentive for utilities to reduce their

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internal cost of collections and potentially reduce collections performance. The riders effectively shift the collection risk from the utility to the customer.

Chapter VIII, p.1.

While Columbia has not actively reduced its efforts to collect the bad debts, Columbia does believe that it would be beneficial to the customer base to include these collection costs in the tracker, instead of waiting until the next rate case to recover the costs. The ability to more timely recover these costs would help ensure that utilities maintain collection efforts that help reduce costs for the overall customer base. Columbia is open to further discussion with Commission Staff to implement this change.

Respectfully submitted by,  
**COLUMBIA GAS OF OHIO, INC.**

  
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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing *Comments of Columbia Gas of Ohio, Inc.* was served upon all parties of record by regular U.S. mail this 28<sup>th</sup> day of January, 2011.



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