

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Uncollectible Expense	)	
Rider of Northeast Ohio Natural Gas	)	Case No. 12-309-GA-UEX
Corporation	)	

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**ANNUAL UNCOLLECTIBLE EXPENSE RIDER REPORT**

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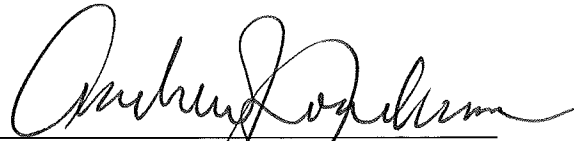
Northeast Ohio Natural Gas Corporation (hereinafter, "Northeast") submits herewith its Annual Report for May 1, 2011 through April 30, 2012, plus the information required in Paragraph 12 of the Commission's Finding and Order dated August 19, 2009 in Case No. 08-1229-GA-COI, *In the Matter of the Five-Year Review of Natural Gas Company Uncollectible Riders* for calendar year 2011. In Case No. 11-3505-GA-UEX, the Commission approved Northeast's current UEX Rider rate of \$0.00 per Mcf. The report is as follows:

1. Attached hereto and marked Attachment 1 is Northeast's Annual Uncollectible Expense Report for calendar year 2011. The Annual Report, Attachment 1, at page 1 shows the actual Uncollectible Account Rider balance through December 31, 2011. Page 1 of Attachment 1 reflects a January 2011 beginning balance of (\$15,927.77).
2. Page 2 of Attachment 1 shows actual uncollectible balances for January through April, 2012 and estimates from May through December, 2012. Northeast has reported an actual Uncollectible Account balance of (\$71,794.73) at April 30, 2012. Attachment 1, Page three shows estimated balances by month through

May, 2013, estimated bad debt expense by month, and the estimated monthly sales volumes, as applicable. At May 31, 2013, the estimated Uncollectible account balance is (\$16,812.56).

3. Northeast believes it is appropriate and 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 Commission has found this procedure to be reasonable in applications for an adjustment in the Uncollectible Expense Rider rates of Columbia Gas of Ohio, Inc. in Case No. 10-578-GA-UEx, and Duke Energy Ohio in Case No. 10-726-GA-UEx.
4. Attachment 2 details the calculation showing the potential change in Northeast's Uncollectible Expense Rider Rate based on its estimated bad debt write-offs, UEX Rider recoveries and sales volumes through May, 2013. An annual adjustment in an Uncollectible Expense Rider rate is appropriate when the over- or under-collection balance would exceed plus/minus ten percent absent adjustment, which is not the case in this instance.
5. For this reason, Northeast Ohio Natural Gas Corporation submits that no change in its currently effective UEX Rider rate is required at this time.

Respectfully submitted this 30<sup>th</sup> day of May, 2011.

A handwritten signature in black ink, appearing to read "Andrew J. Sonderman", written over a horizontal line.

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Counsel for  
Northeast Ohio Natural Gas Corporation

**ATTACHMENT 1 P. 1 OF 3**

**Northeast Ohio Natural Gas Corp.  
Bad Debt Rider  
Annual Balance Reconciliation  
2011**

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
(1) Balance - Beginning of Month	\$ 7,495.71	\$ (15,927.77)	\$ (48,455.77)	\$ (69,441.43)	\$ (88,002.37)	\$ (95,866.17)	\$ (100,274.82)	\$ (103,734.24)	\$ (105,780.10)	\$ (95,910.20)	\$ (89,125.44)	\$ (89,667.08)
(2) Bad Debts Written Off	6,724.78	(2,275.18)	754.53	(327.60)	1,985.24	1,167.22	1,217.91	434.83	10,480.61	7,345.31		14,728.45
(3) Recovery - Base Rates												42,236.10
(4) Recovery - Bad Debt Rider	(30,122.72)	(30,057.77)	(21,383.03)	(17,756.38)	(9,292.02)	(4,981.68)	(4,059.30)	(1,845.98)	0.29			(119,498.59)
(5) Recovery - Other												
(6) Incremental Bad Debt	(23,397.94)	(32,332.95)	(20,628.50)	(18,083.98)	(7,306.78)	(3,814.46)	(2,841.39)	(1,411.15)	10,480.90	7,345.31	-	14,728.45
(7) Balance Subtotal	(15,902.23)	(48,260.72)	(69,084.27)	(87,525.41)	(95,309.15)	(99,680.63)	(103,116.21)	(105,145.39)	(95,299.20)	(88,564.89)	(89,125.44)	(74,938.63)
(8) Carrying Charges	(25.54)	(195.04)	(357.16)	(476.96)	(557.01)	(594.19)	(618.03)	(634.71)	(611.00)	(560.55)	(541.64)	(500.18)
(9) Balance - End of Month	\$ (15,927.77)	\$ (48,455.77)	\$ (69,441.43)	\$ (88,002.37)	\$ (95,866.17)	\$ (100,274.82)	\$ (103,734.24)	\$ (105,780.10)	\$ (95,910.20)	\$ (89,125.44)	\$ (89,667.08)	\$ (75,438.80)

**MEMO ONLY**

Net Monthly Carrying Charge Ra	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%
Sales Volumes	371,869.6	371,101.6	263,990.8	219,214.0	114,706.9	61,505.3	50,115.10	40,526.10	49,036.80	66,039.1	128,769.8	199,127.4
												1,936,002.50

(2) Bad Debts Written Off  
(5) Recovery - Other

**Northeast Ohio Natural Gas Corp.  
Bad Debt Rider  
Annual Balance Reconciliation  
2012**

MEMO ONLY												
Net Monthly Carrying Charge Rf	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%
Sales Volumes	277,969.5	297,932.1	243,633.3	131,410.9	114,706.9	61,505.3	50,115.10	40,526.10	49,036.80	66,039.1	128,769.8	199,127.4

Net Monthly Carrying Charge Rate

(2) Bad Debts Written Off

(5) Recovery - Other

# ATTACHMENT 1 P. 3 OF 3

## Northeast Ohio Natural Gas Corp. Bad Debt Rider Annual Balance Reconciliation 2012

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
(1) Balance - Beginning of Month	\$ (38,473.55)	\$ (34,193.69)	\$ (29,887.82)	\$ (25,555.78)	\$ (21,197.41)
(2) Bad Debts Written Off	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
(3) Recovery - Base Rates					
(4) Recovery - Bad Debt Rider					
(5) Recovery - Other					
(6) Incremental Bad Debt	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
(7) Balance Subtotal	(33,973.55)	(29,693.69)	(25,387.82)	(21,055.78)	(16,697.41)
(8) Carrying Charges	(220.14)	(194.13)	(167.96)	(141.64)	(115.15)
(9) Balance - End of Month	\$ (34,193.69)	\$ (29,887.82)	\$ (25,555.78)	\$ (21,197.41)	\$ (16,812.56)

### MEMO ONLY

Net Monthly Carrying Charge Rai	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%
Sales Volumes	371,869.6	371,101.6	263,990.8	219,214.0	114,706.9

- (2) Bad Debts Written Off
- (5) Recovery - Other

## ATTACHMENT 2

**Northeast Ohio Natural Gas Corporation**  
**Revised Rider Rate Calculation**  
**May 31, 2012**

Balance Overcollected @ 4/30/12	(71,795)
Estimated Uncollectible accounts 5/12-4/13	54,000
Total to be Collected (Refunded)	(17,795)
Projected Volumes 5/12-4/13	1,936,002 Mcf
Calculated Revised Rider Rate	(0.01)
Current Rider Rate 10-309-GA-UEX	0
Change	(0.010)

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

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**Case No(s). 12-0309-GA-UEx**

Summary: Report Annual Uncollectible Expense Rider Report electronically filed by Mr. Andrew J Sonderman on behalf of Northeast Ohio Natural Gas Corporation