

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Uncollectible Expense)
Rider of Northeast Ohio Natural Gas)
Corporation) Case No. 14-0309-GA-UEx

**ANNUAL UNCOLLECTIBLE EXPENSE RIDER REPORT AND APPLICATION FOR
APPROVAL OF AN ADJUSTMENT TO UNCOLLECTIBLE EXPENSE RIDER RATE**

Northeast Ohio Natural Gas Corporation ("Northeast") hereby submits its Annual Report for May 1, 2013 through May 31, 2014, 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 Five-Year Review of Natural Gas Company Uncollectible Riders* for calendar year 2012. Through this Application, Northeast respectfully requests the approval of the Public Utilities Commission of Ohio (the "Commission") to revise its Uncollectible Expense Rider ("UEX Rider") rate. In support of this Application, Northeast states the following:

1. In case No. 13-309-GA-UEx, the Commission approved Northeast's current UEX Rider rate of (\$0.0091) per Mcf.

2. Northeast's Annual Uncollectible Expense Report for calendar year 2013 ("Annual Report") is attached hereto as Attachment 1. Page 1 of the Annual Report shows actual uncollectible balances for January through December 2013. Northeast reports an Uncollectible Account balance of (\$63,136.94) on January 1, 2013. The ending balance is (\$34,312.06) as of December 31, 2013.

3. On page 2 of the Annual Report, the actual balances are shown for January 1, 2014 through May 31, 2014. Additionally, page 2 of the Annual Report shows estimated balances from June 1, 2014 through December 31, 2014.

4. On page 3 of the Annual Report, the estimated balances are shown from January 1, 2015 through May 31, 2015, which assumes no modification to Northeast's Application for the UEX Rider. The estimated balance of the UEX Rider is \$22,402.39 as of May 31, 2015.

5. Northeast believes it is appropriate and reasonable to consider the prospective application of the UEX Rider because it better matches expenses with recoveries. The Commission has found this procedure to be reasonable in applications for an adjustment in the UEX 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.

6. Attachment 2 to the Application details the calculation showing the potential change in Northeast's UEX Rider rate based on its Actual Bad Debt Deferral as of May 31, 2014, Actual Volume from January 2014 through December 2014, the \$0.0025 recovery rate, estimated bad debt write-offs, and UEX Rider recoveries and sales volumes through December 2014. The revised UEX Rider rate proposed to be effective on and after August 1, 2014 is calculated to be \$0.0164 per Mcf, which is an increase of \$0.0255 per Mcf from the currently effective rate of (\$0.0091) per Mcf. Northeast's tariff provides, pursuant to the Commission's guidelines adopted in Case No. 03-1127-GA-UNC, that 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 the case in this instance.

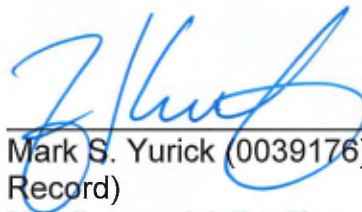
7. Such a change is based on actual experience for the twelve (12) months ended May 2014 as adjusted for estimated uncollectible accruals and projected sales volumes through May 2015. For this reason, Northeast submits that the proposed

increase from its currently effective UEX Rider rate of (\$0.0091) per Mcf to \$0.0164 per Mcf is appropriate.

11. Attachment 3 to the Application includes redlined and clean proposed revisions to Northeast's tariff reflecting the increased UEX Rider Rate proposed herein.

12. Northeast respectfully requests approval of the Application no later than August 1, 2014.

Respectfully submitted,



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**Northeast Ohio Natural Gas Corp.
Bad Debt Rider
Annual Balance Reconciliation
2013**

MEMO ONLY												
	Net Monthly Carrying Charge Rate	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%
Sales Volumes	324,822.3	342,467.6	333,966.1	281,261.3	130,559.3	85,745.1	64,597.8	53,534.3	69,037.0	77,396.9	183,515.5	311,035.6
												2,257,938.8

(2) Bad Debts Written Off

5) Recovery - Other

**Northeast Ohio Natural Gas Corp.
Bad Debt Rider
Annual Balance Reconciliation
2014**

MEMO ONLY													
Net Monthly Carrying Charge Rate													
	0.6077%	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	324,822.3	342,467.6	333,966.1	281,261.3	130,559.3	85,745.1	64,597.8	53,534.3	69,037.0	77,396.9	183,515.5	311,035.6	2,257,938.8

(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
2015**

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
(1) Balance - Beginning of Month	\$ 15,835.75	\$ 16,935.03	\$ 18,040.99	\$ 19,153.66	\$ 20,273.10							
(2) Bad Debts Written Off	1,000.00	1,000.00	1,000.00	1,000.00	2,000.00							
(3) Recovery - Base Rates												
(4) Recovery - Bad Debt Rider												
(5) Recovery - Other												
(6) Incremental Bad Debt	1,000.00	1,000.00	1,000.00	1,000.00	2,000.00	-	-	-	-	-	-	-
(7) Balance Subtotal	16,835.75	17,935.03	19,040.99	20,153.66	22,273.10	-	-	-	-	-	-	-
(8) Carrying Charges	99.28	105.96	112.68	119.44	129.28	-	-	-	-	-	-	-
(9) Balance - End of Month	\$ 16,935.03	\$ 18,040.99	\$ 19,153.66	\$ 20,273.10	\$ 22,402.39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MEMO ONLY

Net Monthly Carrying Charge Rate	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	324,822.3	342,467.6	333,966.1	281,261.3	130,559.3							

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

ATTACHMENT 2

Northeast Ohio Natural Gas Corporation
Revised Rider Rate Calculation
May 31, 2014

Bad Debt Deferral as of 5/31/14	\$5,583	
Volumes 1/14-12/14	2,257,939	
Recovery Rate	\$0.0025	
Estimated Uncollectible accounts	\$31,453	
Projected Volumes 1/14-12/14	2,257,939	Mcf
Projected Recovery Rate	\$0.0139	
Total Bad Debt Rate	\$0.0164	
Current Rider Rate 14-309-GA-UEX	(\$0.0091)	
Change	\$0.0255	

P.U.C.O. No. 1

NORTHEAST OHIO NATURAL GAS CORP.

~~Second~~Third Revised Sheet No. 57

RULES REGULATIONS AND RATES GOVERNING THE DISTRIBUTION AND
TRANSPORTATION OF GAS

71. MCF TAX RIDER. Applicable to all distribution and transportation services to provide for recovery of Northeast Ohio Natural Gas Corp.'s excise tax liability. In addition to all other rates, each Mcf delivered is subject to the following excise tax:

First 100 Mcf per month	\$.1593 per Mcf
Next 1,900 Mcf per month	\$.0877 per Mcf
Over 2,000 Mcf per month	\$0.411 Per Mcf
Flex Customers	\$0200 per Mcf

All bills rendered to a Flex Customer as defined by O.R.C. 5727.80(N) shall be assessed using the Flex Customer rate above (\$.02 per Mcf) with a corresponding reduction to flexed base rate billed to that customer.

72. Uncollectible Expense Rider. Applicable to all customers served under rate schedules SGS, GS, and LGS. An additional charge of ~~\$0.0164~~\$0.01 per Mcf shall be applied to all volumes for services rendered under applicable rate schedules to recover costs associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. The Company 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.

73. Interim, Emergency and Temporary PIP Plan Tariff Schedule Rider. Applicable to all distribution and transportation services and in addition to all other rates and charges, the Interim Emergency and Temporary PIP Plan Rate base rate rider for gas service established in accordance with an Entry in Case No. 13-2351-GA-PIP is \$0.0511 per Mcf delivered.

Filed pursuant to PUCO Application dated ~~December 5, 2013~~June 27, 2014 in Case No. ~~13-2351-GA-PIP14-0312-GA-UEX~~

ISSUED: ~~January 17~~July ____, 2014
or after

EFFECTIVE: For bills Rendered on

~~January 20, 2014~~August 1, 2014

Issued by
Northeast Ohio Natural Gas Corp.
Martin K. Whelan, President

P.U.C.O. No. 1

NORTHEAST OHIO NATURAL GAS CORP.

Third Revised Sheet No. 57

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Filed pursuant to PUCO Application dated June 27, 2014 in Case No. 14-0312-GA-UEX

ISSUED: July __, 2014

EFFECTIVE: For bills Rendered on or after
August 1, 2014

Issued by
Northeast Ohio Natural Gas Corp.
Martin K. Whelan, President

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Case No(s). 14-0309-GA-UEx

Summary: Annual Report for Uncollectible Expense Rider electronically filed by Mark Yurick
on behalf of Northeast Ohio Natural Gas Corporation