

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Uncollectible Expense)
Rider of Orwell Natural Gas Company)

Case No. 14-0312-GA-UEx

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

Orwell Natural Gas Company ("Orwell") 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 2014. Through this Application, Orwell 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, Orwell states the following:

1. In Case No. 13-312-GA-UEx, the Commission approved Orwell's current UEX Rider rate of (\$0.00834) per Mcf.
2. Orwell's Annual Uncollectible Expense Report for calendar year 2014 ("Annual Report") is attached hereto as Attachment 1. Page 1 of the Annual Report shows actual uncollectible balances for January through December 2013. Orwell reports an Uncollectible Account balance of (\$33,207.98) on January 1, 2013. The ending balance is (\$34,569.13) 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 April 30, 2015, which assumes no modification to Orwell's Application for the UEX Rider. The estimated balance of the UEX Rider as of April 30, 2015 is \$17,991.16.

5. Orwell 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.

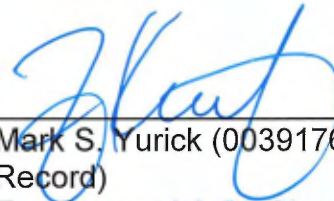
6. Attachment 2 to the Application details the calculation showing the potential change in Orwell's UEX Rider rate based on its Actual Bad Debt Deferral as of May 31, 2014, estimated bad debt write-offs, and UEX Rider recoveries and sales volumes through April 2015. The revised UEX Rider rate proposed to be effective on and after August 1, 2014 is calculated to be \$0.00826 per Mcf, which is an increase of \$0.01660 per Mcf from the currently effective rate of (\$0.00834) per Mcf. Orwell'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 April 2015. For this reason, Orwell submits that the proposed increase from its currently effective UEX Rider rate of (\$0.00834) per Mcf to \$0.00826 per Mcf is appropriate.

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

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

Respectfully submitted,



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Key in Actual Figures

[illegible]

	January	February	March	April	May	June	July	August	September	October	November	December
	Actuals								EST			
(1) Balance - Beginning of Month	(34,569.13)	(31,761.99)	(29,679.07)	(28,125.56)	(26,825.65)	(25,816.46)	(21,598.30)	(19,126.36)	(16,491.15)	(13,735.57)	(10,541.36)	(6,585.77)
(2) Bad Debts Written Off	1,339.11	0.00	0.00	0.00	0.00	3,984.16	2,248.93	2,436.34	2,504.29	2,687.85	2,911.84	3,154.49
(3) Recovery - Base Rates	0.00	(188.60)	(272.47)	(293.51)	0.00	(95.83)	(103.82)	(112.47)	(121.84)	(131.99)	(110.04)	(119.21)
(4) Recovery - Bad Debt Rider (a)	(1,548.62)	(1,968.97)	(1,351.28)	(1,073.16)	(1,073.16)	(195.78)	(168.68)	(129.69)	(166.17)	(403.86)	(954.51)	(1,335.03)
(5) Recovery - Other (b)	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
(6) Incremental Bad Debt (2)-(3)+(4)+	2,887.73	2,157.57	1,623.75	1,366.67	1,073.16	4,275.77	2,521.42	2,678.49	2,792.31	3,223.71	3,976.39	4,608.73
(7) Balance Subtotal (1)+(6)	(31,681.40)	(29,604.42)	(28,055.32)	(26,758.89)	(25,752.50)	(21,540.69)	(19,076.88)	(16,447.87)	(13,698.84)	(10,511.86)	(6,564.96)	(1,977.04)
(8) Carrying Charges {(1)+(7)}x(d)	(80.59)	(74.65)	(70.23)	(66.77)	(63.96)	(57.61)	(49.48)	(43.28)	(36.73)	(29.50)	(20.81)	(10.42)
(9) Balance - End of Month (7)+(8)	(31,761.99)	(29,679.07)	(28,125.56)	(26,825.65)	(25,816.46)	(21,598.30)	(19,126.36)	(16,491.15)	(13,735.57)	(10,541.36)	(6,585.77)	(1,987.46)
(a) Calculated: actual consumption times authorized rider rate												
(b) Consists of customer payments, net-collection agency revenue, and other collections												
(c) Net monthly carrying charge rate (e)	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%
(d) Annual CC rate (Staff calc)	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%
Sales Volumes	185,686	236,088	162,024	128,676	58,349	23,475	20,225	15,550	19,925	48,425	114,450	160,075
Less DEOGCR												
Volumes with a Rider	185,686	236,088	162,024	128,676	58,349	23,475	20,225	15,550	19,925	48,425	114,450	160,075
Rider Rate of Recovery	(\$0.00834)	(\$0.00834)	(\$0.00834)	(\$0.00834)	(\$0.00834)	(\$0.00834)	(\$0.00834)	(\$0.00834)	(\$0.00834)	(\$0.00834)	(\$0.00834)	(\$0.00834)
	\$271,760.00											
	\$5,323.27											
Rolling prior 12/12												
794,298.00												

ORWELL NATURAL GAS COMPANY
UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER
2015 Annual Balance Reconciliation

	EST											
	January	February	March	April	May	June	July	August	September	October	November	December
(1) Balance - Beginning of Month	(1,987.46)	2,162.83	6,129.10	12,011.90	17,991.16	18,034.94	18,078.82	18,122.80	18,166.89	18,211.09	18,255.40	18,299.82
(2) Bad Debts Written Off	2,300.92	2,492.66	4,345.49	4,707.62								
(3) Recovery - Base Rates	(129.15)	(139.91)	(135.85)	(124.47)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(4) Recovery - Bad Debt Rider (a)	(1,720.02)	(1,323.62)	(1,379.41)	(1,110.72)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(5) Recovery - Other (b)	0.00	0.00	0.00	0.00								
(6) Incremental Bad Debt (2)-(3)+(4)+	4,150.08	3,956.19	5,860.76	5,942.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(7) Balance Subtotal (1)+(6)	2,162.62	6,119.03	11,989.86	17,954.71	17,991.16	18,034.94	18,078.82	18,122.80	18,166.89	18,211.09	18,255.40	18,299.82
(8) Carrying Charges {(1)+(7)}(2)x(d)	0.21	10.07	22.04	36.45	43.77	43.88	43.99	44.09	44.20	44.31	44.42	44.52
(9) Balance - End of Month (7)+(8)	2,162.83	6,129.10	12,011.90	17,991.16	18,034.94	18,078.82	18,122.80	18,166.89	18,211.09	18,255.40	18,299.82	18,344.34
\$271,760.00												
(a) Calculated: actual consumption times authorized rider rate												
(b) Consists of customer payments, net-collection agency revenue, and other collections												
(c) Net monthly carrying charge rate (e)	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%	0.2433%
(d) Annual CC rate (Staff calc)	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%	2.9196%
Utilized SG4 Form Filing Through April & 2014 ↑ by 3.5% for May												
Sales Volumes	206,237	158,708	165,397	133,180								
Less DEOGCR												
Volumes with a Rider	206,237	158,708	165,397	133,180	0	0	0	0	0	0	0	0
Rider Rate of Recovery	(\$0.00834)	(\$0.00834)	(\$0.00834)	(\$0.00834)	(\$0.00834)	(\$0.00834)						
663,621.66 0.0209												

Rolling prior 12/12÷12

\$13,846.69

1	Balance of Deferred UEX balance as of May 2014			(\$25,816)	
2	Actual UEX write-offs for 1 months ending May 2014	(May)	\$0		
	Estimated UEX write-offs for 11 months ending April 2015	(Jun - Apr)	\$33,775		
3	Estimated Recoveries Other for the 12 months ending April 2015		<u>(\$1,325)</u>		
4	Net Amount Line 2 minuse Line 3			<u>\$35,099</u>	
5	Amount to be collected through UEX rider			\$9,283	
6	Applicable Sales Volumes			\$1,123,996	
7	Proposed UEX Rider Rate			\$0.00826	Per Mcf
8	Current UEX Rider Rate			(\$0.00834)	Per Mcf
9	Change From Current to Proposed Rider Rate			\$0.01660	Per Mcf

Orwell Natural Gas Company
Orwell, Ohio

Section 5
~~Fourth-Fifth~~ Revised Sheet
No. 2

P.U.C.O. No. 1

accordance with Chapter 4901:1-14 of the Ohio Administrative Code which is incorporated herein by this reference, and shall be subject to Subparagraphs (ii) through (v), below.

- (ii) Gross Receipts Tax Rider. The Company will charge and collect each billing period the effect of the gross receipts taxes assessed against the Company under all applicable rates and charges. However, this Gross Receipts Tax Rider will not be applied to bills of customers statutorily exempt from the payment of gross receipts taxes. The current gross receipt tax rate is 4.75 percent, thus the current gross receipts tax charged will be at the effective rate of 4.98725 percent.
- (iii) Mcf Tax Rider. In addition to the above rates, the Company will charge and collect each billing period the effect of its excise tax liability. For each Mcf delivered, the Mcf tax will be \$.0411.
- (iv). Uncollectible Accounts Rider. In addition to and independent of the adjustments provided for in Subsections A and B above, ~~the rates will be adjusted by a credit to customers a charge of \$0.00826\$.00834 per Mcf by the Company shall be applied~~ to recover costs associated with uncollectible accounts for customers served pursuant to this schedule. No more frequently than annually, the Company may file an application with the Public Utilities Commission of Ohio requesting approval to adjust this charge if the Company determines that in the preceding year uncollectible account expense was over or under-recovered by plus or ten percent.

(C). Miscellaneous Charges

- (i) Late Payment Charge. Payment of the total amount due must be received by Company or an authorized agent by the due date shown on the Bill which shall be fourteen (14) days from the date rendered. If a bill payment is not received within fourteen days of the date of the invoice, an additional amount of one and one half percent (1.5%) of the unpaid balance on the Customer's bill will be added to the Customer's subsequent bill and be due and payable as part of Customer's total obligation. This provision is not applicable to unpaid account balances of any customer enrolled in a payment plan pursuant to Rule 4901:1-18-04, Ohio Administrative Code.

Filed on June 27, 2014 under Authority of the Public Utilities Commission of Ohio in Case No. 1314-0312-GA-UEx

ISSUED: ~~December 19~~July, ~~2013~~2014
1, 2014

EFFECTIVE: for bills rendered on or after January-August

Issued By
Orwell Natural Gas Company
Gregory Osborne, President

Orwell Natural Gas Company
Orwell, Ohio

Section 5
Fifth Revised Sheet
No. 2

P.U.C.O. No. 1

accordance with Chapter 4901:1-14 of the Ohio Administrative Code which is incorporated herein by this reference, and shall be subject to Subparagraphs (ii) through (v), below.

- (ii) Gross Receipts Tax Rider. The Company will charge and collect each billing period the effect of the gross receipts taxes assessed against the Company under all applicable rates and charges. However, this Gross Receipts Tax Rider will not be applied to bills of customers statutorily exempt from the payment of gross receipts taxes. The current gross receipt tax rate is 4.75 percent, thus the current gross receipts tax charged will be at the effective rate of 4.98725 percent.
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Filed on June 27, 2014 under Authority of the Public Utilities Commission of Ohio in Case No. 14-0312-GA-UEx

ISSUED: July ____, 2014

EFFECTIVE: for bills rendered on or after August 1, 2014

Issued By
Orwell Natural Gas Company
Gregory Osborne, President

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Case No(s). 14-0312-GA-UEx

Summary: Annual Report for Uncollectible Expense Rider electronically filed by Mark Yurick
on behalf of Orwell Natural Gas Company