BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Uncollectable Expense Rider of Northeast Ohio Natural Gas Corporation.

Case No. 17-0309-GA-UEX

NORTHEAST OHIO NATURAL GAS CORPORATION'S ANNUAL UNCOLLECTABLE EXPENSE RIDER REPORT AND APPLICATION FOR APPROVAL OF AN ADJUSTMENT TO UNCOLLECTABLE EXPENSE RIDER RATE

Northeast Ohio Natural Gas Corporation ("NEO" or "Northeast") hereby submits its annual uncollectable expense rider report ("UEX Report"), plus the information required by the order of the Public Utilities Commission of Ohio ("PUCO" or "Commission").¹ In case No. 15-309-GA-UEX, the Commission approved NEO's current UEX Rider rate of \$0.0232 per Mcf. NEO requests that the Commission approve NEO's revision of its UEX rider to reflect a charge in the amount of \$0.0239 per Mcf. Support for this request is as follows:

1. Attached hereto and marked as Attachment 1 is NEO's Annual UEX Report for calendar year 2016. Page 1 of 3 of Attachment 1 shows actual uncollectible balances for January through December 2016. NEO reports an Uncollectible Account balance of \$26,807.16 on January 1, 2016. The ending balance is \$41,265.36 as of December 31, 2016.

2. Attachment 1, page 2 of 3, shows actual balances for January 1, 2017 through April, 2017 and additionally shows estimated balances by month through December 31, 2017, estimated bad debt expense by month, and the estimated monthly sales volume, as applicable. On December 31, 2017, the estimated Uncollectible account balance is expected to be \$37,457.50 if the UEX Rider rate is unchanged.

¹ In the Matter of Five-Year Review of Natural Gas Company Uncollectible Riders, Case No. 08-1229-GA-COI, Finding and Order at 5-6 (August 19, 2009).

3. Attachment 1, page 3 of 3, shows estimated balances for January 1, 2018 through June 30, 2018 assuming no modification in the UEX Rider. The estimated balance, assuming no change to the UEX Rider, is \$58,141.40 as of June 30, 2018.

4. 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, Inc. in Case No. 10-726-GA-UEX.

5, 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 April 30, 2017, estimated bad debt write-offs, and UEX Rider recoveries and sales volumes through April 30, 2017. The revised UEX Rider rate proposed to be effective upon Commission approval is calculated to be \$0.0239 per Mcf, which is an increase of \$0.0007 per Mcf from the currently effective rate of \$.0232 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 UEX 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.

6. Such a change is based on actual experience for the twelve (12) months ended April 30, 2017 as adjusted for estimated uncollectible accruals and projected sales volumes through June 2018. 7. For this reason, NEO submits that the proposed increase from its currently effective UEX Rider rate of \$0.0232 per Mcf to a charge in the amount of \$0.0239 per Mcf is appropriate.

8. Attachment 3 to the Application includes redlined and clean proposed revisions to

Northeast's tariff reflecting the increased UEX Rider Rate proposed herein.

Respectfully submitted on behalf of NORTHEAST OHIO NATURAL GAS CORPORATION

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Devin D. Parram BRICKER & ECKLER, LLP 100 South Third Street Columbus, OH 43215-4291 Telephone: (614) 227-8813 Facsimile: (614) 227-2390 E-mail:dparram@bricker.com

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Northeast Ohio Natural Gas Corp. Bad Debt Rider Annual Balance Reconciliation 2016

<u>Jan</u>	Feb	Mar	Apr	May	June	<u>Jul</u>	Aug	Sep	Oct	Nov	Dec	Total
\$ 26,	807.16 \$	\$ 34,677.80 \$ 26,807.16 \$ 22,644.26 \$ 16,191.49	16,191.49 \$	17,349.31 \$	18,692.13 \$	27,313.60	\$ 37,409.97	\$ 41,845.96	\$ 56,649.38	\$ 50,586.81	\$ 48,034.93	
(438.82) 5,	5,169.28	1,152.64	6,298.91	4,810.84	10,784.15	11,528.16	5,791.80	15,978.34	(4,369.64)	50.15	(120.02)	56,635.79
(7,618.08) (9,48	(9,481.99)	(7,723.06)	(5,242.70)	(3,577.21)	(2,302.05)	(1,627.86)	(1,595.91)	(1,473.31)	(2,017.79)	(2,900.80)	(6,920.07)	(52,480.83)
(8,056.90) (4,312.71)	.71)	(6,570.42)	1,056.21	1,233.63	8,482.10	9,900.30	4,195.89	14,505.03	(6,387.43)	(2,850.65)	(7,040.09)	
26,620.90 22,494.45	45	16,073.84	17,247.70	18,582.94	27,174.23	37,213.90	41,605.86	56,350.99	50,261.95	47,736.16	40,994.84	
149.81	2	117.65	101.61	109.18	139.37	196.07	240.10	298.38	324.86	298.77	270.53	
\$ 22,644.2	8 9	\$ 26,807.16 \$ 22,644.26 \$ 16,191.49 \$ 17,349.31	17,349.31 \$	18,692.13 \$	27,313.60	\$ 37,409.97	\$ 41,845.96	\$ 56,649.38	\$ 50,586.81 \$	\$ 48,034.93 \$	\$ 41,265.36	
0.6077% 0.6077%	%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	0.6077%	

298,291.8 2,273,977.2

125,142.4

87,263.7

63,719.5

69,239.0

70,355.3

99,643.7

156,763.1

248,704.8

313,172.0

404,500.6

337,181.3

Projected Sales Volumes

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

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Northeast Ohio Natural Gas Corp. Bad Debt Rider Annual Balance Reconciliation 2017

		Jan	Feb	Mar	Apr	Мау	June	IUL	Aug	Sep	Oct	Nov	Dec	Total
(1)	(1) Balance - Beginning of Month	\$ 41,265.36	\$ 41,265.36 \$ 27,871.85 \$ 20,235.70 \$ 13,550.39	20,235.70	3 13,550.39 \$	9,249.43 \$	\$ 13,317.79 \$	\$ 17,410.89 \$ 21,528.85		\$ 25,671.84 \$	3 29,840.01	29,840.01 \$ 33,030.47 \$	35,237.28	
(2)	(2) Bad Debts Written Off	(1,750.21)	1,032.75	670.48	1,594.41	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	3,000.00	2,000.00	2,000.00	
(3)	(3) Recovery - Base Rates													
(4)	(4) Recovery - Bad Debt Rider	(11,852.75)	(8,814.64)	(7,458.14)	(5,964.44)									(34,089.97)
(2)	Recovery - Other													
(9)	(6) Incremental Bad Debt	(13,602.96)	(7,781.89)	(6,787.66)	(4,370.03)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	3,000.00	2,000.00	2,000.00	
(7)	(7) Balance Subtotal	27,662.40	20,089.96	13,448.04	9,180.36	13,249.43	17,317.79	21,410.89	25,528.85	29,671.84	32,840.01	35,030.47	37,237.28	
(8)	(8) Carrying Charges	209.45	145.74	102.35	69.07	68.37	93.09	117.96	142.99	168.17	190.46	206.81	220.22	
(6)	(9) Balance - End of Month	\$ 27,871.85 {	\$ 27,871.85 \$ 20,235.70 \$ 13,550.39 \$	3 13,550.39 \$		13,317.79 \$	17,410.89 \$	21,528.85	3 25,671.84	3 29,840.01	9,249.43 \$ 13,317.79 \$ 17,410.89 \$ 21,528.85 \$ 25,671.84 \$ 29,840.01 \$ 33,030.47 \$ 35,237.28 \$	35,237.28	37,457.50	
	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%	

419,448.0 2,622,887.5

277,448.0

150,705.0

87,796.0

80,781.0

80,203.0

71,557.0

89,256.0

272,888.7

312,913.9

369,228.2

410,662.7

Projected Sales Volumes

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

Northeast Ohio Natural Gas Corp. Bad Debt Rider Annual Balance Reconciliation 2018													
	Jan	Feb	Mar	Apr	May	June	<u>Jul</u>	Aug	Sep	Oct	Nov	Dec	Total
(1) Balance - Beginning of Month \$	37,457.50	\$ 37,457.50 \$ 39,691.22 \$ 41,938.51 \$ 45,202.50	3 41,938.51		\$ 49,489.36 \$	53,802.27	\$ 58,141.40 \$	\$	'	ج	' ج	ج	
(2) Bad Debts Written Off	2,000.00	2,000.00	3,000.00	4,000.00	4,000.00	4,000.00							
(3) Recovery - Base Rates													
(4) Recovery - Bad Debt Rider													
(5) Recovery - Other													
(6) Incremental Bad Debt	2,000.00	2,000.00	3,000.00	4,000.00	4,000.00	4,000.00							
(7) Balance Subtotal	39,457.50	41,691.22	44,938.51	49,202.50	53,489.36	57,802.27							
(8) Carrying Charges	233.72	247.29	263.99	286.86	312.91	339.12							
(9) Balance - End of Month \$	39,691.22	39,691.22 \$ 41,938.51 \$ 45,202.50 \$ 49,489.36	\$ 45,202.50	49,489.36 \$	53,802.27 \$ 58,141.40	58,141.40 \$	୫ '	↔ '		۰ ج	۰ ج	ب	
<u>MEMO ONLY</u> 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%	
Projected Sales Volumes	414,297.00	339,639.00	331,490.00	187,506.00	89,256.00	71,557.00	80,203.00	80,781.00	87,796.00	150,705.00	277,448.00	419,448.00	2,530,126.00

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

ATTACHMENT 1 P. 3 OF 3

ATTACHMENT 2

Northeast Ohio Natural Gas Corporation Revised Rider Rate Calculation 04/30/17

Bad Debt Deferral as of 4/30/17	\$ 9,249.43	
Projected Volumes 5/17-4/18	2,530,126	
Recovery Rate	\$0.0037	
Estimated Uncollectible accounts	\$46,000	
Sales Volumes 1/16-12/16	2,273,977	Mcf
Projected Recovery Rate	\$0.0202	
Total Bad Debt Rate	\$0.0239	
Current Rider Rate 15-309-GA-UEX	\$0.0232	
Change	\$0.0007	

Attachment 3 Page 1 of 2

P.U.C.O. No. 1

NORTHEAST OHIO NATURAL GAS CORP. 587

Fifthourth Revised Sheet No.

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 \$0.02392 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_OctoberJuly_15, 20175 in Case No. 157-0309-GA-UEX

ISSUED: <u>August</u>____January 7, 201<u>7</u>6

-EFFECTIVE: For bills Rendered on or after January 7August ___, 20176

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

Attachment 3 Page 2 of 2

P.U.C.O. No. 1

NORTHEAST OHIO NATURAL GAS CORP.

Fifth Revised Sheet No. 58

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:

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Filed pursuant to PUCO Application dated July ___, 2017 in Case No. 17-0309-GA-UEX

ISSUED: August ____, 2017

EFFECTIVE: For bills Rendered on or after August ___, 2017

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

This foregoing document was electronically filed with the Public Utilities

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Case No(s). 17-0309-GA-UEX

Summary: Text Northeast Ohio Natural Gas Corporation's Annual Uncollectable Rider Report and Application for Approval of an Adjustment to Uncollectable Expense Rider Rate electronically filed by Teresa Orahood on behalf of Devin D. Parram