

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Uncollectable Expense Rider     )  
of Northeast Ohio Natural Gas Corporation.             ) Case No. 21-0309-GA-UEX

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

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Northeast Ohio Natural Gas Corporation ("NEO" or "Northeast") hereby submits its annual uncollectable expense rider report ("UEX Report"), along with the Orwell area UEX. NEO has in its tariffs, a UEX rate for Northeast area customers that serves NEO and former Brainard customers and a UEX rate for customers in the Orwell area. These rates were approved by the Commission in Case No. 17-309-GA-UEX and Case No. 17-312-GA-UEX and were incorporated in NEO's tariffs in the last rate case (No. 18-1720-GA-AIR). The rate for NEO is \$0.0232 per Mcf and Orwell's rate is \$0.1465 per Mcf. With this application, NEO is requesting authority to combine the rates of NEO and Orwell areas into a single rate that would be applied to all NEO's customers. NEO requests that the Commission approve NEO's combined UEX rider rate in the amount of \$(0.0237) per Mcf. The support for this request is as follows:

1. Attached hereto and marked as Attachment 1 is NEO's Annual UEX Report. Page 1 of 2 of Attachment 1 shows actual uncollectible balances for January through December 2020, with a balance of \$15,532.62 as of December 31, 2020. Page 2 of 2 of Attachment 1 shows actual uncollectible balance as of March 31, 2021 of \$(11,310.71).
2. Attachment 2 is Orwell's Annual UEX Report. Page 1 of 2 of Attachment 2 shows actual uncollectible balances for January through December 2020, with a balance of (\$332,222.94)

as of December 31, 2020. Page 2 of 2 of Attachment 2 shows actual uncollectible balance as of March 31, 2021 of \$(423,873.35).

3. Attachment 3 shows the combined balances for NEO and Orwell areas. Page 1 of 2 of Attachment 3 shows actual combined uncollectible balances for January through December 2020, with a balance of (\$316,690) as of December 31, 2020. Page 2 of 2 of Attachment 3 shows the combined uncollectible balance as of March 31, 2021 of \$(435,184).

4. Attachment 4, shows NEO's calculation of a combine UEX rider rate that starts with the combined balance as of March 31, 2021 of \$(435,184) and 24 months of sale volumes to calculate the Recovery/Credit Rate. Next the Projected Recovery Rate is calculated using two years of write-offs and 24 months of sales volumes. The Recovery/Credit Rate is then added to the Projected Recover Rate to come up with the Total Bad Debt Rider rate of \$(0.0237). This proposed rate would reflect a reduction to NEO area customers of approximately five cents (\$0.0469) and for Orwell's area customers a reduction of approximately seventeen cents (\$0.1702). NEO calculations are intended to minimize rate fluctuation between credits and charges, with the proposed rates to be in effect for two years.

5. NEO submits the proposed decrease from its currently effective UEX Rider rates of \$0.0232 and \$.1464 per Mcf to a credit in the amount of \$(0.0237) per Mcf.

6. Attachment 5 to the Application includes redlined and clean proposed revision to Northeast's tariff reflecting the decreased UEX Rider Rate proposed herein.

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**ATTACHMENT 1 Page 1 OF 2**

**Northeast Ohio Natural Gas Corp.  
Bad Debt Rider  
Annual Balance Reconciliation  
2020**

	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Total
(1) Balance - Beginning of Month	\$ 9,971.01	\$ (781.98)	\$ (8,159.75)	\$ (17,648.51)	\$ (17,873.22)	\$ (21,954.07)	\$ (24,790.69)	\$ (20,373.14)	\$ (10,909.77)	\$ 7,654.93	\$ 6,310.81	\$ 16,045.72	
(2) Bad Debts Written Off	\$ (886.42)	\$ 2,626.15	\$ (58.44)	\$ 6,315.08	\$ 1,385.60		\$ 6,262.63	\$ 11,243.18	\$ 20,452.80	\$ 1,109.39	\$ 13,967.88	\$ 7,442.18	\$ 69,880.03
(3) Recovery - Base Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(4) Recovery - Bad Debt Rider	\$ (9,888.10)	\$ (10,002.43)	\$ (9,426.02)	\$ (6,533.88)	\$ (5,459.82)	\$ (2,828.84)	\$ (1,837.56)	\$ (1,774.60)	\$ (1,887.56)	\$ (2,455.84)	\$ (4,236.69)	\$ (7,960.53)	\$ (64,291.87)
(5) Recovery - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(6) Incremental Bad Debt (2) - [(3) + (4) + (5)]	\$ (10,754.52)	\$ (7,376.28)	\$ (9,484.46)	\$ (218.80)	\$ (4,074.22)	\$ (2,828.84)	\$ 4,425.07	\$ 9,468.58	\$ 18,565.24	\$ (1,346.45)	\$ 9,731.19	\$ (518.35)	
(7) Balance Subtotal (1) + (6)	\$ (783.51)	\$ (8,158.26)	\$ (17,644.21)	\$ (17,867.31)	\$ (21,947.44)	\$ (24,782.91)	\$ (20,365.62)	\$ (10,904.56)	\$ 7,655.47	\$ 6,308.48	\$ 16,042.00	\$ 15,527.37	
(8) Carrying Charges [(1) + (7)]/2 * (c)	\$ 1.53	\$ (1.49)	\$ (4.30)	\$ (5.91)	\$ (6.63)	\$ (7.78)	\$ (7.52)	\$ (5.21)	\$ (0.54)	\$ 2.32	\$ 3.72	\$ 5.26	\$ (26.54)
(9) Balance - End of Month	\$ (781.98)	\$ (8,159.75)	\$ (17,648.51)	\$ (17,873.22)	\$ (21,954.07)	\$ (24,790.69)	\$ (20,373.14)	\$ (10,909.77)	\$ 7,654.93	\$ 6,310.81	\$ 16,045.72	\$ 15,532.63	\$ 5,561.62

**MEMO ONLY**

Net Monthly Carrying Charge Rate

Rider Rate

Sales Volumes NEO

Sales Volumes Brainard

	0.0333%	0.0333%	0.0333%	0.0333%	0.0333%	0.0333%	0.0333%	0.0333%	0.0333%	0.0333%	0.0333%	0.0333%	
	\$0.0232	\$0.0232	\$0.0232	\$0.0232	\$0.0232	\$0.0232	\$0.0232	\$0.0232	\$0.0232	\$0.0232	\$0.0232	\$0.0232	
	415,735	421,141	395,798	274,711	228,789	118,752	78,053	75,573	80,378	104,222	179,472	336,031	2,708,655.40
	10,313	11,800	10,710	6,942	6,581	3,323	1,356	1,152	1,220	1,782	3,188	7,095	65,463.60

**Northeast Ohio Natural Gas Corp.**  
**Bad Debt Rider**  
**Annual Balance Reconciliation**  
**2021**

[illegible]

Orwell Natural Gas  
Bad Debt Rider  
Annual Balance Reconciliation  
2020

**MEMO ONLY**  
**Net Monthly Carrying Charge Rate**  
**Monthly UEX Rider Rate**  
**Actual Sales Volumes**

Onwell Natural Gas  
Bad Debt Rider  
Annual Balance Reconciliation  
2021

**MEMO ONLY**  
Net Monthly Carrying Charge Rate

**Monthly UEX Rider Rate**  
Actual Sales Volumes

# ATTACHMENT 3 Page 1 OF 2

## Northeast Ohio Natural Gas Corp. Combined Areas Bad Debt Rider Annual Balance Reconciliation 2020

	<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>	<u>Total</u>
(1) Balance - Beginning of Month	(\$190,428)	(\$229,991)	(\$265,701)	(\$300,223)	(\$314,470)	(\$334,864)	(\$344,268)	(\$339,704)	(\$327,367)	(\$296,990)	(\$299,203)	(\$290,814)	
(2) Bad Debts Written Off	(\$1,870)	\$3,786	(\$58)	\$10,218	\$2,154	\$0	\$10,106	\$17,426	\$35,953	\$6,092	\$25,426	\$5,783	\$115,015
(3) Recovery - Base Rates	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(4) Recovery - Bad Debt Rider	(\$37,623)	(\$39,414)	(\$34,369)	(\$24,362)	(\$22,440)	(\$9,291)	(\$5,429)	(\$4,978)	(\$5,472)	(\$8,205)	(\$16,938)	(\$31,558)	(\$240,079)
(5) Recovery - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(6) Incremental Bad Debt (2) - [(3) + (4) + (5)]	(\$39,493)	(\$35,628)	(\$34,427)	(\$14,144)	(\$20,286)	(\$9,291)	\$4,678	\$12,447	\$30,481	(\$2,113)	\$8,488	(\$25,775)	
(7) Balance Subtotal (1) + (6)	(\$229,921)	(\$265,619)	(\$300,129)	(\$314,367)	(\$334,756)	(\$344,155)	(\$339,590)	(\$327,256)	(\$296,887)	(\$299,104)	(\$290,716)	(\$316,589)	
(8) Carrying Charges [(1) + (7)]/2 * (c)	(\$70)	(\$83)	(\$94)	(\$102)	(\$108)	(\$113)	(\$114)	(\$111)	(\$104)	(\$99)	(\$98)	(\$101)	(\$1,198)
(9) Balance - End of Month	(\$229,991)	(\$265,701)	(\$300,223)	(\$314,470)	(\$334,864)	(\$344,268)	(\$339,704)	(\$327,367)	(\$296,990)	(\$299,203)	(\$290,814)	(\$316,690)	(\$126,262)

# ATTACHMENT 3 Page 2 OF 2

## Northeast Ohio Natural Gas Corp. Combined Areas Bad Debt Rider Annual Balance Reconciliation 2021

	<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>	<u>Total</u>
(1) Balance - Beginning of Month	(\$316,690)	(\$356,760)	(\$400,723)	(\$435,184)	(\$314,470)	(\$334,864)	(\$344,268)	(\$339,704)	(\$327,367)	(\$296,990)	(\$299,203)	(\$290,814)	
(2) Bad Debts Written Off	3,036.09	5,627.54	4,419.91	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,084
(3) Recovery - Base Rates	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(4) Recovery - Bad Debt Rider	(42,994.02)	(49,463.87)	(38,742.03)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$131,200)
(5) Recovery - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Incremental Bad Debt (2) - [(3) + (4) + (5)]	(\$39,958)	(\$43,836)	(\$34,322)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Balance Subtotal (1) + (6)	(\$356,648)	(\$400,597)	(\$435,045)	(\$435,184)	(\$314,470)	(\$334,864)	(\$344,268)	(\$339,704)	(\$327,367)	(\$296,990)	(\$299,203)	(\$290,814)	
(8) Carrying Charges [(1) + (7)]/2 * (c)	(\$112)	(\$126)	(\$139)	(\$145)	(\$105)	(\$112)	(\$115)	(\$113)	(\$109)	(\$99)	(\$100)	(\$97)	(\$1,371)
(9) Balance - End of Month	(\$356,760)	(\$400,723)	(\$435,184)	(\$435,329)	(\$314,574)	(\$334,975)	(\$344,382)	(\$339,817)	(\$327,476)	(\$297,089)	(\$299,303)	(\$290,911)	(\$119,487)



Attachment 4  
Northeast Ohio Natural Gas Corp. Combined Area  
Bad Debt Rider  
Revised Rate Calculation

Balance - As of March 31, 2021	(\$435,184)	
24 months of Sales volumes	<u>8,018,574</u>	Mcf
Recovery/Credit Rate	(\$0.0543)	
Combined Write-offs from 1/1/19 to 12/31/20	\$244,950	
24 months of Sales volumes	<u>8,018,574</u>	Mcf
Projected Recovery Rate	\$0.0305	
<b>Total Bad Debt Rider</b>	<b>(\$0.0237)</b>	
Current Rates:		
NEO Area	\$0.0232	
Orwell Area	\$0.1465	
Change in Rates		
NEO Area	(\$0.0469)	
Orwell Area	(\$0.1702)	

NORTHEAST OHIO NATURAL GAS CORP. ~~FIRST REVISED ORIGINAL~~ SHEET NO. 56

**RULES, REGULATIONS AND RATES GOVERNING THE DISTRIBUTION AND  
TRANSPORTATION OF GAS**

**UNCOLLECTIBLE EXPENSE RIDER**

**15. Uncollectible Expense Rider**

**Applicability:**

Applicable to all Customers served under rate schedules SGS, GS and LGS.

**Description:**

The Uncollectible Expense Rider Rate shall be applied to all billed Mcf for Gas Service rendered to Customers served under the applicable Rate Schedules.

The Rider shall recover costs associated with uncollectible accounts arising from those Customers in those Rate Schedules responsible for paying the Uncollectible Expense Rider.

Company shall file an application with the Commission requesting approval to change the Uncollectible Expense Rider Rate if Company determines that an adjustment of more than plus or minus ten percent is needed.

**Reconciliation:**

The Uncollectible Expense Rider is updated annually. The Company's actual uncollectible expense for the applicable Rate Schedules, including carrying charges, shall be reconciled annually, with any over or under collection being reflected as a charge or credit in a subsequent update of the Rider Rate. The charge or credit may include Customer refunds if the Commission or Supreme Court of Ohio determines, as a result of an audit of the annual period in which the Rider Rate was in effect, that the Company's charge was unlawful or unreasonable or included imprudent amounts.

**Uncollectible Expense Rider Rate:**

The Uncollectible Expense Rider Rate is as follows:

	<b>Northeast Ohio</b>	<b>Orwell</b>
	<b><u>Area</u></b>	<b><u>Area</u></b>
Uncollectible Expense Charge per Mcf:	\$0.0232 (.0237)	\$0.1465

Filed in accordance with the Public Utilities Commission of Ohio Entry dated September ~~XX~~26, 2019~~21~~,  
Case No. ~~21-309-GA-UEX18-1720-GA-AIR~~

ISSUED: September ~~27~~xx, 2019~~21~~

EFFECTIVE: For Bills Rendered on or after: October 1, 2019~~21~~

Issued by  
Northeast Ohio Natural Gas Corp.  
Ken Oostman, President

NORTHEAST OHIO NATURAL GAS CORP. FIRST REVISED SHEET NO. 56

**RULES, REGULATIONS AND RATES GOVERNING THE DISTRIBUTION AND  
TRANSPORTATION OF GAS**

**UNCOLLECTIBLE EXPENSE RIDER**

**15. Uncollectible Expense Rider**

**Applicability:**

Applicable to all Customers served under rate schedules SGS, GS and LGS.

**Description:**

The Uncollectible Expense Rider Rate shall be applied to all billed Mcf for Gas Service rendered to Customers served under the applicable Rate Schedules.

The Rider shall recover costs associated with uncollectible accounts arising from those Customers in those Rate Schedules responsible for paying the Uncollectible Expense Rider.

Company shall file an application with the Commission requesting approval to change the Uncollectible Expense Rider Rate if Company determines that an adjustment of more than plus or minus ten percent is needed.

**Reconciliation:**

The Uncollectible Expense Rider is updated annually. The Company's actual uncollectible expense for the applicable Rate Schedules, including carrying charges, shall be reconciled annually, with any over or under collection being reflected as a charge or credit in a subsequent update of the Rider Rate. The charge or credit may include Customer refunds if the Commission or Supreme Court of Ohio determines, as a result of an audit of the annual period in which the Rider Rate was in effect, that the Company's charge was unlawful or unreasonable or included imprudent amounts.

**Uncollectible Expense Rider Rate:**

The Uncollectible Expense Rider Rate is as follows:

Uncollectible Expense Charge per Mcf:     \$(0.0237)

Filed in accordance with the Public Utilities Commission of Ohio Entry dated September XX, 2021,  
Case No. 21-309-GA-UEx

ISSUED: September xx, 2021

EFFECTIVE: For Bills Rendered on or after: October 1, 2021

Issued by  
Northeast Ohio Natural Gas Corp.  
Ken Oostman, President

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

**Commission of Ohio Docketing Information System on**

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**in**

**Case No(s). 21-0309-GA-UEX**

Summary: Application NEO is filing an application to to change its Uncollectible Expense Rider (UEX) rate electronically filed by Mr. Roger Sarver on behalf of Northeast Ohio Natural Gas Corp.