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FILE

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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2009 APR 30 AM 9:00
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IN THE MATTER OF THE APPLICATION OF)
PIKE NATURAL GAS COMPANY FOR)
APPROVAL OF AN ADJUSTMENT TO ITS)
UNCOLLECTIBLE EXPENSE RATE RIDER)

CASE NO. 09-368-GA-UEX

APPLICATION

Kenneth N. Rosselet, Jr.
Pike Natural Gas Company
P.O. Box 430
Frazeyburg, Ohio 43822

April 30, 2009

Regulatory Compliance Officer for
Pike Natural Gas Company

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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

IN THE MATTER OF THE APPLICATION OF)	
PIKE NATURAL GAS COMPANY FOR)	CASE NO. 09-____-GA-UEx
APPROVAL OF AN ADJUSTMENT TO ITS)	
UNCOLLECTIBLE EXPENSE RATE RIDER)	

APPLICATION

The Pike Natural Gas Company ("Pike") hereby submits its annual Uncollectible Expense Rider Report and respectfully requests approval to revise its Uncollectible Expense Rider rate. In support of its Application, Pike states as follows:

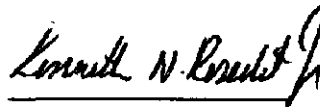
1. On January 26, 2005, the Commission issued an Entry in Case No. 04-1339-GA-UEx, in which it approved Pike's application to defer its uncollectible expenses for calendar year 2004 rather than immediately institute an uncollectible rider.
2. The Commission in its Entry in Case No. 04-1339-GA-UEx, ordered that an uncollectible rider would be considered in Pike's next base rate case.
3. On June 28, 2005, Pike filed a Notice of Intent for its base rate case, Case No. 05-824-GA-AIR.
4. On June 28, 2006, the Commission issued its Opinion and Order in Case No. 05-824-GA-AIR, in which it approved the Stipulation and Recommendation of the parties and authorized the current uncollectible expense rider rate of \$0.00787 per Ccf.
5. The Stipulation and Recommendation further required Pike to submit a report of 2004 and 2005 uncollectibles written off, balances deferred, and amounts

recovered within 60 days of approval of the rider along with a description of its credit and collection policies. This report and the description of the credit and collection policies was filed with the Commission on July 31, 2006.

6. The Stipulation and Recommendation approved by the Commission, requires that subsequent reports will be filed in May of each year and will include annual data from the prior year.
7. Pike filed a report in compliance with the Stipulation and Recommendation on April 30, 2007 (Case NO. 07-513-GA-UEx) and requested a new rider of \$0.00155 per Ccf, which was a decrease of \$0.00632 per Ccf of the then current rider.
8. The now current rider of \$0.00155 per Ccf was approved by the Commission in its *Entry of June 27, 2007*. No change was proposed for 2008.
9. The now current rider of \$0.00155 per Ccf became effective July 1, 2007.
10. Pike proposes a new rate of \$0.00597. The rate is comprised of (1) the balance of deferred uncollectible accounts expense net of recoveries as of December 31, 2008 amortized over a two-year period and (2) the actual bad debt write-offs for the year 2008. The calculation of the revised rate is shown on Attachment 1 hereto.
11. Pike's Rider states "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." The portion of the proposed Rider increase that is attributable to the prior period under-collection exceeds +/- 10%.
12. The resulting rate of \$0.00597 per Ccf is a 285% increase and is just and reasonable and should be approved. A copy of the current tariff sheet is included in Attachment 2 to this Application.

WHEREFORE, Pike respectfully requests the Commission approve the new Uncollectible Expense Rider rate proposed in this application and authorize the filing in final form of Second Revised Sheet 31 contained in Attachment 2 of the application.

Respectfully submitted,

A handwritten signature in black ink, reading "Kenneth N. Rosselet, Jr." with a stylized flourish at the end.

Kenneth N. Rosselet, Jr.
Pike Natural Gas Company
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Regulatory Compliance Officer
Pike Natural Gas Company

ATTACHMENT 1

Pike Natural Gas Company
2009
Bad Debt Tracker

Line No.				
1	Actual annual sales		848,752	Mcf
2	Actual Bad debt deferral as of:	12/31/2008	\$ (15,672)	
3	Recovery period		<u>2</u>	Years
4	Recovery amount - Line 2 ÷ Line 3		<u>(7,836)</u>	
5	Recovery rate - Line 4 ÷ Line 1		\$ (0.0092)	per Mcf
6	Actual annual bad debt write-off		<u>58,500</u>	
7	Recovery rate - Line 6 ÷ Line 1		\$ 0.0689	per Mcf
8	Total Bad debt tracker - Line 5 + line 7		<u>\$ 0.0597</u>	per Mcf
9	Tracker Rate Approved Case No. 07-513-GA-UEX		\$ 0.0155	per Mcf
10	Change \$ - Line 8 - Line 9		<u>\$ 0.0442</u>	
11	Percent Change % - Line 10 ÷ Line 9		<u>285.16%</u>	

PIKE NATURAL GAS COMPANY
PUCO CASE NO. 09-_____-GA-JEX
UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER
2008

Annual Balance Reconciliation

	January	February	March	April	May	June	July	August	September	October	November	December
(1) Balance - Beginning of Month	\$ (61,017)	\$ (71,811)	\$ (75,999)	\$ (59,748)	\$ (51,182)	\$ (13,435)	\$ 11,678	\$ 3,811	\$ (13)	\$ (5,859)	\$ (16,788)	\$ (21,596)
(2) Bad Debts Written Off	(8,788)	(1,826)	18,879	9,947	38,310	25,485	(7,628)	(3,586)	(5,591)	(10,625)	(3,901)	7,822
(3) Recovery - Base Rates	0	0	0	0	0	0	0	0	0	0	0	0
(4) Recovery - Bad Debt Rider (a)	2,008	2,562	2,428	1,382	562	372	239	238	255	305	907	1,898
(5) Recovery - Other (b)												
(6) Incremental Bad Debt (2)-[(3)+(4)+(5)]	(10,794)	(4,188)	16,251	8,566	37,747	25,113	(7,867)	(3,824)	(5,945)	(10,929)	(4,808)	5,924
(7) Balance Subtotal (1)+(6)	(71,811)	(75,999)	(59,748)	(51,182)	(13,435)	11,678	3,811	(13)	(5,859)	(16,788)	(21,596)	(15,672)
(8) Carrying Charges [(1)+(7)]/2*(c)	0	0	0	0	0	0	0	0	0	0	0	0
(9) Balance - End of Month (7)+(8)	\$ (71,811)	\$ (75,999)	\$ (59,748)	\$ (51,182)	\$ (13,435)	\$ 11,678	\$ 3,811	\$ (13)	\$ (5,859)	\$ (16,788)	\$ (21,596)	\$ (15,672)

- (a) Calculated: Actual consumption per month times authorized rider rate of rate \$0.0155 per Ccf Effective July 1, 2007 (Case No. 07-513-GA-JEX)
(b) Consists of customer payments, agency assistance, supplier discounts
(c) Enter net monthly carrying charge rate

0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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Notes:

Carrying charge rate should be net of tax rate in calculation of recoverable balance
Disconnection Moratorium balances not eligible for carrying charges

ATTACHMENT 2

7. Uncollectible Expense Rider

Applicability. Applicable to all volumes served under the General Service Rate. An additional charge shall be applied to all volumes for service rendered 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. The current Uncollectible Expense Rider rate is \$0.00597 per Ccf.

Issued: _____

Effective: _____

Filed Under Authority of Case No. 09-____-GA-UEx
Issued by the Public Utilities Commission of Ohio

Issued by Brian R. Jonard, President

7. Uncollectible Expense Rider

Applicability. Applicable to all volumes served under the General Service Rate. An additional charge shall be applied to all volumes for service rendered 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. The current Uncollectible Expense Rider rate is \$0.00597 per Ccf.

Deleted: \$0.00155

Deleted: June 29, 2007

Deleted: July 1, 2007

Deleted: 07-513

Issued: _____

Effective: _____

Filed Under Authority of Case No. 08-____-GA-UEX
Issued by the Public Utilities Commission of Ohio

Issued by Brian R. Jonard, President