

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

IN THE MATTER OF THE APPLICATION OF)
PIKE NATURAL GAS COMPANY FOR)
APPROVAL OF AN ADJUSTMENT TO ITS)
UNCOLLECTIBLE EXPENSE RATE RIDER)

CASE NO. 12-0314-GA-UEx

APPLICATION

April 25, 2012

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

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THE PUBLIC UTILITIES COMMISSION OF OHIO**

IN THE MATTER OF THE APPLICATION OF)	
PIKE NATURAL GAS COMPANY FOR)	CASE NO. 12-0314-GA-UEx
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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.

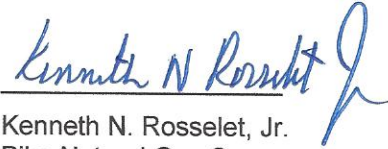
6. The Stipulation and Recommendation approved by the Commission, requires that subsequent reports will be filed in May of each year and will include annual data from the prior year.
7. Pike filed a report in compliance with the Stipulation and Recommendation on April 30, 2007 (Case No. 07-513-GA-UEx) and requested a new rider of \$0.00155 per Ccf. The rate was approved by the Commission in its Entry of June 27, 2007 and became effective July 1, 2007.
8. On April 30, 2008, Pike filed Case No. 08-562-GA-UEx reporting the status of its uncollectible rider. Since the change in the rate calculated was not more than plus or minus ten percent, no rate change was requested and the prior rate of \$0.00155 per Ccf was continued.
9. On April 30, 2009, Pike filed Case No. 09-368-GA-UEx and requested a new rider of \$0.00597 per Ccf, which was approved by the Commission's Entry on June 10, 2009 and became effective July 1, 2009.
10. On April 29, 2010, Pike filed Case No. 10-573-GA-UEx and requested a new rate of \$0.00405 per Ccf, which was approved by the Commission's Entry on May 26, 2010 and became effective June 1, 2010.
11. On May 5, 2011, Pike filed Case No. 11-0314-GA-UEx and requested a new rate of \$0.00010 per Ccf. This rate was amended to \$0.00000 in Pike's Revised Application, filed May 19, 2011, which was approved by the Commission's Entry on June 22, 2011 and became effective July 1, 2011.
12. The Commission in its Entry of June 22, 2011 directed the PUCO Staff to examine Pike's UEx balances, write-offs, and recoveries for 2009 and 2010, and

that any required adjustments or corrections be considered in Pike's 2012 UEX rider application.

13. On November 3, 2011 the Report by the Staff of the Public Utilities Commission of Ohio, Audit of the Uncollectibles Expense Mechanisms for the Period of January 2009 through December 2010 was filed in Case No. 11-0314-GA-UEX. The Staff in its report made no recommendations or adjustments.
14. Pike now proposes a revised Rider rate of \$0.00128 per Ccf. The rate is comprised of (1) the balance of deferred uncollectible accounts expense net of recoveries as of December 31, 2011 amortized over a two-year period and (2) the actual bad debt write-offs and collection expenses for the year 2011. The calculation of the revised rate is shown on Attachment 1 hereto
15. 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%.
16. The resulting rate of \$0.00128 per Ccf is an increase greater than +10%, 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 Fifth Revised Sheet 31 contained in Attachment 2 of the application.

Respectfully submitted,

A handwritten signature in blue 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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Telephone: (740) 828-2892 Ext. 254
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Pike Natural Gas Company

ATTACHMENT 1

Pike Natural Gas Company
Case No. 12-0314-GA-UEx
Bad Debt Tracker

Line No.				
1	Actual annual sales for Twelve Months Ended December 31, 2011	876,244	Mcf	
2	Actual Bad debt deferral as of:	12/31/2011	\$ (33,956)	
3	Recovery period		<u>2</u>	Years
4	Recovery amount - Line 2 ÷ Line 3		<u>(16,978)</u>	
5	Recovery rate - Line 4 ÷ Line 1		\$ (0.0194)	per Mcf
6	Actual annual bad debt write-off and collection expense		<u>28,241</u>	
7	Recovery rate - Line 6 ÷ Line 1		\$ 0.0322	per Mcf
8	Total Bad debt tracker - Line 5 + line 7		<u>\$ 0.0128</u>	per Mcf
9	Tracker Rate Approved Case No. 11-0314-GA-UEx		\$ -	per Mcf
10	Change \$ - Line 8 - Line 9		<u>\$ 0.0128</u>	
11	Percent Change % - Line 10 ÷ Line 9		<u>N/A</u>	

PIKE NATURAL GAS COMPANY
PUCO CASE NO. 12-0314-GA-JEX
UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER
2011

Annual Balance Reconciliation

	January	February	March	April	May	June	July	August	September	October	November	December
(1) Balance - Beginning of Month	\$ (36,030)	\$ (43,199)	\$ (52,436)	\$ (54,204)	\$ (43,496)	\$ (36,089)	\$ (32,623)	\$ (30,151)	\$ (30,467)	\$ (29,758)	\$ (32,206)	\$ (32,313)
(2) Bad Debts Written Off	(50)	(1,935)	3,275	13,752	9,038	3,876	2,361	(615)	225	(2,785)	(712)	(1,980)
(3) Collection Expense	213	372	237	342	50	405	110	299	484	337	605	337
(4) Recovery - Base Rates	0	0	0	0	0	0	0	0	0	0	0	0
(5) Recovery - Bad Debt Rider (a)	7,333	7,674	5,279	3,386	1,680	815	0	0	0	0	0	0
(6) Recovery - Other (b)												
(7) Incremental Bad Debt (2)+(3)-[(4)+(5)+(6)]	(7,169)	(9,237)	(1,768)	10,708	7,408	3,466	2,472	(316)	709	(2,448)	(107)	(1,643)
(8) Balance Subtotal (1)+(7)	(43,199)	(52,436)	(54,204)	(43,496)	(36,089)	(32,623)	(30,151)	(30,467)	(29,758)	(32,206)	(32,313)	(33,956)
(9) Carrying Charges [(1)+(8)]/2x(c)	0	0	0	0	0	0	0	0	0	0	0	0
(10) Balance - End of Month (8)+(9)	\$ (43,199)	\$ (52,436)	\$ (54,204)	\$ (43,496)	\$ (36,089)	\$ (32,623)	\$ (30,151)	\$ (30,467)	\$ (29,758)	\$ (32,206)	\$ (32,313)	\$ (33,956)

(a) Calculated: Actual consumption per month times authorized rider rate of \$0.00405 per Ccf effective July 1, 2010 (Case No. 10-573-GA-UJEX) and authorized rate of \$0.00000 per Ccf effective July 1, 2011 (Case No. 11-0314-GA-UJEX).

(b) Consists of customer payments, agency assistance, supplier discounts

(c) Enter net monthly carrying charge rate

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 Residential Rate (GSR) and General Service Commercial Rate (GSC). 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 \$0.00128 per Ccf.

Issued: _____

Effective: _____

Filed Under Authority of Case No. 12-0314-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 Residential Rate (GSR) and General Service Commercial Rate (GSC). 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 ~~\$0.000000~~ 0.00128 per Ccf.

Issued: ~~June 2, 2011~~ _____Effective: ~~July 1, 2011~~ _____

Filed Under Authority of Case No. ~~11-0314~~ 12-0314-GA-UEx
Issued by the Public Utilities Commission of Ohio

Issued by Brian R. Jonard, President

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Case No(s). 12-0314-GA-UEx

Summary: Application Application of Pike Natural Gas for approval of an adjustment to its Uncollectible Expense Rate Rider. electronically filed by Mr. Kenneth N Rosselet on behalf of Pike Natural Gas Company