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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

2008 MAY 20 PM 3: 52

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In the Matter of the Application)	
of Eastern Natural Gas Company)	
for Approval of an Alternative Rate Plan)	Case No. 08-940-GA-ALT
Proposing a Revenue Decoupling Mechanism)	
)	
In the Matter of the Application)	
Of Pike Natural Gas Company)	Case No. 08-941-GA-UNC
for Approval an Alternative Rate Plan)	
Proposing a Revenue Decoupling Mechanism)	

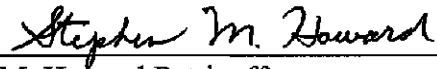
MOTION FOR WAIVER

Eastern Natural Company ("Eastern") and Pike Natural Gas Company ("Pike") (collectively, "the Applicants" or "the Companies") respectfully move for a waiver of the 30 day pre-filing period contained in Rule 4901:1-19-05(A)(1) of the OAC for contacting the Commission, mayors and legislative authorities, and the Office of Consumers' Counsel of the pendency of the filing of the Second Amended Applications of the Companies in these matters. Eastern and Pike have prepared and are in the process of sending letters to each of the mayors and legislative authorities in their respective service territories, a sample of which is attached. These mayors and legislative authorities will receive notice prior to any hearing. Eastern and Pike respectfully request that the Commission waive the 30 day prior notice pre-filing period for the filing of their respective Second Amended Applications. A memorandum in support explains the reasons supporting the requested waiver. Good cause exists for granting the waiver.

WHEREFORE, Eastern Natural Gas Company and Pike Natural Gas Company respectfully requests that the Commission waive the 30 day notice period contained in Rule 4901:1-19-05(A)(1) of the Ohio Administrative Code.

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician DM Date Processed MAY 20 2008

Respectfully submitted,



M. Howard Petricoff

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Pike Natural Gas Company

MEMORANDUM IN SUPPORT

Section 4929.05, Revised Code provides that “as a part of an application filed pursuant to Section 4909.18 of the Revised Code, a natural gas company may request approval of an alternative rate plan.” The statute goes on to indicate that after notice, investigation and hearing, and after determining just and reasonable rates and charges for the natural gas company pursuant to Section 4909.15 of the Revised Code, the Commission shall authorize the Applicant to implement an alternative rate plan if the natural gas company is in compliance with Section 4905.35, Revised Code and is in substantial compliance with the policy of the State as set forth in Section 4929.02, Revised Code, and if the natural gas company is expected to continue to be in substantial compliance with the policy of Section 4929.02, Revised Code after implementation of the alternative rate plan.

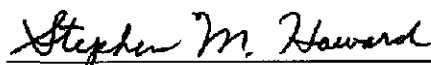
The Commission promulgated Chapter 4901:19 of the Ohio Administrative Code pursuant to Sections 4929.04 and 4929.05, Revised Code. Rule 4901:1-19-05 of the Ohio Administrative Code provides for a requirement that an Applicant for alternative regulation notify the mayor and legislative authorities of each municipality including in such application of its intent to file an application at least 30 calendar days prior to the expected date of filing. Although the Applicants do not intend to file a Notice of Intent for a rate increase case per se, given the language of Section 4929.051, Revised Code, the Applicants will notify mayors and legislative authorities of their proposed Application for approval of an alternative rate plan proposing a revenue decoupling mechanism/movement of tariff rates toward a straight fixed variable rate design and, in the case of Eastern Natural Gas Company, of a proposed mainline replacement rider. The Applicants have not sent these letters 30 calendar days before the filing of their Second Amended Applications. The Applicants are in the process of notifying the

mayors and legislative authorities and a sample of the letters from Eastern and Pike are attached. Copies of these letters will be filed with the Commission after they are mailed.

The Applicants propose to publish a newspaper notice as well. If the waiver is granted, the Applicants submit that there will be no undue prejudice to anyone given the fact that mayors and legislative authorities will receive notice before a hearing. The Applicants have been working with the Staff in order to develop a suitable Second Amended Application. Good cause exists for granting the Motion for Waiver.

WHEREFORE, Eastern Natural Gas Company and Pike Natural Gas Company respectfully request that the Commission grant a waiver of the 30 day pre-filing notification period prior to the filing of a Second Amended Application.

Respectfully submitted,



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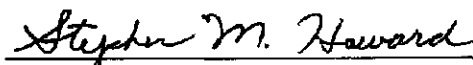
Attorneys for Eastern Natural Gas Company and
Pike Natural Gas Company

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Motion for Waiver was served upon the following persons by electronic mail this 20th day of May, 2009:

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Stephen M. Howard

Attorneys for Eastern Natural Gas Company and
Pike Natural Gas Company

EASTERN NATURAL GAS COMPANY

Dear _____:

Eastern Natural Gas Company (Eastern) has filed an application seeking approval of an alternative rate plan with the Public Utilities Commission of Ohio (Case No. 08-940-GA-ALT) proposing a revenue decoupling mechanism that would allow it to charge to all General Service Residential and Commercial Service customers a monthly customer charge that would move toward a Straight Fixed Variable Methodology. Eastern also seeks approval of a \$3.13 per month Main Line Replacement Rider.

Although there are no Industrial Service or Transportation Service customers receiving service under tariff, the proposed rate schedules for these classes would also be affected. This proposal would first subdivide the General Service rate schedule into a residential class and a commercial class. The proposal would increase the Residential Customer Charge from \$7.50 per month to \$24.13 per month and the Commercial Customer Charge from \$7.50 per month to \$79.13 per month. The monthly Industrial Service and Transportation Service tariffed Customer Charge is proposed to be increased from \$150 per month to \$203.13 per month.

Volumetric rates for both Residential and Commercial customers and for Industrial Service and Transportation Service schedules would be reduced. Under this proposal, the average Residential customer using 94.18 mcf per year would see a decrease in his monthly gas bill of 0.1%; the average low use Residential customer using 47.09 mcf per year would see an increase in his monthly bill of 17.2%; and the average Commercial customer using 459.70 mcf per year would see a decrease in the monthly gas bill of 4.1%.

This proposal will change Eastern's rate design from a structure where the Company's opportunity to earn its allowed return is dependent upon sales volumes to a structure which is less dependent on sales volumes.

A Demand Side Management program is proposed that will enable Eastern to produce approximately \$90,000 in order to promote energy conservation for high usage Percentage of Income Payment Plan (PIPP) customers.

Part of Eastern's proposed increase in the monthly customer charge would be to establish a Main Line Replacement (MLR) Rider which would generate approximately \$250,000 annually that would fund the systematic replacement of the bare steel pipe in the Eastern distribution system.

This information should help address questions which may arise from your constituents. If you would like to discuss any of this material, please call me at 614-395-0622. We appreciate the opportunity to continue to provide natural gas service to you and your constituents.

Sincerely yours,

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

PIKE NATURAL GAS COMPANY

Dear _____:

Pike Natural Gas Company (Pike) has filed an application seeking approval of an alternative rate plan with the Public Utilities Commission of Ohio (Case No. 08-941-GA-ALT) proposing a revenue decoupling mechanism that would allow it to charge to all General Service Residential and Commercial Service customers a monthly customer charge that would move toward a Straight Fixed Variable Methodology.

Although there are no Industrial Service or Transportation Service customers receiving service under the tariff, the proposed rate schedules for these classes would be affected. This proposal would first subdivide the General Service rate schedule into a residential class and a commercial class. The proposal would increase the Residential customer charge from \$7.00 per month to \$15.93 per month and the Commercial customer charge from \$7.00 per month to \$50.93 per month. The monthly Industrial Service and Transportation Service tariffed Customer Charges is proposed to be increased from \$150 per month to \$200 per month.

Volumetric rates for Residential and Commercial customers and for Industrial Service and Transportation Service schedules would be reduced. Under this proposal, the average Residential customer using 76.45 MCF per year would see a slight decrease in his monthly gas bill; the average low use Residential customer using 38.23 MCF per year would see an increase in the monthly bill of 11.9%; and the average Commercial customer using 387.29 MCF per year would see a decrease in the monthly gas bill of 1.2%.

This proposal will change Pike's rate design from a structure where the Company's opportunity to earn its allowed return is dependent upon sales volumes to a structure which is less dependent on sales volumes.

A Demand Side Management program is proposed that will enable Pike to produce approximately \$90,000 annually in order to promote energy conservation for high usage Percentage of Income Payment Plan (PIPP) Residential customers.

This information should help address questions which may arise from your constituents. If you would like to discuss any of this material, please call me at 614-395-0622. We appreciate the opportunity to continue to provide natural gas service to you and your constituents.

Sincerely yours,

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