

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

ENTRY

The Commission finds:

- (1) Pike Natural Gas Company (Pike) is a natural gas company as defined in Section 4905.03(A)(6), Revised Code, and a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of the Commission pursuant to Sections 4905.04, 4905.05, and 4905.06, Revised Code.
- (2) Section 4929.05, Revised Code, provides that, as part of an application filed pursuant to Section 4909.18, Revised Code, a natural gas company may request approval of an alternative rate plan. An application filed under Section 4909.18, Revised Code, can either be for an increase in rates or not for an increase in rates. Recently enacted Section 4929.051, Revised Code, states that an alternative rate plan filed under Section 4929.05, Revised Code, and proposing a revenue decoupling mechanism may be an application not for an increase in rates, if the proposed rates are based upon the revenue requirement from the company's most recent rate case proceeding and the plan provides for an energy efficiency or energy conservation program.
- (3) On August 1, 2008, Pike filed an application for approval of an alternative rate plan proposing a revenue decoupling mechanism pursuant to Sections 4929.05 and 4929.051, Revised Code.¹ In addition, Pike proposed a demand side management rider. Pike states that its last rate case proceeding was in Case No. 05-824-GA-AIR, *In the Matter of the Application of Pike Natural Gas Company for an Increase in Its Rates and Charges for Natural Gas Service*.

¹ Although Pike does not specifically reference Section 4909.18, Revised Code, the Commission will, pursuant to terms of this statutory language, deem this application also to be filed under such section.

- (4) In accordance with Rule 4901:1-19-06(A), Ohio Administrative Code (O.A.C.), by letter dated August 29, 2008, the Commission's Staff notified Pike that the application, as filed, was not in substantial compliance with the filing requirements for alternative regulation cases filed pursuant to Section 4929.05, Revised Code.
- (5) On September 15, 2008, the applicant filed a motion for reconsideration of the August 29, 2008, deficiency letter or, in the alternative, for waivers.
- (6) By entry issued November 5, 2008, the Commission denied the applicant's September 15, 2008, motion for reconsideration.
- (7) On February 6, 2009, Pike filed an amended application in this matter.
- (8) Subsequently, on May 1, 2009, Pike filed a second amended application. The Commission would note that, although not stated by Pike in this filing, the second amended application appears to supersede and replace the applications previously filed in this case on August 1, 2008, and February 6, 2009. Therefore, the Commission will disregard the previously filed applications and, for purposes of our review and deliberation in this matter, the May 1, 2009, second amended application will be considered the original application and, henceforth, it will be referred to as the "application" in this case.
- (9) In its application, Pike requests approval of an alternative rate plan proposing a revenue decoupling mechanism, which provides for movement toward a straight fixed variable rate design. In addition, Pike proposes the establishment of a demand side management program and a rider that would produce revenues for conservation projects in its service territory.
- (10) On May 20, 2009, Pike filed a motion for waiver of Rule 4901:1-19-05(A)(1), O.A.C., which requires that the applicant provide notice to certain public officials and parties to previous cases 30 days prior to filing its application. In support of its motion, Pike explains that, as of that date, it had not yet sent notice to the requisite entities, but that it would be sending notice to these entities and that such notice would be provided prior to any hearing in this case. Therefore, Pike requests a waiver of

this rule to the extent that it requires that notice be provided 30 days in advance of the filing of the application. On May 22, 2009, Pike filed copies of the letters that it sent to each of the entities providing them notice of this proceeding. The Commission believes that the 30-day prefiling notice is an essential requirement in this type of case. However, in light of the fact that this is one of the first filings under Section 4929.051, Revised Code, and that Pike did provide the requisite notice well in advance of the hearings to be scheduled in this matter, the Commission finds that Pike's motion for waiver is reasonable and should be granted.

- (11) Upon review of the application, the Commission finds that it is in technical compliance with the filing requirements of Rule 4901:1-19-05, O.A.C. Therefore, the Commission concludes that the application filed by Pike should be accepted as of the filing date of May 1, 2009.

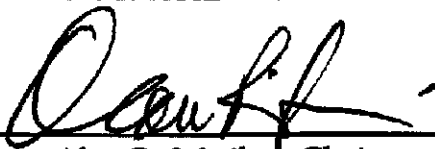
It is, therefore,

ORDERED, That Pike's motion for waiver of Rule 4901:1-19-05(A)(1), O.A.C., be granted. It is, further,

ORDERED, That the application filed by Pike be considered to be in technical compliance with the filing requirements and be accepted as of the filing date of May 1, 2009. It is, further,

ORDERED, That a copy of this entry be served upon each interested person of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



Alan R. Schriber, Chairman



Paul A. Centolella



Ronda Hartman Fergus



Valerie A. Lemmie

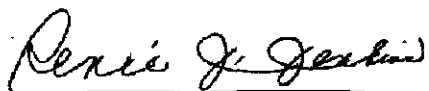


Cheryl L. Roberto

CMTP/vrm

Entered in the Journal

JUN 10 2009



Renee J. Jenkins
Secretary