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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the)
Commission's Review of Chapter's 4901:17) Case No. 08-723-AU-ORD
and 4901:1-18, and Rules 4901:1-5-07,)
4901:1-10-22, 4901:1-13-11, 4901:1-15-17,)
4901:1-21-14, and 4901:1-29-12 of the)
Ohio Administrative Code)

**APPLICATION OF PIEDMONT GAS COMPANY FOR APPROVAL TO
RETAIN ITS CURRENT PIPP PROGRAM FOR ITS CURRENT PIPP CUSTOMERS
AND OTHERWISE FOR EXEMPTION FROM THE REQUIREMENTS OF ADOPTED
RULES 4901:1-18-12 THROUGH 4901:1-18-17**

Piedmont Gas Company ("Applicant" or "Piedmont") hereby states its desire to retain the current Percentage of Income Payment Plan ("PIPP") only for its customers who are currently participating in PIPP. In support of its Application, Piedmont states the following:

1. In its Entry in this case on December 9, 2009, the Public Utilities Commission of Ohio ("Commission") determined that natural gas companies with fewer than 15,000 customers that do not have PIPP riders may be serving PIPP customers. The Commission directed that small utilities fitting this description file, on or before March 1, 2010, proposed amendments to their credit and collections policies and proposed customer notices to either retain the PIPP for their current PIPP customers, or file another proposal for the Commission's consideration (December 9 Entry, Finding No.9, p.5).

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2. Applicant has 1,726 total customers served pursuant to its Commission-approved tariff currently. Applicant currently serves ten (10) PIPP customers. The accumulated arrearages of such PIPP customers are as follows:

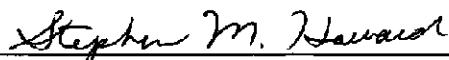
Customer	\$
A	358.90
B	2,113.34
C	677.26
D	503.99
E	222.62
F	62.05
G	227.33
H	444.54
I	106.06
J	159.86
Total	4,875.95

3. Attachment A to this Application is the proposed "Notice to Percentage of Income Payment Plan Customers" which will be mailed directly to each current PIPP customer after approval of this Application
4. Attachment B to this Application is the proposed "Notice of Discontinuation of Percentage of Income Payment Plan" which will be provided by bill insert to each non-PIPP customer after approval of this Application.

5. Attachment C to this Application is the amended credit and collection policies and procedures of Applicant to account for the grandfathered PIPP program.
6. Applicant will continue to offer all customers the one-third payment plan during the winter heating season and the one-sixth payment plan set forth in currently effective Ohio Administrative Code Rule 4901:1-18-04(A), and effective November 1, 2010 will offer all customers the one-ninth payment plan adopted at Rule 4901:1-18-05(B) in this proceeding.

WHEREFORE, Piedmont Gas Company requests that the Commission approve its Application to continue to offer the Percentage of income Payment Plan only to its current PIPP customers as of the effective date of the grandfathered PIPP program after notice to all customers and to be exempt otherwise from the requirements of the PIPP and graduate PIPP programs contained in Rules 4901:1-18-22 through 4901:1-18-17 as adopted by The Commission in this proceeding (Entry on Rehearing, April 1, 2009.)

Respectfully submitted,



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Attorneys for Piedmont Gas Company

ATTACHMENT A

NOTICE TO PERCENTAGE OF INCOME PAYMENT PLAN CUSTOMER

February ____, 2010

Dear Customer:

Piedmont Gas Company is continuing to provide service to you under the Percentage of Income Payment Plan currently in effect as of thirty days after the date of this notice pursuant to Ohio Administrative Code Rule 4901:1-18-04(B). To continue participating in the Percentage of Payment Income Plan, you must comply with all of the following requirements:

1. You must re-verify eligibility annually or sooner when there is a change in household size or income;
2. You must continue to make the required monthly PIPP payment of 10 percent of household income and not be disconnected for non-payment;
3. You must apply for all the public energy assistance for which you are eligible. Customers can contact the Ohio Department of Development at 1-800-282-0880 or visit their website at <http://energyhelp.ohio.gov> to get a HEAP application; and
4. You must apply for all weatherization programs for which you are eligible.

Unlike your current PIPP program, you will be **REMOVED** from the Grandfather PIPP program and **NOT** be eligible to re-enroll or be re-instated if you:

1. Are disconnected for non-payment;
2. Do not re-verify your eligibility as required; or
3. Are determined by the Ohio Department of Development to no longer be eligible for the program.

If you are removed from the new Grandfather PIPP program you will be responsible for the total account balance. At the time you are removed from the program, Piedmont Gas Company will work with you to set up a payment plan in order to maintain or restore service; however, being re-instated to the PIPP program will not be an option at that time.

Piedmont Gas Company will continue to offer extended payment plans even if you are no longer eligible for the Percentage of income Payment Plan. These include the available Public Utilities Commission of Ohio-approved extended payment plan options of the one-sixth payment plan, the one-ninth payment plan effective November 1, 2010 and the one-third payment plan available during the winter heating season. Please contact a Piedmont Gas Company Customer Service Representative at 1-800-734-5724 if you have any questions.

Sincerely,

Anna M. Kimble
Office Manager

ATTACHMENT B

**NOTICE OF DISCONTINUATION OF THE
PERCENTAGE OF INCOME PAYMENT PLAN**

February ____, 2010

Dear Customer:

Pursuant to Order of the Public Utilities Commission of Ohio, Piedmont Gas Company is terminating its Percentage of Income Payment Plan (PIPP) Program to Customers who are not currently enrolled in PIPP effective as of thirty days after the date of this notice.

Piedmont Gas Company will continue to offer extended payment plans. These include the available Public Utilities Commission of Ohio-approved extended payment options of the one-sixth payment plan, the one-ninth payment plan effective November 1, 2010 and the one-third payment plan available during the winter heating season. Please contact a Piedmont Gas Company Customer Service Representative at 1-800-734-5724 if you have any questions.

Sincerely,

Anna M. Kimble
Office Manager

ATTACHMENT C

Credit Policy and Procedures

Piedmont Gas Company (Piedmont) being a small natural gas public utility (less than 15,000 customers) governed by the Public Utilities Commission of Ohio (Commission), will provide service to residential/commercial tariff customers according to the then current rules and regulations of the Commission, unless a waiver has been received. Piedmont works with customers on an individual basis to assist the customer whenever possible to continue natural gas service.

Establishment of Credit

Any applicant of Piedmont Gas Company is required to satisfactorily establish financial responsibility prior to commencement of service. Such responsibility will be considered established if any one of the following are met:

1. The applicant is a financially responsible owner of the premises to be served.
2. The applicant demonstrates that he/she is a satisfactory credit risk. IN determining whether the applicant is a financially responsible person, the public utility may request from the applicant and shall consider information including, but not limited to, the following: name of employer, place of employment, position held, length of service, letters of reference, and names of credit cards possessed by the applicant.
3. The applicant has had previous natural gas service for 24 consecutive months, unless records of such service indicate that service was disconnected for nonpayment during the last 12 consecutive months, or the applicant received two consecutive bills with a past due balance during that 12 month period, and provided further, that the financial responsibility of the applicant is not otherwise impaired. It is the applicant's responsibility to request this information from previous utility and provide to Piedmont Gas Company prior to commencement of service.
4. The applicant furnishes a creditworthy guarantor to secure payments of bills in an amount sufficient for a 60-day supply for the service requested.
5. The applicant makes a cash deposit to secure payment of bills for service.

The establishment of credit shall not relieve the applicant from compliance with the reasonable regulations of Piedmont Gas Company regarding advance payments and payment of bills by the due date, and shall not modify any regulations of the utility as to the discontinuance of service for nonpayment.

Upon default in the payment of any bill for natural gas service by a customer who has furnished a guarantor, which guarantor is a customer of the same utility, the utility may transfer the customer's bill to the guarantor's bill and may, discontinue service to the guarantor upon 30-day notice if the transferred amount remains

unpaid. Piedmont Gas Company may pursue collection actions against the defaulting customer and the guarantor in the appropriate court.

Any applicant who owes an unpaid bill for previous residential service, whether the bill is owed as a result of service provided to that applicant or is owed under a guarantor agreement, shall not have satisfactorily established his/her financial responsibility as long as the bill remains unpaid.

Piedmont Gas Company may require a customer to make an initial or additional deposit on an account to reestablish creditworthiness based on the customer's credit history on that account with the company. A deposit may be required if the customer has:

1. Not made full payment or payment arrangements by the due date for two consecutive bills during the preceding 12 months.
2. Been issued a disconnect notice for nonpayment on two or more occasions during the preceding 12 months.
3. Had service disconnected for nonpayment, tampering, or unauthorized reconnection during the preceding 12 months.

Deposit

Upon receiving a cash deposit, Piedmont Gas Company shall furnish to the applicant/customer a receipt showing:

1. The name of the applicant/customer;
2. The address where natural gas is to be furnished;
3. The billing address for the service; and
4. The amount of the deposit and a statement that the rate of interest to be paid on the deposit will not be less than the rate established by the Public Utilities Commission of Ohio.

Piedmont Gas Company shall accrue interest at a rate of 3% annually per deposit. Interest shall be paid to the customer when the deposit is refunded or deducted from the customer's final bill. Piedmont Gas Company shall not be required to pay interest on a deposit it holds for less than 180 days.

Refund of Deposit

Upon discontinuance of service, Piedmont Gas Company shall promptly apply the customer's deposit, including any accrued interest, to the final bill. Piedmont Gas Company shall promptly refund to the customer any deposit, plus accrued interest, remaining. (A transfer of service from one premise to another within the service area of Piedmont Gas Company is not considered to be a discontinuance of service.)

Piedmont Gas Company shall review each account containing a deposit every twelve months and promptly refund the deposit, plus any accrued interest, if:

1. The customer has paid his/her bills for service twelve consecutive months without having had service discontinued for nonpayment;
2. The customer has not had more than two occasions on which his/her bill was not paid by the due date; and
3. The customer is not then delinquent in the payment of his/her bills.

Piedmont Gas Company shall promptly return the deposit plus any accrued interest upon the customer's request, at any time the customer's credit has been otherwise established or reestablished in accordance with these rules.

Record of Deposit

Until the deposit is refunded or credited to a customer's account, Piedmont Gas Company shall maintain a record of deposit showing:

1. The name and current billing address of each depositor;
2. The amount and date of the deposit; and
3. Each transaction concerning the deposit.

Applicant and/or Customer Rights

If a cash deposit is required, Piedmont Gas Company shall notify the applicant/customer of the following:

1. The reason(s) for our decision;
2. Options available to establish credit (including a guarantor to secure payment);
3. How to contest our decision and show creditworthiness;
4. The right to have our Utility Supervisor review our initial decision; and,
5. The right to have commission staff review the utility's decision, including the local, toll-free, and TDD/TTY numbers, address, and the website address of the commission's public interest center.

Upon request of the applicant/customer, Piedmont Gas Company shall provide in writing to the applicant/customer the information required by this rule.

Financial Assistance

The following local and state programs are available to eligible Piedmont customers:

- Budget Program
- Home Energy Assistance Program

- Emergency HEAP
- Winter and Summer Crisis Programs
- Home Weatherization Programs (HWAP)
- Winter Reconnect Order
- Medical Certification
- Payment plans approved by the Commission
- Special individualized payment plans mutually agreed upon by the customer and Piedmont
- Payment assistance from non-profit organizations

Piedmont will assist the customer to continue natural gas service providing the customer completes the required payment schedule.

Grandfather PIPP Program

A waiver regarding PIPP customers was filed by Piedmont Gas Company and granted by the Commission in the Order dated (insert date). As of (insert date), Piedmont Gas Company will no longer accept any new PIPP customers. Procedures for this new program state that those customers who were PIPP customers as of the Waiver Order dated (insert date), will continue service through a new program, "Grandfather PIPP" providing they complete the following requirements:

1. Re-verify eligibility once every 12 months, or sooner when there is a change in household size or income, and are eligible for PIPP as determined by the Home Energy Assistance Program.
2. Make the required monthly PIPP payment of ten percent (10%) of their household income.
3. Apply for all public energy assistance for which they are eligible. Customers can contact the Ohio Department of Development at www.development.ohio.gov/cdd/osc/energy/help.htm or 1-800-282-0880 to get a HEAP application.
4. Apply for all weatherization programs for which they are eligible.

The Grandfather PIPP customer will be removed from the program and not be eligible to re-enroll or be re-instated if they:

1. Are disconnected for non-payment;
2. Do not re-verify eligibility as required; or
3. Are determined by the Ohio Department of Development to no longer be eligible for the program.

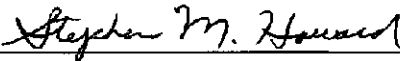
If the Grandfather PIPP customer is removed from the program, the will be responsible for the total account balance. At this time, Piedmont will work with the customer to set up a payment plan in order to maintain or restore service; however, being re-instated into the PIPP program will not be an option.

Collection Policy

In the event that a customer, or former customer, has a past due balance, Piedmont reserves the right to collect the amount by either filing a claim in Municipal Court – Small Claims; submitting the account balance to a collection agency of Piedmont's choice; or by other legal methods in collecting said account.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing document was served upon the following parties of record by electronic mail where indicated or by U.S. first class mail this 26th day of February, 2010.



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