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BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

2010 APR 29 AM 9:53

PUCO

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

CASE NO. 10-573-GA-UEx

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APPLICATION

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

April 29, 2010

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

IN THE MATTER OF THE APPLICATION OF	)	
PIKE NATURAL GAS COMPANY FOR	)	CASE NO. 10-573-GA-UEx
APPROVAL OF AN ADJUSTMENT TO ITS	)	
UNCOLLECTIBLE EXPENSE RATE RIDER	)	

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**APPLICATION**

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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 filed for its current rate of \$0.00597 per Ccf (Case No. 09-368-GA-UEx), which was approved by the Commission's Entry on June 10, 2009 and became effective July 1, 2009.
10. Pike proposes a new rate of \$0.00405. The rate is comprised of (1) the balance of deferred uncollectible accounts expense net of recoveries as of December 31, 2009 amortized over a two-year period and (2) the actual bad debt write-offs for the year 2009. 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 \$0.00405 per Ccf is a 32.16% decrease, 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,



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Pike Natural Gas Company

## **ATTACHMENT 1**

**Pike Natural Gas Company  
Case No. 10-573-GA-UEx  
Bad Debt Tracker**

Line  
No.

1	Actual annual sales for Twelve Months Ended December 31, 2009	822,577	Mcf
2	Actual Bad debt deferral as of: 12/31/2009	\$ 9,929	
3	Recovery period	<u>2</u>	Years
4	Recovery amount - Line 2 ÷ Line 3	<u>4,965</u>	
5	Recovery rate - Line 4 ÷ Line 1	\$ 0.0060	per Mcf
6	Actual annual bad debt write-off	<u>28,390</u>	
7	Recovery rate - Line 6 ÷ Line 1	\$ 0.0345	per Mcf
8	Total Bad debt tracker - Line 5 + line 7	<u>\$ 0.0405</u>	per Mcf
9	Tracker Rate Approved Case No. 09-368-GA-UEx	\$ 0.0597	per Mcf
10	Change \$ - Line 8 - Line 9	<u>\$ (0.0192)</u>	
11	Percent Change % - Line 10 ÷ Line 9	<u>-32.16%</u>	

**PIKE NATURAL GAS COMPANY**  
**PUCO CASE NO. 10-573-GA-UEx**  
**UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER**  
**2009**

Annual Balance Reconciliation

	January	February	March	April	May	June	July	August	September	October	November	December
(1) Balance - Beginning of Month	\$ (15,639)	\$ (23,924)	\$ (20,528)	\$ (10,968)	\$ 5,528	\$ 26,004	\$ 29,109	\$ 23,155	\$ 19,688	\$ 14,074	\$ 6,191	\$ 627
(2) Bad Debts Written Off	(5,885)	6,304	11,464	17,645	21,077	3,410	(5,011)	(2,594)	(4,745)	(6,391)	(1,677)	(5,207)
(3) Recovery - Base Rates	0	0	0	0	0	0	0	0	0	0	0	0
(4) Recovery - Bad Debt Rider (a)	2,400	2,908	1,905	1,149	601	305	943	873	869	1,493	3,887	5,349
(5) Recovery - Other (b)												
(6) Incremental Bad Debt (2)-[(3)+(4)+(5)]	(8,285)	3,396	9,560	16,496	20,476	3,105	(5,954)	(3,467)	(5,614)	(7,883)	(5,564)	(10,556)
(7) Balance Subtotal (1)+(6)	(23,924)	(20,528)	(10,968)	5,528	26,004	28,109	23,155	19,688	14,074	6,191	627	(9,929)
(8) Carrying Charges [(1)+(7)]x(c)	0	0	0	0	0	0	0	0	0	0	0	0
(9) Balance - End of Month (7)+(8)	\$ (23,924)	\$ (20,528)	\$ (10,968)	\$ 5,528	\$ 26,004	\$ 29,109	\$ 23,155	\$ 19,688	\$ 14,074	\$ 6,191	\$ 627	\$ (9,929)

(a) Calculated: Actual consumption per month times authorized rider rate of **\$0.00155 per Ccf** effective July 1, 2007 (Case No. 07-513-GA-UEx) and authorized rate of **\$0.00597 per Ccf** effective July 1, 2009 (Case No. 09-368-GA-UEx).

(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%

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 \$0.00405 per Ccf.

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Issued: \_\_\_\_\_

Effective: \_\_\_\_\_

Filed Under Authority of Case No. 10-573-GA-UEx  
Issued by the Public Utilities Commission of Ohio

Issued by Brian R. Jonard, President

Pike Natural Gas Company

Third Revised Sheet No. 31

Deleted: Second

Replaces

P.U.C.O. No. 7

Second Revised Sheet No. 31

Deleted: First

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 \$0.00405 per Ccf.

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