

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Uncollectible Expense)
Rider of Pike Natural Gas Company, Inc.) Case No. 13-314-GA-UEX
and Related Matters.)

FINDING AND ORDER

The Commission finds:

- (1) Pike Natural Gas Company (Pike) is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) By Finding and Order issued on January 26, 2005, in *In the Matter of the Application of Pike Natural Gas Company, Inc. for Approval, Pursuant to Section 4929.11, Revised Code, of Tariffs to Recover Uncollectible Expenses Pursuant to an Automatic Adjustment Mechanism and for Such Accounting Authority as May Be Required to Defer Uncollectible Expenses for Future Recovery Through Such Adjustment Mechanism*, Case No. 04-1339-GA-ATA, the Commission authorized Pike to begin to defer its uncollectible expenses (UEX) for future recovery. In that same proceeding, the Commission directed that establishment of a rider to recover those deferrals would be considered in conjunction with Pike's base rate case in *In the Matter of the Application of Pike Natural Gas Company for an Increase in Its Rates and Charges for Natural Gas Service*, Case No. 05-824-GA-AIR (05-824). On June 28, 2006, the Commission issued its Opinion and Order in 05-824 and authorized an initial UEX rider rate of \$0.0787 per thousand cubic feet (Mcf). Since that time, Pike has filed periodic updates to adjust the rider when appropriate.
- (3) Pike's current UEX rider rate of \$0.0000 per Mcf was approved in *In the Matter of the Uncollectible Expense Rider of Pike Natural Gas Company, Inc. and Related Matters*, Case No. 12-314-GA-UEX.
- (4) On May 31, 2013, Pike filed an application to revise its current UEX rider rate. Pike proposes to decrease the UEX rider rate to (\$0.0109) per Mcf. The proposed rate is comprised of: the balance of deferred uncollectible accounts expense net of

recoveries as of December 31, 2012, amortized over a two-year period; and the actual bad debt write-offs and collection expenses for the year 2012.

- (5) On June 14, 2013, the staff of the Commission (Staff) filed comments on the proposed UEX rider adjustment and recommended that the adjustment be approved. Staff noted, in its comments, that Pike's ending uncollectible balance, as of December 31, 2012, is an over-collected balance of \$32,872. This balance, if passed back to customers over a two-year period, would result in a rate of (\$0.0117) per Mcf. Pike projected its UEX for the next 12 months to be \$1,085. To keep the rider revenues equal to uncollectibles, Pike would need to apply a recovery rate of \$0.0008. Staff calculated that the sum of these rates leads to a revised rider rate of (\$0.0109) per Mcf. Staff also pointed out that there is a typographical error for the beginning balance in January 2012. The application shows a balance of (\$33,946). The correct balance is (\$33,956), a difference of ten dollars that has no effect on the calculated rider rate. Thus, the corrected beginning balance on January 1, 2012, is (\$33,956) and the new ending balance on December 31, 2012, is (\$32,872). Therefore, taking into account the annual balance reconciliation covering the calendar year 2012 and the correction of the typographical error, Staff concluded that the rider rate should be decreased to (\$0.0109). Finally, Staff recommended that Pike adjust the recovery period of deferred bad debt to one year instead of two years in its 2014 UEX application.
- (6) The Commission reviewed the application, as well as Staff's comments, and finds that the proposed decrease in the UEX rider rate is reasonable and in the public interest, and that it should be approved. In addition, Staff's recommendation for the 2014 UEX review is reasonable and should be adopted.

It is, therefore,

ORDERED, That Pike's application to decrease its UEX rider rate to (\$0.0109) per Mcf be approved and Staff's recommendation be adopted. It is, further,

ORDERED, That Pike be authorized to file two complete copies of tariffs, in final form, consistent with this Finding and Order. Pike shall file one copy in this case docket and one copy in its TRF docket (or may file electronically as directed in Case No. 06-900-AU-WVR). It is, further,


ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which final tariffs are filed with the Commission. It is, further,

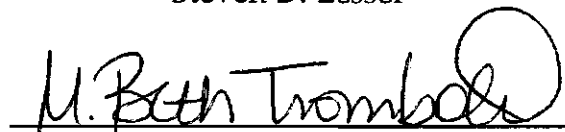
ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

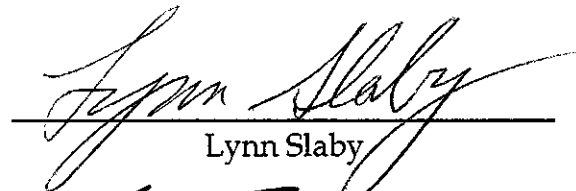
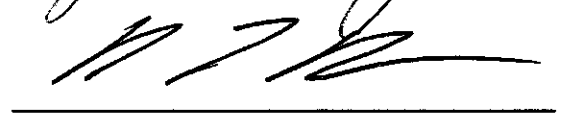
ORDERED, That a copy of this Finding and Order be served upon all parties and interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman

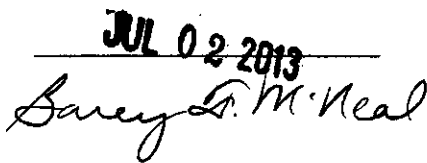

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Entered in the Journal


JUL 02 2013

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