

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

IN THE MATTER OF THE APPLICATION OF	)	
PIKE NATURAL GAS COMPANY FOR	)	CASE NO. 14-0314-GA-UEx
APPROVAL OF AN ADJUSTMENT TO ITS	)	
UNCOLLECTIBLE EXPENSE RATE RIDER	)	

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**APPLICATION**  
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**Kenneth N. Rosselet, Jr.  
Pike Natural Gas Company  
4100 Holiday St. N.W.  
Canton, Ohio 44718**

**June 19, 2014**

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THE PUBLIC UTILITIES COMMISSION OF OHIO**

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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, Pike filed Case No. 09-368-GA-UEx and requested a new rider of \$0.00597 per Ccf, which was approved by the Commission's Entry on June 10, 2009 and became effective July 1, 2009.
10. On April 29, 2010, Pike filed Case No. 10-573-GA-UEx and requested a new rate of \$0.00405 per Ccf, which was approved by the Commission's Entry on May 26, 2010 and became effective June 1, 2010.
11. On May 5, 2011, Pike filed Case No. 11-0314-GA-UEx and requested a new rate of \$0.00010 per Ccf. This rate was amended to \$0.00000 in Pike's Revised Application, filed May 19, 2011, which was approved by the Commission's Entry on June 22, 2011 and became effective July 1, 2011.
12. The Commission in its Entry of June 22, 2011 directed the PUCO Staff to examine Pike's UEx balances, write-offs, and recoveries for 2009 and 2010, and

that any required adjustments or corrections be considered in Pike's 2012 UEX rider application.

13. On November 3, 2011 the Report by the Staff of the Public Utilities Commission of Ohio, Audit of the Uncollectibles Expense Mechanisms for the Period of January 2009 through December 2010 was filed in Case No. 11-0314-GA-UEX. The Staff in its report made no recommendations or adjustments.
14. On April 26, 2012, Pike filed an application to increase its current UEX rider rate to \$0.0128 per Mcf. Staff reviewed the application and, on June 13, 2012, filed comments. Staff agreed with Pike's calculations, but believed that the current UEX rate of \$0.0000 per Mcf is more appropriate and should be maintained.
15. On June 18, 2012, Pike filed an amendment to its application agreeing with Staff's comments and revising its request to reflect a rate of \$0.0000 per Mcf, which was approved by the Commission's Entry on June 20, 2012 and became effective July 1, 2012.
16. In January 2013, the Company was purchased by Utility Pipeline Ltd.
17. On May 31, 2013, Pike filed Case No. 13-0314-GA-UEX requesting a new Uncollectible Rider rate of (\$0.00109) per Ccf. This rate was approved by the Commission in its Entry of July 2, 2013.
18. In the Company's last financial audit, Case No 13-0314-GA-UEX, the Staff examined the Company's monthly UEX balances, write-offs, and recoveries for the period of January 2011 thru December 2012. The only recommendation made by the Staff was starting with July 2013, recoveries from collection agencies be separated from the expenses. The Company has complied with this recommendation.
19. Due to issues involving the switchover of the billing function from the Company's previous owners and the implementation of a new billing system both in July 2013, customer billings have been delayed. The Company voluntarily placed into effect from July 2013 until such time as customer billings are back on a normal schedule a non-disconnect policy. From July 2013 thru the current billing period

of March 2014, no customers have been disconnected for non-payment nor have any accounts been classified as uncollectible.

20. While the moratorium on disconnections and uncollectible write-offs may distort the calculation of this year's tracker rate by providing what may be a substantially lower rate, it is the best information the Company has available.
21. Pike proposes an Uncollectible Rider rate of \$0.00203 per Ccf. The rate is comprised of (1) the balance of deferred uncollectible accounts expense net of recoveries as of December 31, 2013 amortized over a one-year period and (2) the actual bad debt write-offs and collection expenses for the year 2013. The calculation of the revised rate is shown on Attachment 1 hereto.
22. 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."
23. The resulting rate of \$0.00203 per Ccf is a decrease of plus or minus ten percent, 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 Sixth Revised Sheet 31 contained in Attachment 2 of the application.

Respectfully submitted,

/s/ *Kenneth N. Rosselet, Jr.*

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## **ATTACHMENT 1**

**Pike Natural Gas Company**  
**Case No. 14-0314-GA-UEx**  
**Bad Debt Tracker**

Line No.				
1	Actual annual sales for Twelve Months Ended December 31, 2012	924,367	Mcf	
2	Actual Bad debt deferral as of:	12/31/2013	\$ (9,247)	
3	Recovery period		<u>1</u>	Years
4	Recovery amount - Line 2 ÷ Line 3		<u>(9,247)</u>	
5	Recovery rate - Line 4 ÷ Line 1		\$ (0.0100)	per Mcf
6	Actual annual bad debt write-off and collection expense		<u>28,040</u>	
7	Recovery rate - Line 6 ÷ Line 1		\$ 0.0303	per Mcf
8	Total Bad debt tracker - Line 5 + line 7		<u><u>\$ 0.0203</u></u>	per Mcf
9	Tracker Rate Approved Case No. 13-0314-GA-UEx		\$ (0.0109)	per Mcf
10	Change \$ - Line 8 - Line 9		<u><u>\$ 0.0312</u></u>	
11	Percent Change % - Line 10 ÷ Line 9		<u><u>N/A</u></u>	

## **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 \$0.00203 per Ccf.

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

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

Filed Under Authority of Case No. 14-0314-GA-UEX  
Issued by the Public Utilities Commission of Ohio

Issued by Andrew G. Duckworth, President

**This foregoing document was electronically filed with the Public Utilities**

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**Case No(s). 14-0314-GA-UEx**

Summary: Application New Uncollectible Rider rate electronically filed by Mr. Kenneth N Rosselet on behalf of Pike Natural Gas Company