



Public Utilities Commission

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May 22, 2020

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

RE: *In the Matter of the Application of Pike Natural Gas Company for Approval of an Adjustment to its Uncollectible Expense Rider, Case No. 20-0314-GA-UEX.*

Dear Docketing Division:

Enclosed please find the Review and Recommendations of the Staff of the Public Utilities Commission of Ohio (Staff) in regard to the application filed by Pike Natural Gas Company, to update its Uncollectible Expense Rider, in Case No. 20-0314-GA-UEX.

A handwritten signature in black ink, appearing to read "DLipthrott", written over a horizontal line.

David Lipthrott
Chief, Accounting and Finance Division
Public Utilities Commission of Ohio

Enclosure
Cc: Parties of Record

Pike Natural Gas Company
Case No. 20-0314-GA-UEx

SUMMARY

In Case No. 03-1127-GA-UNC, the Public Utilities Commission of Ohio (Commission) authorized a mechanism that allowed five natural gas companies to alter their method for recovering uncollectible accounts expense. The mechanism approved by the Commission allows for recovery of actual uncollectible accounts expense through a rider, rather than through base rates. Subsequently, on June 28, 2006, in Case No. 05-824-GA-AIR the Commission issued an entry authorizing the Pike Natural Gas Company (Pike or Company) to establish an uncollectible expense rider (UEX Rider) recovery mechanism with an initial rate of \$0.0787 per Mcf.

Since that time Pike has filed updates to adjust its UEX Rider rate and the Commission has authorized such subsequent revisions. The recent history of Pike's UEX Rider rate is as follows:

August 2013 - August 2014	(\$0.0109) per Mcf
September 2014 – October 2015	\$0.0000 per Mcf
November 2015 – September 2018	\$0.3241 per Mcf
October 2018 – December 2019	(\$0.2127) per Mcf
January 2020 – Current	(\$0.1190) per Mcf

In Case No. 19-0314-GA-UEx, the Commission's January 29, 2020 order approved the Company's UEX rate adjustment, as revised by Staff, which amortized the pass-back of a \$221,003 over-collection over a period of two years, resulting in the currently effective (\$0.1190) per Mcf rate.

In the Company's pending application, filed on April 30, 2020 and revised on May 13, 2020, Pike is requesting to revise its existing UEX Rider rate of (\$0.1190) per Mcf to (\$0.0526) per Mcf, a change of \$0.0664 per Mcf. The Company's calculations shown in Attachment 1 to its filing demonstrate that it is requesting to amortize the existing over-collection over a two year period. Attachment 2 of the Company's application includes reconciliation and adjustment language for inclusion in the UEX Rider tariff sheets.

STAFF REVIEW

Staff reviewed Company Attachment 1, which includes Pike's calculation of its proposed UEX Rider rate. This calculation contains an over-collection of \$147,106 with a proposed refund period of two years. Staff believes that Pike's proposal to amortize the over-collection over two years complies with prior Commission directive, and that Pike's proposed UEX rate is reasonable.

STAFF RECOMMENDATION

Staff recommends that the Commission approve Pike's calculated UEX Rider rate of (\$0.0526) per Mcf, as shown on Attachment 1 to the Company's filing.

Additionally, in order to eliminate future occurrences of large over-or-under collections, Staff recommends that Pike continue to follow its obligation to file annually a UEX application in May of each year, if the Company determines that an adjustment of plus or minus ten (10) percent is needed to adjust for prior period over or under-collections. If no adjustment to the rider is warranted, a separate filing must be provided as ordered in Case No. 03-1127-GA-UNC.

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 20-0314-GA-UEX

Summary: Staff Review and Recommendation in regard to the application filed by Pike Natural Gas Company, to update its Uncollectible Expense Rider electronically filed by Zee Molter on behalf of PUCO Staff