

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE UNCOLLECTIBLE  
EXPENSE RIDER OF PIKE NATURAL GAS  
COMPANY AND RELATED MATTERS.

CASE NO. 20-314-GA-UEx

## FINDING AND ORDER

Entered in the Journal on July 15, 2020

### I. SUMMARY

{¶ 1} The Commission approves the application of Pike Natural Gas Company, as amended, to adjust its uncollectible expense rider, pursuant to the recommendations of Staff.

### II. DISCUSSION

{¶ 2} Pike Natural Gas Company (Pike or Company) is a natural gas company, as defined in R.C. 4905.03, and a public utility, as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} On January 26, 2005, the Commission authorized Pike to defer its uncollectible expenses (UEX) for future recovery via a rider mechanism to be implemented through tariff amendments in the Company's next base rate case. *In re Pike Natural Gas Co.*, Case No. 04-1339-GA-UEx, et al., Finding and Order (Jan. 26, 2005). Subsequently, on June 28, 2006, the Commission approved a stipulation and recommendation that established the anticipated rider to recover the approved deferrals and authorized an initial UEX rider rate of \$0.00787 per hundred cubic feet. *In re Pike Natural Gas Co.*, Case No. 05-824-GA-AIR, Opinion and Order (June 28, 2006). From 2007 through 2015, the Company's UEX rider rate was reviewed and updated annually.

{¶ 4} In 2018, the Commission approved Pike's proposed UEX rider rate of (\$0.2127) per thousand cubic feet (Mcf).<sup>1</sup> *In re Pike Natural Gas Co.*, Case No. 18-314-GA-UEx (2018 UEX Case), Finding and Order (Oct. 10, 2018). As part of the Order in the 2018 UEX Case,

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<sup>1</sup> Amounts shown in parentheses indicate negative numbers.

the Commission adopted two recommendations of the Staff relevant to the current UEX proceeding. First, the approved UEX rate included a return to customers of a large over-collection amortized over a period of three years as opposed to the five-year amortization period proposed by Pike. Second, to eliminate future significant over- or under-collections, the Commission instructed Pike to file an application to adjust its UEX rider in May of each year if the Company determines that an adjustment of more than plus or minus ten percent is necessary to adjust for prior period over- or under-collections. *2018 UEX Case*, Finding and Order (Oct. 10, 2018) at ¶¶ 7-10.

{¶ 5} Most recently, the Commission approved Pike's current UEX rider rate of (\$0.1190) per Mcf on January 29, 2020. *In re Pike Natural Gas Co.*, Case No. 19-314-GA-UEx (*2019 UEX Case*), Finding and Order (Jan. 29, 2020) at ¶ 8. Further, the Commission adopted the recommendations of the Staff to adjust to a two-year amortization of the over-collection and again directed Pike to file an application to adjust its UEX rider in May of each year 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-collection. Further, if no adjustment is warranted in accordance with the ten-percent threshold, Pike was directed to make a separate filing consistent with the Commission's Order in *In re The East Ohio Gas Co.*, Case No. 03-1127-GA-UNC, Finding and Order (Dec. 17, 2003).

{¶ 6} In the above-noted case, on April 30, 2020, as amended on May 13, 2020, Pike filed its application to adjust its UEX rider rate to (\$0.0526) per Mcf. Pike's calculation of the proposed UEX rate is based on a two-year amortization of the existing over-collection of \$147,106, the balance of deferred uncollectible accounts expense, net of recoveries, and the average annual bad debt write-offs and collections for the 12 months ending March 31, 2020.

{¶ 7} On May 22, 2020, Staff filed its review and recommendation of Pike's application. Staff recommends that the Commission approve Pike's application to revise its UEX rate to (\$0.0526) per Mcf and further recommends, in order to eliminate future occurrences of large over- or under-collections, that Pike continue to follow its obligation to

file an annual UEX application in May of each year, if the Company determines that an adjustment of plus or minus ten percent is needed to adjust for prior period over- or under-collections. If Pike determines that no adjustment to the rider is warranted, in accordance with the ten-percent requirement, a separate filing must be provided in accordance with the Commission's Order in Case No. 03-1127-GA-UNC.

{¶ 8} Based on the Commission's review of Pike's application, as amended, and the Staff's review and recommendation, we find that the amended application, as modified by Staff's recommendations, is reasonable, is in the public interest, and should be approved. Accordingly, Pike should be authorized to adjust its UEX rider rate to (\$0.0526) per Mcf and to file revised tariffs consistent with this Finding and Order. The Commission further finds, as Staff recommends, that Pike should continue to file an application to adjust its UEX rider in May of each year, 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. If no adjustment to the UEX is warranted by the ten-percent threshold, the Company should make a separate filing consistent with the Commission's Order in Case No. 03-1127-GA-UNC.

### III. ORDER

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That Pike's amended application be approved, as modified by Staff's recommendations, and the Company be authorized to revise its UEX rider rate to (\$0.0526) per Mcf. It is, further,

{¶ 11} 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. It is, further,

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

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

{¶ 14} ORDERED, That a copy of this Finding and Order be served upon Pike and all interested persons of record.

**COMMISSIONERS:**

*Approving:*

Sam Randazzo, Chairman

M. Beth Trombold

Lawrence K. Friedeman

Daniel R. Conway

Dennis P. Deters

GNS/hac

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Summary: Finding & Order approving the application of Pike Natural Gas Company, as amended, to adjust its uncollectible expense rider, pursuant to the recommendations of Staff electronically filed by Heather A Chilcote on behalf of Public Utilities Commission of Ohio