



Pike County Light & Power Co.

Pike County Light & Power Co.
4 Irving Place
New York NY 10003-0987
www.oru.com

July 29, 2011

VIA EXPRESS MAIL

Honorable Rosemary Chiavetta
Secretary
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, Pennsylvania 17105-3256

Dear Secretary Chiavetta:

Enclosed are four copies of Pike County Light & Power Company's Final Gas Cost Rate ("GCR") filing to become effective September 1, 2011. The Company is proposing a new GCR that will be a credit of 31.861 cents per hundred cubic feet of gas, which is a decrease from the current credit of 23.447 cents per hundred cubic feet.

The Final GCR results in a monthly bill decrease of approximately 7.6% or \$9.42 for a customer with an average monthly usage of 112 Ccf. This decrease is the result of lower projected gas costs than those included in the current GCR, partially offset by a smaller over-collection from the present gas cost rate including supplier refunds.

Differences between this Final GCR and the Preliminary GCR, filed on June 30, 2011, reflect the use of actual rather than forecast data for June 2011.

Any questions concerning this filing can be directed to me at (212)-460-3308.

Very truly yours,

William A. Atzl, Jr.
Director – O&R Rates

cc: Bureau of Audits
Office of Trial Staff
Bureau of Consumer Services

PIKE COUNTY LIGHT & POWER COMPANY

COMPUTATION OF THE GAS COST RATE

EFFECTIVE: FOR SERVICE RENDERED ON AND AFTER
SEPTEMBER 1, 2011 BILLING

COMPUTATION PERIOD: TWELVE MONTHS ENDING WITH THE AUGUST 2012
CYCLE 20 BILLING

LINE NO.		FOR SERVICE RENDERED	
		BEFORE <u>9/1/11</u>	ON & AFTER <u>9/1/11</u>
1.	GAS COST RATE = ((C - E)/S) - B		
2.	C = PROJECTED COST OF GAS (SCHEDULE 2)	\$1,166,492	\$1,019,517
3.	S = PROJECTED SALES (MCF) (SCHEDULE 2)	132,162	133,158
4.	C/S	\$8.8262	\$7.6564
5.	SALES FOR USE IN CALCULATING THE "E" FACTOR (MCF)	132,162	133,158
6.	E = EXPERIENCED NET OVER/(UNDER) COLLECTION (SCHEDULE 6)	\$295,589	\$254,093
7.	E/S	\$2.2366	\$1.9082
8.	(C - E) / S	\$6.5896	\$5.7482
9.	B = BASE COST OF GAS PER MCF (SCHEDULE 12)	\$8.9343	\$8.9343
10.	((C - E) / S) - B	(\$2.3447)	(\$3.1861)
11.	GAS COST RATE (CENTS/CCF)	<u>(23.4470)</u>	<u>(31.8610)</u>

PIKE COUNTY LIGHT & POWER COMPANY

SUMMARY OF PROJECTED COSTS AND SALES
FOR THE COMPUTATION PERIOD
THE TWELVE MONTHS ENDING AUGUST 2012

<u>Month/Year</u>	<u>Projected Costs</u>	<u>Projected Billed Sales (MCF)</u>
September 2011	\$17,170	2,363.9
October	34,586	4,786.7
November	64,520	8,617.9
December	122,118	15,717.1
January 2012	172,706	22,139.2
February	183,433	23,559.2
March	168,969	22,009.2
April	123,527	16,417.1
May	58,012	7,698.1
June	30,212	4,018.6
July	24,451	3,225.5
August	<u>19,813</u>	<u>2,605.7</u>
Total	<u>\$1,019,517</u>	<u>133,158.2</u>

PIKE COUNTY LIGHT & POWER COMPANY

FORECAST SUPPLY VOLUMES *
FOR THE COMPUTATION PERIOD
THE TWELVE MONTHS ENDING AUGUST 2012

<u>Month/Year</u>	Projected Supply Volume (MCF)
September 2011	2,408
October	4,876
November	8,778
December	16,009
January 2012	22,551
February	23,997
March	22,419
April	16,722
May	7,841
June	4,093
July	3,285
August	<u>2,654</u>
Total	<u>135,633</u>

* Supplier - Orange and Rockland Utilities, Inc.

PIKE COUNTY LIGHT & POWER COMPANY

UNIT RATE PROJECTIONS (\$/MCF)
FOR THE COMPUTATION PERIOD
THE TWELVE MONTHS ENDING AUGUST 2012

<u>Month/Year</u>	<u>Unit Rate</u> <u>(\$/MCF)</u>
September 2011	\$7.1304
October	7.0931
November	7.3502
December	7.6281
January 2012	7.6585
February	7.6440
March	7.5369
April	7.3871
May	7.3985
June	7.3814
July	7.4433
August	7.4653

PIKE COUNTY LIGHT & POWER COMPANY

PROJECTED GAS COSTS
FOR THE COMPUTATION PERIOD
THE TWELVE MONTHS ENDING AUGUST 2012

<u>Month/Year</u>	<u>Projected Cost</u>
September 2011	\$17,170
October	34,586
November	64,520
December	122,118
January 2012	172,706
February	183,433
March	168,969
April	123,527
May	58,012
June	30,212
July	24,451
August	19,813
Total	<u>\$1,019,517</u>

PIKE COUNTY LIGHT & POWER COMPANY

"E" FACTOR SUMMARY
FOR THE GCR OF SEPTEMBER 2011

<u>Line No.</u>			<u>Rate Component</u>
1.	Over/(Under) Collection from the present Gas Cost Rate adjustment for twelve months ended June 30, 2011 (Sch 7, pg. 1)	\$224,885	
2.	Interest on Over/(Under) Collection (Sch. 7, pg. 2)	13,152	
3.	Prior Over/(Under) Collection amount to be refunded/ (recouped). Balance as of Sept. 2011 (Sch. 9)	2,688	
4.	Net Over/(Under) Collection to be Refunded/(Recouped) (1+2+3)	240,725	1.8078
5.	Supplier Refunds Received (Sch. 10)	12,230	
6.	Interest due on Supplier Refunds (Sch. 10)	892	
7.	Prior Supplier Refund Balance. Balance as of September 2011 (Sch. 11)	246	
8.	Net Supplier Refunds to be Refunded/(Recouped) (5+6+7)	13,368	0.1004
9.	Adjusted "E" Factor Balance (Lines 4+8)	<u>\$254,093</u>	1.9082

PIKE COUNTY LIGHT & POWER COMPANY

STATEMENT OF OVER/(UNDER) COLLECTIONS
 FOR THE PRESENT GAS COST RATE CLAUSE
 FOR THE TWELVE MONTHS ENDING JUNE 2011

<u>Month/Year</u>	<u>Sales</u> <u>(MCF)</u> (1)	<u>GCR</u> <u>Rate (a)</u> (2)	<u>GCR</u> <u>Revenue</u> (3=2x1)	<u>Base</u> <u>Rate</u> (4)	<u>Base Rate</u> <u>Revenue</u> (5=4x1)	<u>Cost of</u> <u>Gas (b)</u> (6)	GCR Cost	Over/
							(Under)	(Under)
							<u>Base</u>	<u>Collection</u>
							(7=6-5)	(8=3-7)
July 2010	3,081.3	(0.2813)	(\$867)	\$8.9343	\$27,529	\$20,232	(\$7,297)	\$6,430
August	2,803.5	(0.2813)	(789)	8.9343	25,047	19,830	(5,217)	4,428
September - Old	2,557.9	(0.2813)	(720)	8.9343	22,853	18,102	(4,751)	4,031
September - New	54.8	(0.1081)	(6)	8.9343	490	388	(102)	96
October	2,878.9	(0.1081)	(311)	8.9343	25,721	45,207	19,486	(19,797)
November	7,181.1	(0.1081)	(776)	8.9343	64,158	85,232	21,074	(21,850)
December	13,591.2	(0.1081)	(1,469)	8.9343	121,428	171,930	50,502	(51,971)
January 2011	23,994.0	(0.1081)	(2,594)	8.9343	214,370	185,996	(28,374)	25,780
February	24,842.7	(0.1081)	(2,685)	8.9343	221,952	148,855	(73,097)	70,412
March	20,474.6	(0.1081)	(2,213)	8.9343	182,926	117,279	(65,647)	63,434
April	15,418.5	(0.1081)	(1,667)	8.9343	137,754	62,792	(74,962)	73,295
May	9,562.6	(0.1081)	(1,034)	8.9343	85,435	32,601	(52,834)	51,800
June	<u>4,279.4</u>	(0.1081)	<u>(463)</u>	8.9343	<u>38,233</u>	<u>18,973</u>	<u>(19,260)</u>	<u>18,797</u>
Total	<u>130,720.5</u>		<u>(\$15,594)</u>		<u>\$1,167,896</u>	<u>\$927,417</u>	<u>(\$240,479)</u>	<u>\$224,885</u>

(a) GCR Rates:

July 2009 thru September 2010 (Old) GCR = \$8.6530 - \$8.9343 = (0.2813) /MCF exclusive of revenue taxes and "E"
 September 2010 (New) thru June 2011 GCR = \$8.8262 - \$8.9343 = (0.1081) /MCF exclusive of revenue taxes and "E"

(b) Includes capacity release credits.

PIKE COUNTY LIGHT & POWER COMPANY

COMPUTATION OF INTEREST
 ON OVER/(UNDER) COLLECTIONS

<u>Month/Year</u>	<u>Over/(Under) Collection</u>	<u>Interest</u>			
		<u>Rate</u>	<u>Weight</u>	<u>Amount</u>	
July 2010	\$6,430	6.25%	20 /	12 \$670	
August	4,428	6.00%	19 /	12 421	
September - Old	4,031	6.00%	18 /	12 363	
September - New	96	6.00%	18 /	12 9	
October	(19,797)	5.50%	17 /	12 (1,543)	
November	(21,850)	5.50%	16 /	12 (1,602)	
December	(51,971)	5.50%	15 /	12 (3,573)	
January 2011	25,780	5.75%	14 /	12 1,729	
February	70,412	6.25%	13 /	12 4,767	
March	63,434	6.25%	12 /	12 3,965	
April	73,295	6.50%	11 /	12 4,367	
May	51,800	6.25%	10 /	12 2,698	
June	18,797	6.25%	9 /	12 <u>881</u>	
Total	<u>\$224,885</u>			<u>\$13,152</u>	

PIKE COUNTY LIGHT & POWER COMPANY

ACTUAL SUPPLY VOLUMES (a)
FOR THE COMPUTATION PERIOD
FOR THE TWELVE MONTHS ENDING JUNE 2011

<u>Month/Year</u>	<u>Supply Volume (MCF)</u>
July 2010	2,652
August	2,623
September	2,778
October	6,776
November	13,074
December	23,340
January 2011	25,460
February	20,256
March	16,853
April	9,032
May	4,586
June	2,661
Total	<u>130,091</u>

(a) Supplier - Orange and Rockland Utilities, Inc.

PIKE COUNTY LIGHT & POWER COMPANY

ACTUAL GAS PURCHASE RATES (\$/MCF)
FOR THE COMPUTATION PERIOD
FOR THE TWELVE MONTHS ENDING JUNE 2011

<u>Month/Year</u>	<u>Unit Rate</u> <u>(\$/MCF)</u>
July 2010	\$7.63
August	7.56
September	6.66
October	6.67
November	6.52
December	7.37
January 2011	7.31
February	7.35
March	6.96
April	6.95
May	7.11
June	7.13

PIKE COUNTY LIGHT & POWER COMPANY

ACTUAL GAS SUPPLY COSTS
FOR THE COMPUTATION PERIOD
FOR THE TWELVE MONTHS ENDING JUNE 2011

<u>Month/Year</u>	<u>Actual Cost</u>
July 2010	\$20,232
August	19,830
September	18,490
October	45,207
November	85,232
December	171,930
January 2011	185,996
February	148,855
March	117,279
April	62,792
May	32,601
June	<u>18,973</u>
12 Month Total	<u>\$927,417</u>

PIKE COUNTY LIGHT & POWER COMPANY

RECONCILIATION OF PRIOR PERIOD OVER/(UNDER) COLLECTION
FOR THE PERIOD ENDING SEPTEMBER 2011

<u>Month</u>	<u>MCF Sales</u>	<u>Rate Component</u>	<u>(Refund)/ Recovery</u>	<u>Balance</u>
	(1)	(2)	(3=1x2)	(4)
Beg. Balance from GCR/10 Filing (A)				\$271,786
Reverse Prior Estimates				
July 2010	3,225.5	(3.2068)	(10,344)	282,130
August	2,761.9	(3.2068)	(8,857)	290,987
September	<u>2,363.9</u>	(3.2068)	(7,581)	298,568
Less Actuals:				
July 2010	3,081.3	(3.2068)	(9,881)	288,687
August	2,803.5	(3.2068)	(8,990)	279,697
Sept. (Old)	2,557.9	(3.2068)	(8,203)	271,494
Sept (New)	54.8	(2.0565)	(113)	271,381
October	2,878.9	(2.0565)	(5,920)	265,461
November	7,181.1	(2.0565)	(14,768)	250,693
December	13,591.2	(2.0565)	(27,950)	222,743
January 2011	23,994.0	(2.0565)	(49,344)	173,399
February	24,842.7	(2.0565)	(51,089)	122,310
March	20,474.6	(2.0565)	(42,106)	80,204
April	15,418.5	(2.0565)	(31,708)	48,496
May	9,562.6	(2.0565)	(19,665)	28,831
June	4,279.4	(2.0565)	(8,801)	20,030
Estimates:				
July 2011	3,307.1	(2.0565)	(6,801)	13,229
August	2,761.9	(2.0565)	(5,680)	7,549
Sept.	<u>2,363.9</u>	(2.0565)	<u>(4,861)</u>	2,688
Total	<u>130,802.1</u>		<u>(269,098)</u>	

(A) Beginning balance includes:

GCR/10 - Sched. 6 - Prior Over/(Under) Collection	108,423
GCR/10 - Sched. 6 - Interest on Over/Under	15,237
GCR/10 - Sched. 6 -Cumulative Over/(Under) Collection	148,126

Total **271,786**

PIKE COUNTY LIGHT & POWER COMPANY

CALCULATION OF SUPPLIER REFUNDS RECEIVED
TO BE INCLUDED IN THE EXPERIENCED
NET OVER/(UNDER) COLLECTION

Month/Year Refund <u>Received</u>	<u>Supplier</u>	Refund <u>Amount</u>	<u>Interest</u>		<u>Amount</u>
			<u>Rate</u>	<u>Weight</u>	
Jul-10 Tennessee		\$ 1,877.40	6.0%	20 / 12	188
Jul-10 Transco		0.39	6.0%	20 / 12	0
Sep-10 Tennessee		1,877.40	6.0%	18 / 12	169
Sep-10 Transco		220.17	6.0%	18 / 12	20
Jan-11 Tennessee		3,936.78	6.0%	14 / 12	276
Mar-11 Transco		381.08	6.0%	12 / 12	23
Apr-11 Tennessee		3,936.78	6.0%	11 / 12	217
Total Refund to include in GCR/11		<u>\$12,230</u>			<u>\$892</u>

PIKE COUNTY LIGHT & POWER COMPANY

RECONCILIATION OF PRIOR PERIOD SUPPLIER REFUNDS
FOR THE PERIOD ENDING SEPTEMBER 2011

<u>Month</u>	<u>MCF Sales</u>	<u>Rate Component</u>	<u>(Refund)/ Recovery</u>	<u>Balance</u>
	(1)	(2)	(3=1x2)	(4)
Beg. Balance from GCR/10 Filing (A)				\$23,804
Reverse Prior Estimates:				
July 2010	3,225.5	(0.2088)	(673)	24,477
August	2,761.9	(0.2088)	(577)	25,054
September	2,363.9	(0.2088)	(494)	25,548
Less Actuals:				
July 2010	3,081.3	(0.2088)	(643)	24,905
August	2,803.5	(0.2088)	(585)	24,320
Sept. - Old	2,557.9	(0.2088)	(534)	23,786
Sept. - New	54.8	(0.1801)	(10)	23,776
October	2,878.9	(0.1801)	(518)	23,258
November	7,181.1	(0.1801)	(1,293)	21,965
December	13,591.2	(0.1801)	(2,448)	19,517
January 2011	23,994.0	(0.1801)	(4,321)	15,196
February	24,842.7	(0.1801)	(4,474)	10,722
March	20,474.6	(0.1801)	(3,687)	7,035
April	15,418.5	(0.1801)	(2,777)	4,258
May	9,562.6	(0.1801)	(1,722)	2,536
June	4,279.4	(0.1801)	(771)	1,765
Estimates:				
July 2011	3,307.1	(0.1801)	(596)	1,169
August	2,761.9	(0.1801)	(497)	672
September	<u>2,363.9</u>	(0.1801)	<u>(426)</u>	246
Total	<u>130,802.1</u>		<u>(23,558)</u>	

(A) Balance includes:

GCR/10 - Sched. 10 - Supplier Refund Received	\$9,090
GCR/10 - Sched. 10 - Interest on Supplier Refund	2,215
GCR/10 - Sched. 6 - Sept 2010 ending balance	<u>12,499</u>
Total	\$23,804

PIKE COUNTY LIGHT & POWER COMPANY

COMPUTATION OF BASE COST OF GAS
AND ADJUSTMENT TO BASE RATES

Line No.

1.	Current Base Cost	\$8.9343 /MCF
2.	Base Cost of Gas shall be equal to at least:	
	A) Actual Average Cost of Gas	7.0947 /MCF
		90%
	B) Minimum Base Cost of Gas	6.3852 /MCF
3.	Projected Gas Cost	
	A) Cost (Schedule 2)	\$1,019,517
	B) Sales (Schedule 2)	133,158 MCF
	C) Projected Average Cost of Gas	7.6564 /MCF
4.	Proposed Base Cost of Gas	\$8.9343 /MCF
5.	Current Base Cost of Gas	\$8.9343 /MCF
6.	Change in Base Cost (4-5)	\$0.0000 /MCF
8.	Change to Base Rates (cents)	- /CCF

PIKE COUNTY LIGHT & POWER COMPANY

STATEMENT OF OVER/UNDER COLLECTIONS
FOR THE PROPOSED GAS COST RATE
FOR THE TWELVE MONTHS ENDING AUGUST 2012

<u>Month/Year</u>	<u>Sales</u> <u>MCF</u>	<u>GCR</u> <u>Rate (A)</u>	<u>GCR</u> <u>Revenue</u>	<u>Base</u> <u>Rate</u>	<u>Base Rate</u> <u>Revenue</u>	<u>Cost</u> <u>of Gas</u>	<u>GCR Cost</u>	
							<u>Over/</u> <u>(Under)</u> <u>Base</u>	<u>Over/</u> <u>(Under)</u> <u>Collection</u>
	(1)	(2)	(3=2x1)	(4)	(5=4x1)	(6)	(7=6-5)	(8=3-7)
September 2011	2,364	(1.2779)	(\$3,021)	8.9343	\$21,120	\$17,170	(\$3,950)	\$929
October	4,787	(1.2779)	(6,117)	8.9343	42,766	34,586	(8,180)	2,063
November	8,618	(1.2779)	(11,013)	8.9343	76,995	64,520	(12,475)	1,462
December	15,717	(1.2779)	(20,085)	8.9343	140,421	122,118	(18,303)	(1,782)
January 2012	22,139	(1.2779)	(28,292)	8.9343	197,798	172,706	(25,092)	(3,200)
February	23,559	(1.2779)	(30,106)	8.9343	210,485	183,433	(27,052)	(3,054)
March	22,009	(1.2779)	(28,126)	8.9343	196,637	168,969	(27,668)	(458)
April	16,417	(1.2779)	(20,979)	8.9343	146,675	123,527	(23,148)	2,169
May	7,698	(1.2779)	(9,837)	8.9343	68,777	58,012	(10,765)	928
June	4,019	(1.2779)	(5,135)	8.9343	35,903	30,212	(5,691)	556
July	3,226	(1.2779)	(4,122)	8.9343	28,818	24,451	(4,367)	245
August	2,606	(1.2779)	(3,330)	8.9343	23,280	<u>19,813</u>	<u>(3,467)</u>	<u>137</u>
Total	<u>133,158</u>		<u>(\$170,163)</u>		<u>\$1,189,675</u>	<u>\$1,019,517</u>	<u>(\$170,158)</u>	<u>(\$5)</u>

(A) Similar to Schedule 7, page 1.

PIKE COUNTY LIGHT & POWER COMPANY

STATEMENT OF THE EFFECT
THE PROPOSED GCR CHANGES WOULD
HAVE ON BILLS FOR RESIDENTIAL SERVICE

Based on a calculation of the average monthly CCF usage (112 CCF) for a twelve month period, a residential monthly gas bill would decrease by -7.60% from an average monthly bill amount of \$123.92. at present rates to an average monthly bill amount of \$114.50 at rates to be effective September 1, 2011. See the following table.

112 CCF Monthly Usage

	<u>At Present Rates</u>			<u>At Proposed Rates</u>			
Service Charge	\$6.00	=	6.00	\$6.00	=	6.00	
All CCF	1.28650	=	144.09	1.28650	=	144.09	
TOP Surcharge	@ 0.00000	=	0.00	0.00000	=	0.00	
STAS Surcharge	@ 0.06%	=	0.09	0.06%	=	0.09	
All	112 CCF @	(0.23447)	=	(26.26)	(0.31861)	=	(35.68)
	Total			123.92			114.50
	Total Rounded			<u>\$123.92</u>			<u>\$114.50</u>

PIKE COUNTY LIGHT & POWER COMPANY

ADJUSTMENT TO PRESENT BASE RATES
TO REFLECT THE PROPOSED CHANGE
IN THE BASE COST OF GAS, "B"

	Present Base <u>Rates</u>	Proposed Change to <u>Base Rates</u> *	Proposed Base <u>Rates</u>
<u>Service Classification No. 1</u>			
Service Charge	\$6.0000		\$6.0000
All CCF	\$1.2865 /CCF	0.0000	\$1.2865
 <u>Service Classification No. 2</u>			
Service Charge	\$9.0000		\$9.0000
First 300 CCF @.....	\$1.3374 /CCF	0.0000	\$1.3374 /CCF
All Over 300 CCF @.....	\$1.1877 /CCF	0.0000	\$1.1877 /CCF
 * See Schedule 12			 0.0000