

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Audit of the)
Uncollectible Expense Rider of Duke) Case No. 15-318-GA-UEX
Energy Ohio, Inc. and Related Matters.)

FINDING AND ORDER

The Commission finds:

- (1) Duke Energy Ohio, Inc. (Duke or Company) is a gas or 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, in accordance with R.C. 4905.04 and 4905.05.
- (2) On December 21, 2005, the Commission authorized Duke to establish an uncollectible expense (UEX) rider, which was initially set at zero. *In re Cincinnati Gas & Electric Company*, Case No. 05-732-EL-MER, et al., Finding and Order (Dec. 21, 2005).
- (3) Duke's current UEX rider rate of \$0.09802 per thousand cubic feet (Mcf) was approved by Finding and Order dated May 28, 2014, in *In re Duke Energy Ohio, Inc.*, Case No. 14-318-GA-UEX.
- (4) On May 27, 2015, Duke filed the instant application proposing to decrease its UEX rider rate to \$0.07006 per Mcf, which is an adjustment of \$0.02796 per Mcf. The proposed rate is based on the actual uncollectible tracker balance through March 31, 2015, and the projected bad debt expense for the 12 months ending March 31, 2016.
- (5) On August 7, 2015, Staff filed its comments regarding the proposed revised UEX rider rate.
- (6) During its review, Staff noticed that the Company was projecting the amount of bad debt to be written off through March 2016, but was failing to include forecasted revenue that the Company would be collecting through the rider during that same time period. Staff, therefore, adjusted the Company's projections to include revenue amounting to \$1,526,683. Staff

states that it calculated the amount of revenue by multiplying the Company's projected sales by the known rate in effect, \$0.09802 per Mcf for the period of April through August 2015 and a rate of \$0.01 per Mcf for the remaining seven months. (Staff Comments at 2-3.)

- (7) Staff recommends that the Commission direct the Company to project both the revenues and expenses it expects to incur in future uncollectible filings. In the instant case, Staff recommends that the Commission direct the Company to reflect the forecasted revenue through March 2016 totaling \$1,526,683 in its calculation, thereby further decreasing the Company proposed uncollectible rate from \$0.07006 per Mcf to \$0.04185 per Mcf. With this adjustment, Staff believes the uncollectible rate of \$0.04185 per Mcf is reasonable and should be approved. (Staff Comments at 3.)
- (8) On August 25, 2015, Duke filed a response to Staff's comments, stating that it accepts Staff's recommendations. Duke attached updated projected revenues and the revised tariff reflecting the changes recommended by Staff.
- (9) The Commission has reviewed the application filed on May 27, 2015, as well as Staff's filed comments and Duke's response. The Commission believes that Staff's recommendations in its August 7, 2015 comments in this matter are well taken and should be adopted. Accordingly, the Commission finds that the application, with the revised UEX rider rate of \$0.04185 per Mcf, is reasonable and in the public interest, and should be approved.

It is, therefore,

ORDERED, That, in accordance with Finding (9), Duke's application be approved and Duke be authorized to decrease the rate for its UEX rider to \$0.04185 per Mcf. It is, further,

ORDERED, That Duke adjust its forecasted revenue calculations for future uncollectible filings to reflect Staff's recommendations in its August 7, 2015 comments. It is, further,

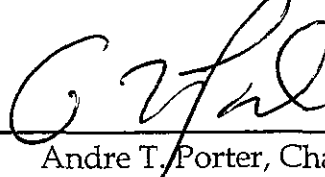
ORDERED, That Duke is authorized to file two complete copies of tariffs in final form consistent with this Finding and Order. Duke shall file one copy in this case docket and one copy in its TRF docket. It is, further,

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 further proceeding or investigation 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 of record in this proceeding.

THE PUBLIC UTILITIES COMMISSION OF OHIO



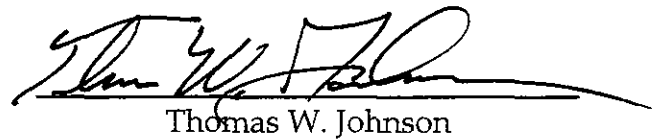
Andre T. Porter, Chairman,

Lynn Slaby



M. Beth Trombold

Asim Z. Haque

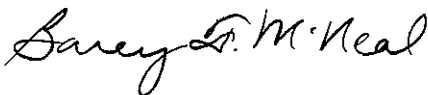


Thomas W. Johnson

KKS/vrm

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SEP 16 2015



Barcy F. McNeal
Secretary