

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke	)	
Energy Ohio, Inc., for Approval to	)	Case No. 15-50-GA-RDR
Modify Rider FBS and Rider EFBS	)	

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**APPLICATION OF DUKE ENERGY OHIO, INC.,  
FOR REHEARING**

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Pursuant to R.C.4903.10 and Rule 4901:1-35, Ohio Administrative Code, Duke Energy Ohio, Inc., (Duke Energy Ohio) hereby files this application for rehearing of the Public Utilities Commission of Ohio (Commission) Opinion and Order dated January 6, 2016. As explained in more detail in the attached Memorandum in Support, the Commission's Opinion and Order in this case is unreasonable and unlawful on the following grounds:

1. The Commission's Opinion and Order fails to direct the Company in respect of customers who are "process only" customers.
2. The Commission's Opinion and Order states that spot purchases should be monitored for the 2016-2017 heating season, but does not explain what its intended outcome will be if it is determined that spot purchases impact Gas Cost Recovery (GCR) customers.

For these reasons, as discussed in greater detail below, Duke Energy Ohio respectfully requests that the Commission grant the Company's Application for Rehearing and clarify or otherwise address the matters raised above.

Respectfully submitted,

A handwritten signature in blue ink that reads "Elizabeth H. Watts" followed by a stylized flourish.

Amy B. Spiller (0047277)  
Deputy General Counsel  
Elizabeth H. Watts (0031092)  
Associate General Counsel  
Duke Energy Shared Services, Inc.  
155 East Broad Street, 21st Floor  
Columbus, Ohio 43215  
Phone: 614-222-1330  
[Elizabeth.Watts@duke-energy.com](mailto:Elizabeth.Watts@duke-energy.com)  
[Amy.Spiller@duke-energy.com](mailto:Amy.Spiller@duke-energy.com)

## **I. Introduction**

Duke Energy Ohio submitted an application in this proceeding to adjust Rider Firm Balancing Service (FBS) and Rider Enhanced Firm Balancing Service (EFBS) and to modify the terms under which choice suppliers and aggregators select either firm balancing service or enhanced firm balancing service. The matter proceeded to hearing and the Commission issued its Opinion and Order, January 6, 2016. The Commission's Opinion and Order found the Company's proposal to modify the terms of the services and the related tariffs to be reasonable and approved them subject to specified modifications. The Commission recommended an aggregate daily demand threshold of 6,000 dth/day, and otherwise adopted Staff's recommendations on an interim basis, such that for the 2016-2017 heating season, choice suppliers should take either the same level of service that they elected for the previous year, or more. The Commission further stated that winter spot market purchases for 2016-2017 should be thoroughly audited to ensure that GCR customers are not unduly impacted. Importantly however, the Commission neglected to clarify two significant matters raised in the application as set forth below.

## **II. Discussion**

### **1. The Commission's Opinion and Order fails to direct the Company in respect of customers who are "process only" customers.**

The Staff of the Public Utilities Commission of Ohio, (Staff) retained an auditor to assist with a financial audit of costs reflected in the Company's GCR rates. The auditor that was subsequently selected, Exeter Associates, Inc. (Exeter) completed an audit and submitted a report to the Commission that was filed in Case No.15-218-GA-GCR. The Commission opted to take administrative notice of the Exeter audit in this proceeding. The Commission's Opinion and Order in this case accepted Exeter's recommendation to lower the threshold from 20,000 dth/day

to 6,000 dth/day. However, the Opinion and Order did not address the issue mentioned in the audit report regarding pools with “process-only load.” A process-only load pool is comprised entirely of customers whose loads are not weather dependent and would otherwise qualify for Interruptible Transportation service, but for reasons of their own desire firm service. The Exeter audit report states, “Load for process-only load customers is not weather dependent in the same way as heating customer load, and process-only load customers do not necessarily take deliveries on a daily basis. This would make it impractical for suppliers serving process-only load customers to manage EFBS. This could be addressed by including an exemption to mandatory EFBS for suppliers serving process-only load.”

Thus, a question arises as to whether the Company may include an exemption for process-only load in its amended tariff. Currently the Company has only two process-only load pools that each has an MDQ that is currently under 6,000 dth/day. However, it is possible that the load will grow for either of these customers, or new customers could subscribe who are process -only load customers with higher MDQ requiring firm transportation service. As the Commission’s Opinion and Order did not direct the Company with respect to this category of customer, the Company respectfully submits that it is unreasonable and unlawful, and requests that the Commission grant rehearing to clarify this matter.

**2. The Commission’s Opinion and Order does not clarify what is to occur in the event that spot purchases for the 2016-2017 heating season impact the GCR customers.**

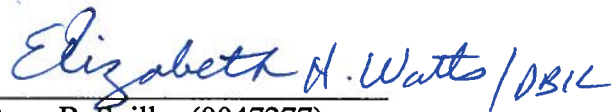
As the Commission has accepted Staff’s recommendation to defer changes by adopting the tariff on an interim basis, the Commission recommends that winter spot market purchases be “thoroughly audited to ensure that GCR customers are not unduly impacted.” However, the Opinion and Order does not mention what the resolution would be if it is determined that spot

purchases for the 2016-17 heating season did impact the GCR customers, either positively or negatively. As a result of this omission, the Company is left with uncertainty regarding the business risk associated with spot purchases. The Company respectfully requests that the Commission clarify or otherwise provide a mechanism for recovery of costs associated with such necessary spot purchases during the interim period.

### **III. Conclusion**

For all of the foregoing reasons, Duke Energy Ohio respectfully requests that the Commission grant rehearing to address the issues described above.


Respectfully submitted,



Amy B. Spiller (0047277)  
Deputy General Counsel  
Elizabeth H. Watts (0031092)  
Associate General Counsel  
Duke Energy Shared Services, Inc.  
155 East Broad Street, 21st Floor  
Columbus, Ohio 43215  
Phone: 614-222-1330  
[Elizabeth.Watts@duke-energy.com](mailto:Elizabeth.Watts@duke-energy.com)  
[Amy.Spiller@duke-energy.com](mailto:Amy.Spiller@duke-energy.com)

### CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served this 5th day of February, 2016, by U.S. mail, postage prepaid, or by electronic mail upon the persons listed below.

  
Elizabeth H. Watts

Thomas W. McNamee Assistant Attorney General Office of the Attorney General Mike DeWine 180 East Broad Street 7 <sup>th</sup> Floor Columbus, Ohio 43215 <a href="mailto:Thomas.mcnamee@puc.state.oh.us">Thomas.mcnamee@puc.state.oh.us</a>	M. Howard Petricoff Michael J. Settineri Gretchen L. Petrucci Vorys, Sater, Seymour and Pease LLP 52 East Gay street P.O. Box 1008 Columbus, Ohio 43216 <a href="mailto:mpetricoff@vorys.com">mpetricoff@vorys.com</a> <a href="mailto:mjsettineri@vorys.com">mjsettineri@vorys.com</a> <a href="mailto:glpetrucci@vorys.com">glpetrucci@vorys.com</a>
William J. Michael Jodi J. Bair Assistant Consumers' Counsel 10 West Broad Street Suite 1800 Columbus, Ohio 43215 <a href="mailto:William.michael@occ.ohio.gov">William.michael@occ.ohio.gov</a> <a href="mailto:Jodi.bair@occ.ohio.gov">Jodi.bair@occ.ohio.gov</a>	Joseph M. Clark Jennifer Sponosi Direct Energy Business Marketing LLC and Direct Energy Small Business LLC 21 East State Street, 19 <sup>th</sup> Floor Columbus, Ohio 43215 <a href="mailto:Joseph.clark@directenergy.com">Joseph.clark@directenergy.com</a> <a href="mailto:Jennifer.sponosi@directenergy.com">Jennifer.sponosi@directenergy.com</a>
Joseph E. Olier IGS Energy, Inc. 6100 Emerald Parkway Dublin, Ohio 43016 <a href="mailto:joliker@igsenergy.com">joliker@igsenergy.com</a>	

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Summary: App for Rehearing Application of Duke Energy Ohio, Inc., For Rehearing electronically filed by Dianne Kuhnell on behalf of Duke Energy Ohio, Inc. and Spiller, Amy B. and Watts, Elizabeth H.