

FILE



**Public Utilities  
Commission**

Asim Z. Haque, Chairman

**Commissioners**

Lynn Slaby  
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Vacant

June 16, 2016

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

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PUCO

RE: *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of an Adjustment to its Uncollectible Expense Rider Rate, Case No. 16-318-GA-UEx.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the application filed by Duke Energy Ohio, Inc. to update its Uncollectible Expense Rider, in Case No. 16-318-GA-UEx.

Tamara S. Turkenton  
Chief, Regulatory Services Division  
Public Utilities Commission of Ohio

David Liphtratt  
Chief, Research and Policy Division  
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

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Technician AS Date Processed 6/16/16

**Duke Energy Ohio, Inc.**  
**Case No. 16-318-GA-UEx**

**SUMMARY:**

In Case No. 03-1127-GA-UNC, the Commission authorized the concept of an uncollectible accounts expense recovery mechanism for five natural gas companies, Duke Energy Ohio, Inc. (Duke or Company) being one of them. The mechanism approved allows for the recovery of actual uncollectible expense through a rider, rather than through base rates. Subsequently, Duke was authorized in Case No. 05-974-GA-AAM to establish a rider recovery mechanism consistent with that which was approved in Case No. 03-1127-GA-UNC. On November 18, 2009, the Commission issued its Finding and Order in Case No. 09-773-GA-UEx which authorized an initial uncollectible rider rate of \$0.1569 per Mcf.

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

September 2012 – September 2013	\$0.02926 per Mcf
September 2013 – June 2014	\$0.05240 per Mcf
June 2014 – September 2015	\$0.09802 per Mcf
September 2015 – Present	\$0.04185 per Mcf

On May 27, 2016, Duke filed the pending application to increase its current uncollectible expense rider rate from \$0.04185 per Mcf to \$0.07706 per Mcf, an adjustment of \$.03251 per Mcf. Staff has reviewed the application and makes its finding and recommendations in this Staff Letter.

**STAFF REVIEW:**

Staff performed a review of Duke's annual balance of actual uncollectible accounts expense net of recoveries as of April 2015 through March 2016 (Attachment 1, page 2 of 4 and Attachment 1, page 3 of 4) and proposed tariff sheets (Attachment 2).

**STAFF RECOMMENDATION:**

Staff believes that Duke's application appropriately calculates the rider and recommends the proposed rate of \$0.07706 per Mcf be approved.