

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Duke Energy Ohio, Inc., for Approval)	Case No. 17-413-GA-UNC
of an Alternate Supplier for Percentage)	
of Income Payment Plan Customers.)	

APPLICATION OF DUKE ENERGY OHIO, INC.

Duke Energy Ohio, Inc. (Duke Energy Ohio or Company) is an Ohio corporation engaged in the business of supplying electricity and natural gas to consumers in southwestern Ohio and is a public utility as defined by Sections 4905.03 of the Ohio Revised Code (R.C.). Duke Energy Ohio respectfully requests the Public Utilities Commission of Ohio (Commission) authority to enter into an agreement with LE Energy LLC d/b/a Utility Gas and Power (Utility Gas and Power) to provide competitive natural gas to Percentage of Income Payment Plan (PIPP) customers.

As a component of its gas choice program for residential and small commercial gas service customers, Duke Energy Ohio has developed a process to include customers who might otherwise be excluded from experiencing the benefits of a competitive natural gas market. These customers are participants in PIPP. The Commission approved this process for the year ending September 1, 2002 in an Order dated September 13, 2001 in *In the Matter of the Application of The Cincinnati Gas & Electric Company for Approval of an Alternative Supplier for the Percentage of Income Payment Plan Customer Class*, Case No. 01-2202-GA-UNC.

The Commission's most recent approval of a provider of natural gas for the PIPP customer class was provided in a Finding and Order, dated April 3, 2013, *In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of an Alternate Supplier for the Percentage of Income Payment Plan Customer Class*, Case No. 13-565-GA-UNC. The PIPP customer class was returned to Gas Cost Recovery (GCR) service in a Finding and Order, dated March 26, 2014, *In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Serve Percentage of Income Payment Plan Gas Customers Under the Gas Cost Recovery Rate*, Case No. 14-315-GA-UNC.

Duke Energy Ohio's Request for Proposal (RFP) process commenced on January 20, 2017, by sending notification by electronic mail to seventy-two suppliers active in its transportation service programs. The electronic mail included a cover letter, an operational overview, a supply agreement, usage data and a bid form. Duke Energy Ohio requested proposals to deliver natural gas volumes to Duke Energy Ohio on behalf of the PIPP customer class for a one to three year period beginning April 1, 2017. Suppliers were asked to submit a bid based on an adder to the monthly NYMEX closing price which would be used to determine the rate charged to the PIPP customers. Proposals were to be submitted to the Company no later than 2:00 P.M., eastern clock time, on February 3, 2017.

Duke Energy Ohio received the following bids for the adder:

AEP Energy (1 Year):	+\$1.145 per mcf (equivalent to +\$0.848 per mmbtu)
Constellation New Energy (1 Year):	+\$0.996 per mmbtu
EDF Energy Services (1 Year):	+\$0.735 per mmbtu
SouthStar Energy Services (1, 2, or 3 Year):	+\$1.100 per mmbtu
Texican Natural Gas (1, 2, or 3 Year):	+\$0.760 per mmbtu
Utility Gas and Power (1 Year):	+ \$0.620 per mmbtu
Utility Gas and Power (2 Year):	+ \$0.580 per mmbtu
Utility Gas and Power (3 Year):	+ \$0.560 per mmbtu

Duke Energy Ohio recommends that the Commission approve the Utility Gas and Power bid for a three year term. Based on an analysis of the past five years of Duke Energy Ohio's GCR rate, this bid will almost certainly result in lower costs for customers in the PIPP program. Whether or not these savings are actually realized will depend on the actual GCR rate experienced over the term.

Though Duke Energy Ohio will appropriately record the gas costs and revenues resulting from this customer class, as it does for all GCR transactions, Duke Energy Ohio requests waiver of any of the current provisions of Ohio Administrative Code (O.A.C.) 4901:1-14 that may not have anticipated purchases that are specifically allocated for use by specific customer classes.

Therefore, Duke Energy Ohio respectfully requests that the Commission approve the selection of Utility Gas and Power as the bidder to supply gas to Duke Energy Ohio for the PIPP customer class, and authorize Duke Energy Ohio to treat the associated gas costs and revenues as consistent with O.A.C. § 4901:1-14.

Respectfully submitted,

Duke Energy Ohio, Inc.

Handwritten signature of Elizabeth H. Watts in blue ink, with the initials "D.E.K." written at the end.

Amy B. Spiller (0047277)

Deputy General Counsel

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This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

2/10/2017 4:19:06 PM

in

Case No(s). 17-0413-GA-UNC

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