

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio, Inc., for Approval to Modify) Case No. 21-1155-GA-RDR
Rider FBS and Rider EFBS.)

In the Matter of the Application of Duke)
Energy Ohio, Inc., for Approval to Modify) Case No. 21-1156-GA-ATA
its Tariff Regarding Rate IMBS.)

**APPLICATION OF DUKE ENERGY OHIO, INC.,
FOR APPROVAL TO MODIFY RIDER FBS, RIDER EFBS,
AND RATE IMBS**

I. Introduction

Duke Energy Ohio, Inc., (Duke Energy Ohio or the Company) is an Ohio corporation engaged in the business of supplying natural gas service to approximately 443,000 customers in southwestern Ohio. Duke Energy Ohio is therefore a natural gas company and a public utility as defined by R.C. 4905.03 and R.C. 4905.02, respectively.

Duke Energy Ohio is filing this Application, pursuant to R.C. 4909.18, for approval to modify the rates in Rider FBS (Firm Balancing Service) and Rider EFBS (Enhanced Firm Balancing Service), and to modify Rate IMBS (Interruptible Monthly Balancing Service).

II. Explanation of Rider FBS, Rider EFBS, and Rate IMBS

Duke Energy Ohio has been providing Firm Balancing Service since November 1, 1997. Suppliers and aggregators served under Firm Balancing Service are required to deliver the Target Supply Quantity (TSQ) of natural gas on a daily basis. Actual usage is generally different than the TSQ, because the TSQ is based on forecasted weather. That difference is either withdrawn or injected into storage. Because customers subject to the Gas Cost Recovery Rider (Rider GCR) pay for the storage, Rider FBS was designed to recover an estimate of the portion of

storage costs associated with daily balancing for suppliers and aggregators taking service under Rider FBS and credit that amount to Rider GCR.

Pursuant to Rider EFBS, on the other hand, suppliers and aggregators can deliver more or less natural gas than the TSQ, at their discretion. At the end of each gas day, actual weather data is used to calculate a Backcast Supply Quantity, which is compared to the amount that the supplier or aggregator delivered. The difference increases or decreases the amount of natural gas held in a bank for that supplier or aggregator. Rider EFBS places limits on how much a bank can increase or decrease on a daily and monthly basis. Since this closely imitates storage, suppliers and aggregators choosing Rider EFBS pay the full value of Duke Energy Ohio's equivalent storage costs rather than an estimate of the portion used only for daily balancing. Revenues received from Rider EFBS are also credited to Rider GCR.

Suppliers and aggregators with a Maximum Daily Quantity (MDQ) greater than or equal to 1,000 dth/day and less than 6,000 dth/day may choose between these options on an annual basis by notifying Duke Energy Ohio by January 15, with any changes becoming effective on April 1. Suppliers and aggregators with an MDQ greater than or equal to 6,000 dth/day are required to take service under Rider EFBS.

Unlike the firm balancing service for the choice program where the supplier is charged for balancing, IT (Interruptible Transportation) customers are charged directly for balancing through Rate IMBS. The Company does not provide a TSQ for these customers because they are better able to estimate their daily load requirements. If, at the end of the month, an IT customer has used more gas than was delivered on their behalf plus its previous month's carryover balance, it is cashed out at a market price. If the IT customer uses less than what was delivered plus its previous month's carryover balance, up to 8% in the summer and 10% in the winter can be carried over as a balance to the next month, with any additional over-delivery being cashed

out at a market price. The rate for IMBS is determined based on the charges from Columbia Gas Transmission (TCO) to provide 20,000 dth/day of withdrawal rights, which is the amount required to provide this balancing service.

III. Proposed Modifications to Rider Rates

Through this Application, Duke Energy Ohio is seeking to update the Rider FBS, Rider EFBS, and Rate IMBS rates to account for a modification to the numeric information incorporated into the methodology for calculating the rates. Specifically, as of December 1, 2021, the charges that Duke Energy Ohio pays to TCO for transportation into and out of storage have decreased, pending final approval by the Federal Energy Regulatory Commission (FERC).¹ Specifically, on November 16, 2021, the FERC Chief Judge in Docket Number RP20-1060-007 issued an order accepting interim Settlement Rates covering rates for TCO. According to that order, the interim Settlement Rates are to be implemented effective as of December 1, 2021.

Therefore, effective December 1, 2021, the calculation of rates for Rider FBS, Rider EFBS, and Rate IMBS should change. Such calculations are detailed on Exhibit A. The proposed revised tariffs are attached hereto as Exhibit B, reflecting both red-lined and clean versions.

IV. CONCLUSION

Duke Energy Ohio respectfully requests approval to implement these modifications of Rider FBS, Rider EFBS and Rate IMBS. Upon approval of this Application, the Company will file final tariff sheets, as directed by the Commission.

¹ This application is filed in conformity with the Commission's Finding and Order in Case No. 21-180-GA-RDR, *et al.* (August 25, 2021).

DUKE ENERGY OHIO, INC.

Respectfully submitted,

/s/ Jeanne W. Kingery

Rocco O. D'Ascenzo (0076517)

Deputy General Counsel

Jeanne W. Kingery (0012172) (Counsel of Record)

Associate General Counsel

Larisa M. Vaysman (0090290)

Senior Counsel

139 East Fourth Street

Cincinnati, Ohio 45202

Phone: 614-222-1334

Rocco.DAscenzo@duke-energy.com

Jeanne.Kingery@duke-energy.com

Larisa.Vaysman@duke-energy.com

Willing to accept electronic service