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May. 29, 2013

Ms. Barcy F. McNeal, Secretary  
Public Utilities Commission of Ohio  
180 East Broad Street, 11<sup>th</sup> Floor  
Columbus, Ohio 43215

Re: Case No. 13-318-GA-UEx, In the Matter of the Application of Duke Energy Ohio, Inc. for  
Approval of an Adjustment to Its Uncollectible Expense Rider Rate

Dear Ms. McNeal:

For the purposes of updating the Company's gas tariffs, attached is a copy of Rider UE-G,  
Uncollectible Expense Rider.

One copy of the tariff is for filing with TRF Docket Number 89-8002-GA-TRF.

Respectfully submitted,

/s/ Elizabeth H. Watts  
Elizabeth H. Watts  
Associate General Counsel

**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of )  
Duke Energy Ohio, Inc. for Approval to ) Case No. 13-318 - GA-UEx  
Adjust its Gas Uncollectible Rider )  
Rate.

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**APPLICATION TO ADJUST  
DUKE ENERGY OHIO, INC.'S GAS UNCOLLECTIBLE EXPENSE RIDER RATE**

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Pursuant to R.C. 4904.18, Duke Energy Ohio, Inc., (Duke Energy Ohio) requests approval to adjust the rate for its gas uncollectible rider, Rider UE-G.

Duke Energy Ohio is an Ohio corporation engaged in the business of supplying natural gas to approximately 420,000 customers in southwestern Ohio, all of whom, except Interruptible Transportation customers, will be affected by this Application, and is a public utility as defined by R.C. 4905.02 and 4905.03. Duke Energy Ohio serves incorporated communities and unincorporated territory within its entire service area, which includes all or parts of Adams, Brown, Butler, Clinton, Clermont, Hamilton, Montgomery, and Warren Counties in Ohio.

In support of its Application, Duke Energy Ohio states as follows:

1. This Application is made pursuant to the Finding and Order issued by the Public Utilities Commission of Ohio (Commission) on December 21, 2005, in Case Nos. 05-732-EL-MER, 05-733-EL-AAM, and 05-974-GA-AAM. In its Finding and Order, the Commission instructed Duke Energy Ohio to purchase receivables of competitive natural gas suppliers without a discount. The Commission also approved Duke Energy Ohio's request for a gas uncollectible expense recovery rider.

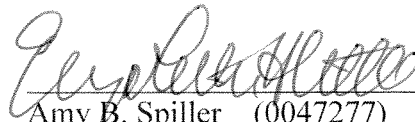
2. The gas uncollectible expense rider, Rider UE-G, currently has a monthly charge of \$0.002926 per CCF which was approved in Case No. 12-318-GA-UEx in an Opinion and Order dated August 29, 2012.
3. In the Finding and Order issued by the Commission on December 17, 2003, in Case No. 03-1127-GA-UNC at page 13, and in the Finding and Order issued by the Commission on August 19, 2009, in Case No. 08-1229-GA-COI at paragraph 12, the Commission instructed the utilities to file an annual report that details the amounts recovered, deferred, and if applicable, amortized pursuant to the respective uncollectible expense riders. Duke Energy Ohio's report is submitted with this Application for Rider UE-G.
4. Attachment 1 to this Application includes both the required annual report and the calculation of the proposed, amended rate for Rider UE-G.
5. The annual report, required by the Commission, is set forth on pages two through four of Attachment 1. Page one identifies the amounts recovered, deferred and amortized pursuant to the rider. Page two shows the actual uncollectible tracker balance through March 31, 2013. Page three shows the projected bad debt expense for the twelve month period ending March 31, 2014. Page four shows the projected volumes for the twelve month period ending March 31, 2014.
6. Attachment 1 also details the calculation of the proposed, amended uncollectible rider rate, at page one. This proposed rider rate is calculated to be \$0.005240 per CCF, which is an increase of \$0.002314 per CCF from the amount authorized in Case No. 12-318-GA-UEx.

7. This resulting rate of \$0.005240 per CCF for all Duke Energy Ohio customers subject to Rider UE\_G is just and reasonable and should be approved. Copies of the proposed and scored tariff sheets are included as Attachment 2 to this Application.

WHEREFORE, Duke Energy Ohio respectfully requests that the Commission approve the new uncollectible expense rider rate for Rider UE-G as proposed in this Application.

Respectfully submitted,

Duke Energy Ohio, Inc.



Amy B. Spiller (0047277)

Deputy General Counsel

Elizabeth H. Watts (0031092)

Associate General Counsel

Duke Energy Business Services LLC

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Duke Energy Ohio Gas  
Calculation of Uncollectible Expense Rider Rate

Line	Description	Source	Amount	Projected Volume (CCF) Page 4	Unit Rate (\$/CCF)
1	Actual Uncollectible Tracker Balance through March 31, 2013 (a)	Page 2	\$442,341		
2	Projected Bad Debt Write-offs April 1, 2013 - March 31, 2014	Page 3	\$2,140,555		
3	Unrecovered Uncollectible Expenses through March 31, 2014	Line 1 + Line 2	\$2,582,896	492,926,796	\$0.005240
4	Current Uncollectible Rider Rate	See Note (b)			\$0.002926
5	Increase/(Decrease) in Total Uncollectible Expense Rate	Line 3 - Line 4			\$0.002314
6	Percentage Difference in Recovery of Uncollectible Expenses				79%

(a) Actual uncollectible expense less amounts recovered in base rates and Rider UE-G plus carrying charges  
(b) Rate approved in Case No. 12-318-GA-UEx; effective September 28, 2012.

Line	Source	2012 Actual												Total			
		May	June	July	August	September	October	November	December	January	February	March					
1	Unrecovered Balance - Beginning of Month																
2	Bad Debts Written Off - Net of Customer Recoveries	\$4,221,222	(\$3,495,826)	(\$2,799,756)	(\$2,165,701)	(\$1,365,154)	(\$623,530)	(\$683,196)	(\$503,592)	(\$503,592)	(\$557,669)	(\$538,613)					
3	Recovery - Base Rates	\$295,081	\$425,974	\$407,015	\$683,671	\$301,120	\$175,315	\$240,662	\$282,443	\$228,500	\$300,478	\$1,237,078					
4	Recovery - Uncollectible Rider	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0					
5	Recovery - Other Adjustments	\$442,739	\$280,231	\$235,033	\$222,582	\$244,027	(\$44,479)	(\$126,660)	(\$181,261)	(\$279,477)	(\$280,315)	(\$256,018)					
6	Incremental Bad Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0					
7	Balance Sub-Total	\$737,820	\$706,205	\$642,048	\$606,232	\$545,147	\$130,835	\$114,002	\$81,183	(\$52,977)	\$20,163	\$881,080					
8	Carrying Charges	(\$12,424)	(\$10,135)	(\$7,994)	(\$5,684)	(\$3,524)	(\$2,445)	(\$2,058)	(\$1,980)	(\$1,120)	(\$1,087)	(\$108)					
9	Unrecovered Balance - End of Month	(\$3,495,826)	(\$2,799,756)	(\$2,165,701)	(\$1,365,154)	(\$623,530)	(\$695,139)	(\$503,196)	(\$503,592)	(\$557,669)	(\$538,613)	(\$42,341)					
10	Monthly Carrying Charge rate																

(a) Not applicable  
 (b) Rate approved in Case No. 12-318-GA-JEX, effective September 28, 2012.  
 (c) Not applicable at this time  
 (d) Source: Treasury

Rates for January 2012 - November 2012 are the same as August 2009 due to \$0 borrowing in those months.

Per Merger Order Case No. 05-732-EL-MER, carrying charge rate should be short term debt rate authorized in last distribution rate case. Since no short term debt in

Duke Energy Ohio Gas  
Projected Bad Debt Expense for Upcoming Twelve Months

Line	Source	2013 PROJECTED												Total
		April	May	June	July	August	September	October	November	December	Jan	Feb	Mar	
1	Unrecovered Balance - Beginning of Month	\$442,341	\$540,731	\$741,957	\$1,032,295	\$1,309,682	\$1,707,495	\$1,943,751	\$2,032,241	\$2,196,343	\$2,375,950	\$2,581,184	\$2,844,605	
2	Bad Debt Written Off - Net of Customer Recoveries	\$98,360	\$201,228	\$290,338	\$277,387	\$397,813	\$205,289	\$119,450	\$178,957	\$185,834	\$185,834	(\$16,559)	\$38,271	
3	Recovery - Base Rates	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4	Recovery - Uncollectible Ratio	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5	Recovery - Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
6	Incremental Bad Debt	\$98,360	\$201,228	\$290,338	\$277,387	\$397,813	\$205,289	\$119,450	\$178,957	\$185,834	\$185,834	(\$16,559)	\$38,271	
7	Balance Sub-Total	\$343,981	\$339,503	\$451,619	\$754,908	\$911,869	\$1,502,206	\$1,824,301	\$2,013,384	\$2,017,386	\$2,190,116	\$2,597,625	\$3,282,876	
8	Carry's Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9	Unrecovered Balance - End of Month	\$343,981	\$339,503	\$451,619	\$754,908	\$911,869	\$1,502,206	\$1,824,301	\$2,013,384	\$2,017,386	\$2,190,116	\$2,597,625	\$3,282,876	

(a) Uncollectible expense was removed from base rate effective December 1, 2008 per Order in Case No. 09-779-54-ALEX.  
 (b) Uncollectible ratio is currently \$0.003925 per CCF.  
 (c) Not applicable at this time.

Duke Energy Ohio Gas  
Revenue Collected for Unsubsidized Expense

Line	Description	Subsect	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total YTD
1	CCF Sales														
2	Residential (RES)	Lead Forecasting	14,304,035	13,948,912	13,968,811	13,968,811	13,968,811	13,968,811	13,968,811	13,968,811	13,968,811	13,968,811	13,968,811	13,968,811	133,744,883
3	General Service (GS)	Lead Forecasting	1,830,826	2,289,157	1,863,827	1,863,827	1,863,827	1,863,827	1,863,827	1,863,827	1,863,827	1,863,827	1,863,827	1,863,827	18,105,896
3	Total Sales Service		16,134,861	16,238,069	15,832,638	15,832,638	15,832,638	15,832,638	15,832,638	15,832,638	15,832,638	15,832,638	15,832,638	15,832,638	151,850,779
4	Residential Transportation (RT)	Lead Forecasting	5,848,973	6,410,335	6,410,335	6,410,335	6,410,335	6,410,335	6,410,335	6,410,335	6,410,335	6,410,335	6,410,335	6,410,335	59,457,605
5	Firm Transportation (FT)	Lead Forecasting	17,663,072	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	167,000,816
6	Interruptible Transportation (IT)	Lead Forecasting	17,581,546	18,421,896	18,421,896	18,421,896	18,421,896	18,421,896	18,421,896	18,421,896	18,421,896	18,421,896	18,421,896	18,421,896	167,000,816
7	Total Transportation Service		50,764,537	53,356,609	53,356,609	53,356,609	53,356,609	53,356,609	53,356,609	53,356,609	53,356,609	53,356,609	53,356,609	53,356,609	487,459,053
8	Intersegmental		89,000	48,120	48,120	48,120	48,120	48,120	48,120	48,120	48,120	48,120	48,120	48,120	481,120
9	State Utility		25,906	25,906	25,906	25,906	25,906	25,906	25,906	25,906	25,906	25,906	25,906	25,906	259,060
10	Total Other		114,906	74,026	74,026	74,026	74,026	74,026	74,026	74,026	74,026	74,026	74,026	74,026	740,260
11	Firm Transportation	Line 3 + Line 7 + Line 10	60,831,188	62,898,321	62,898,321	62,898,321	62,898,321	62,898,321	62,898,321	62,898,321	62,898,321	62,898,321	62,898,321	62,898,321	563,350,816
12	Interruptible Transportation (IT)	Line 6	17,663,072	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	18,113,482	167,000,816
13	Intersegmental	Line 8	89,000	48,120	48,120	48,120	48,120	48,120	48,120	48,120	48,120	48,120	48,120	48,120	481,120
14	Total Sales Excluding Non-Subsidizable		166,383,266	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	1,552,182,974
15	Total CCF Sales Excluding Unsubsidizable Expense		166,383,266	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	171,494,958	1,552,182,974



Duke Energy Ohio  
139 East Fourth Street  
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18  
Sheet No. 67.65  
Cancels and Supersedes  
Sheet No. 67.54  
Page 1 of 1

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**RIDER UE-G**  
**UNCOLLECTIBLE EXPENSE RIDER**

**APPLICABILITY**

Applicable to all sales service and firm transportation customers.

**DESCRIPTION**

This rider enables the recovery of costs associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. The Company shall file an application with the Public Utilities Commission of Ohio if the Company determines that an adjustment of more than plus or minus ten (10) percent is needed to adjust for prior period over or under-collections.

**MONTHLY CHARGE**

A charge of \$0.0052402926 per CCF shall be applied to all gas volumes delivered to customers in the customer classes noted above.

**SERVICE REGULATIONS**

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.

Filed pursuant to an Order dated ~~August 29, 2012~~ in Case No. 132-318-GA-UEx before the Public Utilities Commission Ohio.

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Issued: ~~August 29, 2012~~

Effective: ~~September 28, 2012~~

Issued by ~~Julie Janson~~ James P. Henning, President