



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.                                  |                            |  |

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

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 a 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

| Unit Rate<br>(\$/CCF)  | ggentaria proprio de la companya de |   | \$0.005240  | \$0.002926                       | \$0.002314  | %62   |
|--|--|---|---|----------------------------------|---|---|
| Projected Volume (CCF)   | Page 4   |   | 492,926,796   | noon                             | 200 A   |   |
| Transconnection and an artist and artist artist and artist and artist artist and artist artist and artist artist and artist artist artist and artist artist artist artist and artist | \$442,341  | \$2,140,555   | \$2,582,896   |                                  |   |   |
| Source   | Page 2   | Dage 3  | Line 1 + Line 2   | See Note (b)                     | Line 3 - Line 4   |   |
| The state of the s | Westersteinsteinsteinsteinsteinsteinsteinstein   |   |   |                                  |   |   |
| Description  | Actual Uncollectible Tracker Balance through March 31, 2013 (a)  | Projected Bad Debt Write-offs April 1, 2013 - March 31, 2014. | Unrecovered Uncollectible Expenses through March 31, 2014 | Current Uncollectible Rider Rate | Increase/(Decrease) in Total Uncollectible Expense Rate | Percentage Difference in Recovery of Uncollectible Expenses |
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<sup>(</sup>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.

|            |  | Amount control of the first state of the Amount of the Amo | 1   |               |               | 2012 Actual  | ctual                |             |                   |             |             | 2013 Actual             |             | Total                                      |
|------------|--|--|---|---------------|---------------|--|----------------------|-------------|-------------------|-------------|-------------|-------------------------|-------------|--|
| E.PR@      | ALAMBARIAN A) INVESTIGAÇÃO (CORTO (CORTO) (CORTO (CORTO (CORTO (CORTO (CORTO (CORTO (CORTO (CORTO (CORTO) (CORTO (CORTO (CORTO (CORTO (CORTO (CORTO (CORTO (CORTO (CORTO) (CORTO (CORTO (CORTO (CORTO (CORTO (CORTO (CORTO (CORTO (CORTO) | SOUTO  | Way   | jaw           | July          | August   | September            | October     | November December | December    | January     | February                | March       |  |
|            |  |  |   |               |               |  |                      |             |                   |             |             |                         |             |  |
| gr-v       | Unrecovered Balance - Beginning of Month   | Ending Balance Prior Month   | (\$4,221,222)   | (\$3,495,826) | (\$2,799,756) | (84,221,222) (\$3,495,826) (\$2,798,766) (\$2,165,701) (\$1,965,154) | (\$1,365,154)        | (\$623,530) | (\$695,139)       | (\$583,196) | (\$503,592) | (\$557,689)             | (\$538,613) |  |
| čvi        | Bad Debts Written Off - Net of Custamer Recoveries   | Gross/Net Write Off Report   | \$295,081   | \$425,974     | \$407,015     | \$583,671  | \$301,120            | \$175,315   | \$240,682         | \$262,443   | \$226,500   | \$300,478               | \$1,237,078 | \$4,455,358                                |
| es         | Recovery - Base Rates  | See Nofe (a)   | O.S.  | 0,9           | 0\$           | S,   | 0\$                  | 09          | Ş                 | \$0         | 90          | 0%                      | ೦೪          | Ş  |
| 47         | Recovery - Uncollectible Rider   | See Note (b)   | \$442,739   | \$280,231     | \$235,033     | \$222,562  | \$244,027            | (\$44,479)  | (\$126,680)       | (\$181,261) |             | (\$279,477) (\$280,315) | (\$256,018) | \$256,362                                  |
| a          | Recovery - Other Adjustments   | See Note (c)   | \$0   | 08            | 9\$           | 8  | æ                    | \$0         | 0%                | 0%          | 8           | R                       | O.          | 0\$  |
| 9          | Incremental Bad Debi   | Lines (2)+(3)+(4)+(5)  | \$737,626   | \$706,205     | \$542,048     | \$806,232  | \$545,147            | \$130,835   | \$114,002         | \$81,163    | (\$52,977)  | \$20,163                | \$981,060   |  |
| <b>r</b> ~ | Balance Sub-Total  | Lme (1) + Lme (6)  | (\$3,483,402) (\$2,789,620)                             | (\$2,789,620) | (\$2,157,708) | (\$1,359,469)  | (\$820,006)          | (\$692,694) | (\$581,138)       | (\$502,013) | (\$556,570) | (\$537,526)             | \$442,448   | Omnigem permit AAVAAVAAVA PERmitter Annoon |
| 80         | Carrying Charges   | Lmes {((1)*(7))/(2)} * (Line 10)   | (\$12,424)  | (\$10,135)    | (\$7,994)     | (\$5,684)  | (\$3,524)            | (\$2,445)   | (\$2,058)         | (\$1,580)   | (\$1,120)   | (\$1,087)               | (\$106)     | (\$48,156)                                 |
| Ø          | Unrecovered Balance - End of Month   | Line (7) + Line (9)  | (\$3.485.828) (\$2,799,756) (\$2,165,701) (\$1,365,154) | (\$2,799,756) | (\$2,165,701) | (\$1,365,154)  | 365,154) (\$823,530) | (\$695,139) | (\$583,196)       | (\$503,592) | (\$557,689) | (\$538,613)             | \$442,341   |  |
| 5          | Monthly Carrying Charge rate   | See Note (d)   | 0.32250%  | 0.32250%      | 0.32250%      | 0.32250%   | 0.32250%             | 0.32250%    | 0.32250%          | 0.29110%    | 0.21120%    | 0.19850%                | 0.22080%    |  |
|            | <ul> <li>(a) Not applicable</li> <li>(b) Rate approved in Case No. 12-318-GA-UEX, effective September 28, 2012.</li> <li>(c) Not applicable at time time</li> <li>(d) Source: Treasury</li> <li>(d) Source: Treasury 2012 - November 2012 are the same as August 2009 due to \$0 borrowing in those months.</li> </ul>   | ptember 28, 2012.<br>5 August 2009   |   |               |               |  |                      |             |                   |             |             |                         |             |  |

Per Merger Order Case No 155-732-Et-MER, carrying charge rate should be short term debt rate authorized in last distribution rate case. Since no short term debt in

| 000    |  | Terrent erroren et an elemente anno estado esta | _[          | and the second s  |             | 2013 PROJECTED | ECTED       |              |             |                         |             | 20          | 2014 PROJECTED          | ************************************** |              |
|--------|--|--|-------------|---|-------------|----------------|-------------|--------------|-------------|-------------------------|-------------|-------------|-------------------------|--|--------------|
| BANCO. |  | Source   | April       | May   | 3466        | July           | August      | September    | October     | Movember                | December    | Jan         | Feb                     | Mar                                    | Total        |
| ~      | Uhrechvered Balanca - Beginning of Month           | Ending Balanca Phor North  | 5442.341    | \$540 731   | \$741,957   | \$1,032,295    | \$1,309,680 | \$1 707 485  | \$1.912.781 | \$2,032,241             | \$2,196,353 | \$2,375,350 | \$2,561,184             | 52.544,625                             |              |
| 64     | Bad Debla Written Off - Net of Customer Recoverses | Projection   | \$98,390    | \$201,226   | \$290,338   | \$277,387      | \$387,813   | \$205,286    | \$119,460   | \$164,112               | \$178,997   | \$185,834   | (\$16,559)              | \$38.271                               | \$ 2.140,555 |
| (0)    | Recovery - Base Rates                              | See Note (a)   | 200         | 80  | 8           | \$0            | 08          | OS<br>S      | \$0         | 80                      | 98          | 8           | \$0                     | 98                                     | To Page 1    |
| d.     | Recovery - Uncollectible Rider                     | See Note (b)   | 80          | 0\$   | 08          | 04             | 30          | 08           | 8           | \$0                     | \$0         | S           | 90                      | 8                                      |              |
| VCI    | Recovery - Other Adjustments                       | See Note (c)   | os          | 30  | 20          | 08             | 98          | 08           | 8           | OS.                     | 8           | \$0         | 8                       | Q\$                                    |              |
| 10     | Incremental Bad Dept                               | Unes (2)+(3)+(4)+(5)   | 5 98,390 \$ | 201,226 \$  | 790,334 \$  | 277,387        | 397,813     | \$ 205,286   | 3 118,460   | \$ 164,112              | 178,997     | 185,834     | (16.559)                | 38.277                                 |              |
| ķ-     | Balance Suth Total                                 | Line (1) + Line (6)  | 5540,731    | 37.41.957   | \$1,032,295 | \$1,309,682    | \$1,707,485 | \$1.912.781  | \$2,032,241 | \$2.196.353             | \$2,375,350 | \$2.561.184 | \$2.544.625             | 52,582,886                             |              |
| 00     | Carrying Charges                                   | Lines [((1)+(7))((2)] * (Line 10)  | ÖŞ          | G.  | 8           | 98             | G.          | S            | Q\$         | 95                      | OS.         | 8           | \$0                     | 20                                     |              |
| Ø      | Unvecovered Balance - End of Month                 | (ube (7) * Line (8)  | \$540.731   | \$542,731 \$144.957 \$1032.28 \$3.308,7308.20 \$1037.48 \$3.308.20 \$107.48 \$19.91 \$103.00 \$100.00 \$1 | \$1.052,288 | \$7,909,682    | \$1,707,495 | 12, 21, 38,1 | \$2,000,044 | \$2,002,241 \$2,196,383 | \$2,375,350 | \$2,561,184 | \$2.544,625 \$2.582.898 | St. 587 896                            |              |

<sup>(</sup>a) Uncollectbie experies was removed from base ifficative December 1 2009 par Dider in Case No. 09-773-054-UEX (b) Uncollectbie rate is currently \$0.003026 per CCF (c) Not applicable at this time.

|            | ***************************************   |  |   | ***************************************   | Adabase                             |   | g  | Preparison to Mouthly Endows Days 2002 | Endays Sand 2864         |   | 007000000000000000000000000000000000000 | Angle of the September | THE PARTY OF THE P |  | Language Control of the Control of t |
|------------|---|--|---|---|-------------------------------------|---|--|--|--------------------------|---|---|---|--|--|--|
| The second | Description   | Bourte   | Apx -5.2  | 889-13  | 344.53                              | 381-53                                  | Aug-13                                   | Sep. 12                                | Oct-13                   | Nov-13                                  | Dec-13                                  | Jan. 74   | F-80-14  | 8608-14  | Star 1000  |
|            | CCF Sweet<br>Republitation (XS)<br>General Service (CS)   | Load Freedaging  | 14,384.035  | 200, 600, 3   | 4,144,927                           | 3 108 871                               | 2,345,904                                | 2,086-129                              | 4 037 949                | 10 633,356                              | 03,833,640                              | 25. 25. 25.<br>25. 25. 25. 25. 25. 25. 25. 25. 25. 25.  | 22, 342,394  | 989-201-97                                     | 183.744.343  |
|            | Total Sient Service   |  | 70.220,891  | 12,358,967  | 5,434,082                           | 5 (62,748                               | \$ 695 \$7.1                             | 5,037,853                              | 6.680.371                | 5 423.571                               | 3,545,945<br>30,481,577                 | 44,562,672  | 44,741,233   | 76 109,135                                     | 202,706,593  |
|            | Resolution france/calcuse (SET):<br>First Transportation (FT):<br>Internation (Semiconfine) (T):  | Loss Forecesting<br>Loss Forecesting   | \$ 898,942<br>17,868,912<br>17,868,912  | 2607.036<br>6 967.036   | 2,882.487<br>4,872,439<br>4,872,439 | 2 179,486                               | 1,934,802                                | 2.069,279                              | 2.820.158<br>5.128,850.5 | 7,317,745                               | 16.408,397<br>19.517.317                | 22 245 566.   | J.C., 230 1056<br>256 1000 2400  | 17,965,608                                     | 112,686,816  |
|            | Total Trætssoutston Ssouse  | State of the state | 40 123 471  | 27 205 979  | 28, 106, 919                        | 72, 550, 394                            | 21 308 667                               | 20 880 334                             | 21,568,743               | 37.597 848                              | 52, 256, 343                            | 20 346 GB1<br>68 337 158  | 25 200 150<br>201 150 150  | 19 Se7 005                                     | 274,559,526  |
|            | Ottes<br>Interperativental<br>Sheel Lysterp   | Long Palesaguig<br>Losp Forecasma  |   | # 55<br>50<br>50<br>50<br>50<br>50<br>50<br>50<br>50<br>50<br>50<br>50<br>50<br>5 | 28.900                              | 21 6 84<br>21 6 84<br>30 88             | 17.82.73<br>17.82.74                     | 25 E                                   | 17,863                   | 37 105                                  | 986.3333                                | 534 533   | 108,507  | 635.503  | 781.516  |
|            | Total Cane  |  | BR; 806   | 74 026  | 70.548                              | 74.459                                  | 51.520                                   | 75.456                                 | 43.789                   | 67,096                                  | 10,036                                  | 20 MAR  | 0,900  | 128.400  | 1.092.087  |
|            | False Throughpan  | Une 3 + use 7 + use 10   | 160, 435, 168 47, 868, 827, 868, 827, 868, 827, 868, 827, 827 | 47 868 823  | 50.611,521                          | 27,327,561                              | 78, 976, 357                             | 25.273.103                             | 28,282,840               | 419 964 508.                            | 86,640,129                              | 118,827,245   | 115,254 790  | 114 425 346 145,214 280 55,635,542 749,327 836 | 748,577,839  |
|            | Exologie GCE States and angalosi for pracelectriste<br>tokerupalskie Transportation (CT)<br>inder departmental<br>Tokal States Exolucion Reio Unicolecticis | Lane & Same B  | 117.569.546<br>(6.900),<br>17.502.426)  | 188 135,732<br>188 1350<br>207 878 735  | 16.381.297<br>(44.645)<br>(76.725)  | (15 854.516)<br>(48 512)<br>(15,386.23) | (15,408 783)<br>(15,923)<br>75,532 75 11 | 200 Jan 11                             | 14 609 800<br>14 609 800 | 716.412.3961<br>177.1031<br>176.400.488 | 117 221 599:<br>106 1331<br>77 77 77 77 | .20 JAL BR)<br>1141 473   | C+ 256 (69)<br>108 /507<br>101 /76 (7/6)   | 239 547 055<br>100 045 6531                    | 1214 6PB 5281<br>(781 015)   |
|            | "did CCF Sales Facebooks December Repairs - Len 11 + Lon 14   | 220071 - 15507#  | 40,308,00   | 22 186,863  | 14,185,561                          | 11 338,530                              | 19 301 541                               | 11,358,151                             | 14,656,536               | W200 000 000                            | 56 502, 197                             | 94,136 pg/  | 525 255 15   | 13 588 580                                     | 492, 928, 736  |

Duke Energy Ohio 139 East Fourth Street Cincinnati, Ohio 45202 P.U.C.O. Gas No. 18 Sheet No. 67.<u>6</u>5 Cancels and Supersedes Sheet No. 67.<u>5</u>4 Page 1 of 1

#### 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.

Issued: August 29, 2012 Effective: September 28, 2012