

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio, Inc., for Approval to) Case No. 21-318-GA-UEx
Adjust its Gas Uncollectible Rider Rate.)

**APPLICATION OF DUKE ENERGY OHIO, INC.,
TO ADJUST UNCOLLECTIBLE EXPENSE RIDER RATE**

Pursuant to R.C. 4909.18, Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) 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 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 \$0.005064 per CCF, which was approved in Case No. 20-318-GA-UEx in an Opinion and Order dated July 15, 2020.

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 natural gas 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 annual 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. Pursuant to the Finding and Order dated June 17, 2020 in Case No. 20-1011-GE-AAM, the Company is including \$518,910 of COVID-related net costs (deferred costs offset by savings) in this Application.

6. Attachment 1 identifies the amounts recovered, deferred, and amortized pursuant to the rider, and details the calculation of the proposed rate, at page one. This proposed rider rate is calculated to be \$0.006079 per CCF, which is an increase of \$0.001015 per CCF from the amount authorized in Case No. 20-318-GA-UEx.

7. The annual report, as required by the Commission, is set forth on pages two through four of Attachment 1. Page two shows the actual uncollectible tracker balance through March 31, 2021. Page three shows the projected bad debt expense for the twelve-month period ending March 31, 2022. Page four shows the projected volumes for the twelve-month period ending March 31, 2022.

8. This resulting rate of \$0.006079 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.

/s/ Jeanne W. Kingery

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Attorneys for Duke Energy Ohio, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Amended Application of Duke Energy Ohio, Inc., to Adjust the Percentage of Income Payment Plan Rider Rate was served via electronic mail, this 25th day of May 2021, upon the following:

/s/ Jeanne W. Kingery
Jeanne W. Kingery

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Duke Energy Ohio Gas
Calculation of Uncollectible Expense Rider Rate

| Line | Description | Source | Amount | Projected Volume (CCF) | Unit Rate (\$/CCF) |
|------|---|--------------------------|--------------------|---------------------------|-----------------------|
| | | | | Page 4 | |
| 1 | Actual Uncollectible Tracker Balance through March 31, 2021 (a) | Page 2 | (\$1,962,352) | | |
| 2 | COVID Costs April 1, 2020 - March 31, 2021 | Page 2 | \$518,910 | | |
| 3 | Projected Bad Debt April 1, 2021 - March 31, 2022 | Page 3 | \$4,774,038 | | |
| 4 | Unrecovered Uncollectible Expenses through March 31, 2022 | Line 1 + Line 2 + Line 3 | <u>\$3,330,596</u> | 547,877,874 | \$0.006079 |
| 5 | Current Uncollectible Rider Rate | See Note (b) | | | \$0.005064 |
| 6 | Increase/(Decrease) in Total Uncollectible Expense Rate | Line 3 - Line 4 | | | <u>\$0.001015</u> |
| 7 | Percentage Difference in Recovery of Uncollectible Expenses | | | | 20% |

(a) Actual uncollectible expense less amounts recovered in base rates and Rider UE-G plus carrying charges
(b) Rate approved in Case No. 20-318-GA-UEx; effective July 30, 2020

Duke Energy Ohio Gas
Uncollectibles Tracker Balance

| Line | Source | 2020 Actual | | | | | | | | | | 2021 Actual | | | Total |
|------|--|----------------------------------|---------------|---------------|---------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|---------------|---------------|---------------|
| | | April | May | June | July | August | September | October | November | December | January | February | March | | |
| 1 | Unrecovered Balance - Beginning of Month | Ending Balance Prior Month | (\$1,026,355) | (\$1,244,865) | (\$1,288,245) | (\$912,704) | (\$849,019) | (\$821,535) | (\$787,741) | (\$784,455) | (\$792,514) | (\$1,052,270) | (\$1,422,510) | (\$1,709,525) | |
| 2 | Bad Debts Written Off - Net of Customer Recoveries | Gross/Net Write Off Report | \$121,626 | \$221,539 | \$523,742 | \$168,091 | \$97,466 | \$101,985 | \$97,335 | \$175,490 | \$108,754 | \$141,192 | \$240,160 | \$159,031 | \$2,156,411 |
| 3 | Recovery - Base Rates | See Note (a) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 4 | Recovery - Uncollectible Rider | See Note (b) | (\$339,001) | (\$264,032) | (\$147,432) | (\$104,229) | (\$69,815) | (\$68,111) | (\$93,970) | (\$183,392) | (\$368,325) | (\$511,185) | (\$526,862) | (\$411,491) | (\$3,087,844) |
| 5 | Recovery - Other Adjustments | See Note (c) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 6 | Incremental Bad Debt | Lines (2)+(3)+(4)+(5) | (\$217,375) | (\$42,493) | \$376,310 | \$63,862 | \$27,651 | \$33,874 | \$3,365 | (\$7,902) | (\$259,571) | (\$369,993) | (\$286,702) | (\$252,460) | |
| 7 | Balance Sub-Total | Line (1) + Line (6) | (\$1,243,730) | (\$1,287,358) | (\$911,934) | (\$848,843) | (\$821,368) | (\$787,661) | (\$784,376) | (\$792,357) | (\$1,052,085) | (\$1,422,262) | (\$1,709,212) | (\$1,961,985) | |
| 8 | Carrying Charges | Lines [(1)-(7)]*(2)] * (Line 12) | (\$1,135) | (\$886) | (\$770) | (\$176) | (\$167) | (\$80) | (\$79) | (\$158) | (\$184) | (\$247) | (\$313) | (\$367) | (\$4,564) |
| 10 | Unrecovered Balance - End of Month | Line (7) + Line (8) | (\$1,244,865) | (\$1,288,245) | (\$912,704) | (\$849,019) | (\$821,535) | (\$787,741) | (\$784,455) | (\$792,514) | (\$1,052,270) | (\$1,422,510) | (\$1,709,525) | (\$1,962,352) | |
| 11 | COVID Cost Recovery | See Note (d) | \$61,675 | \$133,746 | \$77,839 | \$3,149 | (\$120,477) | \$217,344 | \$135,073 | \$1,306 | \$23,387 | \$37,018 | (\$12,804) | (\$38,346) | \$518,910 |
| 12 | Monthly Carrying Charge rate | See Note (e) | 0.10000% | 0.07000% | 0.07000% | 0.02000% | 0.02000% | 0.01000% | 0.01000% | 0.02000% | 0.02000% | 0.02000% | 0.02000% | 0.02000% | |

(a) Uncollectible expense was removed from base rates effective December 1, 2009 per Order in Case No. 09-773-GA-UEx
 (b) Rate approved in Case No. 20-318-GA-UEx effective July 30, 2020
 (c) Not applicable at this time
 (d) Source: Accounting General Ledger
 (e) Source: Treasury

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 authorized capital structure, used money pool rate.

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

| Line | Source | 2021 PROJECTED | | | | | | | | | | | | 2022 PROJECTED | | | Total |
|------|--|------------------------------------|---------------|---------------|---------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|----------------|--------------|--|-------|
| | | April | May | June | July | August | September | October | November | December | January | February | March | | | | |
| 1 | Unrecovered Balance - Beginning of Month | Ending Balance Prior Month | (\$1,962,352) | (\$1,720,005) | (\$1,290,993) | (\$817,085) | (\$308,233) | \$191,867 | \$693,269 | \$1,146,354 | \$1,582,847 | \$2,046,258 | \$2,446,217 | \$2,696,280 | | | |
| 2 | Bad Debts Written Off - Net of Customer Recoveries | Projection | \$242,347 | \$429,012 | \$473,908 | \$508,852 | \$500,100 | \$501,402 | \$453,085 | \$436,493 | \$463,411 | \$399,959 | \$250,063 | \$115,406 | | | |
| 3 | Recovery - Base Rates | See Note (a) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | |
| 4 | Recovery - Uncollectible Rider | See Note (b) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | |
| 5 | Recovery - Other Adjustments | See Note (c) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | |
| 6 | Incremental Bad Debt | Lines (2)+(3)+(4)+(5) | \$ 242,347 | \$ 429,012 | \$ 473,908 | \$ 508,852 | \$ 500,100 | \$ 501,402 | \$ 453,085 | \$ 436,493 | \$ 463,411 | \$ 399,959 | \$ 250,063 | \$ 115,406 | \$ 4,774,038 | | |
| 7 | Balance Sub-Total | Line (1) + Line (6) | (\$1,720,005) | (\$1,290,993) | (\$817,085) | (\$308,233) | \$191,867 | \$693,269 | \$1,146,354 | \$1,582,847 | \$2,046,258 | \$2,446,217 | \$2,696,280 | \$2,811,686 | To Page 1 | | |
| 8 | Carrying Charges | Lines (((1)+(7)))+(2)) * (Line 10) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | |
| 9 | Unrecovered Balance - End of Month | Line (7) + Line (8) | (\$1,720,005) | (\$1,290,993) | (\$817,085) | (\$308,233) | \$191,867 | \$693,269 | \$1,146,354 | \$1,582,847 | \$2,046,258 | \$2,446,217 | \$2,696,280 | \$2,811,686 | | | |

(a) Uncollectible expense was removed from base rates effective December 1, 2009 per Order in Case No. 09 773 GA UEX
 (b) Uncollectible rider is currently \$0.007778 per CCF
 (c) Not applicable at this time

PUCO Case No. 21-0318-GA-UEx
 Attachment 1
 Page 4 of 4

Duke Energy Ohio Gas
 Revenue Collected for Uncollectible Expense

ATTACHMENT-1
 PAGE 4

| Line | Description | Source | Projected 12 Months Ended March 2022 | | | | | | | | | | | | Total Thru Mar-22 |
|---|--|---------------------------|--------------------------------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|------------|-------------------|
| | | | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | |
| CCF Sales | | | | | | | | | | | | | | | |
| 1 | Residential (RS) | Load Forecasting | 10,502,145 | 3,958,138 | 2,254,192 | 2,072,554 | 2,049,709 | 2,441,243 | 6,211,962 | 14,184,941 | 24,686,110 | 28,429,590 | 25,734,095 | 18,866,639 | 142,391,348 |
| 2 | General Service (GS) | Load Forecasting | 4,098,603 | 1,795,307 | 1,349,101 | 1,128,343 | 1,152,475 | 1,352,791 | 2,136,302 | 5,204,559 | 9,164,439 | 11,036,499 | 9,933,333 | 7,379,160 | 55,734,849 |
| 3 | Total Sales Service | | 14,598,748 | 5,743,445 | 3,603,293 | 3,200,897 | 3,202,184 | 3,794,034 | 8,348,254 | 19,389,450 | 33,850,549 | 40,466,079 | 35,667,428 | 26,245,799 | 198,126,197 |
| Other | | | | | | | | | | | | | | | |
| 4 | Residential Transportation (RFT) | Load Forecasting | 11,377,324 | 4,119,695 | 2,442,041 | 2,157,148 | 2,133,371 | 2,540,986 | 6,465,543 | 15,367,020 | 27,837,539 | 31,862,055 | 27,878,603 | 20,438,858 | 154,640,972 |
| 5 | Firm Transportation (FT) | Load Forecasting | 14,410,581 | 8,413,703 | 7,384,282 | 7,040,266 | 7,071,078 | 6,000,156 | 11,448,429 | 19,716,927 | 28,902,877 | 31,375,156 | 28,331,722 | 22,705,340 | 194,600,517 |
| 6 | Intermittent Transportation (IT) | Load Forecasting | 16,017,794 | 15,297,823 | 15,027,690 | 15,039,877 | 15,061,274 | 14,576,417 | 15,962,345 | 17,399,129 | 19,013,301 | 20,566,367 | 18,854,459 | 18,409,218 | 201,255,694 |
| 7 | Total Transportation Service | | 41,805,699 | 37,819,321 | 34,654,913 | 34,227,291 | 34,265,723 | 32,117,459 | 33,969,917 | 52,493,076 | 75,753,706 | 80,665,579 | 75,968,794 | 61,553,410 | 558,097,203 |
| Other | | | | | | | | | | | | | | | |
| 8 | Interdepartmental | Load Forecasting | 131,744 | 76,443 | 20,465 | 70,616 | 59,184 | 65,789 | 132,773 | 96,086 | 223,429 | 196,874 | 266,245 | 171,911 | 1,511,559 |
| 9 | Street Lighting | Load Forecasting | 25,698 | 25,424 | 25,698 | 25,550 | 25,698 | 25,698 | 25,698 | 25,698 | 25,698 | 25,698 | 25,698 | 25,698 | 311,889 |
| 10 | Total Other | | 157,442 | 101,867 | 45,963 | 96,186 | 84,880 | 91,481 | 158,469 | 121,782 | 222,259 | 222,259 | 291,941 | 197,607 | 1,823,447 |
| 11 | Total Throughput | Line 3 + Line 7 + Line 10 | 56,561,887 | 33,676,508 | 28,503,469 | 27,540,354 | 27,562,787 | 29,002,978 | 42,413,080 | 71,994,308 | 109,856,554 | 124,512,227 | 111,024,153 | 87,996,822 | 750,645,127 |
| Exclude CCF Sales not eligible for Uncollectible | | | | | | | | | | | | | | | |
| 12 | Intermittent Transportation (IT) | Line 6 | 16,017,794 | 15,297,823 | 15,027,690 | 15,039,877 | 15,061,274 | 14,576,417 | 15,962,345 | 17,399,129 | 19,013,301 | 20,566,367 | 18,854,459 | 18,409,218 | 201,255,694 |
| 13 | Interdepartmental | Line 8 | 131,744 | 76,443 | 20,465 | 70,616 | 59,184 | 65,789 | 132,773 | 96,086 | 223,429 | 196,874 | 266,245 | 171,911 | 1,511,559 |
| 14 | Total Sales Excluded from Uncollectible | | 16,149,538 | 15,374,266 | 15,048,155 | 15,110,493 | 15,120,458 | 14,642,206 | 16,125,118 | 17,495,215 | 19,236,730 | 20,763,241 | 19,120,704 | 18,581,129 | 202,767,253 |
| 15 | Total CCF Sales Recovering Uncollectible Expense | Line 11 + Line 14 | 40,412,349 | 18,302,242 | 13,455,314 | 12,429,861 | 12,442,329 | 14,360,772 | 26,287,962 | 54,499,093 | 90,619,824 | 103,748,986 | 91,903,449 | 69,415,693 | 547,877,874 |

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
Sheet No. 67.13
Cancels and Supersedes
Sheet No. 67.12
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.

This Rider is subject to reconciliation, including, but not limited to, refunds or additional charges to customers, ordered by the Commission as the result of annual audits by the Commission in accordance with the Finding and Order issued on December 21, 2005, in Case Nos. 05-732-EL-MER, 05-733-EL-AAM, and 05-974-GA-AAM, if determined to be unreasonable or imprudent by the Commission in the docket in which those rates were approved; provided, however, that such reconciliation shall be limited to the twelve-month period of upon which the rates were calculated.

MONTHLY CHARGE

A charge of \$0.006079 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
Commission Ohio.

in Case No. 21-318-GA-UEx before the Public Utilities

Issued:

Issued by Amy B. Spiller, President

Effective:

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
Sheet No. 67.132
Cancels and Supersedes
Sheet No. 67.124
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.

This Rider is subject to reconciliation, including, but not limited to, refunds or additional charges to customers, ordered by the Commission as the result of annual audits by the Commission in accordance with the Finding and Order issued on December 21, 2005, in Case Nos. 05-732-EL-MER, 05-733-EL-AAM, and 05-974-GA-AAM, if determined to be unreasonable or imprudent by the Commission in the docket in which those rates were approved; provided, however, that such reconciliation shall be limited to the twelve-month period of upon which the rates were calculated.

MONTHLY CHARGE

A charge of \$0.~~005064~~~~006079~~ 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 ~~July 15, 2020~~ in Case No. ~~2021~~-318-GA-UEx before the Public Utilities Commission Ohio.

Issued: ~~July 17, 2020~~

Issued by Amy B. Spiller, President

Effective: ~~July 30, 2020~~