BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Modify Rider FBS and Rider EFBS.	)))	Case No. 20-794-GA-RDR

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

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 442,000 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.

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

II. Proposed Modification to the Calculation Methodology

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. Since the TSQ is based on forecasted weather, actual usage is generally different than the TSQ. That difference is either withdrawn or injected into storage. Since 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.[1]

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 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.

The methodology for calculating the rate for Rider FBS has historically been based on an assumption that only a portion of the contracted storage amounts are necessary for daily balancing. However, that assumption cannot be validated, and its use has resulted in Rider FBS rates that are dramatically lower than rates for Rider EFBS. This difference may negatively impact the competitive market for natural gas supply.

[1] *See In the Matter of the Application of Duke Energy Ohio, Inc. for Approval to Modify Rider FBS and Rider EFBS*, Case No. 10-241-GA-RDR, Entry (May 5, 2010).

The Commission's Opinion and Order in the 2018 review of Rider GCR approved a stipulation that included the following undertaking:

> The parties agree to hold a collaborative meeting to discuss the following:
>
> a. The rates and charges paid by competitive retail natural gas suppliers for Firm Balancing Service ("FBS") and Enhanced Firm Balancing Service ("EFBS").
>
> b. Whether it is appropriate and reasonable to continue the availability of FBS, and any changes that should be made to EFBS to the extent that the service becomes mandatory for all CRNG suppliers.
>
> c. Whether the formula for pricing FBS should be modified.
>
> The collaborative shall meet within 60 days of the Order approving this stipulation. Duke shall propose in its next EFBS/FBS tariff filing any changes agreed to in the collaborative process. Any party is free to take any position in response to Duke's filing. To the extent that parties do not agree to specific changes to EFBS/FBS, this agreement does not limit Duke's ability to unilaterally propose changes to either service.[2]

Pursuant to the terms of that Stipulation, Duke Energy Ohio convened a collaborative to discuss the itemized issues, starting discussions on February 13, 2020. The collaborative reached a consensus regarding reasonable changes to the methodology for calculating rates under Rider FBS and Rider EFBS, as set forth on Exhibit A, and this application reflects the collaborative's consensus.[3] Duke Energy Ohio believes that these changes will result in a more accurate and reasonable allocation for the recovery of costs from suppliers and aggregators under both Rider FBS and Rider EFBS. In addition, in order to ensure that suppliers and aggregators have a reasonable opportunity to select a rider for the heating season beginning in the fall of 2020, Duke Energy Ohio is offering an additional opportunity for making that decision, on a one-time basis.

[2] *In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained within the Rate Schedules of Duke Energy Ohio, Inc. and Related Matters*, Case No. 18-218-GA-GCR, *et al.*, Stipulation and Recommendation, ¶¶ 11-12 (July 26, 2019).

[3] Commission Staff has indicated that they do not oppose this application.

Both the calculation methodology and the additional decision opportunity are explained on Exhibit A.

The changes to the methodology for calculating Rider FBS and Rider EFBS rates, as proposed herein, will not increase rates to those customers served under the Company's GCR mechanism compared to what the GCR would have been if the calculation had not been revised. The Company will establish internal procedures to monitor the Rider FBS and Rider EFBS rates to ensure that the revised calculations do not cause the rates under Rider GCR to increase. In addition, during the next management performance audit in a Rider GCR proceeding, the auditor will verify that the methodology changes proposed herein have not increased GCR customers' rates. In the event the GCR customers' rates are found, by the Commission, to have increased as a result of these methodology changes, the Company agrees to credit the GCR rates with such amount, during such period as the Commission deems prudent.

III. Proposed Modifications to Rider Rates

Through this Application, Duke Energy Ohio is also seeking to update the Rider FBS rate and the Rider EFBS rate to account for certain modifications to the numeric information incorporated into the methodology for calculating the rates. Specifically, as of February 1, 2020, the demand charge that Duke Energy Ohio pays to Columbia Gas Transmission (TCO) for transportation into and out of storage has increased from $5.653 per dth to $6.045 per dth. There has also been an increase in the amount of total throughput used in the calculations. All the remaining inputs to the calculations were updated to reflect current charges from TCO and Texas Gas Transmission for storage service. The tariff was also revised to include TCO's change to the Maximum Monthly Injection Quantity for August and October.

For purposes of the rate calculations, Duke Energy Ohio has assumed the approval of the revised calculation methodology described above and in Exhibit A. The calculations are detailed on Exhibit B. The proposed revised tariffs are attached hereto as Exhibit C, reflecting both red-lined and clean versions.

IV. CONCLUSION

Duke Energy Ohio respectfully requests approval to implement these modifications of the riders. Upon approval of this Application, the Company will file final tariff sheets, as directed by the Commission.

DUKE ENERGY OHIO, INC.

Respectfully submitted,

/s/ Jeanne W. Kingery

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Willing to accept electronic service

Exhibit A

Duke Energy Ohio
Proposed Changes to FBS and EFBS
Calculations

FBS Proposal:

- FBS is to be calculated similar to the EFBS methodology with non-reduced TCO and TGT MDWQ levels
- TCO and TGT commodity costs based on 85% of SCQ to reflect not cycling through 100% of storage
- A credit to the FBS rate for winter/summer price differential, based on weighted average NYMEX prices for the upcoming storage year (Apr – Mar)
- A carrying cost netted against the winter/summer price differential credit to reflect the cost of capital for dollars tied up in inventory
- Fuel on injections and withdrawals will be calculated as part of the commodity charge
- Suppliers on FBS with MDQ greater than or equal to 1,000 dth/day will be offered a one-time, off-cycle election period to select balancing service under EFBS or continuing under FBS for the remainder of the storage cycle year until March 31, 2021
    - Suppliers would need to notify Duke Energy Ohio via email of their balancing service election within 10 days of a Commission order approving Duke Energy Ohio's application in this case, assuming the application is implemented no later than October 15, 2020. Otherwise, all Suppliers would remain on their current balancing service until the next annual election period during 2021
    - If a Supplier elects EFBS, Supplier will be transitioned to EFBS on the first day of the following month if the notification is received on or before the 15th of a month, or on the first day of the second following month if the notification is received after the 15th of a month. The Supplier must comply with the minimum monthly inventory level as specified in paragraph (e) of the Service section of Rider EFBS tariff.

EFBS Proposal:

- Fuel on injections and withdrawals will be calculated at the burnertip instead of at the storage gate, so fuel will be calculated as part of the commodity charge
- EFBS contract levels will be allocated to Choice Suppliers under the current monthly allocation process.

Duke Energy Ohio
Gas Commercial Operations
Storage Cost of Columbia Gas FSS/SST and Texas Gas NNS
FBS Calculation based on Pipeline Rates Effective February 1, 2020

Duke Energy's Demand & Commodity FBS Rate

						Annual Cost
Demand Charges						
Columbia Gas FSS						
FSS SCQ	9,244,079	dth		$0.0288	12	$3,194,753.70
FSS MDWQ	216,514			$1.5010	12	$3,899,850.17
Winter SST	216,514			$6.0450	6	$7,852,962.78
Summer SST	108,257			$6.0450	6	$3,926,481.39
Texas Gas NNS Unnominated						
NNS Winter	25,000			$0.4190	151	$1,581,725.00
NNS April	15,625			$0.4190	30	$196,406.25
NNS October	20,625			$0.4190	31	$267,898.13
Texas Gas NNS Nominated *						
NNS Winter	6,250			$0.1048	151	$98,905.00
NNS April - Oct	10,982			$0.1048	214	$246,295.51
Total Demand Charges						**$21,265,277.93**

Commodity Charges					
SST Fuel		8,004,492	1.492%	$2.0540	$245,303.10
SST Inject **		7,885,065		$0.0175	137,988.64
FSS Fuel		7,885,065	0.350%	$2.0540	$56,685.73
FSS Inject		7,857,467		$0.0153	120,219.25
FSS Withdraw		7,857,467		$0.0153	120,219.25
SST Fuel		7,857,467	1.492%	$2.0540	$240,797.42
SST Withdraw		7,740,234		$0.0162	125,391.79
KO ITS-F Commodity **		7,740,234		$0.0736	569,681.22
TCO Commodity Charges					$1,616,286.40
NNS Fuel		2,026,684	1.440%	$2.0540	$59,944.45
NNS Commodity		1,997,500		$0.0632	$126,242.00
TGT Commodity Charges					$186,186.45
Total Commodity Charges					**$1,802,472.85**
Summer/Winter Differential (NYMEX as of February 20, 2020)					
Summer Strip (April - October 2020)				2.0540	
Winter Strip (November 2020 - March 2021)				2.5000	
Summer/Winter Differential Credit		10,031,176	x	-0.4460	**($4,473,904.50)**
Carrying Cost at 10% annual interest					**1,673,366.44**
Total Storage Cost					**$20,267,212.71**
Total Firm Throughput (Sales and Choice Program)					55,854,438 mcf
FBS Commodity Charge per mcf of throughput					**$0.363 per mcf**

* Rate is based on difference between Texas Gas Transmission's maximum rates for NNS and FT.

** Commodity Charges include ACA of $0.0013

Duke Energy Ohio
Gas Commercial Operations
Storage Cost of Columbia Gas FSS/SST and Texas Gas NNS
EFBS Calculation based on Pipeline Rates Effective February 1, 2020

Duke Energy's Demand & Commodity EFBS Rate

						Annual Cost	
Demand Charges							
	Columbia Gas FSS						
	FSS SCQ	9,244,079 dth		$0.0288	12	$3,194,753.70	
	FSS MDWQ	216,514		$1.5010	12	$3,899,850.17	
	Winter SST	216,514		$6.0450	6	$7,852,962.78	
	Summer SST	108,257		$6.0450	6	$3,926,481.39	
	Texas Gas NNS Unnominated						
	NNS Winter	25,000		$0.4190	151	$1,581,725.00	
	NNS April	15,625		$0.4190	30	$196,406.25	
	NNS October	20,625		$0.4190	31	$267,898.13	
	Texas Gas NNS Nominated *						
	NNS Winter	6,250		$0.1048	151	$98,905.00	
	NNS April - Oct	10,982		$0.1048	214	$246,295.51	
						$21,265,277.93	
Divided by MDWQ (TGT & TCO)						241,514	
Divided by # of Months						12	
EFBS Demand Charge per Max Daily Delivery Quantity (MDDQ)						**$7.34**	**/dth/month**
Commodity Charges							
	SST Fuel		9,417,049	1.492%	$2.0540	$288,591.87	
	SST Inject **		9,276,547		$0.0175	$162,339.57	
	FSS Fuel		9,276,547	0.350%	$2.0540	$66,689.10	
	FSS Inject		9,244,079		$0.0153	$141,434.41	
	FSS Withdraw		9,244,079		$0.0153	$141,434.41	
	SST Fuel		9,244,079	1.492%	$2.0540	$283,291.09	
	SST Withdraw		9,106,157		$0.0162	$147,519.74	
	KO ITS-F Commodity **		9,106,157		$0.0736	$670,213.16	
TCO Commodity Charges						$1,901,513.35	
	NNS Fuel		2,384,334	1.440%	$2.0540	$70,522.88	
	NNS Commodity		2,350,000		$0.0632	$148,520.00	
TGT Commodity Charges						$219,042.88	
Total Commodity Charges						$2,120,556.23	
Total Firm Throughput (Sales and Choice Program)						55,854,438	mcf
EFBS Commodity Charge per mcf of throughput						**$0.038**	**per mcf**

* Rate is based on difference between Texas Gas Transmission's maximum rates for NNS and FT.

** Commodity Charges include ACA of $0.0013

Redlined Tariff

RIDER EFBS

ENHANCED FIRM BALANCING SERVICE

APPLICABILITY

Applicable to pools served by gas suppliers/aggregators that secure their own total upstream pipeline capacity necessary to meet the aggregated peak day requirements as more fully described under the Assignment of Capacity provision contained in Rate FRAS, Full Requirements Aggregation Service, Sheet No. 44, and that elect or are required to receive service for such pools under Rider EFBS rather than Rider FBS (Firm Balancing Service).

SERVICE

a) Service provided under Enhanced Firm Balancing Service (EFBS) shall be subject to the limitations set forth below. Such service shall be provided on a firm basis and shall apply to all gas delivered to the Company for the Supplier and provided pursuant to this tariff, up to the Bank Contract Quantity (BCQ) set forth herein. Supplier's Maximum Daily Delivery Quantity (MDDQ) shall be that specified herein.

b) Initial allocation of EFBS shall be as follows:

   1. Any Supplier whose FRAS Pool Maximum Daily Quantity (MDQ) exceeds 1,000 Dth/day, shall be allocated EFBS with an MDDQ equal to the proportion of the Company's no-notice balancing service quantity to its firm system design day times the Supplier's MDQ adjusted up to the nearest factor of 3,000.

c) Suppliers with a FRAS Pool MDQ less than 1,000 Dth/day shall continue under the Company's Rider FBS. Suppliers with a FRAS Pool MDQ greater than or equal to 1,000 Dth/day and less than 6,000 Dth/day shall have the option of receiving balancing service under EFBS or continuing under the Company's Rider FBS. Suppliers with a FRAS Pool MDQ greater than or equal to 6,000 Dth/day shall receive service under Rider EFBS. The determination will be made based on the MDQ as of December 31 of the preceding year based on the combination of all firm pools operated by the same company. Supplier pools for process-only load, comprised entirely of customers whose loads are not weather dependent (e.g. gas fired electric generation), shall be exempt from receiving service under EFBS. The annual election, if applicable, shall be made on or before January 15 of each year to become effective on April 1 of each year.

d) Incremental allocation/reduction of EFBS shall be as follows:

   1. Any Supplier whose MDQ crosses a factor of 3,000 Dth/day (herein, threshold) shall receive an allocation/reduction of its EFBS with an MDDQ equal to the proportion of the Company's no-notice balancing service quantity to its firm system design day times the Supplier's threshold (3,000 Dth/day), which will remain effective from the first of the following month in which the threshold was reached until such time as another threshold is reached.

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SERVICE (Contd.)

2. For purposes of determining increases to the EFBS bank and MDDQ, the supplier's MDQ must exceed the next threshold by at least 500 Dth per day or exceed the threshold by a lower amount for three (3) consecutive months. For purposes of determining decreases to the EFBS bank and MDDQ, the supplier's MDQ must be at least 500 Dth per day lower than the previous threshold or remain under the previous threshold by a smaller amount for three (3) consecutive months. For situations where the threshold has been either exceeded or decreased as stated in the previous two sentences, measurements shall occur on the 25th day of each month, unless such day is not a business day, in which case such measurement shall occur on the next following business day.

e) The Supplier's BCQ ratio to its allocated MDDQ will be equal to the Company's ratio of daily no-notice balancing service quantity to its annual no-notice storage quantity with its storage service provider. The Company's ratio shall be determined on an annual basis. Both the Company's no-notice balancing service quantity and its annual no-notice storage quantity with its storage service providers will be established prior to the notification deadline for selecting EFBS service, and will not be changed within the associated gas year. The Company may adjust those percentages to reflect changes in the Agreement with its storage service provider, which may also necessitate changes in pricing with respect to the service. Any changes to the percentages or prices will be communicated to Suppliers on or before January 1 each year and will become effective to coincide with the Supplier's opportunity to select either FBS or EFBS service as outlined in Rate FRAS.

When initial or incremental EFBS is allocated to a Supplier, or recalled from a Supplier effective on the first day of any month, and the adjusted BCQ causes the Supplier's percent of EFBS bank to BCQ to be outside of the range specified below, then the Supplier must purchase, sell or transfer the required amount of bank so that the percent of EFBS bank to BCQ is within the specified range, within three (3) business days of the first day of the month such change is to become effective.

	Minimum	Maximum
April	0%	25%
May	0%	60%
June	14%	60%
July	34%	60%
August	54%	85%
September	75%	85%
October	88%	98%
November	95%	98%
December	78%	98%
January	59%	98%
February	36%	65%
March	18%	45%

SERVICE (Cont'd.)

1. This designation may require the Supplier to purchase, sell or transfer a specified volume of gas for the Supplier's EFBS bank in one of four ways (as determined by the Supplier, unless Supplier fails to purchase, sell or transfer specified volumes of gas, in which case option A shall be employed): (A) The Supplier may purchase natural gas from the Company, or sell to the Company, a portion of the Company's then current inventory with its storage service provider. The price for the gas purchased or sold by the Supplier for its bank volume shall equal the Company's inventory weighted average cost of gas with its storage service provider, adjusted for fuel to get a price at the burner tip. The Company shall communicate the current inventory weighted average cost of gas to Suppliers. (B) The Supplier can purchase or sell the specified volume of gas from/to another Supplier that receives service under the EFBS, by transferring volumes of gas, provided that the transfer does not increase a Suppliers Bank above the maximum levels as defined in the EFBS tariff or decrease a Suppliers Bank below the minimum for the month. Each supplier involved in the transfer must notify the Company in writing of the amount to be transferred and the date on which the transfer is to be effective. (C) The Supplier can transfer the gas to/from its own or a third parties storage account directly into the Company's storage account through an inter-company storage inventory transfer executed through the storage service provider. The increase or decrease to the Supplier's EFBS bank will be adjusted for fuel to get the increase or decrease at the burner tip. (D) The Supplier can transfer the gas to/from its IT Pool.

2. Suppliers will be required to pay for or transfer such gas designated for Supplier's BCQ in advance of the third (3^{rd}) business day of the month in which service is effective unless other arrangements, acceptable to the Company, have been completed.

f) Except as specified in h) below, Supplier's EFBS bank shall be increased or decreased by the daily difference between actual natural gas volumes received by the Company at its city gate and Supplier's back-cast Targeted Supply Quantity (TSQ), adjusted for fuel retainage in the following manner:

1. If the Supplier delivers more natural gas than the back-casted TSQ, then the Suppliers EFBS bank shall be increased by the amount of the over-delivery, calculated at the burner tip. ~~Company's city gate, plus the current KO Transmission fuel retainage and minus the current Columbia Gas Transmission SST and FSS fuel retainage.~~

2. If the Supplier delivers less natural gas than the back-casted TSQ, then the Supplier EFBS bank shall be decreased by the amount of the under-delivery, calculated at the burner tip. ~~Company's city gate, plus the current Columbia Gas Transmission SST fuel retainage.~~

g) On a day when Supplier's TSQ is greater than or equal to the MDQ, supplier shall have full access to the total MDDQ as specified in the EFBS tariff. The Supplier will not be required to make total deliveries, including the back-casted MDDQ, above the MDQ.

h) The Company may, at its option, recall EFBS from a Supplier if that Supplier subsequently ceases its participation in the Company's Customer Choice program for any reason. The Company may also recall a proportional amount of the Supplier's gas bank if the Supplier's MDQ decreases below a 3,000 Dth increment (as detailed in subparagraph (d) 1. and (d) 2. above) and the Supplier's gas bank is above the maximum quantity for that month, to become effective on the first day of the following month.

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SERVICE (Cont'd.)

1. If the Company recalls EFBS, or the Supplier's MDQ decreases below a 3,000 Dth increment and Supplier does not elect to proceed under subparagraph (i) 2., then the Company shall buy all or a portion of Supplier's gas bank. The price of the gas in the Supplier's bank purchased by the Company shall be the Company's inventory weighted average cost of gas with its storage service provider, adjusted for fuel to get a price at the burner tip.

2. Alternatively, the Supplier can sell or transfer the specified volume of gas as described in subparagraph (f) 1.

3. In circumstances other than those described above, if a Supplier requests termination of EFBS other than at the time of the annual election, the Company may agree to termination at its sole discretion, and will elect to purchase any gas volumes remaining in the Supplier's bank at the above price options.

i) The Maximum Monthly Bank Quantities (MMBQ) shall be limited to the following percentages of Supplier's BCQ:

April	15%	August	~~20~~18%	December	10%
May	20%	September	13%	January	10%
June	20%	October	~~7~~9%	February	10%
July	20%	November	5%	March	10%

j) Supplier's Maximum Daily Bank Quantities (MDBQ) shall equal 1/25th of the Supplier's then current MMBQ, except during the months of November and December when the MDBQ shall equal 1/30th of the Supplier's then current MMBQ.

k) A Supplier may have no more than 60% of its BCQ in bank as of June 30, and no more than 85% of its BCQ in bank as of August 31.

l) The Company shall deliver Supplier's BCQ throughout the year, subject to the limitations set forth. Supplier's MDDQ shall be based upon and limited by Supplier's BCQ inventory remaining in bank determined in accordance with the Company's best estimates as follows:

% of banked gas in BCQ	% of MDDQ
100% to 30%	100%
less than 30% to 20%	80%
less than 20% to 10%	65%
less than 10% to 0%	50%

SERVICE (Cont'd.)

m) The minimum and maximum monthly net withdrawal quantities for the months November through March shall be as follows:

Month	Minimum % of BCQ	Maximum % of BCQ
November	No minimum	40%
December	No minimum	40%
January	No minimum	40%
February	10%	30%
March	10%	20%

n) If Supplier exceeds the maximum monthly net withdrawal limit during any of the months November through March, Supplier's maximum monthly net withdrawal quantity for the succeeding month shall be reduced by an amount equal to the excess quantities withdrawn during the excess withdrawal month. Supplier's withdrawals during the months April through October shall not be subject to maximum or minimum withdrawal limits; provided, however, that Supplier's withdrawals during that period shall be subject to the limitations of Supplier's BCQ levels.

o) Supplier's maximum bank inventory on April 1 shall not exceed 25% of its BCQ. Supplier's maximum bank inventory on February 1 shall not exceed 65% of its BCQ. Quantities in excess of 25% of Supplier's BCQ shall not be carried over beyond April 1.

BANK TRANSFERS

a) Suppliers may transfer volumes of gas held in their banks under the EFBS with other Suppliers receiving service under EFBS. Each supplier involved in the transfer must notify the Company in writing of the amount to be transferred and the date on which the transfer is to be effective.

b) The transfer must not increase a Suppliers Bank above the maximum levels as defined in the EFBS tariff. Likewise, the transfer must not decrease a Suppliers Bank below the MBQ for the month.

DELIVERY POINTS

a) The point of delivery for all gas tendered to the Company shall be the Company's city gate for EFBS service and, in accordance with the Supplier's FRAS Agreement with the Company, based upon a percentage north/south split. The north/south split for volumes up to the TSQ shall be the same as the split for Suppliers that have elected FBS and system supply. Volumes in excess of the TSQ will be subject to north/south restrictions in accordance with the Company's ability to inject gas per its agreements with the storage service providers.

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WAIVER REQUESTS

a) In regard to the above percentage limitations on withdrawals and injections, the Company shall allow deviations from these limitations to the extent that additional flexibility has been granted to the Company by its storage service providers. Waivers shall be granted by the Company on a non-discriminatory basis.

RATE

a) For all services rendered pursuant to this tariff, Supplier each month shall pay the Company the charges set forth below:

1. Demand Charge: $7.~~07~~34, assessed each month on each Dth of the Supplier's MDDQ;
2. Commodity Charge: $0.0~~27~~38, per Mcf, applied to all monthly consumption of the supplier's aggregate FT-S, FT-L, RFT and RFT-LI services not included in a pool receiving service under Rider FBS.

b) Rates will be reviewed quarterly and adjusted based on current charges from the Company's storage service providers.

NON-COMPLIANCE

a) If Supplier's EFBS bank is less than zero on any day, then the Supplier shall purchase a quantity of natural gas from the Company sufficient to bring the Suppliers EFBS bank up to the minimum percent listed in Service, section (f) above for the month in which the bank became less than zero. The price shall be 110% of the higher of the inventory weighted average cost of gas with its storage service provider or the highest price at which the company purchased gas for that month plus interstate pipeline fuel, commodity and daily reservation charges.

b) Except in instances when the Suppliers BCQ has been reduced due to a lower MDQ, if Supplier's EFBS bank is greater than 102% of their BCQ on any day, then the amount in excess of the maximum percent listed in Service section (f) above for the month in which the bank exceeded 102% shall be purchased by the Company for a price equal to 90% of the lower of the inventory weighted average cost of gas with its storage service provider or the lowest price at which the company purchased gas for that month plus interstate pipeline fuel, commodity and daily reservation charges.

c) Supplier must pay any penalties incurred by the Company from one of its storage service providers that can be attributed to actions by the supplier that do not comply with the EFBS tariff.

d) The Company may recall EFBS from a supplier for Non Compliance with the EFBS tariff. The Supplier will revert to the FBS at the beginning of the revenue month.

P.U.C.O. Gas No. 18
Sheet No. 75.1~~1~~2
Cancels and Supersedes
Sheet No. 75.1~~0~~1
Page 1 of 1

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139 East Fourth Street
Cincinnati, Ohio 45202

RIDER FBS

FIRM BALANCING SERVICE

APPLICABILITY

Applicable to pools served by gas suppliers/aggregators that secure their own total upstream pipeline capacity necessary to meet the aggregated peak day requirements as more fully described under the Assignment of Capacity provision contained in Rate FRAS, Full Requirements Aggregation Service, Sheet No. 44, and that receive service for such pools under Rider FBS rather than Rider EFBS (Enhanced Firm Balancing Service) as more fully described under the Service provision contained in Rider EFBS, Enhanced Firm Balancing Service, Sheet No. 50.

BALANCING SERVICE CHARGE

The FBS charge, which will be applied to all monthly consumption of the supplier's aggregate FT and RFT services not included in a pool receiving service under Rider EFBS, is $0.~~192~~363 per Mcf.

Filed pursuant to an Order dated ~~February 20, 2019~~____ in Case No. ~~19-27-GA-RDR~~____ before the Public Utilities Commission of Ohio.

Issued: ~~March 26, 2019~~

Effective: ~~April 1, 2019~~

Issued by Amy B. Spiller, President

Clean Tariff

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

RIDER EFBS

ENHANCED FIRM BALANCING SERVICE

APPLICABILITY

Applicable to pools served by gas suppliers/aggregators that secure their own total upstream pipeline capacity necessary to meet the aggregated peak day requirements as more fully described under the Assignment of Capacity provision contained in Rate FRAS, Full Requirements Aggregation Service, Sheet No. 44, and that elect or are required to receive service for such pools under Rider EFBS rather than Rider FBS (Firm Balancing Service).

SERVICE

a) Service provided under Enhanced Firm Balancing Service (EFBS) shall be subject to the limitations set forth below. Such service shall be provided on a firm basis and shall apply to all gas delivered to the Company for the Supplier and provided pursuant to this tariff, up to the Bank Contract Quantity (BCQ) set forth herein. Supplier's Maximum Daily Delivery Quantity (MDDQ) shall be that specified herein.

b) Initial allocation of EFBS shall be as follows:

   1. Any Supplier whose FRAS Pool Maximum Daily Quantity (MDQ) exceeds 1,000 Dth/day, shall be allocated EFBS with an MDDQ equal to the proportion of the Company's no-notice balancing service quantity to its firm system design day times the Supplier's MDQ adjusted up to the nearest factor of 3,000.

c) Suppliers with a FRAS Pool MDQ less than 1,000 Dth/day shall continue under the Company's Rider FBS. Suppliers with a FRAS Pool MDQ greater than or equal to 1,000 Dth/day and less than 6,000 Dth/day shall have the option of receiving balancing service under EFBS or continuing under the Company's Rider FBS. Suppliers with a FRAS Pool MDQ greater than or equal to 6,000 Dth/day shall receive service under Rider EFBS. The determination will be made based on the MDQ as of December 31 of the preceding year based on the combination of all firm pools operated by the same company. Supplier pools for process-only load, comprised entirely of customers whose loads are not weather dependent (e.g. gas fired electric generation), shall be exempt from receiving service under EFBS. The annual election, if applicable, shall be made on or before January 15 of each year to become effective on April 1 of each year.

d) Incremental allocation/reduction of EFBS shall be as follows:

   1. Any Supplier whose MDQ crosses a factor of 3,000 Dth/day (herein, threshold) shall receive an allocation/reduction of its EFBS with an MDDQ equal to the proportion of the Company's no-notice balancing service quantity to its firm system design day times the Supplier's threshold (3,000 Dth/day), which will remain effective from the first of the following month in which the threshold was reached until such time as another threshold is reached.

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2. For purposes of determining increases to the EFBS bank and MDDQ, the supplier's MDQ must exceed the next threshold by at least 500 Dth per day or exceed the threshold by a lower amount for three (3) consecutive months. For purposes of determining decreases to the EFBS bank and MDDQ, the supplier's MDQ must be at least 500 Dth per day lower than the previous threshold or remain under the previous threshold by a smaller amount for three (3) consecutive months. For situations where the threshold has been either exceeded or decreased as stated in the previous two sentences, measurements shall occur on the 25th day of each month, unless such day is not a business day, in which case such measurement shall occur on the next following business day.

e) The Supplier's BCQ ratio to its allocated MDDQ will be equal to the Company's ratio of daily no-notice balancing service quantity to its annual no-notice storage quantity with its storage service provider. The Company's ratio shall be determined on an annual basis. Both the Company's no-notice balancing service quantity and its annual no-notice storage quantity with its storage service providers will be established prior to the notification deadline for selecting EFBS service, and will not be changed within the associated gas year. The Company may adjust those percentages to reflect changes in the Agreement with its storage service provider, which may also necessitate changes in pricing with respect to the service. Any changes to the percentages or prices will be communicated to Suppliers on or before January 1 each year and will become effective to coincide with the Supplier's opportunity to select either FBS or EFBS service as outlined in Rate FRAS.

When initial or incremental EFBS is allocated to a Supplier, or recalled from a Supplier effective on the first day of any month, and the adjusted BCQ causes the Supplier's percent of EFBS bank to BCQ to be outside of the range specified below, then the Supplier must purchase, sell or transfer the required amount of bank so that the percent of EFBS bank to BCQ is within the specified range, within three (3) business days of the first day of the month such change is to become effective.

	Minimum	Maximum
April	0%	25%
May	0%	60%
June	14%	60%
July	34%	60%
August	54%	85%
September	75%	85%
October	88%	98%
November	95%	98%
December	78%	98%
January	59%	98%
February	36%	65%
March	18%	45%

SERVICE (Cont'd.)

1. This designation may require the Supplier to purchase, sell or transfer a specified volume of gas for the Supplier's EFBS bank in one of four ways (as determined by the Supplier, unless Supplier fails to purchase, sell or transfer specified volumes of gas, in which case option A shall be employed): (A) The Supplier may purchase natural gas from the Company, or sell to the Company, a portion of the Company's then current inventory with its storage service provider. The price for the gas purchased or sold by the Supplier for its bank volume shall equal the Company's inventory weighted average cost of gas with its storage service provider, adjusted for fuel to get a price at the burner tip. The Company shall communicate the current inventory weighted average cost of gas to Suppliers. (B) The Supplier can purchase or sell the specified volume of gas from/to another Supplier that receives service under the EFBS, by transferring volumes of gas, provided that the transfer does not increase a Suppliers Bank above the maximum levels as defined in the EFBS tariff or decrease a Suppliers Bank below the minimum for the month. Each supplier involved in the transfer must notify the Company in writing of the amount to be transferred and the date on which the transfer is to be effective. (C) The Supplier can transfer the gas to/from its own or a third parties storage account directly into the Company's storage account through an inter-company storage inventory transfer executed through the storage service provider. The increase or decrease to the Supplier's EFBS bank will be adjusted for fuel to get the increase or decrease at the burner tip. (D) The Supplier can transfer the gas to/from its IT Pool.

2. Suppliers will be required to pay for or transfer such gas designated for Supplier's BCQ in advance of the third (3^{rd}) business day of the month in which service is effective unless other arrangements, acceptable to the Company, have been completed.

f) Except as specified in h) below, Supplier's EFBS bank shall be increased or decreased by the daily difference between actual natural gas volumes received by the Company at its city gate and Supplier's back-cast Targeted Supply Quantity (TSQ), adjusted for fuel retainage in the following manner:

1. If the Supplier delivers more natural gas than the back-casted TSQ, then the Suppliers EFBS bank shall be increased by the amount of the over-delivery, calculated at the burner tip.

2. If the Supplier delivers less natural gas than the back-casted TSQ, then the Supplier EFBS bank shall be decreased by the amount of the under-delivery, calculated at the burner tip.

g) On a day when Supplier's TSQ is greater than or equal to the MDQ, supplier shall have full access to the total MDDQ as specified in the EFBS tariff. The Supplier will not be required to make total deliveries, including the back-casted MDDQ, above the MDQ.

h) The Company may, at its option, recall EFBS from a Supplier if that Supplier subsequently ceases its participation in the Company's Customer Choice program for any reason. The Company may also recall a proportional amount of the Supplier's gas bank if the Supplier's MDQ decreases below a 3,000 Dth increment (as detailed in subparagraph (d) 1. and (d) 2. above) and the Supplier's gas bank is above the maximum quantity for that month, to become effective on the first day of the following month.

SERVICE (Cont'd.)

1. If the Company recalls EFBS, or the Supplier's MDQ decreases below a 3,000 Dth increment and Supplier does not elect to proceed under subparagraph (i) 2., then the Company shall buy all or a portion of Supplier's gas bank. The price of the gas in the Supplier's bank purchased by the Company shall be the Company's inventory weighted average cost of gas with its storage service provider, adjusted for fuel to get a price at the burner tip.

2. Alternatively, the Supplier can sell or transfer the specified volume of gas as described in subparagraph (f) 1.

3. In circumstances other than those described above, if a Supplier requests termination of EFBS other than at the time of the annual election, the Company may agree to termination at its sole discretion, and will elect to purchase any gas volumes remaining in the Supplier's bank at the above price options.

i) The Maximum Monthly Bank Quantities (MMBQ) shall be limited to the following percentages of Supplier's BCQ:

April	15%	August	18%	December	10%
May	20%	September	13%	January	10%
June	20%	October	9%	February	10%
July	20%	November	5%	March	10%

j) Supplier's Maximum Daily Bank Quantities (MDBQ) shall equal 1/25th of the Supplier's then current MMBQ, except during the months of November and December when the MDBQ shall equal 1/30th of the Supplier's then current MMBQ.

k) A Supplier may have no more than 60% of its BCQ in bank as of June 30, and no more than 85% of its BCQ in bank as of August 31.

l) The Company shall deliver Supplier's BCQ throughout the year, subject to the limitations set forth. Supplier's MDDQ shall be based upon and limited by Supplier's BCQ inventory remaining in bank determined in accordance with the Company's best estimates as follows:

% of banked gas in BCQ	% of MDDQ
100% to 30%	100%
less than 30% to 20%	80%
less than 20% to 10%	65%
less than 10% to 0%	50%

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m) The minimum and maximum monthly net withdrawal quantities for the months November through March shall be as follows:

Month	Minimum % of BCQ	Maximum % of BCQ
November	No minimum	40%
December	No minimum	40%
January	No minimum	40%
February	10%	30%
March	10%	20%

n) If Supplier exceeds the maximum monthly net withdrawal limit during any of the months November through March, Supplier's maximum monthly net withdrawal quantity for the succeeding month shall be reduced by an amount equal to the excess quantities withdrawn during the excess withdrawal month. Supplier's withdrawals during the months April through October shall not be subject to maximum or minimum withdrawal limits; provided, however, that Supplier's withdrawals during that period shall be subject to the limitations of Supplier's BCQ levels.

o) Supplier's maximum bank inventory on April 1 shall not exceed 25% of its BCQ. Supplier's maximum bank inventory on February 1 shall not exceed 65% of its BCQ. Quantities in excess of 25% of Supplier's BCQ shall not be carried over beyond April 1.

BANK TRANSFERS

a) Suppliers may transfer volumes of gas held in their banks under the EFBS with other Suppliers receiving service under EFBS. Each supplier involved in the transfer must notify the Company in writing of the amount to be transferred and the date on which the transfer is to be effective.

b) The transfer must not increase a Suppliers Bank above the maximum levels as defined in the EFBS tariff. Likewise, the transfer must not decrease a Suppliers Bank below the MBQ for the month.

DELIVERY POINTS

a) The point of delivery for all gas tendered to the Company shall be the Company’s city gate for EFBS service and, in accordance with the Supplier’s FRAS Agreement with the Company, based upon a percentage north/south split. The north/south split for volumes up to the TSQ shall be the same as the split for Suppliers that have elected FBS and system supply. Volumes in excess of the TSQ will be subject to north/south restrictions in accordance with the Company’s ability to inject gas per its agreements with the storage service providers.

WAIVER REQUESTS

a) In regard to the above percentage limitations on withdrawals and injections, the Company shall allow deviations from these limitations to the extent that additional flexibility has been granted to

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the Company by its storage service providers. Waivers shall be granted by the Company on a non-discriminatory basis.

RATE

a) For all services rendered pursuant to this tariff, Supplier each month shall pay the Company the charges set forth below:

   1. Demand Charge: $7.34, assessed each month on each Dth of the Supplier's MDDQ;
   2. Commodity Charge: $0.038, per Mcf, applied to all monthly consumption of the supplier's aggregate FT-S, FT-L, RFT and RFT-LI services not included in a pool receiving service under Rider FBS.

b) Rates will be reviewed quarterly and adjusted based on current charges from the Company's storage service providers.

NON-COMPLIANCE

a) If Supplier's EFBS bank is less than zero on any day, then the Supplier shall purchase a quantity of natural gas from the Company sufficient to bring the Suppliers EFBS bank up to the minimum percent listed in Service, section (f) above for the month in which the bank became less than zero. The price shall be 110% of the higher of the inventory weighted average cost of gas with its storage service provider or the highest price at which the company purchased gas for that month plus interstate pipeline fuel, commodity and daily reservation charges.

b) Except in instances when the Suppliers BCQ has been reduced due to a lower MDQ, if Supplier's EFBS bank is greater than 102% of their BCQ on any day, then the amount in excess of the maximum percent listed in Service section (f) above for the month in which the bank exceeded 102% shall be purchased by the Company for a price equal to 90% of the lower of the inventory weighted average cost of gas with its storage service provider or the lowest price at which the company purchased gas for that month plus interstate pipeline fuel, commodity and daily reservation charges.

c) Supplier must pay any penalties incurred by the Company from one of its storage service providers that can be attributed to actions by the supplier that do not comply with the EFBS tariff.

d) The Company may recall EFBS from a supplier for Non Compliance with the EFBS tariff. The Supplier will revert to the FBS at the beginning of the revenue month.

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RIDER FBS

FIRM BALANCING SERVICE

APPLICABILITY

Applicable to pools served by gas suppliers/aggregators that secure their own total upstream pipeline capacity necessary to meet the aggregated peak day requirements as more fully described under the Assignment of Capacity provision contained in Rate FRAS, Full Requirements Aggregation Service, Sheet No. 44, and that receive service for such pools under Rider FBS rather than Rider EFBS (Enhanced Firm Balancing Service) as more fully described under the Service provision contained in Rider EFBS, Enhanced Firm Balancing Service, Sheet No. 50.

BALANCING SERVICE CHARGE

The FBS charge, which will be applied to all monthly consumption of the supplier’s aggregate FT and RFT services not included in a pool receiving service under Rider EFBS, is $0.363 per Mcf.