

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Application of |) | |
| Duke Energy Ohio, Inc., for Approval |) | Case No. 13-0565-GA-UNC |
| of an Alternate Supplier for Percentage |) | |
| of Income Payment Plan Customers. |) | |

APPLICATION OF DUKE ENERGY OHIO, INC.

Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) is an Ohio corporation engaged in the business of supplying electricity and natural gas to consumers in southwestern Ohio and is a public utility as defined by Sections 4905.03 of the Ohio Revised Code (R.C.). Duke Energy Ohio respectfully requests the Public Utilities Commission of Ohio (Commission) authority to enter into an agreement with Volunteer Energy Services to provide competitive natural gas to Percentage of Income Payment Plan (PIPP) customers.

As a component of its gas choice program for residential and small commercial gas service customers, Duke Energy Ohio has developed a process to include customers who might otherwise be excluded from experiencing the benefits of a competitive natural gas market. These customers are participants in PIPP. The Commission approved this process for the year ending September 1, 2002 in an Order dated September 13, 2001 in *In the Matter of the Application of The Cincinnati Gas & Electric Company for Approval of an Alternative Supplier for the Percentage of Income Payment Plan Customer Class, Case No. 01-2202-GA-UNC*.

The Commission's most recent approval of a provider of natural gas for the PIPP customer class was provided in a Finding and Order, dated March 21, 2012, *In the Matter of the*

Application of Duke Energy Ohio, Inc., for Approval of an Alternate Supplier for the Percentage of Income Payment Plan Customer Class, Case No. 12-737-GA-UNC.

Duke Energy Ohio's current process commenced on January 28, 2013, by sending notification by electronic mail to sixty suppliers active in its transportation service programs. The electronic mail included a cover letter, an operational overview, and a bid form. Duke Energy Ohio requested proposals to deliver natural gas volumes to Duke Energy Ohio on behalf of the PIPP customer class for a one-year period beginning April 1, 2013. Suppliers were asked to submit a Supplier Bid Credit which would be passed through to the PIPP customers as a discount to the Expected Gas Cost (EGC). Proposals were to be submitted to the Company no later than 2:00 P.M., eastern clock time, on February 15, 2013.

Duke Energy Ohio received the following Supplier Bid Credits (per Dkt):

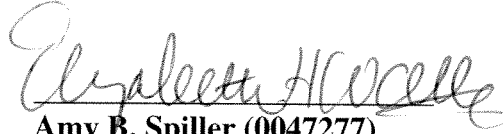
Volunteer Energy Services: -\$0.1225
Twin Eagle Resource Management: -\$0.10
Texican Industrial Energy: -\$0.09
SouthStar Energy Services: -\$0.078
ConocoPhillips Company: -\$0.725
NJR Energy Services: -\$0.0575
BG Energy Merchants: -\$0.03

Duke Energy Ohio recommends that the Commission approve the Volunteer Energy Services bid.

Though Duke Energy Ohio will appropriately record the gas costs and revenues resulting from this customer class, as it does for all GCR transactions, Duke Energy Ohio requests waiver of any of the current provisions of Ohio Administrative Code (O.A.C.) 4901:1-14, that may not have anticipated purchases that are specifically allocated for use by specific customer classes.

Therefore, Duke Energy Ohio respectfully requests that the Commission approve the selection of Volunteer Energy Services as the bidder to supply gas to DE-Ohio for the PIPP customer class, and authorize DE-Ohio to treat the associated gas costs and revenues as consistent with O.A.C. § 4901:1-14, O.A.C.

Respectfully submitted,
Duke Energy Ohio, Inc.

A handwritten signature in dark ink, appearing to read "Amy B. Spiller", written over a horizontal line.

Amy B. Spiller (0047277)

Deputy General Counsel

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