BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)	
Energy Ohio, Inc., for Approval to)	Case No. 20-318-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 \$0.007778 per CCF, which was approved in Case No. 18-318-GA-UEX in an Opinion and Order dated July 25, 2018.
- 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. 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 \$0.005064 per CCF, which is a decrease of \$0.002714 per CCF from the amount authorized in Case No. 18-318-GA-UEX.
- 6. 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, 2020. Page three shows the projected bad debt expense for the twelve-month period ending March 31, 2021. Page four shows the projected volumes for the twelve-month period ending March 31, 2021.
- 7. This resulting rate of \$0.005064 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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Willing to accept service via email

PUCO Case No. 20-318-GA-UEX Attachment 1

Page 1 of 4

, 2020 (a) Page 2 (\$1,026,355) Page 3 \$3,841,252 , 2021 Line 1 + Line 2 \$2,814,896 See Note (b) telline 3 - Line 4 Enses	_	Description	Source	Amount	Projected Volume (CCF)	Unit Rate (\$/CCF)
Page 3 \$3,841,252 Line 1 + Line 2 \$2,814,896 555,847,323 \$0.006 See Note (b) \$0.007 te Line 3 - Line 4 \$0.002	Act	ual Uncollectible Tracker Balance through March 31, 2020 (a)	Page 2	(\$1,026,355)	Page 4	
, 2021 Line 1 + Line 2 \$2,814,896 555,847,323 \$0.005 See Note (b) \$60.007 See Note (b) \$0.007 See Note (c) \$0.007 See Note (do solve) \$0.007 See Note (do so	Pro	Projected Bad Debt April 1, 2020 - March 31, 2021	Page 3	\$3,841,252		
See Note (b) \$0.007 collectible Expense Rate Line 3 - Line 4 (\$0.002 irry of Uncollectible Expenses	Š	Unrecovered Uncollectible Expenses through March 31, 2021	Line 1 + Line 2	\$2,814,896	555,847,323	\$0.005064
Line 3 - Line 4 (\$0.002	Cur	rent Uncollectible Rider Rate	See Note (b)			\$0.007778
	luci	ease/(Decrease) in Total Uncollectible Expense Rate	Line 3 - Line 4			(\$0.002714)
	Per	centage Difference in Recovery of Uncollectible Expenses				-35%

(a) Actual uncollectible expense less amounts recovered in base rates and Rider UE-G plus carrying charges (b) Rate approved in Case No. 18-318-GA-UEX; effective July 31, 2018

							2019 Actual				ŀ		2020 Actual	ŀ	Total
Line		Source	April	May	June	July	August	September	October	November	December	January	February	March	
-	Unrecovered Balance - Beginning of Month	Ending Balance Prior Month	(\$161,152)	(\$371,232)	(\$254,023)	(\$55,157)	\$266,287	\$594,218	\$893,706	\$1,070,230	\$975,180	\$593,201	\$116,658	(\$501,024)	
2	Bad Debts Written Off - Net of Customer Recoveries	Gross/Net Write Off Report	\$185,038	\$308,684	\$324,416	\$428,650	\$424,450	\$401,817	\$298,151	\$241,470	\$253,501	\$180,226 \$	\$ 65,032 \$	63,266	\$3,174,699
e	Recovery - Base Rates	See Note (a)	80	0\$	0\$	0\$	0\$	0\$	0\$	0\$	0\$	0\$	S	0\$	9,
4	Recovery - Uncollectible Rider	See Note (b)	(\$394,533)	(\$190,788)	(\$125,210)	(\$107,428)	(\$97,335)	(\$103,741)	(\$123,294)	(\$338,053)	(\$636,655)	(\$657,265)	(\$682,445)	(\$587,530)	(\$4,044,276)
9	Recovery - Other Adjustments	See Note (c)	0\$	0\$	0\$	8	0\$	0\$	0\$	0\$	0\$	0\$	8	0\$	0\$
9	Incremental Bad Debt	Lines (2)+(3)+(4)+(5)	(\$209,495)	\$117,896	\$199,206	\$321,222	\$327,115	\$298,075	\$174,857	(\$96,583)	(\$383,155)	(\$477,039)	(\$617,413)	(\$524,263)	
7	Balance Sub-Total	Line (1) + Line (6)	(\$370,647)	(\$253, 336)	(\$54,817)	\$266,065	\$593,401	\$892,293	\$1,068,562	\$973,648	\$592,026	\$116,162	(\$500,755)	(\$1,025,287)	
89	Carrying Charges	Lines [((1)+(7))/(2)]* (Line 10)	(\$282)	(\$687)	(\$340)	\$221	\$817	\$1,412	\$1,668	\$1,533	\$1,175	\$497	(\$388)	(\$1,068)	\$4,374
o	Unrecovered Balance - End of Morth	Line (7) + Line (8)	(\$371,232)	(\$254,023)	(\$55,157)	\$266,287	\$594,218	\$893,706	\$1,070,230	\$975,180	\$593,201	\$116,658	(\$501,024)	(\$1,026,355)	
10	Monthly Carrying Charge rate	See Note (d)	0.22000%	0.22000%	0.22000%	0.21000%	0.19000%	0.19000%	0.17000%	0.15000%	0.15000%	0.14000%	0.14000%	0.14000%	

(a) Uncolectible expense was removed from base raises effective December 1, 2009 per Order in Case No. 08-773-GA-UEX (b) Rase agrowed in Case No. 18-118-GA-UEX effective July 31, 2018 (c) Na applicable after this time (d) Source. Treasury

Per Marger Order Case No. 05732-EL-MER, carrying charge as bloud be bard 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

							2020 PROJECTED	CTED					20.	2021 PROJECTED	-	
Line		Source	April	Н	May	June	July	August	September	October	November	December	January	February	March	Total
-	1 Unrecovered Balance - Beginning of Month	Ending Balance Prior Month	(\$1,026,355)		(\$868,000)	(\$596,972)	(\$280,903)	\$153,212	\$579,860	\$1,007,619	\$1,394,158	\$1,766,542	\$2,161,889	\$2,503,105	\$2,716,440	
2	Bad Debts Written Off - Net of Customer Recoveries Projection	Projection	\$158	\$158,356	\$271,027	\$316,069	\$434,115	\$426,648	\$427,759	\$386,539	\$372,384	\$395,347	\$341,215	\$213,335	\$98,456	
ო	Recovery - Base Rates	See Note (a)		%	Ş	80	8	80	8	80	8	80	8	80	05	
4	Recovery - Uncollectible Rider	See Note (b)		0\$	Ş	\$0	8	80	8	80	8	80	8	80	8	
10	Recovery - Other Adjustments	See Note (c)		80	S	8	8	80	8	80	8	0\$	8	80	8	
9	Incremental Bad Debt	Lines (2)+(3)+(4)+(5)	\$ 158	158,356 \$	271,027 \$	316,069 \$	434,115 \$	426,648 \$	\$ 427,759	\$ 386,539 \$	372,384 \$	395,347 \$	341,215 \$	\$ 213,335 \$	98,456 \$	
7	Balance Sub-Total	Line (1) + Line (6)	(\$868,000)	Ш	(\$596,972)	(\$280,903)	\$153,212	\$579,860	\$1,007,619	\$1,394,158	\$1,766,542	\$2,161,889	\$2,503,105	\$2,716,440	\$2,814,896	200
60	Carrying Charges	Lines [((1)+(7))/(2)] * (Line 10)		8	\$	0\$	0\$	8	\$0	8	\$0	S	\$0	8	80	
o	9 Unrecovered Balance - End of Month	Line (7) + Line (8)	(\$868)	(2868,000)	(\$596,972)	(\$280,903)	\$153,212	\$579,860	\$1,007,619	\$1,394,158	\$1,766,542	\$2,161,889	\$2,503,105	\$2,716,440	\$2,814,896	

(a) Uncollectible expense was remand from base rates effective December 1, 2009 per Order in Case No. 09-773-GA-UEX
 (b) Uncollectible rider is currently \$1,007778 per CCF
 (c) Not applicable at this time

								distribution of popular	TOTAL STATE OF THE						
Line	Description	Source	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Mar-21
	CCF Sales														
-	Residential (RS)	Load Forecasting	8,478,163	3,931,800	2,524,394	2,455,223	2,490,883	2,975,042	6,902,257	14,230,900	27,830,630	30,283,899	24,125,455	18,072,402	144,301,048
2	General Service (GS)	Load Forecasting	4,257,259	2,384,590	1,530,534	1,335,549	1,371,965	1,338,097	2,283,128	5,108,938	10,383,245	12,188,015	10,606,600	7,626,694	60,414,615
m	Total Sales Service		12,735,422	6,316,390	4,054,928	3,790,772	3,862,848	4,313,139	9,185,385	19,339,838	38,213,875	42,471,914	34,732,055	25,699,097	204,715,663
4	Residential Transportation (RFT)	Load Forecasting	9,560,482	4,092,281	2,734,760	2,659,825	2,592,552	3,096,472	6,902,257	14,230,900	27,830,630	32,807,557	28,321,186	20,379,518	155,208,421
80	Firm Transportation (FT)	Load Forecasting	14,367,696	9,351,730	7,396,198	7,069,598	7,168,650	7,655,170	11,664,419	20,586,026	28,576,194	31,579,569	28,272,427	21,923,778	195,612,155
9	Interruptible Transportation (IT)	Load Forecasting	16,339,101	15,444,964	15,200,799	15,188,040	15,183,167	15,270,021	16,188,913	17,870,872	19,764,661	20,467,032	19,563,873	18,811,364	205,286,807
7	Total Transportation Service		40,261,280	28,888,975	25,332,457	24,917,463	24,944,368	26,021,663	34,755,589	52,687,799	76,171,485	84,854,159	76,157,486	61,114,660	556,107,383
	Other														
60	Interdepartmental	Load Forecasting	13;,673	76,400	20,439	70,600	59,175	65,784	132,770	96,084	223,428	196,873	266,245	171,911	1,511,380
o	Street Lighting	Load Forecasting	25,696	25,404	25,696	25,550	25,696	25,696	25,696	25,696	28,870	25,696	25,696	25,696	311,085
10	Total Other		157,368	101,804	46,135	96,150	84,870	91,479	158,466	121,779	252,298	222,569	291,940	197,606	1,822,465
£	Total Throughput	Line 3 + Line 7 + Line 10	53,154,070	35,307,169	29,433,520	28,804,385	28,892,087	30,426,281	44,099,439	72,149,416	114,637,658	127,548,641	111,181,48:	87,011,363	762,645,510
	Exclude CCF Sales not eligible for Uncollectible														
12 22	Interruptible Transportation (IT) Interdepartmental	Line 8	(16,333,101) (13:,673)	(15,444,964) (76,400)	(15,200,799)	(15,188,040) (70,600)	(15,183,167) (59,175)	(15,270,021) (65,784)	(16,188,913)	(17,870,872)	(19,764,661) (223,428)	(20,467,032) (196,873)	(19,563,873)	(18,811,364) (171,911)	(205,286,807)
7	Total Sales Excluded from Uncollectible	•	(16,464,774)	(15,521,364)	(15,221,239)	(15,258,640)	(15,242,342)	(15,335,805)	(16,321,683)	(17,966,956)	(19,988,088)	(20,663,905)	(11,0830,117)	(18,983,275)	(206,798,187)
15	Total CCF Sales Recovering Uncollectible Expense	Line 11 + Line 14	36,689,297	19,785,805	14,212,281	13,545,745	13,649,745	15,090,477	121,111,15	54,182,460	94,649,570	106,884,736	91,351,364	68,028,088	555,847,323 Page 1

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Duke Energy Ohio 139 East Fourth Street Cincinnati, Ohio 45202 P.U.C.O. Gas No. 18 Sheet No. 67.12 Cancels and Supersedes Sheet No. 67.11 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 undercollections.

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 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 _ Ohio.	in Case No. 20-318-GA-UEX before	the Public Utilities Commission
Issued:	Issued by Amy B. Spiller, President	Effective:

PUCO Case No. 20-318-GA-UEX Attachment 2 Page 2 of 2

Duke Energy Ohio 139 East Fourth Street Cincinnati, Ohio 45202 P.U.C.O. Gas No. 18 Sheet No. 67.4112 Cancels and Supersedes Sheet No. 67.4011 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 undercollections.

MONTHLY CHARGE

A charge of \$0.007778\$0.005064 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 25, 2018 in Case No. 181920-318-GA-UEX before the Public Utilities Commission Ohio.

Issued: July 25, 2018 Effective: July 31, 2018