

6

FILE

KRAVITZ, BROWN & DORTCH, LLC

Janet Kravitz
Paula Brown
Michael D. Dortch
Richard R. Parsons

Attorneys at Law
65 East State Street - Suite 200
Columbus, Ohio 43215-4277
614.464.2000
fax 614.464.2002
mdortch@kravitzllc.com

Max Kravitz (1946-2007)

Of Counsel:
William H. Bluth*

*Also Admitted in NY

October 7, 2009

VIA MESSENGER DELIVERY

09-918-GA-PIP

RECEIVED-DOCKETING DIV
2009 OCT -7 PM 2:03
PUCO

Ms. Renee Jenkins
Chief, Docketing Division
Public Utilities Commission of Ohio
180 E. Broad Street, 13th Floor
Columbus, Ohio 43215

Re: *IN THE MATTER OF THE APPLICATION OF DUKE ENERGY OHIO, INC.
FOR ADJUSTMENT OF ITS GAS INTERIM EMERGENCY AND TEMPORARY
PERCENTAGE OF INCOME PAYMENT PLAN RIDER*

Dear Ms. Jenkins:

Enclosed please find an original and ten copies of the Application of Duke Energy Ohio, Inc. for filing in the above-referenced matter.

I would appreciate the return of a time stamped copy via the individual who delivers the same to you.

As always, please call me if you have any questions concerning this filing. Thank you.

Very truly yours,

Michael D. Dortch

Michael D. Dortch

MD:kw
Enclosures

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician Am Date Processed 10/8/09

RECEIVED-DOCKETING DIV
2009 OCT -7 PM 2:03
PUCO

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

IN THE MATTER OF THE APPLICATION OF)
DUKE ENERGY OHIO, INC. FOR ADJUSTMENT OF)
ITS GAS INTERIM EMERGENCY AND) Case No. 09-918-GA-PIP
TEMPORARY PERCENTAGE OF INCOME)
PAYMENT PLAN RIDER)

**APPLICATION OF
DUKE ENERGY OHIO, INC.**

Duke Energy Ohio, Inc. (Duke Energy Ohio) 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 4905.02 and 4905.03 of the Ohio Revised Code (O.R.C.). Duke Energy Ohio presently comes before the Public Utilities Commission of Ohio (Commission) requesting authorization to modify its gas Percentage of Income Payment Plan (PIPP) Rider (Rider PIPP, Interim Emergency and Temporary Percentage of Income Payment Plan) to provide for the increase in the cost of natural gas on commodity markets. The proposed tariff is attached as Exhibit 1.

Duke Energy Ohio's current gas PIPP rider became effective July 2, 2007, as a result of Case No. 07-606-GA-PIP. This rate was designed to recover a deferred gas PIPP customer account balance that existed as of February 28, 2007. It was also designed to recover an ongoing amount of arrears that were expected to occur during each succeeding twelve-month period. The proposed rate is designed to recover the deferred gas PIPP customer balance that existed as of June 30, 2009 over a three-year period and an amount of PIPP customer arrears Duke Energy

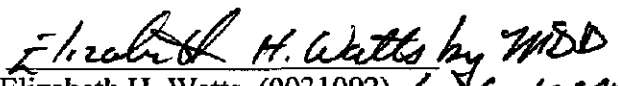
Ohio expects to continue to incur in each succeeding twelve-month period. The method of computing the proposed rider for this proceeding is consistent with that approved in Case Nos. 03-1096-GA-PIP, 05-512-GA-PIP, and 07-606-GA-PIP, respectively. The schedule supporting the proposed gas rider is attached as Exhibit 2.

The Commission has continued to recognize that an emergency, as described by 4909.16, O.R.C., exists, and that in response to that emergency, PIPP should continue to be available to residential customers as contained within the Stipulation and Recommendation in Case No. 88-1115-GE-PIP, approved and adopted by the Commission on December 2, 1993. The Stipulation and Recommendation provides for the adjustment of PIPP riders upon request of the affected utility.

In direct testimony of the Commission Staff accepted by the Finding and Order dated December 2, 1993, a procedure for the implementation of revised PIPP rates essentially requires a utility to implement its new rate on the forty-sixth day after its application, absent action by the Commission. Duke Energy Ohio hereby requests that the proposed rate offered by this application, absent action by the Commission, becomes effective on the forty-sixth day after the application is filed.

WHEREFORE, Duke Energy Ohio respectfully requests that the Commission approve the proposed Interim Emergency and Temporary Percentage of Income Payment Plan Rider charge as filed herein as Exhibit 1 to become effective coincident with the forty-sixth day after the application is filed.

Respectfully submitted,


Elizabeth H. Watts (0031092) (w/permission)
Assistant General Counsel
Amy B. Spiller
Associate General Counsel (0047277)

DUKE ENERGY OHIO
155 East Broad Street
21st Floor
Columbus, Ohio 43215
Phone: 614-222-1330
Fax: 513-419-1846
Elizabeth.Watts@duke-energy.com


Michael D. Dortch (0043897)
KRAVITZ, BROWN & DORTCH, LLC
65 East State Street
Suite 200
Columbus, OH 43215
Phone: 614-464-2000
Fax: 614.464.2002
mdortch@kravitzllc.com

Attorneys for
DUKE ENERGY OHIO

EXHIBIT 1

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
Sheet No. ~~63.6~~ 63.9
Cancels and Supersedes
Sheet No. ~~63.7~~ 63.8
Page 1 of 1

**INTERIM EMERGENCY AND TEMPORARY
RIDER PIPP
PERCENTAGE OF INCOME PAYMENT PLAN**

The current amount of Percentage of Income Payment Plan arrearages for recovery is a plus \$0.0490
\$0.022126 per 100 cubic feet.

Filed pursuant to an Entry dated July 2, 2007 in Case No. 07-0606-CA-PIPP before the Public Utilities
Commission of Ohio.

Issued: July 2, 2007

Issued by Julie Janson, President

Effective: July 2, 2007

**Calculation of PIPP Interim Rider Rate
Based on PIPP Deferrals as of June 30, 2009
(GAS SERVICE)**

EXHIBIT 2

Line No.	Description	Amount
1	Balance of PIPP Arrears Over 2 Months Old 6/30/2009	6,791,356.45
2	Recovery of PIPP Deferrals over 3 Years (Line 1 / 3)	2,283,735.48
3	Budgeted Annual Sales - Twelve Months Ended June 2010 (Less Inter Dept. & IT Trans Sales)	552,857,300 ccf
4	Deferred PIPP Balance Rate (Line 2 / Line 3)	0.004095 \$/ccf
5	Transfer From PIPP A/R to PIPP Deferred During March 2007 Thru June 2009	<u>\$ 23,280,030.84</u>
6	Monthly Average (Line 5 / 28)	<u>\$ 830,715.39</u>
7	Annual Average Arreastages (Line 6 * 12)	<u>\$ 9,968,584.68</u>
8	Annual Average Rate (Line 7 / Line 3)	<u>0.018031 \$/ccf</u>
10	Deferred PIPP Balance Rate	0.004095 \$/ccf
11	Annual Average Rate	0.018031 \$/ccf
12	Total Recommended Rate	<u>0.022126 \$/ccf</u>