

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Duke Energy Ohio, Inc. for Approval)
to Amend its Interruptible Monthly) Case No. 12-255-GA-ATA
Balance Service Tariff, and its Full)
Requirements Aggregation Service Tariff.)

FINDING AND ORDER

The Commission finds:

- (1) Duke Energy Ohio, Inc. (Duke) is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) On January 11, 2012, Duke filed an application seeking approval of an amendment to its Interruptible Monthly Balance Service Tariff (Rate IMBS) and its Full Requirements Aggregation Service Tariff (Rate FRAS). With regard to Rate IMBS, Duke further explains that it is a voluntary program for large commercial and industrial gas transportation customers that offers a natural gas pooling service to both customers and pool operators who manage gas supply on a customer's behalf. The tariff permits a customer, or a group of customers, to aggregate their consumption into a pool such that they can be managed as a single customer for supply management purposes. The pool operator is able to use its best efforts to balance the pool's daily usage with pool deliveries of natural gas into Duke's city gate stations. Rate IMBS provides for a monthly financial accounting or "cash-out" to true-up any over- or under-deliveries of gas by the pool operators.
- (3) Duke's IMBS tariffs currently specify that the monthly cash-out price is indexed to the *Inside F.E.R.C. Natural Gas Report, "Prices of Spot Gas Delivered to Pipelines." Columbia Gulf Transmission Co., Onshore Louisiana Index*. This same cash-out price index is also referenced in the Sample Agreement that is an addendum to the Rate FRAS tariff. According to the application, Duke has discovered that *Inside F.E.R.C.* did not publish a price for that location in January 2012, due to an apparent lack of activity at that location. As a result, Duke is without an index price with

which to complete its December 2011, cash-outs for its pool operators. Duke is requesting the Commission approve an amendment to its Rate IMBS and Rate FRAS tariffs to reflect a new index price location, specifically, the *Inside F.E.R.C. Natural Gas Report, "Prices of Spot Gas Delivered to Pipelines." Columbia Gulf Transmission Co., Mainline Index*. According to the application, Duke has purchased the majority of its natural gas supply at the Mainline point rather than at the Onshore Louisiana point, so, even if *Inside F.E.R.C.* resumes publishing the Onshore Louisiana Index, the Mainline Index will provide a more reasonable estimate of a city-gate delivered price for cash-outs. Duke notes that the proposed tariff amendment will not result in an increase in rates.

- (4) The application has been filed pursuant to Section 4909.18, Revised Code, and the Commission finds that it is not for an increase in any rate, joint rate, toll, classification, charge, or rental, does not appear to be unjust or unreasonable and should be approved.

It is, therefore,


ORDERED, That Duke's application to revise its Rate IMBS and Rate FRAS tariffs is approved. It is, further,

ORDERED, That Duke is authorized to file four complete copies of tariffs, in final form, consistent with this Finding and Order. Duke shall file one copy in this case docket and one copy in its TRF docket (or may file electronically as directed in Case No. 06-900-AU-WVR). The remaining two copies shall be designated for distribution to the Rates and Tariffs, Energy and Water Division of the Commission's Utilities Department. It is, further,

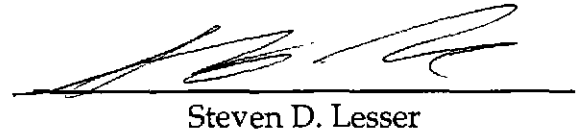
ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Paul A. Centolella

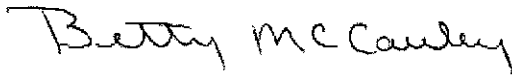

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