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**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Gas Rates.	) ) )	Case No. 12-1685-GA-AIR
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.	) ) )	Case No. 12-1686-GA-ATA
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of an Alternative Rate Plan for Gas Distribution Service.	) ) ) )	Case No. 12-1687-GA-ALT
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.	) ) )	Case No. 12-1688-GA-AAM

**MOTION OF DUKE ENERGY OHIO, INC.,  
TO SET TEST PERIOD AND DATE CERTAIN UNDER R.C. 4909.15(C)  
AND FOR WAIVER OF CERTAIN FILING  
REQUIREMENTS CONTAINED IN O.A.C. 4901-7-01**

Comes now Duke Energy Ohio, Inc. (Duke Energy Ohio or Company), by and through counsel, and, as the Applicant herein, states that it plans to file an application for approval of an increase in its natural gas distribution rates on or about July 9, 2012. In connection with its application, Duke Energy Ohio respectfully requests that the Public Utilities Commission of Ohio (Commission): (1) issue an order, pursuant to R.C. 4909.15(C), allowing Duke Energy Ohio to use a test period of January 1, 2012, through December 31, 2012, with a date certain of March 31, 2012; and, (2) grant Duke Energy Ohio a waiver, pursuant to O.A.C. 4901-7-01, from certain filing requirements contained in O.A.C. 4901-7-01, Appendix A.

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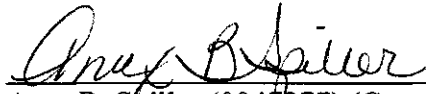
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The grounds for this motion are set forth in the accompanying memorandum.

Respectfully submitted,

DUKE ENERGY OHIO, INC.



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## **MEMORANDUM IN SUPPORT**

### **I. Test Period and Date Certain**

Duke Energy Ohio intends to file an application for an increase in rates for its natural gas distribution service on or about July 9, 2012. The Company proposes to use the twelve months ending December 31, 2012, as the test year for the filing. Because Duke Energy Ohio uses a calendar year reporting period for its financial results and prepares detailed quarterly financial reports, it is reasonable for Duke Energy Ohio to submit three months of actual financial data that coincides with the end of a quarterly reporting period. This quarterly financial data is subject to more rigorous internal review because it is used for various reporting purposes and, therefore, is a better basis for establishing new rates, as compared with the statutorily predetermined period. The quarterly financial data that Duke Energy Ohio would use for a July 9, 2012, application is the financial data for the quarter ending March 31, 2012.

Under R.C. 4909.15(C), the test period shall be the six months prior to the filing date and the six months after the filing date, unless otherwise ordered by the Commission. Duke Energy Ohio respectfully requests that the Commission issue an order providing that, if Duke Energy Ohio files for an increase in rates for its natural gas distribution service on or about July 9, 2012, the test period will be the twelve months ending December 31, 2012. This would coincide with Duke Energy Ohio using three months of actual quarterly financial data for the period ending March 31, 2012, and it will provide the Company the certainty it needs to prepare financial data for its application. A date certain of March 31, 2012, will also be reasonable as the end date of the three months of actual quarterly financial data to be relied upon.

## **II. Request for Waivers Under O.A.C. 4901-7-01**

Pursuant to O.A.C. 4901-7-01, the Commission may grant a utility a waiver from the standard filing requirements for an application for an increase in rates for good cause shown. In determining whether good cause exists for a waiver, the Commission is guided by the following:

- (A) A request for waiver of any of the provisions of the standard filing requirements must set forth the specific reasons in support of the request. The commission shall grant the request for a waiver upon good cause shown by the utility. In determining whether good cause has been shown, the commission shall give due regard, among other things, to:
  - (i) Whether other information, which the utility would provide if the waiver is granted, is sufficient so that the commission staff can effectively and efficiently review the rate application.
  - (ii) Whether the information, which is the subject of the waiver request, is normally maintained by the utility or reasonably available to it from the information which it maintains.
  - (iii) The expense to the utility in providing the information, which is the subject of the waiver request.<sup>1</sup>

Duke Energy Ohio respectfully requests, to the extent necessary, that the Commission grant it a waiver, pursuant to O.A.C. 4901-7-01, from certain filing requirements set forth in O.A.C. 4901-7-01, Appendix A, Chapter II, only insofar as said requirements relate to the Company's electric utility operations and employee classification. Duke Energy Ohio submits that good cause exists for the aforementioned waivers and respectfully requests that the Commission grant the Company a waiver from the standard filing requirements discussed more fully below.

Information related to the Company's electric utility operations is not relevant to these proceedings and is subject to the Commission's review in the context of an electric distribution

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<sup>1</sup> O.A.C. 4901-7-01, Appendix A, Chapter II, Section (A)(4)(d).

rate case. As such, good cause exists to grant a waiver, in these proceedings, from the filing requirements that pertain to the Company's electric distribution operations.

Duke Energy Ohio also respectfully requests that the Commission grant it a waiver, pursuant to O.A.C. 4901-7-01, from certain filing requirements set forth in O.A.C. 4901-7-01, Appendix A, Chapter II, relating to payroll analysis by employee classification/payroll distribution. In support thereof, Duke Energy Ohio states that its financial system has changed such that it cannot provide detail between exempt and non-exempt employees. This information is no longer available and cannot be reasonably obtained from the information the Company currently maintains. Thus, to the extent "employee classification" may be defined as including both exempt and non-exempt status, thereby requiring an analysis predicated upon said interpretation, Duke Energy Ohio seeks a waiver from this requirement. Duke Energy Ohio commits to providing the payroll analysis in respect of the two employee classifications of union and non-union. In this respect, the limited waiver requested here will not prejudice the parties in that payroll analyses will be produced.

The narrow scope of the waivers as requested herein will not prejudice any party of record in their review and evaluation of Duke Energy Ohio's application. On the contrary, by not unnecessarily complicating the docket with irrelevant information, an efficient and expeditious review is ensured.

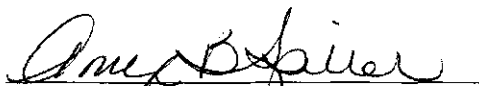
### **III. Conclusion**

For the reasons set forth herein, Duke Energy Ohio, Inc., respectfully requests that the Public Utilities Commission of Ohio grant its request to set a test period for the twelve months ending December 31, 2012, with a date certain of March 31, 2012, and its request for waiver

from certain of the Commission's standard filing requirements, set forth in O.A.C. 4901-7-01, as discussed herein.

Respectfully submitted,

DUKE ENERGY OHIO, INC.



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