

**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 the 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
)	

**OBJECTIONS TO THE STAFF REPORT OF
INTERSTATE GAS SUPPLY, INC.**

Pursuant to Section 4909.19, Revised Code, Rule 4901-1-28(B) of the Ohio Administrative Code, and the January 10, 2013 Entry, Interstate Gas Supply, Inc. ("IGS"), an intervenor in this case, hereby submits to the Public Utilities Commission of Ohio ("Commission" or "PUCO") these objections to the PUCO Staff's Report of Investigation ("Staff Report"), as filed on January 4, 2013, in this docket concerning the application of Duke Energy Ohio, Inc. ("Duke" or "Company") to increase its rates and charges for gas service in Ohio.

OBJECTIONS TO THE STAFF REPORT

IGS makes the following specific objections to the January 4, 2013 Staff Report:

1. The Staff Report unreasonably and unlawfully failed to recommend that the Economic Incentive Development Rider should ensure that the funds collected from such Rider are used in a competitively neutral manner whether the Rider is funded from ratepayer or shareholder dollars. The Staff Report should have indicated that any approved Rider ED tariff

expressly state that a customer may take service from a competitive retail natural gas service provider and also participate in receiving funds generated by this rider.

2. The Staff Report unreasonably and unlawfully failed to direct Duke to modify its billing system to increase the number of billing codes for commodity supply products of CRNGS providers.

3. The Staff Report unreasonably and unlawfully failed to thoroughly review the labor, executive and administrative costs associated with Duke procuring and supplying natural gas to the standard service customers. Failure to separate out the costs of providing the natural gas commodity service from the distribution rates paid by shopping customers results in a subsidy from the shopping customers to the regulated service customers, in violation of Section 4929.02 (B)(8). The costs of procuring and administrating gas for the standard service customer if rolled into the base rates must be accompanied by a credit to the shopping customers. This credit should be designed and implemented so that Duke is compensated for its personnel and equipment costs in supplying the natural gas commodity, but those costs should not be paid exclusively by standard service offer customers.

Respectfully Submitted,



M. Howard Petricoff
Vorys, Sater, Seymour and Pease LLP
52 E. Gay Street
P.O. Box 1008
Columbus, OH 43216-1008
614-464-5414
mhpetricoff@vorys.com

Attorney for Interstate Gas Supply, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served this 4th day of February, 2013 by electronic mail delivery upon the persons listed below.



M. Howard Petricoff

Amy Spiller
Elizabeth Watts
Jeanne Kingery
Duke Energy Ohio
155 East Broad Street, 21st Floor
Columbus, Ohio 43215
amy.spiller@duke-energy.com
elizabeth.watts@duke-energy.com
jeanne.kingery@duke-energy.com
rocco.dascenzo@duke-energy.com

Larry S. Sauer
Joseph P. Serio
Edmund Berger
The Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215
sauer@occ.state.oh.us
serio@occ.state.oh.us
berger@occ.state.oh.us

Colleen L. Mooney
Ohio Partners for Affordable Energy
1431 Mulford Road
Columbus, Ohio 43212
cmooney2@columbus.rr.com

Vincent A. Parisi
Matthew S. White
Interstate Gas Supply, Inc.
6100 Emerald Parkway
Dublin, Ohio 43016
vparisi@igsenergy.com
mswhite@igsenergy.com

Thomas McNamee
Devin Parram
Ohio Attorney General's Office
180 East Broad Street, 6th Floor
Columbus, Ohio 43215
thomas.mcnamee@puc.state.oh.us
devin.parram@puc.state.oh.us

Thomas O'Brien
Bricker & Eckler LLP
100 South Third Street
Columbus, Ohio 43215
tobrien@bricker.com

Douglas E. Hart
4441 Vine Street, Suite 4192
Cincinnati, Ohio 45202
dhart@douglasshart.com

John Dosker
1077 Celestial Street, Suite 100
Cincinnati, Ohio 45202-1629
jdosker@standenergy.com

Samuel C. Randazzo
Joseph E. Oliker
Frank Darr
McNees Wallace & Nurick LLC
21 East State Street, 17th Floor
Columbus, Ohio 43215
sam@mwncmh.com
joliker@mwncmh.com
fdarr@mwncmh.com

Kimberly W. Bojko
Mallory M. Mohler
Carpenter Lipps & Leland LLP
280 North High Street, Suite 1300
Columbus, Ohio 43215
bojko@carpenterlipps.com
mohler@carpenterlipps.com

Mary W. Christensen
Christensen & Owens LLP
100 E. Campus View Blvd., Suite 360
Columbus, OH 43235
mchristensen@columbuslaw.org

Joseph M. Clark
Direct Energy
21 E. State Street, 19th Floor
Columbus, OH 43215
Joseph.clark@directenergy.com

A. Brian McIntosh
McIntosh & McIntosh
1136 Saint Gregory Street, Suite 100
Cincinnati, OH 45202
brian@mcintoshlaw.com

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Summary: Objection Objections to the Staff Report electronically filed by M HOWARD PETRICOFF on behalf of Interstate Gas Supply, Inc.