

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio, Inc., for Approval to Serve) Case No. 14-315-GA-UNC
Percentage of Income Payment Plan Gas)
Customers Under the Gas Cost Recovery)
Rate.)

FINDING AND ORDER

The Commission finds:

- (1) Duke Energy Ohio, Inc. (Duke), is a public utility as defined in R.C. 4905.03, and, as such, is subject to the jurisdiction of the Commission.
- (2) By Supplemental Opinion and Order issued July 2, 1997, the Commission approved the natural gas choice pilot program for Cincinnati Gas & Electric Company (CG&E), Duke's predecessor company, in *In re Cincinnati Gas & Elect. Co.*, Case No. 95-656-GA-AIR. As part of the choice program, eligible customers are able to purchase gas supplies from an entity other than the local distribution company (LDC); however, the program provided for a bidding process to select an alternative natural gas supplier for percentage of income payment plan (PIPP) customers.
- (3) The Commission approved the continuation of CG&E's natural gas choice pilot program and the bidding out of commodity service for PIPP customers by Finding and Order issued June 18, 1998, in *In re Cincinnati Gas & Elect. Co.*, Case No. 98-593-GA-COI, et al.
- (4) Each year, since the initiation of the natural gas choice program in 1997, Duke has solicited bids to select an alternative natural gas supplier for its PIPP customers and filed an application with the Commission for approval of its selection of the supplier. The Commission approved the most recent PIPP supplier by Finding and Order issued April 3, 2013, in *In re Duke Energy Ohio, Inc.*, Case No. 13-565-GA-UNC, for services commencing in April 2013.
- (5) On February 26, 2014, Duke filed the instant application for authority to serve its PIPP customers under the gas cost recovery

(GCR) rate that is applied to all non-PIPP customers. In support of its application, Duke states that it initiated a request for proposal (RFP) to solicit bids from 79 suppliers for the delivery of natural gas volumes to its PIPP customers for a one-year period commencing April 1, 2014. In response, Duke received one bid. If accepted, Duke states that the bid would result in PIPP customers paying a higher rate than the GCR rate paid by Duke's non-PIPP customers. In the application, Duke explains that, in recent years, PIPP customers served pursuant to the RPF process have not received a favorable rate compared to non-PIPP customers served on the GCR rate, due to the PIPP rate not including prior period adjustments. Duke, therefore, recommends that PIPP customers be served under the GCR rate beginning April 1, 2014. Duke offers that it will continue to monitor market conditions and determine whether or not to issue further RFPs for acquiring a supplier for PIPP customers. If the bids received from any proposals would result in a savings for the PIPP customers, Duke states that it will file for approval of the selection of such supplier at that time.

- (6) The Commission has reviewed the application filed on February 26, 2014, and finds that it is reasonable and should be approved. Furthermore, the Commission directs Duke to continue to solicit bids on an annual basis for the provision of commodity service to PIPP customers. If Duke finds that any responsive bid would result in a savings to PIPP customers, Duke should file an application seeking the Commission's review and approval of the selected bidder as the supplier of commodity service for PIPP customers.

It is, therefore,

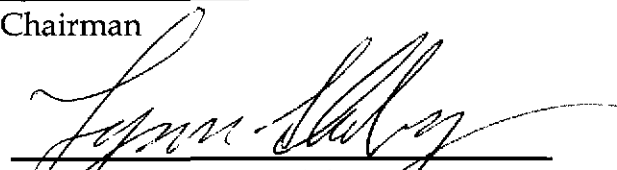
ORDERED, That Duke's application filed on February 26, 2014, is approved. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all interested persons of record in this case.

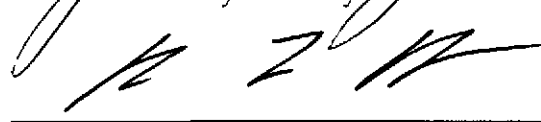
THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Steven D. Lesser


Lynn Slaby

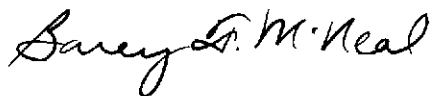

M. Beth Trombold


Asim Z. Haque

PD/jd

Entered in the Journal

MAR 26 2014


Barcy F. McNeal

Barcy F. McNeal
Secretary