

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Duke Energy Ohio, Inc. for Approval to) Case No. 14-318 - GA-UEx
Adjust its Gas Uncollectible Rider) Case No. 89-8002-GA-TRF
Rate.)

**APPLICATION TO ADJUST
DUKE ENERGY OHIO, INC.'S GAS UNCOLLECTIBLE EXPENSE RIDER RATE**

Pursuant to R.C. 4904.18, Duke Energy Ohio, Inc., (Duke Energy Ohio) requests approval to adjust the rate for its gas uncollectible rider, Rider UE-G.

Duke Energy Ohio is an Ohio corporation engaged in the business of supplying natural gas to approximately 425,000 customers in southwestern Ohio, all of whom, except Interruptible Transportation customers, will be affected by this Application, and is a public utility as defined by R.C. 4905.02 and 4905.03. Duke Energy Ohio serves incorporated communities and unincorporated territory within its entire service area, which includes all or parts of Adams, Brown, Butler, Clinton, Clermont, Hamilton, Montgomery, and Warren Counties in Ohio.

In support of its Application, Duke Energy Ohio states as follows:

1. This Application is made pursuant to the Finding and Order issued by the Public Utilities Commission of Ohio (Commission) on December 21, 2005, in Case Nos. 05-732-EL-MER, 05-733-EL-AAM, and 05-974-GA-AAM. In its Finding and Order, the Commission instructed Duke Energy Ohio to purchase receivables of competitive natural gas suppliers without a discount. The Commission also approved Duke Energy Ohio's request for a gas uncollectible expense recovery rider.

2. The gas uncollectible expense rider, Rider UE-G, currently has a monthly charge of \$0.005240 per CCF which was approved in Case No. 13-318-GA-UEx in an Opinion and Order dated September 4, 2013.
3. In the Finding and Order issued by the Commission on December 17, 2003, in Case No. 03-1127-GA-UNC at page 13, and in the Finding and Order issued by the Commission on August 19, 2009, in Case No. 08-1229-GA-COI at paragraph 12, the Commission instructed the utilities to file an annual report that details the amounts recovered, deferred, and if applicable, amortized pursuant to the respective uncollectible expense riders. Duke Energy Ohio's report is submitted with this Application for Rider UE-G.
4. Attachment 1 to this Application includes both the required annual report and the calculation of the proposed, amended rate for Rider UE-G.
5. The annual report, required by the Commission, is set forth on pages two through four of Attachment 1. Page one identifies the amounts recovered, deferred and amortized pursuant to the rider. Page two shows the actual uncollectible tracker balance through March 31, 2014. Page three shows the projected bad debt expense for the twelve month period ending March 31, 2015. Page four shows the projected volumes for the twelve month period ending March 31, 2015.
6. Attachment 1 also details the calculation of the proposed, amended uncollectible rider rate, at page one. This proposed rider rate is calculated to be \$0.009802 per CCF, which is an increase of \$0.004562 per CCF from the amount authorized in Case No. 13-318-GA-UEx.

7. This resulting rate of \$0.009802 per CCF for all Duke Energy Ohio customers subject to Rider UE-G is just and reasonable and should be approved. Copies of the proposed and scored tariff sheets are included as Attachment 2 to this Application.

WHEREFORE, Duke Energy Ohio respectfully requests that the Commission approve the new uncollectible expense rider rate for Rider UE-G as proposed in this Application.

Respectfully submitted,

Duke Energy Ohio, Inc.



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Line	Description	Source	Amount	Projected Volume (CCF)	Unit Rate (\$/CCF)
				Page 4	
1	Actual Uncollectible Tracker Balance through March 31, 2014 (a)	Page 2	\$1,117,871		
2	Projected Bad Debt Write-offs April 1, 2014 - March 31, 2015	Page 3	<u>\$4,284,204</u>		
3	Unrecovered Uncollectible Expenses through March 31, 2015	Line 1 + Line 2	<u>\$5,402,075</u>	551,127,221	\$0.009802
4	Current Uncollectible Rider Rate	See Note (b)			\$0.005240
5	Increase/(Decrease) in Total Uncollectible Expense Rate	Line 3 - Line 4			<u>\$0.004562</u>
6	Percentage Difference in Recovery of Uncollectible Expenses				87%

(a) Actual uncollectible expense less amounts recovered in base rates and Rider UE-G plus carrying charges
 (b) Rate approved in Case No. 13-318-GA-UEx; effective September 4, 2013

Line	Source	2013 Actual										2014 Actual			Total
		April	May	June	July	August	September	October	November	December	January	February	March		
1	Unrecovered Balance - Beginning of Month	Ending Balance Prior Month	\$442,341	\$831,982	\$1,317,108	\$1,547,491	\$1,897,407	\$2,247,438	\$2,496,794	\$2,586,766	\$2,665,173	\$2,458,499	\$2,074,655	\$1,471,349	
2	Bad Debts Written Off - Net of Customer Recoveries	Gross/Net Write Off Report	\$566,351	\$551,400	\$270,689	\$383,707	\$379,519	\$280,933	\$162,651	\$286,368	\$224,876	\$199,860	\$33,814	\$135,910	\$3,476,078
3	Recovery - Base Rates	See Note (a)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4	Recovery - Uncollectible Rider	See Note (b)	(\$177,820)	(\$68,117)	(\$42,600)	(\$36,495)	(\$32,704)	(\$35,535)	(\$76,638)	(\$211,798)	(\$435,617)	(\$587,303)	(\$639,935)	(\$491,443)	(\$2,836,004)
5	Recovery - Other Adjustments	See Note (c)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
6	Incremental Bad Debt	Lines (2)+(3)+(4)+(5)	\$388,531	\$483,283	\$228,090	\$347,213	\$346,815	\$245,398	\$86,013	\$74,570	(\$210,741)	(\$387,443)	(\$606,122)	(\$355,533)	
7	Balance Sub-Total	Line (1) + Line (6)	\$830,873	\$1,315,265	\$1,545,198	\$1,894,703	\$2,244,222	\$2,492,836	\$2,582,807	\$2,661,337	\$2,454,432	\$2,071,057	\$1,468,534	\$1,115,815	
8	Carrying Charges	Lines [(1)+(7)/(2)] * (Line 10)	\$1,109	\$1,843	\$2,293	\$2,704	\$3,216	\$3,958	\$3,960	\$3,836	\$4,068	\$3,599	\$2,815	\$2,056	\$35,456
9	Unrecovered Balance - End of Month	Line (7) + Line (8)	\$831,982	\$1,317,108	\$1,547,491	\$1,897,407	\$2,247,438	\$2,496,794	\$2,586,766	\$2,665,173	\$2,458,499	\$2,074,655	\$1,471,349	\$1,117,871	
10	Monthly Carrying Charge rate	See Note (d)	0.17420%	0.17170%	0.16020%	0.15710%	0.15530%	0.16700%	0.15590%	0.14620%	0.15890%	0.15890%	0.15890%	0.15890%	

(a) Uncollectible expense was removed from base rates effective December 1, 2009 per Order in Case No. 09-773-GA-UEx

(b) Rate approved in Case No. 13-318-GA-UEx; effective September 4, 2013

(c) Not applicable at this time

(d) Source: Treasury

Rates for January - March 2014 are the same as December 2013 due to \$0 borrowing in those months.

Per Merger Order Case No. 05-732-EL-MER, carrying charge rate should be short term debt rate authorized in last distribution rate case. Since no short term debt in authorized capital structure, used money pool rate.

Line	Source	2014 PROJECTED										2015 PROJECTED			Total
		April	May	June	July	August	September	October	November	December	Jan	Feb	Mar		
1	Unrecovered Balance - Beginning of Month	Ending Balance Prior Month	\$1,117,871	\$1,829,437	\$2,522,217	\$2,862,281	\$3,344,198	\$3,820,748	\$4,105,221	\$4,309,566	\$4,669,183	\$4,951,739	\$5,195,932	\$5,237,328	
2	Bad Debts Written Off - Net of Customer Recoveries	Projection	\$711,566	\$692,780	\$340,064	\$481,917	\$476,550	\$284,473	\$204,345	\$359,617	\$282,556	\$244,193	\$41,396	\$164,747	\$ 4,284,204
3	Recovery - Base Rates	See Note (a)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	To Page 1
4	Recovery - Uncollectible Rider	See Note (b)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5	Recovery - Other Adjustments	See Note (c)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
6	Incremental Bad Debt	Lines (2)+(3)+(4)+(5)	\$ 711,566	\$ 692,780	\$ 340,064	\$ 481,917	\$ 476,550	\$ 284,473	\$ 204,345	\$ 359,617	\$ 282,556	\$ 244,193	\$ 41,396	\$ 164,747	
7	Balance Sub-Total	Line (1) + Line (6)	\$1,829,437	\$2,522,217	\$2,862,281	\$3,344,198	\$3,820,748	\$4,105,221	\$4,309,566	\$4,669,183	\$4,951,739	\$5,195,932	\$5,237,328	\$5,402,075	
8	Carrying Charges	Lines [(1)+(7)]/(2) * (Line 10)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9	Unrecovered Balance - End of Month	Line (7) + Line (8)	\$1,829,437	\$2,522,217	\$2,862,281	\$3,344,198	\$3,820,748	\$4,105,221	\$4,309,566	\$4,669,183	\$4,951,739	\$5,195,932	\$5,237,328	\$5,402,075	

(a) Uncollectible expense was removed from base rates effective December 1, 2009 per Order in Case No. 09-773-GA-UEx
 (b) Uncollectible rider is currently \$0.005240 per CCF
 (c) Not applicable at this time

Line	Description	Source	Projected 12 Months Ended March 2015												Total Thru Mar-15
			Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	
1	CCF Sales														
1	Residential (RS)	Load Forecasting	12,028,502	4,184,177	1,495,344	719,183	239,721	15,996	1,129,698	9,093,986	26,054,747	36,190,714	36,264,686	26,305,944	153,722,698
2	General Service (GS)	Load Forecasting	7,627,792	3,597,327	2,110,275	1,126,109	1,208,856	1,331,426	1,577,491	4,480,715	12,830,666	18,437,803	19,217,944	14,480,155	88,026,559
3	Total Sales Service		19,656,294	7,781,504	3,605,619	1,845,292	1,448,577	1,347,422	2,707,189	13,574,701	38,885,413	54,628,517	55,482,630	40,786,099	241,749,257
4	Residential Transportation (RFT)	Load Forecasting	14,953,488	9,439,693	6,729,177	5,774,531	5,694,595	6,319,860	7,857,056	12,136,678	19,645,002	26,141,425	26,052,732	22,227,349	162,971,586
5	Firm Transportation (FT)	Load Forecasting	12,290,367	7,482,173	6,157,962	5,957,128	5,460,662	5,788,641	7,427,951	11,795,765	19,019,263	23,222,455	23,007,874	18,477,633	146,087,874
6	Interruptible Transportation (IT)	Load Forecasting	15,565,804	14,428,164	13,729,288	14,233,620	14,305,560	13,950,419	15,918,740	16,756,921	18,159,567	19,641,400	18,317,875	17,675,834	192,683,192
7	Total Transportation Service		42,809,659	31,350,030	26,616,427	25,965,279	25,460,817	26,058,920	31,203,747	40,689,364	56,823,832	69,005,280	67,378,481	58,380,816	501,742,652
8	Other														
8	Interdepartmental	Load Forecasting	39,926	13,311	22,458	114,009	58,679	23,189	10,579	41,264	97,432	128,559	103,140	88,886	741,432
9	Street Lighting	Load Forecasting	26,542	26,542	26,542	26,542	26,542	26,542	26,542	26,542	26,542	26,542	26,542	26,542	318,504
10	Total Other		66,468	39,853	49,000	140,551	85,221	49,731	37,121	67,806	123,974	155,101	129,682	115,428	1,059,936
11	Total Throughput	Line 3 + Line 7 + Line 10	62,532,421	39,171,387	30,271,046	27,951,122	26,994,615	27,456,073	33,948,057	54,331,871	95,833,219	123,788,898	122,990,793	99,282,343	744,551,845
12	Exclude CCF Sales not eligible for Uncollectible														
12	Interruptible Transportation (IT)	Line 6	(15,565,804)	(14,428,164)	(13,729,288)	(14,233,620)	(14,305,560)	(13,950,419)	(15,918,740)	(16,756,921)	(18,159,567)	(19,641,400)	(18,317,875)	(17,675,834)	(192,683,192)
13	Interdepartmental	Line 8	(39,926)	(13,311)	(22,458)	(114,009)	(58,679)	(23,189)	(10,579)	(41,264)	(97,432)	(128,559)	(103,140)	(88,886)	(741,432)
14	Total Sales Excluded from Uncollectible		(15,605,730)	(14,441,475)	(13,751,746)	(14,347,629)	(14,364,239)	(13,973,608)	(15,929,319)	(16,798,185)	(18,256,999)	(19,769,959)	(18,421,015)	(17,764,720)	(193,424,624)
15	Total CCF Sales Recovering Uncollectible Expense	Line 11 + Line 14	46,926,691	24,729,912	16,519,300	13,603,493	12,630,376	13,482,465	18,018,738	37,533,686	77,576,220	104,018,939	104,569,778	81,517,623	551,127,221

Duke Energy Ohio
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P.U.C.O. Gas No. 18
Sheet No. 67.7
Cancels and Supersedes
Sheet No. 67.6
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RIDER UE-G
UNCOLLECTIBLE EXPENSE RIDER

APPLICABILITY

Applicable to all sales service and firm transportation customers.

DESCRIPTION

This rider enables the recovery of costs associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. The Company shall file an application with the Public Utilities Commission of Ohio if the Company determines that an adjustment of more than plus or minus ten (10) percent is needed to adjust for prior period over or under-collections.

MONTHLY CHARGE

A charge of \$0.009802 per CCF shall be applied to all gas volumes delivered to customers in the customer classes noted above.

SERVICE REGULATIONS

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.

Filed pursuant to an Order dated _____ in Case No. 14-318-GA-UEx before the Public Utilities Commission Ohio.

Issued:

Effective:

Issued by James P. Henning, President

This foregoing document was electronically filed with the Public Utilities

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4/21/2014 2:57:19 PM

in

Case No(s). 14-0318-GA-UEx, 89-8002-GA-TRF

Summary: Application to Adjust Duke Energy Ohio, Inc.'s Gas Uncollectible Expense Rider Rate electronically filed by Carys Cochern on behalf of Watts, Elizabeth H. Ms.