

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke Energy Ohio, Inc., for an Adjustment to Rider MGP Rates.)	Case No. 15-452-GA-RDR
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.)	Case No. 15-453-GA-ATA
)	

**APPLICATION OF DUKE ENERGY OHIO, INC.,
FOR AN ADJUSTMENT TO RIDER MGP RATES**

1. Duke Energy Ohio, Inc., (Duke Energy Ohio or the Company) is an Ohio corporation engaged in the business of providing natural gas service to customers in southwest Ohio and, as such, is a natural gas company as defined by R.C. 4905.03(A)(5) and a public utility as defined by R.C. 4905.02.

2. In this Application, Duke Energy Ohio seeks approval to adjust its Manufactured Gas Plant Rider (Rider MGP) to recover 2014 costs for investigation and remediation of manufactured gas plant (MGP) sites pursuant to Ohio and federal environmental laws. Rider MGP was originally approved for recovery of such cost in Case No. 12-1685-GA-AIR, *et al.*, (Gas Distribution Rate Case) on November 13, 2013. Duke Energy Ohio hereby requests such tariff approval and accounting authority as may be required for recovery.

3. The Company's Gas Distribution Rate Case was partially resolved by a stipulation that provided, in part, for the establishment of Rider MGP, and an appropriate allocation of any costs.

4. The parties agreed to litigate whether the Company would recover costs associated with the environmental remediation of the MGP sites. After an evidentiary hearing,

the Commission's Opinion and Order authorized Duke Energy Ohio to recover \$62.8 million, less \$2,331,580 for the purchased parcel, 2008 costs for West End site, and carrying costs for investigation and remediation costs incurred for the period January 1, 2008, through December 31, 2012, for the East End site, and January 1, 2009, through December 31, 2012, for the West End site.

5. The Commission explicitly authorized the Company to continue to defer the MGP costs for the East and West End sites for a ten-year period, and to file annual updates to Rider MGP as set forth in the Commission's Opinion and Order.

6. In support of this Application, Duke Energy Ohio submits the testimony of Peggy A. Laub, Todd Bachand, and Keith Bone. Duke Energy Ohio witness Peggy A. Laub will provide details supporting the calculation of the rider and rate implementation. Duke Energy Ohio witness Todd Bachand will discuss the continuing investigation and remediation at the MGP sites. Keith Bone will discuss will describe the steps that Duke Energy Ohio has taken in 2014 to comply with the Commission's mandate to actively pursue collection of remediation costs available under insurance policies.

7. This Application will not result in an increase in any rate, joint rate, toll, classification, charge, or rental. Therefore, it is not an application for an increase in rates under R.C. 4909.18 and the Commission may thus approve this Application without a hearing.

WHEREFORE, for the reasons set forth herein, Duke Energy Ohio respectfully requests Commission approval to adjust Rider MGP, as described herein.

Respectfully submitted,

A handwritten signature in blue ink that reads "Elizabeth H. Watts".

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Summary: Application of Duke Energy Ohio, Inc., for an Adjustment to Rider MGP Rates electronically filed by Dianne Kuhnell on behalf of Duke Energy Ohio, Inc. and Spiller, Amy B. and Kingery, Jeanne W. and Watts, Elizabeth H.