

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. 17-596-GA-RDR
)	
)	

In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.)	Case No. 17-597-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 public utility as defined by R.C. 4905.02 and R.C. 4905.03.

2. In this Application, Duke Energy Ohio seeks approval to adjust its Manufactured Gas Plant Rider (Rider MGP) to recover 2016 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 costs in Case No. 12-1685-GA-AIR, *et al.*, (Natural Gas Distribution Rate Case) on November 13, 2013. Therein, the Public Utilities Commission of Ohio (Commission) authorized the Company to recover the prudently incurred costs of MGP investigation and remediation.¹ Duke Energy Ohio hereby requests such tariff approval and accounting authority as may be required for recovery.

¹ *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in its Natural Gas Distribution Rates*, Case No. 12-1685-GA-AIR, *et al.*, Opinion and Order, at pg. 72 (November 13, 2013).

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 collected thereunder.

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 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, less \$2,331,580 for the purchased parcel, 2008 costs for West End site, and carrying costs.²

5. The Commission explicitly authorized the Company to continue to defer the MGP costs for the East and West End sites (collectively, the MGP sites) and to file annual updates to Rider MGP as set forth in the Commission's Opinion and Order.³

6. In support of this Application, Duke Energy Ohio submits the testimony of Sarah E. Lawler, Todd L. Bachand, and Keith Bone. Duke Energy Ohio witness Lawler provides details supporting the calculation of the rider and rate implementation. Duke Energy Ohio witness Bachand discusses the continuing investigation and remediation at the MGP sites. Witness Bone discusses the steps that Duke Energy Ohio has taken in 2016 to comply with the Commission's mandate to actively pursue collection of remediation costs as may be available under applicable insurance policies.

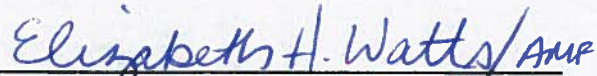
² *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in its Natural Gas Distribution Rates*, Case No. 12-1685-GA-AIR *et al.*, Opinion and Order at pg. 73 (November 13, 2013).

³ *Id.* and *In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods Associated with Its Integrity Management Program*, Case No. 16-387-GA-AAM, Opinion and Order at pg. 3 (January 4, 2017).

7. This Application will not result in an unjust or unreasonable outcome and, as such, the Commission may 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,

Handwritten signature of Elizabeth H. Watts in blue ink, with the initials "AMP" written at the end.

Amy B. Spiller (0047277) (Counsel of Record)

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Summary: Application Application of Duke Energy Ohio, Inc. for an Adjustment to Rider MGP Rates electronically filed by Mrs. Adele M. Frisch on behalf of Duke Energy Ohio, Inc. and Spiller, Amy B and Watts, Elizabeth H