



# Public Utilities Commission

Mike DeWine, Governor  
Sam Randazzo, Chairman

## Commissioners

M. Beth Trombold  
Lawrence K. Friedeman  
Dennis P. Deters  
Daniel R. Conway

August 26, 2019

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, OH 43215

PUCO

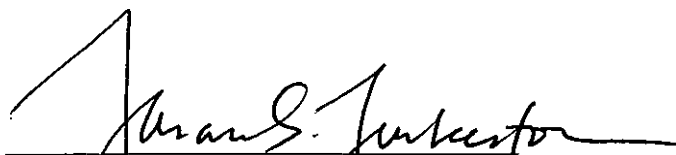
2019 AUG 26 PM 1:40

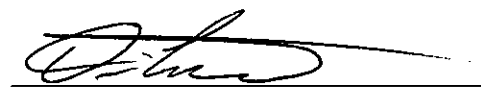
RECEIVED-DOCKETING DIV

RE: *In the Matter of the application of Duke Energy Ohio, Inc., for Approval to Adjust its Gas Uncollectible Rider Rate, Case No. 19-318-GA-UEX.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations regarding the application filed by Duke Energy Ohio, Inc., to update its Gas Uncollectible Expense Rider, in Case No. 19-318-GA-UEX.

  
Tamara S. Turkenton  
Director, Rates and Analysis Department  
Public Utilities Commission of Ohio

  
David Lipthrott  
Chief, Research and Policy Division  
Public Utilities Commission of Ohio

Enclosure  
Cc: Parties of Record

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
M Date Processed AUG 26 2019

180 East Broad Street  
Columbus, Ohio 43215-3793

(614) 466-3016  
www.PUCO.ohio.gov

An equal opportunity employer and service provider

**Duke Energy Ohio, Inc.**  
**Case No. 19-318-GA-UEx**

**SUMMARY**

In Case No. 03-1127-GA-UNC, the Commission authorized the concept of an uncollectible accounts expense recovery mechanism for five natural gas companies. The mechanism approved allows for recovery of actual bad/uncollectible debt through a rider, rather than through base rates. Subsequently, Duke Energy Ohio, Inc. (Duke or Company) was authorized in Case No. 05-974-GA-AAM to establish an uncollectible expense (UEX) recovery mechanism (initially set at zero) consistent with what was approved in Case No. 03-1127-GA-UNC. On November 18, 2009, the Commission issued its Finding and Order in Case No. 09-773-GA-UEx, which authorized an initial Uncollectible Expense (UEX) rider rate of \$0.1569 per Mcf.

Since that time, Duke has filed annual updates to adjust its rider rate and the Commission authorized such subsequent revisions. The most recent history of Duke's rider rate is as follows:

June 2014 – September 2015	\$0.09802 per Mcf
September 2015 – July 2016	\$0.04185 per Mcf
August 2016 – July 2017	\$0.07706 per Mcf
August 2017 – July 2018	\$0.07186 per Mcf
August 2018 – Current	\$0.07778 per Mcf

Duke's application filed on May 30, 2019, would modify the existing UEX rider rate of \$0.07778 per Mcf to \$0.06926 per Mcf, an adjustment of \$0.00852 per Mcf. Staff has reviewed the application and makes its findings and recommendations in this Staff Letter.

**STAFF REVIEW**

Staff performed a review of Duke's attachments to the application including its UEX rider rate and tracker balance as of April 2018 through March 2019 (Attachment 1, pages 2-3), twelve-month projected bad debt expense and UEX revenue collected as of April 2019 through March 2020 (Attachment 1, pages 3-4) and proposed tariff sheets. Staff notes that a prudence review of this UEX rate, if approved, will occur in the Company's next UEX audit in Case No. 20-318-GA-UEx.

**STAFF RECOMMENDATION**

Staff believes that Duke appropriately calculates the rider rate in its application and recommends the proposed rate of \$0.06926 per Mcf be approved.