BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Modify Rider FBS and Rider EFBS.	)))	Case No. 21-180-GA-RDR
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Modify its Tariff Regarding Rate IMBS.	)))	Case No. 21-188-GA-ATA

REPLY COMMENTS OF DUKE ENERGY OHIO, INC.

Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) filed an application in these proceedings for approval of a modification of rates and terms for Firm Balancing Service (Rider FBS), Enhanced Firm Balancing Service (Rider EFBS), and Interruptible Monthly Balancing Service (Rate IMBS). These rates are all derived, in part, on charges from Columbia Gas Transmission (TCO) and Texas Gas Transmission, which themselves vary.

TCO's demand charges increased as of February 1, 2021, based on its filing of a rate case at the Federal Energy Regulatory Commission (FERC).[1] The FERC proceeding is still underway at this time, although new rates were implemented. Thus, since the time of implementation, Duke Energy Ohio has been charged more for amounts that are ultimately the responsibility of competitive suppliers than those suppliers have been reimbursing through Riders FBS and EFBS and Rate IMBS. Duke Energy Ohio has committed that, if TCO's new rates end up at an amount less than what the Company used to calculate the rate changes proposed herein, it will immediately file another application with the Public Utilities Commission of Ohio (Commission) to reduce them to the correct level.

[1] *Columbia Gas Transmission, LLC,* Docket Nos. RP20-1060-000, RP20-1159-000 AND RP21-351-000.

The Retail Electric Suppliers Association (RESA) filed comments in these proceedings, indicating that RESA does not object to the proposed rates, subject to the Commission's requirement that Duke Energy Ohio file to reduce the rates as necessary, within 15 days after the completion of the FERC case.[2] Duke Energy Ohio does not object to doing so, although it should be noted that, since February 1, 2021, suppliers participating in the Company's transportation programs have been receiving the benefit of paying less for the TCO portion of their charges than TCO has been billing to Duke Energy Ohio.[3]

The other change proposed in these proceedings is to amend a term relating to confiscation. Currently, the TCO tariff allows TCO to confiscate gas if the storage balances are above specified inventory levels as of April 1 of each year; its proposed change would allow confiscation if storage balances are above specified inventory levels as of three additional dates during each year. Duke Energy Ohio would, therefore, amend Rider EFBS to allow the Company to confiscate gas to mirror the TCO confiscation provisions.

Once the parties to the TCO FERC proceeding filed a partial settlement in which TCO agreed to withdraw the tariff confiscation provisions it had been seeking, Duke Energy Ohio filed a letter in this docket stating that it would similarly revise its tariffs within fifteen days after a resolution of the FERC case whereby the confiscation changes are not made. Nevertheless, RESA believes that the Commission should refuse to allow the Company to change its EFBS tariff to correspond with the proposed TCO change.

RESA is apparently assuming that it is certain FERC will approve the partial stipulation and, thus, that there is no chance TCO's confiscation provisions will change as originally proposed by TCO. Duke Energy Ohio does not believe that outcome is certain. In order to avoid

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[2] RESA Comments, pp. 2,6.
[3] *Id.*, p. 4.

the risk of harm to Duke Energy Ohio and/or its GCR customers, the Commission should approve the changes requested by the Company. If, when the FERC proceeding becomes final, TCO's confiscation provisions have not been altered, it will be a simple matter for the Commission to approve a reversion of the Rider EFBS language to what currently is in place.

It is also important to note that this approach would not risk any harm to the suppliers because the changed language includes the phrase "to the extent that such excess causes TCO to confiscate the Company's gas." If TCO's tariffs, after the conclusion of the FERC proceeding, do not include the amended confiscation provisions, then TCO would not be permitted to confiscate the Company's gas per their initial proposal.

The Commission should approve Duke Energy Ohio's application, as filed.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

<u>/s/ Jeanne W. Kingery</u>

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CERTIFICATE OF SERVICE

I certify that a copy of these Reply Comments was served on the persons stated below, via electronic transmission, this 2nd day of August, 2021.

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