



Public Utilities Commission

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December 21, 2021

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

RE: *In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Modify Rider FBS, Rider EFBS and its Tariff Regarding Rate IMBS, Case Nos. 21-1155-GA-RDR and 21-1156-GA-ATA.*

Dear Docketing:

Enclosed please find the Staff's Review and Recommendation in regard to Duke Energy Ohio, Inc.'s application in Case Nos. 21-1155-GA-RDR and 21-1156-GA-ATA for approval to modify Rider FBS, Rider EFBS and its Tariff regarding Rate IMBS.

David Lipthrott
Chief, Accounting and Finance Division
Public Utilities Commission of Ohio

Adam Burns
Accounting and Finance Division
Public Utilities Commission of Ohio

Duke Energy Ohio, Inc.
Case Nos. 21-1155-GA-RDR and 21-1156-GA-ATA

SUMMARY

On November 19, 2021, Duke Energy Ohio, Inc. (Duke) filed an application seeking to amend its Firm Balancing Service (FBS), Enhanced Firm Balancing Service (EFBS) and Interruptible Monthly Balancing Service (IMBS) rates due to changes in the transportation and demand charges. Duke subsequently filed an amendment on the same date to include exhibits that were not included in the originally filed application. Duke filed this application in response to a Commission Order in Case No. 21-180-GA-RDR, which ordered Duke to file revised rates in the event Columbia Gas Transmission Corporation 's (TCO) rate case at the Federal Energy Reserve Commission (FERC) settled at lower rates than those implemented on February 1, 2021. On November 16, 2021, the FERC's Chief Judge in Docket Number RP20-1060-007, issued an order accepting the interim Settlement Rates for TCO ordering those rates to be implemented effective on December 1, 2021. Although, the rates were ordered to be implemented on December 1, 2021, the case at the FERC is still ongoing and not expected to be finalized until May or June 2022. As a result of the FERC Order, Duke filed the application in this case to reflect the change in TCO's rates. TCO's Settlement rates result in changes to Duke's FBS, EFBS, and IMBS rates and commodity prices as shown on Exhibit A.

The FBS would decrease from \$0.614 to \$0.575 per Mcf, as shown on the proposed tariffs, Exhibit A. The EFBS demand charge would decrease from \$11.06 to \$10.22 per Dth and the volumetric charge would increase from \$0.045 to \$0.052 per Mcf, as shown on the proposed tariffs, Exhibit A. The IMBS would decrease from \$0.1222 to \$0.1145 per Mcf. The cost of the FBS and EFBS are recovered through Duke's Gas Cost Recovery (GCR) rider and Duke provides FBS and EFBS to its transportation customers with the revenue collected credited to its GCR.

STAFF REVIEW AND RECOMMENDATION

As of the Commission's Order dated August 25, 2021 approving Duke's application in Cases 21-180-GA-RDR and 21-188-GA-ATA, Duke's rates included the FERC approved FBS, EFBS, and IMBS charges that were approved to be effective on December 1, 2021. The Company, in its application, does not include a credit to its storage customers for the higher rates charged between August 25, 2021 and the TCO settlement rates implemented on December 1, 2021. This is due to these rates not having a true up mechanism, which results in Duke receiving a credit at times when rates decrease and bearing the costs when the rates increase.

Staff finds the application filed by Duke is reasonable and recommends approval subject to the recommendation above.

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Case No(s). 21-1155-GA-RDR, 21-1156-GA-ATA

Summary: Staff Review and Recommendation in regard to Duke Energy Ohio, Inc.'s application for approval to modify Rider FBS, Rider EFBS and its tariff regarding Rate IMBS electronically filed by Zee Molter on behalf of PUCO Staff