

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. 22-387-GA-RDR

IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC. FOR
APPROVAL TO MODIFY ITS TARIFF
REGARDING RATE IMBS.

CASE NO. 22-388-GA-ATA

FINDING AND ORDER

Entered in the Journal on June 15, 2022

I. SUMMARY

{¶ 1} The Commission approves the application of Duke Energy Ohio, Inc. to adjust the rates of its firm balancing service rider, enhanced firm balancing service rider, and interruptible monthly balancing service tariffs.

II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke or the Company) is an electric light company as defined in R.C. 4905.03 and a public utility as defined in R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4909.18 provides, in part, that a public utility may file an application to establish any rate, charge, regulation, or practice. If the Commission determines that the application is not for an increase in any rate and does not appear to be unjust or unreasonable, the Commission may approve the application without the need for a hearing.

{¶ 4} On March 21, 2007, in Case No. 05-732-EL-MER, et al., the Commission approved a stipulation, which, inter alia, set the rate of Duke's firm balancing service rider (Rider FBS). *In re Cinergy Corp.*, Case No. 05-732-EL-MER, et al. (Merger Case), Entry (Mar. 21, 2007). Rider FBS is a mechanism that enables Duke to recover the estimated portion of storage costs associated with daily balancing from choice suppliers and aggregators, and the charges collected by the Company are then applied as a credit to the gas cost recovery

(GCR) mechanism. As a result of the stipulation in the Merger Case, Duke participated in a collaborative that resulted in the proposal of Duke's enhanced firm balancing service rider (Rider EFBS). In Case No. 15-50-GA-RDR, the Commission approved, with modifications, Duke's application to amend the terms under which choice suppliers and aggregators receive either firm balancing service or enhanced firm balancing service. *In re Duke Energy Ohio, Inc.*, Case No. 15-50-GA-RDR, Opinion and Order (Jan. 6, 2016), Second Entry on Rehearing (Oct. 12, 2016).

{¶ 5} On January 12, 2022, the Commission approved the current rates of Rider FBS and Rider EFBS, as well as the interruptible monthly balancing service rate (Rate IMBS). *In re Duke Energy Ohio, Inc.*, Case No. 21-1155-GA-RDR, et. al, Finding and Order (Jan. 12, 2022).

{¶ 6} On April 14, 2022, in the above-captioned proceedings, Duke filed, pursuant to R.C. 4909.18, an application to adjust Rider FBS, Rider EFBS, and Rate IMBS. In the application, Duke states that it is seeking to update the Rider FBS, Rider EFBS, and Rate IMBS due to the increase in charges for storage service and transportation in and out of storage paid by Duke to Columbia Gas Transmission (TCO), effective April 1, 2022. Duke explains that this increase is partially offset by an increase in the amount of total throughput used in the calculations, as more fully outlined Exhibit A attached to the application. Duke further explains that all other remaining inputs to the calculations were updated to reflect the current charges from TCO and Texas Gas Transmission for storage service. The proposed revised tariffs are attached to the application as Exhibit B. The proposed rate adjustments are summarized as follows:

	Current Rate	Proposed Rate	Proposed Change
Rider FBS	\$0.575 per Mcf ¹	\$0.663 per Mcf	\$0.088 per Mcf

¹ "Mcf" is an abbreviation for one thousand cubic feet.

Rider EFBS (Demand)	\$10.22 per Dth ²	\$11.48 per Dth	\$1.26 per Dth
Rider EFBS (Commodity)	\$0.052 per Mcf	\$0.060 per Mcf	\$0.008 per Mcf
Rate IMBS	\$0.1145 per Mcf	\$0.1292 per Mcf	\$0.0147 per Mcf

{¶ 7} On May 25, 2022, Staff filed its review and recommendation in response to Duke’s application. Staff states that it checked the rates in the attached exhibits with TCO and the Texas Gas Transmission tariff rates filed with the Federal Energy Reserve Commission and did not identify any issues with the application. Staff, therefore, finds that the application filed by Duke is reasonable and should be approved.

{¶ 8} The Commission has reviewed Duke’s amended application to adjust Rider FBS, Rider EFBS, and Rate IMBS, as well as Staff’s review and recommendation. As the Commission has stated in prior cases, the proposed rate adjustments are based on a change in the underlying storage costs charged to Duke by TCO, which affords the Company the ability to offer its balancing services, and, therefore, it is appropriate to pass those costs on to the suppliers and aggregators that receive the benefit of those services, or, with respect to Rate IMBS, to the interruptible transportation customers receiving those benefits. We have also recognized that the revenues from Rider FBS and Rider EFBS flow through to the GCR customers that initially fund the storage services provided to Duke by TCO. *In re Duke Energy Ohio, Inc.*, Case No. 16-06-GA-RDR, Finding and Order (Mar. 31, 2016) at 2; *In re Duke Energy Ohio, Inc.*, Case No. 15-50-GA-RDR, Finding and Order (Mar. 25, 2015) at 4; *In re Duke Energy Ohio, Inc.*, Case No. 12-1474-GA-RDR, Finding and Order (May 30, 2012) at 3; *In re Duke Energy Ohio, Inc.*, Case No. 10-241-GA-RDR, Finding and Order (July 14, 2010) at 3. We

² “Dth” is an abbreviation for dekatherm.

again find that Duke's request to adjust Rider FBS, Rider EFBS, and Rate IMBS is based on a pass through of costs. Accordingly, the Commission finds that the amended application does not constitute an increase in rates, is not unjust or unreasonable, and should be approved. Finally, consistent with R.C. 4909.18, the Commission finds that no hearing is required in these cases.

III. ORDER

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That Duke's application to adjust Rider FBS, Rider EFBS, and Rate IMBS be approved. It is, further,

{¶ 11} ORDERED, That Duke be authorized to file tariffs, in final form, consistent with this Finding and Order. Duke shall file one copy in these case dockets and one copy in its TRF docket. It is, further,

{¶ 12} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

{¶ 13} ORDERED, That a copy of this Finding and Order be served upon all interested persons and parties of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair
M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

DMH/mef

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Case No(s). 22-0387-GA-RDR, 22-0388-GA-ATA

Summary: Finding & Order approving the application of Duke Energy Ohio, Inc. to adjust the rates of its firm balancing service rider, enhanced firm balancing service rider, and interruptible monthly balancing service tariffs electronically filed by Ms. Mary E. Fischer on behalf of Public Utilities Commission of Ohio