

**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Natural Gas Rates.	)	
	)	Case No. 22-507-GA-AIR
	)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of an Alternative Form of Regulation.	)	
	)	Case No. 22-508-GA-ALT
	)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.	)	
	)	Case No. 22-509-GA-ATA
	)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.	)	
	)	Case No. 22-510-GA-AAM
	)	

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**DIRECT TESTIMONY OF**

**SARAH E. LAWLER**

**ON BEHALF OF**

**DUKE ENERGY OHIO, INC.**

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_____	Management policies, practices, and organization
_____	Operating income
_____	Rate Base
_____	Allocations
_____	Rate of return
<u>  X  </u>	Rates and tariffs
<u>  X  </u>	Other: Rate Case Drivers

July 14, 2022

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## **I. INTRODUCTION**

1   **Q.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2   A.   My name is Sarah E. Lawler and my business address is 139 East Fourth Street,  
3       Cincinnati, Ohio 45202.

4   **Q.   BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5   A.   I am employed by Duke Energy Business Services LLC (DEBS) as Vice President,  
6       Rates and Regulatory Strategy, for Duke Energy Ohio, Inc., (Duke Energy Ohio or  
7       Company) and Duke Energy Kentucky, Inc. (Duke Energy Kentucky). DEBS  
8       provides various administrative and other services to Duke Energy Ohio and other  
9       affiliated companies of Duke Energy Corporation (Duke Energy).

10  **Q.   PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND**  
11  **PROFESSIONAL EXPERIENCE.**

12  A.   I earned a Bachelor of Science in Accountancy from Miami University, Oxford,  
13       Ohio, in 1993. I am also a Certified Public Accountant. I began my career in  
14       September 1993 with Coopers & Lybrand, L.L.P., as an audit associate and  
15       progressed to a senior audit associate. In August 1997, I moved to Kendle  
16       International Inc., where I held various positions in the accounting department,  
17       ultimately being promoted to Corporate Controller. In August 2003, I began  
18       working for Cinergy Corp., the parent of Duke Energy Ohio, as External Reporting  
19       Manager, where I was responsible for the Company's Securities & Exchange  
20       Commission filings. In August 2005, I moved into the role of Manager, Budgets &  
21       Forecasts. In June 2006, following the merger between Cinergy Corp. and Duke  
22       Energy, I became Manager, Financial Forecasting. In February 2015, I was

1 promoted to Utility Strategy Director, Midwest, where I was responsible for the  
2 preparation of business plans and other internal managerial reporting for Duke  
3 Energy Ohio and Duke Energy Kentucky. In December 2017, I assumed the role of  
4 Director, Rates and Regulatory Planning where I was responsible for the  
5 preparation of financial and accounting data used in Duke Energy Ohio and Duke  
6 Energy Kentucky retail rate filings and changes in various other rate recovery  
7 mechanisms. In May 2020, I was promoted to my current role of Vice President,  
8 Rates and Regulatory Strategy where I am responsible for all state and federal  
9 regulatory rate matters involving Duke Energy Ohio and Duke Energy Kentucky.

10 **Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS VICE PRESIDENT**  
11 **OF RATES AND REGULATORY STRATEGY FOR OHIO AND**  
12 **KENTUCKY.**

13 A. As Vice President of Rates and Regulatory Strategy for Ohio and Kentucky, I am  
14 responsible for all state and federal rate matters involving Duke Energy Ohio and  
15 its subsidiary, Duke Energy Kentucky.

16 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC**  
17 **UTILITIES COMMISSION OF OHIO?**

18 A. Yes. I have previously testified in a number of cases before the Public Utilities  
19 Commission of Ohio (Commission) and other regulatory commissions.

20 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THESE**  
21 **PROCEEDINGS?**

22 A. On behalf of Duke Energy Ohio, I provide some of the background for its request  
23 to increase natural gas base revenues and the drivers for Duke Energy Ohio's

1 current revenue deficiency. I also support the reasonableness of this request, as well  
2 as the Company's proposed changes to existing riders. I support the request to  
3 continue the accounting treatment associated with the Company's previously  
4 approved deferral mechanisms. Finally, I summarize the process and methodology  
5 for preparing the case.

**II. BACKGROUND AND DRIVERS FOR REQUESTED RATE RELIEF**

6 **Q. WHEN DID THE COMMISSION APPROVE DUKE ENERGY OHIO'S**  
7 **CURRENT NATURAL GAS BASE RATES?**

8 A. The Company's current natural gas base rates were approved by the Commission's  
9 approval of a stipulation on November 13, 2013, in Case No. 12-1685-GA-AIR, *et*  
10 *al.* The test period in that proceeding was the twelve months ending December 31,  
11 2012, and the date certain for valuing rate base was March 31, 2012. The current  
12 natural gas base rates went into effect on December 2, 2013.

13 **Q. WHY IS DUKE ENERGY OHIO FILING AN NATURAL GAS BASE RATE**  
14 **CASE AT THIS TIME?**

15 A. In Case No. 19-791-GA-ALT, the Commission approved a stipulation wherein the  
16 parties agreed that the Company would file a natural gas base rate application on or  
17 before June 30, 2022.<sup>1</sup> The Company's Application in this case requests an increase  
18 in overall natural gas base revenues of approximately \$49 million, because the  
19 Company's current earned return on its investment in the natural gas delivery  
20 system is not providing fair and reasonable compensation to its investors.

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<sup>1</sup> See *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of an Alternative Form of Regulation to Establish a Capital Expenditure Program Rider Mechanism*, Case No. 19-791-GA-ALT, Opinion and Order, pg. 18-19 (April 21, 2021).

1 Further, the Company's present natural gas base rates are no longer  
2 sufficient to enable the Company to furnish adequate, efficient, safe, reliable and  
3 reasonable service while also earning a fair rate of return on investments. Duke  
4 Energy Ohio's natural gas operations are projected to earn a 5.32 percent overall  
5 return on rate base for the twelve-month test period ending December 31, 2022,  
6 which is well below the 7.73 percent return found reasonable by the Commission  
7 and approved in the Company's last natural gas base rate case and is also well below  
8 the 7.33 percent return being requested in these proceedings.

9 Duke Energy Ohio's higher revenue requirement in these proceedings is  
10 driven primarily by the Company's significant investments since its last natural gas  
11 base rate case in 2012. Since March 31, 2012, the date certain in the prior natural  
12 gas rate case, Duke Energy Ohio has invested approximately \$1.4 billion in capital  
13 additions and improvements to provide safe and reliable natural gas distribution  
14 service to its customers. These investments have driven the Company's rate base to  
15 grow by over \$1 billion since the time of that last case.

16 Due to Company's diligent focus on controlling costs and reduction in  
17 Operating and Maintenance (O&M) expense since its last natural gas base rate case,  
18 and notwithstanding inflationary pressures, the Company seeks only a modest  
19 increase of approximately one million dollars to the overall revenue requirement.

20 Duke Energy Ohio witness Amy B. Spiller provides additional testimony  
21 regarding the drivers of the Company's filing.

### **III. ADDITIONAL RELIEF BEING SOUGHT**

**Q. WHAT RATE RELIEF IS DUKE ENERGY OHIO REQUESTING IN THESE PROCEEDINGS?**

**A.** The Company is requesting approval:

- To increase natural gas base rates by \$48.8 million;
- To roll the capital expenditure program (Rider CEP) revenue requirements into base rates and reset the baseline to the amounts included in base rates, adjust the caps on the rider, and revise the rate design on Rate IT to a volumetric charge (as opposed to a per month charge). Duke Energy Ohio witness Jay P. Brown will discuss these requests in more detail in his direct testimony;
- To roll current rates under its accelerated main replacement program (Rider AMRP) into base rates and terminate the rider, which Duke Energy Ohio witness Jay P. Brown will discuss in his direct testimony;
- To amortize previously deferred costs, which Duke Energy Ohio witness Jay P. Brown will discuss in his direct testimony;
- To recover the costs of offering a fee-free payment option for residential customers who wish to pay their Duke Energy Ohio bill with a credit card, debit card, pre-paid card, or electronic check. Duke Energy Ohio witness Jacob S. Colley discusses this proposal in his testimony;
- Of miscellaneous tariff changes, which Duke Energy Ohio witness Jeff L. Kern will discuss in his direct testimony;
- Of new proposed depreciation rates, which Duke Energy Ohio witness John

1 J. Spanos will discuss in his direct testimony;

- 2 • To recover an existing natural gas distribution regulatory asset for integrity  
3 management costs based on accounting deferrals that were previously  
4 authorized by the Commission in Case No. 16-387-GA-AAM, to  
5 discontinue the deferral of those costs, and instead to include those ongoing  
6 annual costs in base rates; and
- 7 • To continue the accounting treatment associated with the Company's  
8 previously approved deferral mechanisms.

IV. **DUKE ENERGY OHIO'S PROCESS AND METHODOLOGY FOR  
PREPARATION OF ITS RATE CASE**

9 **Q. WHAT IS THE OVERALL GOAL OF THE RATEMAKING PROCESS?**

10 A. The overall goal of the ratemaking process is to give the regulated utility the  
11 opportunity to recover all of its prudently incurred operating expenses and to earn  
12 a fair return on its capital invested in the business. The Ohio Revised Code  
13 succinctly recognizes traditional ratemaking. In particular, as I understand based  
14 upon my experience, R.C. 4905.22 states that all charges for service shall be just  
15 and reasonable and not more than allowed by law or by order of the Commission.  
16 Again, based upon my experience and training, that is precisely the objective of the  
17 normal ratemaking process, and such a goal is achieved by charging rates that fairly  
18 assign the costs of service to the customers in a manner that, as practicably as  
19 possible, reflects the costs of serving those customers.



1   **Q.    HOW DOES DUKE ENERGY OHIO PREPARE A NATURAL GAS BASE**  
2       **RATE CASE?**

3    A.    The lengthy and often complicated natural gas base rate case preparation process  
4           essentially consists of three primary steps: (1) determine the annual revenue  
5           requirement; (2) develop a cost-of-service study that assigns and allocates the  
6           revenue requirement to each retail rate schedule based on the applicable cost to  
7           serve; and (3) design the retail rates and rate schedules to yield the necessary  
8           revenue requirement. In addition, the filing of a base rate case provides an  
9           opportunity to review existing tariffs to see if there are needed changes, and to  
10          propose additional regulatory mechanisms that may be appropriate in the current  
11          regulatory environment.

12   **Q.    PLEASE GIVE AN OVERVIEW OF THE REVENUE REQUIREMENT**  
13       **DETERMINATION PROCESS EMPLOYED BY DUKE ENERGY OHIO**  
14       **FOR ITS NATURAL GAS BUSINESS.**

15   A.    Duke Energy Ohio's revenue requirement process focuses on determining: (1) the  
16           current level of capital invested by the Company for the purpose of providing safe  
17           and reliable natural gas delivery service; (2) the appropriate capital structure and  
18           cost of capital needed to compensate investors for financing the investment needed  
19           to provide natural gas delivery service; and (3) the ongoing "normalized" level of  
20           annual expenses related to operating and maintaining the natural gas delivery  
21           system. Duke Energy Ohio witness Jay P. Brown supports the determination of  
22           Duke Energy Ohio's jurisdictional revenue requirement in his direct testimony.

1   **Q.    PLEASE GIVE AN OVERVIEW OF THE RETAIL COST-OF-SERVICE**  
2       **STUDY PROCESS EMPLOYED BY DUKE ENERGY OHIO FOR ITS**  
3       **NATURAL GAS BUSINESS.**

4   A.   The cost-of-service study assigns each component of the revenue requirement  
5       formula to the various retail rate classes. The components are directly assigned, or  
6       allocated, based on operational and/or accounting data, with the objective being to  
7       allocate costs to customers in a manner that reflects the costs the Company incurs  
8       to serve them. Duke Energy Ohio witness James E. Ziolkowski discusses Duke  
9       Energy Ohio's cost-of-service study and the Company's proposal to address  
10      existing subsidies and excesses among rate classes in his direct testimony.

11   **Q.    WHAT ARE THE OBJECTIVES OF THE RATE DESIGN PROCESS?**

12   A.   The primary objectives of the rate design process are to develop rates that: (1)  
13       provide the utility with the opportunity to recover its annual revenue requirement;  
14       and (2) distribute the revenue recovery among customers within each retail rate  
15       schedule in a manner that is consistent with the cost of providing those customers  
16       with natural gas delivery service. Mr. Jeff L. Kern supports Duke Energy Ohio's  
17       proposed rate design in his direct testimony.

18   **Q.    WHAT IS DUKE ENERGY OHIO'S REQUEST REGARDING THE**  
19       **ESTABLISHMENT OF A CAPITAL STRUCTURE IN THESE**  
20       **PROCEEDINGS?**

21   A.   Duke Energy Ohio is recommending using the standalone Duke Energy Ohio  
22       operating company's capital structure for setting rates. Duke Energy Ohio witness  
23       Christopher R. Bauer sponsors Duke Energy Ohio's capital structure as of the date

1 certain in this case, March 31, 2022, in his direct testimony.

2 **Q. WHY IS THE COMPANY RECOMMENDING USING DUKE ENERGY**  
3 **OHIO'S STANDALONE CAPITAL STRUCTURE FOR ESTABLISHING**  
4 **RATES IN THESE PROCEEDINGS?**

5 A. In addition to the long-standing precedent in Ohio to use the operating company's  
6 capital structure rather than the capital structure of the operating company's parent,  
7 Duke Energy Ohio believes its Duke Energy Ohio's standalone capital structure is the  
8 appropriate capital structure to use as the basis for setting Duke Energy Ohio's natural  
9 gas base rates. The use of an alternative capitalization, such as Duke Energy Ohio's  
10 consolidated capital structure, would cause the rates in these proceedings to be  
11 impacted by a number of factors unrelated to Duke Energy Ohio's natural gas delivery  
12 operations. For instance, Duke Energy's consolidated capitalization and its cost of  
13 capital reflect the practices of and events in its regulated operations in other states, as  
14 well as its non-regulated operations. Duke Energy Ohio continues to believe that, for  
15 purposes of establishing retail rates, it is appropriate to use the Duke Energy Ohio  
16 standalone capital structure rather than a capital structure influenced by affiliates that  
17 are not regulated by the Commission.

18 **Q. IS THE COMPANY MAKING ANY ADJUSTMENTS TO ITS CAPITAL**  
19 **STRUCTURE FOR RATE SETTING PURPOSES?**

20 A. Yes. As described in the direct testimony of Duke Energy Ohio witness Bryan T.  
21 Manges, Duke Energy Ohio's capital structure, as of March 31, 2022, has been  
22 adjusted to eliminate any remaining purchase accounting impacts associated with

1 the Duke Energy/Cinergy Corp. merger<sup>2</sup> and to eliminate the impact of formerly  
2 owning generating assets transferred to Duke Energy Ohio from Duke Energy  
3 North America.

4 **Q. AFTER ADJUSTING THE ACTUAL CAPITAL STRUCTURE TO**  
5 **ELIMINATE THE IMPACTS OF PURCHASE ACCOUNTING AND OF**  
6 **FORMERLY OWNING TRANSFERRED GENERATING ASSETS, WHAT**  
7 **IS THE CAPITALIZATION OF DUKE ENERGY OHIO FOR PURPOSES**  
8 **OF THESE PROCEEDINGS?**

9 A. Duke Energy Ohio's capital structure on March 31, 2022, as adjusted, is  
10 approximately 47.66 percent debt and 52.34 percent common equity. This is shown  
11 on Schedule D-1A.

12 It should be noted that the equity ratio underlying the Company's requested  
13 revenue requirement is well above the minimum established by the Federal Energy  
14 Regulatory Commission (FERC) and this Commission. The FERC and this  
15 Commission imposed a minimum limit on the equity ratio of 30 percent. The limit  
16 reflects the FERC orders that approved the Duke Energy/Cinergy merger<sup>3</sup> and the  
17 Commission orders that approved an accounting modification to address the impact  
18 of required accounting treatment for the purchase accounting associated with the  
19 Duke Energy/Cinergy merger from 2006.<sup>4</sup>

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<sup>2</sup> *In the Matter of the Joint Application of Cinergy Corp., on Behalf of The Cincinnati Gas & Electric Company, and Duke Energy Holding Corp. for Consent and Approval of a Change of Control of The Cincinnati Gas & Electric Company*, Case No. 05-732-EL-MER, *et al.*, Finding and Order (December 21, 2005).

<sup>3</sup> *The Cincinnati Gas and Electric Company d/b/a Duke Energy Ohio and The Union Light, Heat and Power Company, d/b/a Duke Energy Kentucky*, FERC Order, EL06-66-000.

<sup>4</sup> *In the Matter of Duke Energy Ohio's Application for Change in Accounting Methods*, Case No. 09-620-GE-AAM and *In the Matter of Duke Energy Ohio, Inc.'s Application to Change Accounting Methods*, Case No. 11-5985-GE-AAM.

**V.        UPDATES TO RIDER MECHANISMS**

1    **Q.     PLEASE EXPLAIN THE CHANGES NECESSARY TO THE COMPANY’S**  
2        **RIDER CEP.**

3    A.     The Company is proposing to reset the baseline used to calculate the rider revenue  
4           requirements in Rider CEP and to reset the caps on the rider. In his direct testimony,  
5           Mr. Brown explains these proposals in detail.

6    **Q.     PLEASE EXPLAIN THE CHANGES NECESSARY TO THE COMPANY’S**  
7        **RIDER AMRP.**

8    A.     Upon implementation of new base rates in these proceedings, Rider AMRP will be  
9           reset to zero and the rider will be terminated.

10   **Q.     PLEASE EXPLAIN THE CHANGES NECESSARY TO THE COMPANY’S**  
11        **GAS TAX CUTS AND JOBS ACT RIDER (RIDER GTCJA).**

12   A.     There will be no changes to Rider GTCJA. It will continue to credit customers for  
13           the amortization of excess deferred income taxes (EDIT). Although the Company  
14           has included EDIT as an offset to rate base in these proceedings, the amortization  
15           of those EDITs will continue in Rider GTCJA and has not been reflected in base  
16           rates in these proceedings.

17   **Q.     PLEASE EXPLAIN THE CHANGES THE COMPANY IS PROPOSING TO**  
18        **ITS UNCOLLECTIBLE RIDER.**

19   A.     As outlined in Mr. Colley’s testimony, the Company is proposing to recover,  
20           through its existing uncollectible rider, the costs of offering a fee-free payment  
21           option for residential customers who wish to pay their Duke Energy Ohio bill with  
22           a credit card, debit card, pre-paid card or electronic check. The Company would

1 include these costs in its next uncollectible rider filing.

2 **VI. PREVIOUSLY APPROVED ACCOUNTING DEFERRALS**

3 **Q. WILL YOU SUMMARIZE THE ACCOUNTING DEFERRALS FOR**  
4 **WHICH DUKE ENERGY OHIO IS SEEKING BASE RATE RECOVERY**  
5 **IN THIS CASE?**

6 A. Yes. The Company has established as a regulatory asset, an accounting deferral for  
7 integrity management costs as approved by the Commission in Case No. 16-387-  
8 GA-AAM,<sup>5</sup> as well as an accounting deferral for infrastructure and information  
9 technology costs approved by the Commission in Case No. 19-791-GA-ALT,<sup>6</sup>  
10 pending approval in Case No. 21-618-GA-RDR, and the costs deferred through the  
11 first three months of 2022. The Company has established as a regulatory asset, an  
12 accounting deferral for its Smartgrid and Rider AMRP costs, as previously  
13 approved by the Commission in Case Nos. 07-589-GA-AIR and 01-1228-GA-AIR,  
14 respectively.<sup>7</sup> The Company has established as a regulatory asset, an accounting  
15 deferral for smart grid investments, pursuant to the stipulation approved by the  
16 Commission in Case No. 19-664-GA-RDR.<sup>8</sup> In addition, the Company has also  
17 established deferral accounts for the decommissioning of its propane facilities and  
its customer information system. Mr. Brown discusses these regulatory assets and

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<sup>5</sup> See generally, *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 (January 4, 2017).

<sup>6</sup> See generally *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of an Alternative Form of Regulation to Establish a Capital Expenditure Program Rider Mechanism*, Case No. 19-791-GA-ALT, Opinion and Order, pg. 18-19 (April 21, 2021).

<sup>7</sup> See *In re Duke Energy Ohio, Inc.*, Case No. 07-589-GA-AIR, *et al.*, Opinion and Order (May 28, 2008) (approving stipulation that included deployment plan for smart grid system).

<sup>8</sup> See generally *In the Matter of the Application of Duke Energy Ohio, Inc. to Adjust Rider AU for 2018 Grid Modernization Costs*, Case No. 19-664-GA-RDR, Finding and Order (February 10, 2021).

1 the requested recovery in more detail in his direct testimony. The Company is  
2 requesting authority to recover these costs in base rates in these proceedings. Duke  
3 Energy Ohio is also seeking deferral of its rate case expenses associated with this  
4 case, as well as authority to include amortization of this expense in base rates.

5 **Q. HOW IS THE COMPANY RECOMMENDING THESE DEFERRALS BE**  
6 **RECOVERED IN THIS RATE CASE?**

7 A. Traditional ratemaking involves amortizing the balance of a regulatory asset over a  
8 period of time that is fair and reasonable to the customer and the shareholder. In  
9 this case, Duke Energy Ohio is recommending an amortization of these regulatory  
10 assets over various appropriate amortization periods as explained in Mr. Brown's  
11 direct testimony.

12 **Q. IS THE COMPANY REQUESTING ANY OTHER AUTHORITY AS IT**  
13 **RELATES TO ACCOUNTING TREATMENT OF DEFERRALS?**

14 A. Although approved in previous proceedings, the Company is requesting continued  
15 authority of all appropriate accounting treatment associated with the Company's  
16 existing deferral mechanisms and any accounting treatment necessary to continue  
17 certain riders and implement new riders.

**VII. REASONABLENESS OF REQUEST**

1   **Q.    WOULD YOU SUMMARIZE THE MAGNITUDE OF THE INCREASES**  
2           **CUSTOMERS ARE LIKELY TO SEE IF THE COMMISSION APPROVES**  
3           **THE COMPANY’S REQUESTS IN THIS APPLICATION?**

4    A.    Yes. As shown in Schedule E-5, sponsored by Mr. Kern, most customers will see  
5           only modest increases in their utility bills as result of this case. Although the  
6           increase being requested results in a 9.8% increase in natural gas distribution  
7           revenues as shown in Schedule E-4, it only represents a 5.6% increase in total  
8           natural gas revenues as shown on Attachment JLK-1 to Mr. Kern’s testimony.

**VIII. CONCLUSION**

9   **Q.    HAVE YOU REVIEWED DUKE ENERGY OHIO’S APPLICATION IN**  
10           **THESE PROCEEDINGS?**

11   A.    Yes. I have also reviewed the testimony and exhibits of all Company witnesses. I  
12           believe that the Company’s total natural gas revenue requirement is properly  
13           computed, the costs of service are properly allocated to customer classes, and the  
14           rate design is equitable.

15   **Q.    DO YOU HAVE AN OPINION REGARDING WHETHER DUKE ENERGY**  
16           **OHIO’S RATE REQUEST IS REASONABLE?**

17   A.    Yes.

18   **Q.    PLEASE STATE YOUR OPINION.**

19   A.    Duke Energy Ohio’s rate request is fair and reasonable. The date certain in Duke  
20           Energy Ohio’s last rate case was March 31, 2012, and the date certain for this case  
21           is March 31, 2022. Despite ten years of inflationary pressures, Duke Energy Ohio



1 is requesting an overall increase in rates that will result in only a 5.6 percent  
2 increase in total natural gas rates. Through aggressive cost management practices,  
3 the Company has been able to make significant investments in its natural gas  
4 delivery system to provide customers with safe reliable service and hold its increase  
5 requested to a reasonable level.

6 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

7 A. Yes.

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Summary: Testimony Direct Testimony of Sarah E. Lawler on Behalf of Duke Energy Ohio, Inc. electronically filed by Mrs. Tammy M. Meyer on behalf of Duke Energy Ohio Inc. and D'Ascenzo, Rocco and Kingery, Jeanne W. and Akhbari, Elyse Hanson and Vaysman, Larisa and Elizabeth M. Brama