

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)	
Duke Energy Ohio, Inc. to Adjust Rider)	Case No. 18-0837-GA-RDR
AU for 2017 Grid Modernization costs)	

COMMENTS OF DUKE ENERGY OHIO, INC.

I. Introduction

Duke Energy Ohio, Inc. (Duke Energy Ohio), submitted an application in this proceeding on June 29, 2018. The application seeks approval for the Company to update its advanced utility rider (Rider AU) to recover costs associated with investment in grid modernization associated with gas service. On October 4, 2018, the Staff of the Public Utilities Commission of Ohio (Staff) submitted its Staff Review and Recommendation (Staff Report). Staff states therein that it performed an audit and examined the as-filed schedules for consistency with the Commission's Opinion and Order in previous grid modernization cases and to ensure proper accounting treatment was applied by the Company.¹ Staff states that it has completed its review of the filing and finds that the Company has appropriately included in its Rider AU only those costs that are incurred as a result of serving its retail customers in Ohio and recommends that the Application be approved and rates become effective on a bills rendered basis.²

On October 26, 2018, The Office of the Ohio Consumers' Counsel (OCC) submitted comments.³ The OCC's comments consist of worn out arguments that are continuously recycled by OCC and comments which are not helpful in respect of this proceeding. In particular, OCC argues that the Company should be required to file a natural gas distribution rate case to

¹ Staff Review and Recommendation (October 4, 2018).

² *Id.*

³ Comments by The Office of the Ohio Consumers' Counsel, (October 26, 2018).

eliminate Rider AU. While the Staff has performed an audit, the OCC has apparently not done any audit. OCC submitted discovery requests seeking answers to four limited questions. OCC asked if any employees that are part of base rates charged their time to Grid Modernization. The response was no, since no labor was included in O&M in Rider AU. OCC then asked the Company to provide the amount collected by the Company for Rider AU by month for 2016 and 2017. OCC expresses concern for customers related to collection of costs for Grid Modernization that match comments already submitted in relation to electric grid modernization charges. These arguments will be addressed in those other proceedings.⁴ If the Commission were to agree with OCC with respect to electric grid modernization, since the deployment for gas is integrally related, the gas grid modernization charges would likely receive the same regulatory treatment.

For all of these reasons, OCC's arguments are of no value in this proceeding. The Commission should approve the Company's application as filed.

Respectfully submitted,

Duke Energy Ohio, Inc.

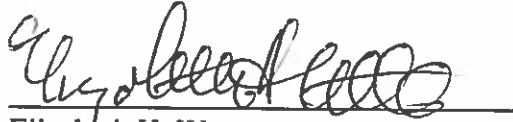


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⁴ See for example, arguments of OCC in *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates*, Case No.17-32-EL-AIR, *et al.*, Initial Post Hearing Brief by the Office of the Ohio Consumers' Counsel, (September 9, 2018) at pg.54.

CERTIFICATE OF SERVICE

I hereby certify that a copy of these Comments was served on the persons stated below
via electronic transmission, this 9th day of November, 2018.



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