

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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| In the Matter of the Commission's |) | |
| Review of Ohio Administrative Code, |) | Case No. 15-53-GE-ORD |
| Chapters 4901:5-1; 4901:5-3, 4901:5- |) | |
| 5, and 4901:5-7. |) | |

COMMENTS OF DUKE ENERGY OHIO, INC.

I. Introduction

On January 13, 2015, the Public Utilities Commission of Ohio (Commission) opened this docket to review rules contained in the Ohio Administrative Code that prescribe what is required by the Commission for Integrated Resource Planning (IRP) annual filings. On November 18, 2015, the Commission promulgated rules proposed by the Staff of the Commission (Staff) that are intended to improve clarity or update cross-references. Pursuant to the Commission's request in an Entry dated November 18, 2015, the following comments are submitted by Duke Energy Ohio, Inc., (Duke Energy Ohio).

II. Discussion

A. Requirements in Revised Code Chapter 4935

Revised Code 4928.143(B)(2)(c) permits an electric distribution utility (EDU) to propose an electric security plan that provides for a nonbypassable surcharge for an electric generating facility that is owned or operated by the EDU, and among other things, is determined to be "needed" by the Commission based on resource planning projections. When an EDU seeks to propose such a plan, an EDU would necessarily be required to submit all of the schedules that

are pertinent to the Commission in establishing the “need” referenced in the rule. Accordingly, the existing requirements in the Chapter 4901:5-01, et seq. of the Code are necessary and relevant.

However, existing changes to sections of the Ohio Revised Code (R.C.) seem to have lagged behind changes to the code in other respects. Accordingly, compliance with the requirements contained in R.C. Chapter 4935 should be as flexible as possible to accommodate the new reality that most of Ohio’s electric utilities no longer own generation assets. The code sections have been amended at least as recently as 2012, but still neglect to recognize this new reality. According, Duke Energy Ohio urges the Commission to recognize that Ohio EDUs no longer have any obligation to develop or plan generation resources for supplying retail load. Instead, the EDUs have proposed auctions to acquire full requirements services for its customers. The Commission oversees these auctions and approves the resulting outcomes. Likewise, transmission services are competitive and regulated by the Federal Energy Regulatory Commission (FERC) and managed by PJM, Interconnection, Inc.(PJM). Consequently, requiring EDUs to submit all of the schedules that were required during a time of fully integrated utility service is illogical and burdensome when no new generation is being proposed. For these reasons, Duke Energy Ohio submits that the Commission should permit flexibility in the rules so that an EDU may file the appropriate material relevant to its current planning.

Addressing the rules more specifically, the following rules should be amended: Rule 4901:5-5-03, O.A.C. should be eliminated entirely with a proviso that it may be used when an EDU is proposing new generation pursuant to R.C.4928.143(B)(2)(c).

Select portions of 4901:5-5-04, O.A.C.. should be revised as needed to allow the Commission to oversee safety and reliability concerns, however, much can be eliminated as transmission is otherwise regulated and managed by FERC and PJM.

All of Rule 4901:5-5-06, O.A.C. should be conditioned upon applications needed when an EDU is proposing new generation. When no such new generation resources are planned, an EDU simply procures standard service offer through a full requirements auction as approved in its most recent electric security plan. Thus, no resource planning occurs and no information need be provided.

III. Conclusion

For the reasons set forth above, Duke Energy Ohio respectfully requests that the Commission revise the proposed rules as requested.

Respectfully submitted,

Handwritten signature of Elizabeth H. Watts in blue ink.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments of Duke Energy Ohio, Inc. was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on this 1st day of February, 2016. The Commission's electronic filing system will electronically serve notice of the filing of this document on counsel for all parties.



Elizabeth H. Watts
Associate General Counsel

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in

Case No(s). 15-0053-GE-ORD

Summary: Comments Comments of Duke Energy Ohio, Inc. electronically filed by Dianne Kuhnell on behalf of Duke Energy Ohio, Inc. and Spiller, Amy B. and Watts, Elizabeth H.