

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC. TO ADJUST
RIDER AU FOR 2015 GRID
MODERNIZATION COSTS.

CASE No. 16-794-GA-RDR

FINDING AND ORDER

Entered in the Journal on September 22, 2016

I. SUMMARY

{¶ 1} The Commission approves the application of Duke Energy Ohio, Inc. to adjust its advanced utility rider for 2015 grid modernization costs.

II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke or Company) is a natural gas company as defined by R.C. 4905.03 and a public utility as defined by R.C. 4905.02, and, as such, is subject to the jurisdiction of the Commission pursuant to R.C. 4905.04, 4905.05, and 4905.06. Duke provides natural gas distribution service to approximately 430,000 customers in southwestern Ohio.

{¶ 3} By Opinion and Order issued May 28, 2008, in *In re Duke Energy Ohio, Inc.*, Case No. 07-589-GA-AIR, et al. (*Gas Distribution Rate Case*), the Commission approved a stipulation that, among other things, provided a process for filing deployment plans for the installation of an automated gas meter reading system, which would share the SmartGrid communications technology for the electric system, and a method for recovering costs associated with the plans, which was designated Rider Advanced Utility (Rider AU).

{¶ 4} The current Rider AU rate of \$1.30 per meter per month, with gas-only customers receiving a \$1.14 credit per meter per month, was approved in *In re Duke Energy of Ohio, Inc.*, Case No. 15-883-GE-RDR, Opinion and Order (Mar. 31, 2016).

{¶ 5} On April 18, 2016, Duke filed an application, along with supporting testimony, to adjust Rider AU for grid modernization deployment, pursuant to the processes approved in the *Gas Distribution Rate Case*. Specifically, Duke proposes to decrease its Rider AU rate to \$0.92 per meter per month, with gas-only customers receiving a \$0.53 credit per meter per month, as shown below.

Current Rate (All Customer Classes)	Proposed Rate (All Customer Classes)	Change
\$1.30	\$0.92	(\$0.38)
Current Credit (Gas-Only Customers)	Proposed Credit (Gas-Only Customers)	Change
\$1.14	\$0.53	(\$0.61)

According to Duke, the only incremental expenses included in the Rider AU revenue requirement calculations are specifically identifiable costs associated with the implementation of the SmartGrid project for gas. Duke explains that such costs include information technology costs, system support, data transfer fees, and any other costs that can be directly attributed to the SmartGrid program.

{¶ 6} By Entry dated May 12, 2016, the attorney examiner established a procedural schedule for this case. No motions to intervene or comments were filed in response to the Entry.

{¶ 7} On August 4, 2016, Staff filed its review and recommendations on Duke's proposed Rider AU adjustment. Staff states that Duke appropriately included in Rider AU only those costs that were incurred as a result of serving its retail customers in Ohio; therefore, Staff recommends that the application be approved, with the new rate effective on a bills-rendered basis beginning April 2017.

{¶ 8} The Commission has reviewed the application, as well as Staff's review and recommendations, and finds that Duke's application to adjust its Rider AU rate to \$0.92 per meter per month, with gas-only customers receiving a \$0.53 credit per meter per

month, is reasonable, is in the public interest, and should be approved. Accordingly, the Commission finds that, effective on a bills-rendered basis beginning April 2017, Duke should be authorized to include the revised Rider AU rate in its tariff, which contains the terms, conditions, and rates Duke applies to the gas service it provides to customers.

III. ORDER

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That Duke's application to adjust its Rider AU rate be approved. It is, further,

{¶ 11} ORDERED, That Duke be authorized to file tariffs, in final form, consistent with this Finding and Order, to be effective on a bills-rendered basis beginning April 2017. Duke shall file one copy in this case docket and one copy in its TRF docket. It is, further,

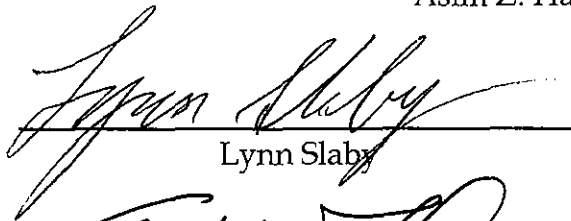
{¶ 12} ORDERED, That nothing in this Finding and Order shall be binding upon the Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 13} ORDERED, That a copy of this Finding and Order be served upon each party of record.

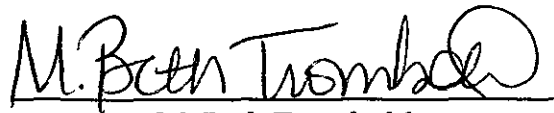
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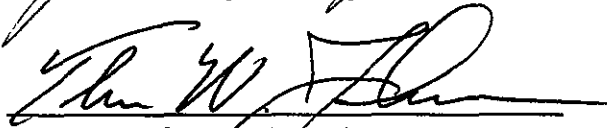
Asim Z. Haque, Chairman



Lynn Slaby



M. Beth Trombold



Thomas W. Johnson



M. Howard Petricoff

KKS/vrm

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Barcy F. McNeal
Secretary