

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke)	
Energy Ohio, Inc., for Authority to Change)	Case No. 17-2118-GA-AAM
Accounting Methods.)	

**COMMENTS
OF
OHIO PARTNERS FOR AFFORDABLE ENERGY**

Ohio Partners for Affordable Energy (“OPAE”) respectfully submits to the Public Utilities Commission of Ohio (“Commission”) these comments on this application in which Duke Energy Ohio, Inc. (“Duke”) is requesting permission to defer \$3 million plus interest for costs associated with building a retaining wall in a landslide area abutting the City of Cincinnati’s water and sewer lines and Duke’s natural gas lines. After agreeing to help the City of Cincinnati defray some of the costs of the retaining wall, Duke is now asking the Commission for permission to defer its costs associated with the wall. Duke’s customers will likely be asked to pay the charges and interest at a later date if Duke’s application for deferral is approved.

With this deferral application, Duke is attempting to establish a right to collect the deferred expenses from ratepayers. However, under Ohio law, ratepayers pay in base rates only for expenses that are ordinary and necessary for the provision of utility service in the test year established in a base rate proceeding. Revised Code (“R.C.”) Section 4909.15(A)(4); R.C. 4909.15 (C)(1); *Office of Consumers’ Counsel v. Pub. Util. Comm.*, 67 Ohio

St.2d 153, 164 (1981). The question is whether ratepayers should be asked to pay rates that include expenses that are not ordinary and necessary for the provision of utility service in the test year.

The Commission has held that deferrals do not constitute ratemaking. *Elyria Foundry Co. v. Pub. Util. Comm.*, 114 Ohio St.3d 305 (2007). In this application, the Commission should find that Duke is only requesting authority to modify its accounting procedures to reflect the deferral of the costs as well as the associated carrying charges. The Commission is not determining what, if any, of these costs may be appropriate for recovery in Duke's distribution rates. The recovery of the deferred amounts may be addressed in a base rate proceeding should Duke ever seek to recover the deferrals from ratepayers. The Commission should find that allowing the deferrals is not conclusive for ratemaking and that the Commission will consider whether the deferrals will be recovered at the time that Duke seeks cost recovery in a base rate proceeding. *Duke Energy Ohio*, Case No. 09-712-GA-AAM, Finding and Order (November 12, 2009) at 3-4 and Entry on Rehearing (January 7, 2010) at 3, 5.

Respectfully submitted,

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CERTIFICATE OF SERVICE

A copy of these Comments will be served by the Commission's Docketing Division on the persons stated below who are electronically subscribed on this 21st day of November 2017.

/s/ Colleen L. Mooney

Colleen L. Mooney

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Summary: Comments electronically filed by Colleen L Mooney on behalf of Ohio Partners for Affordable Energy