

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC. FOR
APPROVAL TO TRANSFER CERTAIN
ELECTRICAL FACILITIES

CASE NO. 17-1166-EL-ATR

FINDING AND ORDER

Entered in the Journal on December 6, 2017

I. SUMMARY

{¶ 1} The Commission approves the application of Duke Energy Ohio, Inc., for approval to transfer certain electrical facilities.

II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke) is an Ohio corporation, and public utility as defined in R.C. 4905.02, and an electric light company, as defined in R.C. 4905.03(A)(3), and is subject to the jurisdiction of this Commission.

{¶ 3} On May 3, 2017, Duke filed an application for authority to complete a transaction pursuant to which certain equipment associated with a transmission substation and related facilities (transmission facilities) will be transferred to the City of Hamilton (Hamilton). In its application, Duke explains that the transmission facilities were constructed for the sole purpose of serving one industrial customer that was later succeeded in interest by another industrial customer. Duke asserts that the transmission facilities were not used to serve any other load or customer in its service territory. Duke further explains that the industrial customer that had been served by the transmission facilities is no longer operating, which eliminates the need for those facilities. Consequently, as no customer will be impacted, Duke submits that the transaction at issue here is not subject to Commission review under R.C. 4905.20 and 4905.21.

{¶ 4} On September 27, 2017, Staff filed its review and recommendation. In its review, Staff notes that the transmission facilities are not currently used and useful in providing electric service. Staff states that, during its investigation, Duke indicated that the

transmission facilities are being retired and the retirement process would be fully processed during the third quarter of 2017 prior to the proposed transfer. Staff's review also included Duke's planned accounting entries for the proposed transfer from both financial and regulatory accounting perspectives. Staff asserts that it identified accounts where the transmission facilities were booked within Duke's fixed asset system and secured confirmation from Duke that rate recovery of the transmission facilities would cease upon the completion of the retirement process and the implementation of new base distribution rates resulting from Duke's pending rate case proceeding. Staff believes that Duke's application appears to be reasonable, and recommends its approval.

{¶ 5} R.C. 4905.20 and 4905.21 provide that public utilities may not abandon any service or facility, except with the approval of the Commission. The Commission concludes that the proposed transaction between Duke and Hamilton does not constitute abandonment of service or facilities because the transmission facilities no longer serve an existing customer. Therefore, the Commission does not believe that R.C. 4905.20 and 4905.21 are triggered by the proposed transaction. However, the Commission has the authority to review the proposed transfer pursuant to its authority under R.C. 4905.04 through 4905.06.

{¶ 6} The Commission has reviewed the application in this case and finds that the proposed transaction will not interfere with Duke's provision of adequate electric service to its customers. Accordingly, the Commission finds that the application is reasonable and should be approved.

III. ORDER

{¶ 7} It is, therefore,

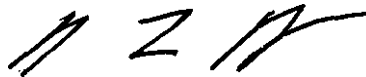
{¶ 8} ORDERED, That Duke's application for approval of the transaction between Duke and Hamilton be granted. It is, further,

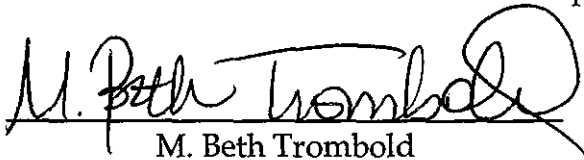
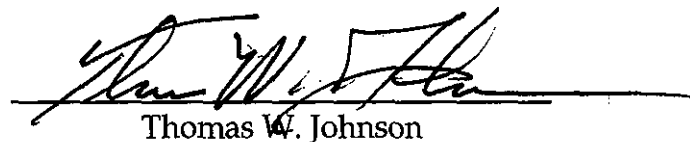
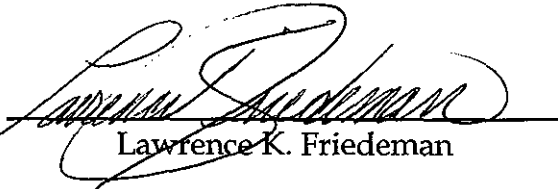
{¶ 9} ORDERED, That the proposed transaction be recorded by Duke in accordance with the Uniform System of Accounts for Electric Companies, which the Commission has prescribed for use by electric companies in Ohio. It is, further,

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

{¶ 11} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



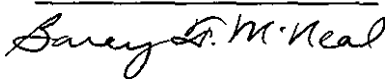
Asim Z. Haque, Chairman
M. Beth Trombold
Thomas W. Johnson
Lawrence K. Friedeman

Daniel R. Conway

NW/vrm

Entered in the Journal

DEC 06 2017


Barcy F. McNeal
Secretary