

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC., FOR
AUTHORITY TO ESTABLISH A STANDARD
SERVICE OFFER PURSUANT TO R.C.
4923.143 IN THE FORM OF AN ELECTRIC
SECURITY PLAN, ACCOUNTING
MODIFICATIONS, AND TARIFFS FOR
GENERATION SERVICE.

CASE No. 17-1263-EL-SSO

IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC., TO AMEND
ITS CERTIFIED SUPPLIER TARIFF,
P.U.C.O. No. 20.

CASE No. 17-1264-EL-ATA

IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC., FOR
AUTHORITY TO DEFER VEGETATION
MANAGEMENT COSTS.

CASE No. 17-1265-EL-AAM

ENTRY

Entered in the Journal on December 20, 2017

I. SUMMARY

{¶ 1} The Commission authorizes Duke Energy Ohio, Inc. to conduct competitive auctions to procure generation supply for standard service offer customers.

II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke or the Company) is an electric distribution utility as defined in R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.141 provides that an electric distribution utility shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer in

accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 4} In Case No. 14-841-EL-SSO, et al., the Commission modified and approved, pursuant to R.C. 4928.143, Duke's application for an ESP, including a competitive auction-based SSO format, as well as a competitive bid procurement (CBP) process for the Company's auctions, for the period beginning June 1, 2015, through May 31, 2018. The Commission additionally directed Duke to file its next SSO application by June 1, 2017. *In re Duke Energy Ohio, Inc.*, Case No. 14-841-EL-SSO, et al., Opinion and Order (Apr. 2, 2015) at 51-52.

{¶ 5} On June 1, 2017, in the above-captioned cases, Duke filed an application for an SSO in the form of an ESP.

{¶ 6} By Entry dated July 21, 2017, an evidentiary hearing in these matters was scheduled to commence on November 13, 2017. However, since that time, the evidentiary hearing has been rescheduled several times to accommodate ongoing settlement discussions. Currently, the evidentiary hearing is scheduled to begin on January 16, 2017.

{¶ 7} On December 5, 2017, and revised on December 6, 2017, Duke made a filing explaining that in its pending ESP application the Company proposed an auction schedule to procure energy for its SSO customers. As proposed in Duke's application, the auctions would have started in November 2017, but because the application has not yet been approved no auctions have taken place. In order to maintain an adequate supply of generation for its SSO customers, Duke seeks to proceed with two auctions to procure energy. Duke would follow the auction process as described in its application and the direct testimony of Robert J. Lee. According to Duke, the product to be procured in the auctions would be hourly, load-following, full requirements tranches of its entire SSO load (which now excludes percentage of income payment plan customers). Duke maintains that no party in these proceedings objects to the Company's filing.

{¶ 8} Upon review, the Commission finds that Duke should proceed with the auctions to procure energy for its SSO customers in order to ensure that the Company has sufficient time to conduct multiple auctions to procure generation supply and meet its SSO obligation on and after June 1, 2018, as well as to maintain consistency in the Company's SSO auction schedule for the benefit of all potential auction participants. Accordingly, Duke is authorized to conduct SSO auctions, as proposed in the Company's application and its December 5, 2017 filing, as revised on December 6, 2017. We note, however, that our approval of Duke's request to conduct an SSO auction should not be construed as pre-approval of the Company's application. Further, nothing in this Entry should be construed as limiting or restricting the right of any party to these proceedings to oppose Duke's application.

{¶ 9} As a final matter, the Commission notes that we reserve the right to review and modify any feature of the CBP process, as the Commission deems necessary based upon our continuing oversight of the process, including any reports on the auctions provided to the Commission by the independent auction manager, Duke, Staff, or any consultant retained by the Commission. Although Duke's application addresses specific situations in which the Commission may reject the results of an auction, we note that this provision of the CBP proposal does not circumscribe the Commission's authority to oversee the CBP process.

III. ORDER

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That Duke be authorized to conduct SSO auctions as described in its December 5, 2017 filing, as revised on December 6, 2017. It is, further,

{¶ 12} ORDERED, That a copy of this Entry be served upon all parties of record.

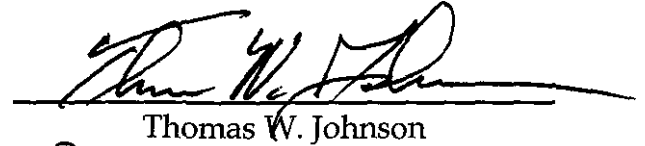
THE PUBLIC UTILITIES COMMISSION OF OHIO



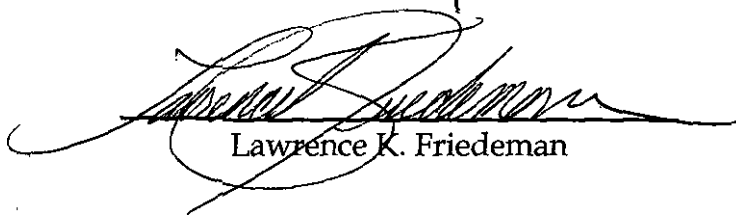
Asim Z. Haque, Chairman



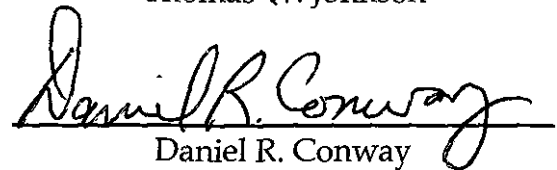
M. Beth Trombold



Thomas W. Johnson




Lawrence K. Friedeman



Daniel R. Conway

NJW/vrm

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Barcy F. McNeal
Secretary