

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.
4928.143 IN THE FORM OF AN ELECTRIC
SECURITY PLAN, ACCOUNTING
MODIFICATIONS, AND TARIFFS FOR
GENERATION SERVICE.

CASE No. 14-841-EL-SSO

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

CASE No. 14-842-EL-ATA

THIRD ENTRY ON REHEARING

Entered in the Journal on September 19, 2018

I. SUMMARY

{¶ 1} The Commission grants the applications for rehearing filed by the Ohio Manufacturers' Association, the Kroger Company, and the Ohio Consumers' Counsel for the limited purpose of further consideration of the matters specified in the applications.

II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke or the Company) is an electric distribution utility (EDU) 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 EDU 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 (MRO) in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 4} On May 29, 2014, pursuant to R.C. 4928.143, Duke filed an application for an SSO, in the form of an ESP (ESP 3).

{¶ 5} On April 2, 2015, the Commission issued its Opinion and Order approving Duke's proposed ESP, with certain modifications (ESP 3 Order). Pursuant to the ESP 3 Order, the ESP was approved for a three-year term lasting from June 1, 2015, to May 31, 2018. Further, Duke was directed to file its next SSO application by June 1, 2017. On May 1, 2015, and May 4, 2015, applications for rehearing of the ESP 3 Order were filed by numerous parties. By Entry on Rehearing dated May 28, 2015, the Commission granted rehearing for further consideration of the matters specified in the applications for rehearing. In a Second Entry on Rehearing issued March 21, 2018, the Commission granted in part and denied in part the applications for rehearing of the April 2, 2015 Opinion and Order. An Entry Nunc Pro Tunc issued March 28, 2018, clarified the Second Entry on Rehearing. A Third Entry on Rehearing was issued on May 9, 2018.

{¶ 6} On June 1, 2017, in accordance with the directives in the ESP 3 Order, Duke applied for an SSO in the form of an ESP in Case No. 17-1263-EL-SSO (ESP 4 Case). Initially, the attorney examiner scheduled the matter for hearing to begin November 13, 2017. Since that time, however, the attorney examiner granted several unopposed motions to continue the proceedings as the parties indicated there are ongoing settlement discussions. Thereafter, Duke, Staff, and several other parties filed a Stipulation that purports to resolve the issues in the ESP 4 Case, as well as other proceedings. The evidentiary hearing regarding that matter began on July 9, 2018, and concluded on July 24, 2018, with rebuttal testimony heard on August 6, 2018.

{¶ 7} On December 5, 2017, and revised on December 6, 2017, Duke made a filing in the ESP 4 Case requesting to proceed with two auctions to procure generation for its SSO customers. Duke asserted that, because its application is still pending in the ESP 4 Case, the auctions are necessary in order to maintain an adequate supply of energy for its customers. By Entry on December 20, 2017, the Commission authorized Duke to go forward with the auctions.

{¶ 8} On March 9, 2018, Duke submitted a motion to continue the riders incorporated in ESP 3, including, specifically, Duke's Distribution Capital Investment Rider (Rider DCI). As to Rider DCI, Duke requested to extend the current \$35 million cap until August 1, 2018. Memorandums in response were filed by the Ohio Energy Group (OEG), Ohio Consumers' Counsel (OCC), and, jointly, the Ohio Manufacturers' Association and the Kroger Company (OMA/Kroger). Duke filed replies to memorandums filed by OCC and OMA/Kroger.

{¶ 9} On May 11, 2018, Duke filed a motion to extend the monetary cap associated with Rider DCI. Specifically, the Company asked to maintain its present average cap of \$7 million per month indefinitely until a new SSO is approved. OCC filed a memorandum contra Duke's motion on May 15, 2018, to which Duke replied on May 21, 2018.

{¶ 10} On May 30, 2018, the Commission issued an Entry granting Duke's motion to extend ESP 3. In doing so, the Commission authorized Duke to continue the provisions, terms, and conditions of its current ESP until another SSO is authorized. Regarding Rider DCI, we found that the original \$35 million cap should be extended until August 1, 2018, as initially requested by Duke. In doing so, the Commission declined to increase the hard cap that was approved in ESP 3.

{¶ 11} Thereafter, on June 7, 2018, Duke filed an application for rehearing. On June 20, 2018, the Commission initially granted Duke's application to allow more time for further consideration. On June 29, 2018, OCC also filed an application for rehearing of the May 30, 2018 Commission Entry.

{¶ 12} In its Second Entry on Rehearing, issued July 25, 2018, the Commission denied OCC's application for rehearing and granted Duke's application for rehearing, in part. In the Entry, the Commission determined that Rider DCI could continue on an ongoing basis until another SSO is approved. The Commission also established a monthly cap for Rider DCI of \$5 million.

{¶ 13} On August 24, 2018, applications for rehearing of the Second Entry on Rehearing were filed by OCC and OMA/Kroger. Duke filed a memorandum contra the applications on September 4, 2018.

{¶ 14} The Commission finds that the applications for rehearing should be granted for the limited purpose of further consideration of the matters specified in the applications. We find that sufficient reason has been set forth to warrant further consideration of the matters raised in the applications.

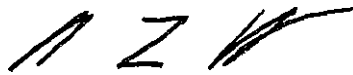
III. ORDER

{¶ 15} It is, therefore,

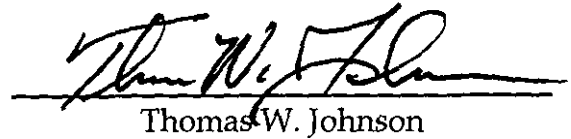
{¶ 16} ORDERED, That the applications for rehearing filed by OCC and OMA/Kroger be granted for further consideration of the matters specified in the applications. It is, further

{¶ 17} ORDERED, That a copy of this Third Entry on Rehearing 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/hac

Entered in the Journal

SEP 19 2018



Barcy F. McNeal
Secretary