

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke)
Energy Ohio, Inc., to Adjust and Set Rider) Case No. 19-0169-EL-UNC
ESRR.)

In the Matter of the Application of Duke)
Energy Ohio, Inc., for Approval of Tariff) Case No. 19-0170-EL-ATA
Amendments.)

**APPLICATION OF DUKE ENERGY OHIO, INC.,
TO ADJUST RIDER ESRR FOR RECOVERY OF
VEGETATION MANAGEMENT SERVICES**

Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) is an Ohio corporation engaged in the business of supplying electric transmission, distribution, and a standard service offer¹ to customers in southwestern Ohio, all of whom will be affected by this Application, and is a public utility as defined by R. C. 4905.02 and 4905.03. Duke Energy Ohio serves incorporated communities and unincorporated territory within its entire service area, which includes all or parts of Adams, Brown, Butler, Clinton, Clermont, Hamilton, Montgomery, and Warren Counties in Ohio.

In support of its Application, Duke Energy Ohio states as follows:

1. This Application is made pursuant to O.A.C. Chapter 4901:1-36 and the Opinion and Order of the Public Utilities Commission of Ohio (Commission), issued December 19, 2018, in Consolidated Case Nos. 17-32-EL-AIR, *et al.* (Opinion and Order).² In its Opinion and Order, the Commission approved a stipulation in which the signatory parties agreed, among other

¹ Duke Energy Ohio provides a standard generation service offer pursuant to an electric security plan, most recently approved in Consolidated Cases No. 17-1263-EL-SSO, *et al.*

² *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates* No. 17-32-EL-AIR, *et al.*, Opinion and Order (December 19, 2018).

things, that Duke Energy Ohio would implement a rider for recovery of vegetation management services (Rider ESRR).³

2. Rider ESRR is a nonbypassable rider that is designed to recover all other costs billed to Duke Energy Ohio which exceed the test year expenditure for non-affiliated contractor management services of \$10,720,877.⁴

3. The stipulation approved by the Commission in its Opinion and Order includes an agreement that the Company's vegetation management shall be changed from a four-year trim cycle to a five-year trim cycle.⁵

4. Schedules supporting the calculation of the proposed rate for Rider ESSR are provided as attachments hereto as Attachment 1. The schedules support the calculations for the various cost components that were approved for recovery through Rider ESRR.

5. Attached hereto as Attachment 2 is the new tariff sheet No. 80.1 Entitled 'Rider ESRR – Electric Service Reliability Rider'

³ *Id.*, pp. 41-45.

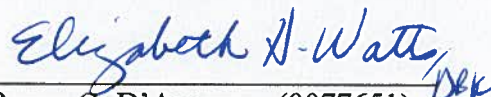
⁴ *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates* No. 17-32-EL-AIR, *et al.*, Stipulation and Recommendation (April 13, 2018).

⁵ *Id.*, pp. 14-15.

WHEREFORE, Duke Energy Ohio respectfully requests that the Commission approve this Application and the attached tariff and rates for Rider ESRR and order rates to be effective June 1, 2019.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

A handwritten signature in blue ink that reads "Elizabeth H. Watts". To the right of the signature, there is a small, stylized blue mark that appears to be "Dek".

Rocco O. D'Ascenzo (0077651)
Deputy General Counsel
Elizabeth H. Watts (0031092)
Associate General Counsel
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Duke Energy Ohio
Rider ESRR Calculation

Line	Description	2019 Proj	Comment
1	Vegetation Management Expenses Eligible for Rider ESRR ^(a)		
2	Projected Contractor Costs to be Recorded in Account 593	\$21,091,704	Projection
3	Contractor Costs Included in Account 593 for Base Rates	10,720,877	Order, ¶ 120
	Projected contractor costs in excess of base rate recovery	\$10,370,827	Line 1 - line 2
4	Annual Cost Cap for Rider ESRR	\$10,000,000	Order, ¶ 122
5	2019 Contractor costs eligible for recovery	\$10,000,000	Lesser of line 3 or line 4
6	True Up Prior (Over)/Under Recovery	\$10,000,000	From page 2, line 7
7	Total Eligible for Recovery	\$20,000,000	Line 5 + line 6
8	Commercial Activities Tax	\$52,136	{1/(1-CAT)}-1 * Line (7)}
9	Total Rider ESRR Revenue Requirement	\$20,052,136	Line 7 + line 8
10	Total Base Distribution Revenue	\$452,055,948	Stipulation Attachment D, less TS & Misc Rev
11	Rider ESRR Rate	4.44%	Line 9 ÷ line 10

Notes: ^(a) Costs being tracked for Rider ESRR are limited to Contractor Costs (Resource Code 69100) recorded in Account 593.

Duke Energy Ohio
Rider ESRR True Up Prior Periods

Line	Description	2018 Actual ^(b)	Comment
	Vegetation Management Expenses Eligible for Rider ESRR ^(a)		
1	Actual Contractor Costs Recorded in Account 593	\$23,407,080	Internal Accounting Records
2	Contractor Costs Included in Account 593 for Base Rates	10,720,877	Order, ¶ 120
3	Actual contractor costs in excess of base rate recovery	\$12,686,203	Line 1 - Line 2
4	Cap on Annual Rider ESRR Recovery	\$10,000,000	Order, ¶ 122
5	Rider ESRR Revenue Requirement for 2018	\$10,000,000	Lesser of Line 3 or Line 4
6	Rider ESRR Recovery For 2018	\$0	Internal Accounting Records
7	(Over)/Under Recovery of 2018 Rider ESRR Revenue Requirement	<u>\$10,000,000</u>	Add to (Deduct from) Current Rider ESRR, page 1

Notes: ^(a) Costs being tracked for Rider ESRR are limited to Contractor Costs recorded in Account 593.

^(b) Rider ESRR is effective with calendar year 2018 (Order at ¶ 122).

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19
Sheet No. 80.01
Cancels and Supersedes
Original Sheet No. 80
Page 1 of 1

RIDER ESRR

ELECTRIC SERVICE RELIABILITY RIDER

APPLICABILITY

Applicable to all retail jurisdictional customers in the Company's electric service areas including those customers taking generation service from a Competitive Retail Electric Service Provider. This tariff does not apply to customers taking service under Rate TS, service at transmission voltage.

DESCRIPTION

This rider recovers expenses for Duke Energy Ohio's contractor vegetation management services above amounts being recovered in base rates.

CHARGES

A charge of 4.44% shall be applied to the base distribution charges (i.e., customer charge plus base distribution charge) of all retail customers. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

This Rider is subject to reconciliation, including, but not limited to, refunds or additional charges to customers, ordered by the Commission as the result of audits by the Commission in accordance with the December 19, 2018, Opinion and Order in Case No. 17-1263-EL-SSO, et al.

Filed pursuant to an Order dated December 19, 2018 in Case No. 17-1263-EL-SSO before the Public Utilities Commission of Ohio.

Issued: _____

Effective:

Issued by Amy B. Spiller, President

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

1/29/2019 1:05:09 PM

in

Case No(s). 19-0169-EL-UNC, 19-0170-EL-ATA

Summary: Application Application of Duke Energy Ohio, Inc., to Adjust Rider ESRR for Recovery of Vegetation Management Services electronically filed by Mrs. Debbie L Gates on behalf of D'Ascenzo, Rocco O. Mr. and Duke Energy Ohio Inc. and Watts, Elizabeth H