

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY OHIO, INC., TO
ADJUST AND SET RIDER ESRR.

CASE NO. 19-169-EL-UNC

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY OHIO, INC., FOR
APPROVAL OF TARIFF AMENDMENTS.

CASE NO. 19-170-EL-ATA

FINDING AND ORDER

Entered in the Journal on May 29, 2019

I. SUMMARY

{¶ 1} The Commission approves Duke Energy Ohio, Inc.'s application to adjust and set rates for recovery of vegetation management services.

II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke) is an electric distribution utility (EDU) as defined by 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} On December 19, 2018, the Commission approved a stipulation filed by various parties, which provided for Duke to implement a rider for recovery of vegetation management services (Rider ESRR). *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates* Case Nos. 17-32-EL-AIR, *et al.*, Opinion and Order (December 19, 2018.).

{¶ 4} On January 29, 2019, Duke filed its application requesting approval to adjust the rate for Rider ESRR. In its application, Duke states Rider ESRR is a nonbypassable rider that is designed to recover all other costs billed to Duke which exceed the test year expenditure for non-affiliated contractor management services of \$10,720,877. Duke's actual 2018 costs were \$23,407,080, which exceeded the amount

established in base rates by \$12,686,203. Of this amount, only \$ 10 million is eligible for recovery under the cap. Duke projects program spending totaling \$21,091,704 in 2019, which would exceed the amount in base rates by \$10,370,827.

{¶ 5} On April 11, 2019, the attorney examiner issued an Entry setting forth a procedural schedule for these proceedings and soliciting comments from interested parties.

{¶ 6} On May 13, 2019, Staff filed its Review and Recommendation. Staff states it selected a sample of 29 circuits from the Company's three districts to physically verify that vegetation line clearance was performed as scheduled in 2018. Circuits were verified in the counties of Butler, Clermont, Hamilton, and Warren. All of the circuits audited showed evidence that vegetation line clearance work was conducted. Moderate re-growth was detected on three circuits, however, no vegetation was close to making contact with the electric conductors. Staff provided the Company with the locations of re-growth and requested that the Company visit the sites to assess whether additional trimming is needed prior to the next scheduled clearing cycle in 2023. Further, Staff identified \$930 mistakenly recorded to Rider ESRR that should have been recorded to another jurisdiction. Additionally, Staff identified an invoice totaling \$28,121 for work performed and invoiced in 2017, which is ineligible for recovery as Rider ESSR is to be effective with calendar year 2018. Staff states that due to the fact that the Company had overspent its 2018 cap by approximately \$2.7 million, Staff is not recommending a disallowance. Staff therefore finds that that Duke had appropriately calculated its Rider ESRR and recommends that the application filed on January 29, 2019 be approved. No reply comments were filed.

{¶ 7} Upon review of Duke's January 29, 2019 application and Staff's review and recommendation, the Commission finds that the proposed rates for Rider ESRR do not appear to be unjust or unreasonable and should be approved. Therefore, the Commission

finds that it is unnecessary to hold a hearing in this matter. Accordingly, we find that the application to adjust Rider ESRR should be approved.

III. ORDER

{¶ 8} It is, therefore,

{¶ 9} ORDERED, That the application filed by Duke on January 29, 2019, be approved. It is further,

{¶ 10} ORDERED, That Duke be authorized to file in final form complete copies of the tariff pages consistent with this Finding and Order and to cancel and withdraw its superseded tariff pages. Duke shall file one copy in its TRF docket and one copy in this docket. It is, further,

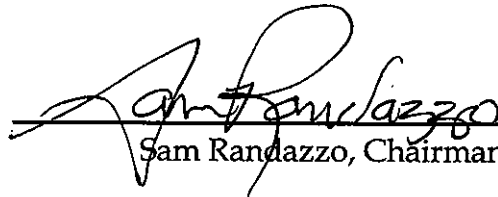
{¶ 11} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariffs are filed with the Commission. It is, further,

{¶ 12} ORDERED, That Duke shall notify all affected customers via a bill message or via a bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least 10 days prior to its distribution to customers. It is, further,

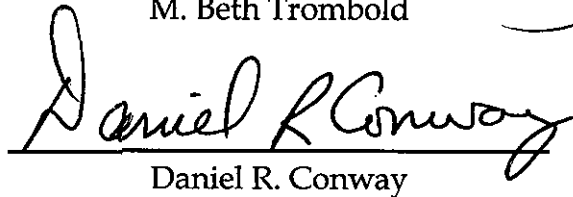
{¶ 13} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

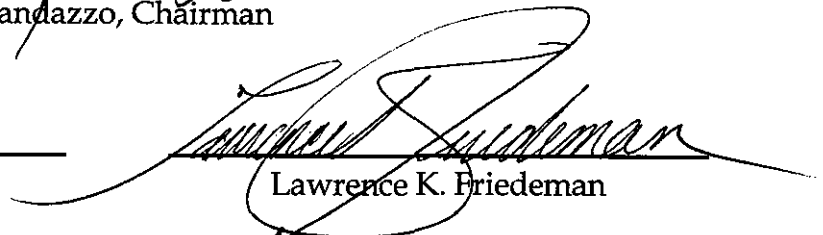
{¶ 14} ORDERED, That a copy of this Entry be served upon all parties of record.

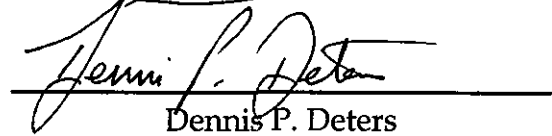
THE PUBLIC UTILITIES COMMISSION OF OHIO


Sam Randazzo, Chairman

M. Beth Trombold

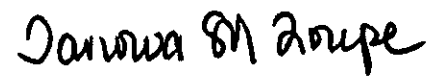

Daniel R. Conway


Lawrence K. Friedeman


Dennis P. Deters

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Tanowa M. Troupe
Secretary