

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REVIEW OF DUKE
ENERGY OHIO, INC.'S DISTRIBUTION
CAPITAL INVESTMENT RIDER.

CASE NO. 19-1287-EL-RDR

ENTRY

Entered in the Journal on July 31, 2019

I. SUMMARY

{¶ 1} The Commission selects Rehmann Consulting to conduct audit services of Duke Energy Ohio, Inc.'s distribution capital investment rider costs.

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

{¶ 4} On April 2, 2015, the Commission modified and approved an application for an ESP filed by Duke for the period June 1, 2015, through May 31, 2018. *In re Duke Energy Ohio, Inc.*, Case No. 14-841-EL-SSO, et al., Opinion and Order (Apr. 2, 2015) (*ESP 3 Case*). In the Opinion and Order, the Commission established a distribution capital investment rider (Rider DCI) to allow for the recovery of capital costs for distribution infrastructure investments. The rider is to be reviewed annually for accounting accuracy, prudence, and compliance with the Commission's Order. Further, the Commission found that a compliance audit of the Rider DCI is to be completed annually to ensure conformance with the Opinion and Order.

{¶ 5} By Entry on May 30, 2018, in the *ESP 3 Case*, the Commission granted Duke's request to extend the ESP, including Rider DCI, until a new application for an ESP was approved. In doing so, the Commission initially extended the 2018 \$35 million revenue cap collection period for Rider DCI until August 1, 2018. In a Second Entry on Rehearing issued July 25, 2018, the Commission granted Duke's application for rehearing, in part, and set a monthly \$5 million cap for Rider DCI until a new ESP was approved. Thereafter, on December 19, 2019, the Commission approved a stipulation that, among other things established a new ESP and continued Rider DCI. *In re Duke Energy Ohio, Inc.*, 17-1263-EL-SSO, et al., Opinion and Order (Dec. 19, 2019).

{¶ 6} On June 19, 2019, the Commission directed Staff to issue a request for proposal (RFP) to assist with the annual audit of Rider DCI. Prospective bidders were directed by the Commission to submit proposals to Staff by July 9, 2019. Bidders were directed to demonstrate their understanding of the project and the work required by showing a clear understanding of the tasks to be completed, the experience and qualifications of the personnel who will perform the work, and the anticipated breakdown of costs and timing.

{¶ 7} The Commission evaluated the proposals received in response to the RFP and, after consideration, the Commission selects Rehmann Consulting (Rehmann). We find that Rehmann has the necessary experience to complete the required work.

{¶ 8} Duke shall enter into a contract with Rehmann by August 16, 2019, for the purpose of providing payment for its auditing services. The contract shall incorporate the terms and conditions of the RFP, the Rehmann proposal, and relevant Commission entries.

{¶ 9} Rehmann will execute its duties pursuant to the Commission's statutory authority to investigate and acquire records, contracts, reports, and other documentation under R.C. 4903.02, 4093.03, 4905.06, 4905.15, and 4905.16. Rehmann is subject to the Commission's statutory duty under R.C. 4901.16, which provides:

Except in his report to the public utilities commission or when called on to testify in any court or proceeding of the public utilities commission, no employee or agent referred to in section 4905.13 of the Revised Code shall divulge any information acquired by him in respect to the transaction, property, or business of any public utility, while acting or claiming to act as such employee or agent. Whoever violates this section shall be disqualified from acting as agent, or acting in any other capacity under the appointment or employment of the commission

{¶ 10} Upon request of Rehmann or Staff, Duke shall provide any and all documents or information requested. Duke may conspicuously mark such documents or information "confidential" if Duke believes the document should be deemed as such. In no event, however, shall Duke refuse or delay in providing such documents or information. Once disclosure is permitted by R.C. 4901.16, the following process applies to the release of any document or information marked as confidential. Three days prior notice of intent to disclose shall be provided to the party claiming confidentiality. Three days after such notice, Staff or Rehmann may disclose or otherwise make use of such documents or information for any lawful purpose, unless the Commission receives a request for a protective order pertaining to such documents or information within the three-day notice period. The three-day notice period will be computed according to Ohio Adm.Code 4901-1-07.

{¶ 11} Rehmann shall perform its audit and investigation as an independent contractor. Any conclusions, results, or recommendations formulated by Rehmann may be examined by any participant to this proceeding. Further, it shall be understood that the Commission and/or its Staff shall not be liable for any acts committed by Rehmann or its agents in the preparation and presentation of the report.

III. ORDER

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That Rehmann be selected to perform the consulting activities set forth above. It is, further,

{¶ 14} ORDERED, That the audit be conducted in accordance with the provisions of the RFP and the findings of this Entry. It is, further,

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

COMMISSIONERS:

Approving:

Sam Randazzo, Chairman

Lawrence K. Friedeman

Daniel R. Conway

NJW/hac

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