

THE PUBLIC UTILITIES COMMISSION OF OHIO

**IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC. FOR AN
ADJUSTMENT TO RIDER MGP RATES.**

CASE No. 14-375-GA-RDR

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

CASE No. 14-376-GA-ATA

**IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC. FOR AN
ADJUSTMENT TO RIDER MGP RATES.**

CASE No. 15-452-GA-RDR

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

CASE No. 15-453-GA-ATA

**IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC. FOR AN
ADJUSTMENT TO RIDER MGP RATES.**

CASE No. 16-542-GA-RDR

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

CASE No. 16-543-GA-ATA

**IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC. FOR AN
ADJUSTMENT TO RIDER MGP RATES.**

CASE No. 17-596-GA-RDR

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

CASE No. 17-597-GA-ATA

**IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC. FOR AN
ADJUSTMENT TO RIDER MGP RATES.**

CASE No. 18-283-GA-RDR

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

CASE No. 18-284-GA-ATA

**IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC. FOR AN
ADJUSTMENT TO RIDER MGP RATES.**

CASE No. 19-174-GA-RDR

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

CASE NO. 19-175-GA-ATA

ENTRY

Entered in the Journal on September 4, 2019

{¶ 1} Duke Energy Ohio, Inc. (Duke or the Company) is a natural gas company, as defined by R.C. 4905.03, and a public utility, as defined by R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission, pursuant to R.C. 4905.04, 4905.05, and 4905.06.

{¶ 2} On November 12, 2009, the Commission authorized Duke to defer environmental investigation and remediation costs related to two former manufactured gas plant (MGP) sites in Ohio for potential recovery of reasonable and prudent costs in a future base rate proceeding. *In re Duke Energy Ohio, Inc.*, Case No. 09-712-GA-AAM, Finding and Order (Nov. 12, 2009) at 4.

{¶ 3} On November 13, 2013, the Commission authorized the recovery of such environmental investigation and remediation costs as had been incurred by the Company between 2008 and 2012. The Commission authorized Duke to recover and continue deferring environmental investigation and remediation costs, indicating further that the Company would be able to recover those costs which were prudently incurred through Rider MGP. *In re Duke Energy Ohio, Inc.*, Case No. 12-1685-GA-AIR, et al. (*Duke Rate Case*), Opinion and Order (Nov. 13, 2013) at 70-74.¹

{¶ 4} On March 31, 2014, Duke filed an application in Case Nos. 14-375-GA-RDR and 14-376-GA-ATA, seeking approval to adjust its Rider MGP to recover costs incurred during 2013 for environmental investigation and remediation of the MGP sites pursuant to

¹ The Supreme Court of Ohio affirmed the Commission's decision authorizing Duke to recover and continue deferring environmental investigation and remediation costs associated with the MGP sites. *In re Application of Duke Energy Ohio, Inc.*, 150 Ohio St.3d 437, 2017-Ohio-5536, 82 N.E.3d 1148.

Ohio and federal environmental laws, amounting to \$8,346,698 (*2013 Rider MGP Adjustment*).

{¶ 5} On March 31, 2015, Duke filed an application in Case Nos. 15-452-GA-RDR and 15-453-GA-ATA, seeking approval to adjust its Rider MGP to recover costs incurred during 2014 for environmental investigation and remediation of the MGP sites pursuant to Ohio and federal environmental laws, amounting to \$686,031 (*2014 Rider MGP Adjustment*).

{¶ 6} On March 31, 2016, Duke filed an application in Case Nos. 16-542-GA-RDR and 16-543-GA-ATA, seeking approval to adjust its Rider MGP to recover costs incurred during 2015 for environmental investigation and remediation of the MGP sites pursuant to Ohio and federal environmental laws, amounting to \$1,061,056 (*2015 Rider MGP Adjustment*).

{¶ 7} On March 31, 2017, Duke filed an application in Case Nos. 17-596-GA-RDR and 17-597-GA-ATA, seeking approval to adjust its Rider MGP to recover costs incurred during 2016 for environmental investigation and remediation of the MGP sites pursuant to Ohio and federal environmental laws, amounting to \$1,296,160 (*2016 Rider MGP Adjustment*).

{¶ 8} On March 28, 2018, Duke filed an application in Case Nos. 18-283-GA-RDR and 18-284-GA-ATA, seeking approval to adjust its Rider MGP to recover costs incurred during 2017 for environmental investigation and remediation of the MGP sites pursuant to Ohio and federal environmental laws, amounting to \$14,652,068 (*2017 Rider MGP Adjustment*). On that same date, Duke also filed a motion to consolidate the *2013-2017 Rider MGP Adjustments*.

{¶ 9} By Entry issued on June 28, 2018, the attorney examiner granted the motion to consolidate the *2013-2017 Rider MGP Adjustments* and set a comment period.

{¶ 10} Staff, as directed by the June 28, 2018 Entry, filed its review and recommendations in relation to the *2013-2017 Rider MGP Adjustments* on September 28, 2018.

Among other recommendations, Staff ultimately proposes the following adjustments to the Company's requested recovery amounts:

Year	Company Filing	Total Staff Recommended Adjustments	Total Costs Recommended for Recovery
2013	\$ 8,346,697.00	\$ (296,777.00)	\$ 8,049,920.00
2014	\$ 686,031.00	\$ (463,679.00)	\$ 222,352.00
2015	\$ 1,061,056.00	\$ (320,508.00)	\$ 740,548.00
2016	\$ 1,296,160.00	\$ (561,999.00)	\$ 734,161.00
2017	\$ 14,652,068.00	\$ (10,224,936.00)	\$ 4,427,132.00
Total	\$ 26,042,012.00	\$ (11,867,900.00)	\$ 14,174,112.00

{¶ 11} On March 29, 2019, Duke filed an application in Case Nos. 19-174-GA-RDR and 19-175-GA-ATA, seeking approval to adjust its Rider MGP to recover costs incurred during 2018 for environmental investigation and remediation of the MGP sites pursuant to Ohio and federal environmental laws, amounting to \$19,804,031² (*2018 Rider MGP Adjustment*).

{¶ 12} On July 12, 2019, Staff filed its review and recommendations in the *2018 Rider MGP Adjustment*. Staff initially concludes that, while the Company is requesting a total of \$19,804,031 for ongoing recovery of Rider MGP expenses during 2018, it is appropriate to remove \$11,366,243 of that amount and allow a recovery amount of \$8,437,788. Staff asserts this allowable recovery amount is consistent with the directives of the Commission's orders in the *Duke Rate Case* and limits the recovery to only environmental remediation expenses incurred in the acceptable boundaries. Staff further notes that it will continue to monitor the Company's efforts regarding the collection of any insurance proceeds, as directed in the *Duke Rate Case*, ultimately recommending that Duke's continued recovery of ongoing MGP costs should be directly tied to or netted against the insurance proceeds collected by the Company.

² The amount includes \$17,022,976 for costs incurred on the East End site and \$2,781,055 for costs incurred on the West End site.

{¶ 13} Staff also notes that its recommended disallowances should be netted against the insurance proceeds, as discussed above and consistent with the directives set forth in the *Duke Rate Case*. *Duke Rate Case*, Opinion and Order (Nov. 13, 2013) at 67. Once the Commission has issued its ruling on the pending rider adjustment cases, Staff asserts it would then be appropriate to reestablish a rider rate that has been fully considered and approved for recovery.

{¶ 14} By Entry issued August 13, 2019, the attorney examiner consolidated the 2018 *Rider MGP Adjustment* with the other ten rate adjustment cases and established a procedural schedule.

{¶ 15} On August 26, 2019, Duke filed a motion requesting to amend the procedural schedule. Specifically, Duke notes that the August 13, 2019 Entry did not provide the Company with the opportunity to file supplemental testimony in response to the filed Staff reports.³ In the interests of judicial economy, fairness, and achieving due process for all interested parties, Duke requests that the procedural schedule be amended to permit the Company to file supplemental testimony in response to the Staff reports by October 4, 2019. Furthermore, Duke claims that several of its witnesses have conflicts the week of the currently scheduled evidentiary hearing and proposes that the hearing, instead, begin on November 11, 2019. Finally, the Company requests that the publication date of the legal notice be amended to accommodate the new evidentiary hearing date.

{¶ 16} No memoranda contra Duke's motion requesting to amend the procedural schedule have been filed.

{¶ 17} The attorney examiner finds that the Company's motion is reasonable and, therefore, should be granted. Accordingly, Duke is permitted to file supplemental testimony regarding the filed Staff reports by October 4, 2019. Additionally, due to

³ While Duke acknowledges it submitted comments in response to the Staff reports, the Company argues it should be given the opportunity to present additional testimony, consistent with Ohio Adm.Code 4901-1-28(E).

scheduling conflicts, the evidentiary hearing shall be rescheduled to commence on November 18, 2019, at 10:00 a.m., at the offices of the Commission, 180 East Broad Street, Hearing Room 11-A, Columbus, Ohio 43215.

{¶ 18} Furthermore, Duke should publish legal notice of the scheduled evidentiary hearing as directed in the August 13, 2019 Entry, reflecting the revised evidentiary hearing date of November 18, 2019, by September 27, 2019.

{¶ 19} Unless otherwise ordered in this Entry, the parties should continue to abide by the deadlines and directives set forth in the August 13, 2019 Entry.

{¶ 20} It is, therefore,

{¶ 21} ORDERED, That the procedural schedule established by the August 13, 2019 Entry be amended, consistent with this Entry. It is, further,

{¶ 22} ORDERED, That the required legal notice be revised, in accordance with Paragraph 17, and published by September 27, 2019. It is, further,

{¶ 23} ORDERED, That a copy of this Entry be served upon each party of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/Megan J. Addison

By: Megan J. Addison
Attorney Examiner

JRJ/hac

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

9/4/2019 2:52:49 PM

in

Case No(s). 14-0375-GA-RDR, 14-0376-GA-ATA, 15-0452-GA-RDR, 15-0453-GA-ATA, 16-0542-GA-RD

Summary: Attorney Examiner Entry amending procedural schedule and ordering that required legal notice be revised and published by September 27, 2019 electronically filed by Heather A Chilcote on behalf of Megan Addison, Attorney Examiner, Public Utilities Commission