

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC. TO ADJUST
RIDER AU FOR 2018 GRID
MODERNIZATION COSTS.

CASE NO. 19-664-GA-RDR

ENTRY

Entered in the Journal on May 13, 2020

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

{¶ 2} In Case No. 07-589-GA-AIR, et al., the Commission approved a stipulation and recommendation that, among other things, provided a process for the filing of Duke's deployment plans for the installation of an automated gas meter reading system, which would share the SmartGrid communications technology for the Company's electric system, and a method for recovering costs associated with the plans, which was designated Rider Advanced Utility (Rider AU). *In re Duke Energy Ohio, Inc.*, Case No. 07-589-GA-AIR, et al. (*Gas Distribution Rate Case*), Opinion and Order (May 28, 2008).

{¶ 3} By Opinion and Order dated July 2, 2019, the Commission approved Duke's application to adjust Rider AU for 2017 grid modernization costs. The Commission also determined that Staff, in Duke's next annual proceeding to adjust Rider AU, should thoroughly evaluate whether the Company's customers are paying charges through Rider AU for costs associated with equipment that is no longer used and useful. Staff was directed to perform, as necessary, a field audit or other physical verification of Duke's advanced metering infrastructure components for its gas operations. *In re Duke Energy Ohio, Inc.*, Case No. 18-837-GA-RDR (*2018 Rider AU Case*), Opinion and Order (July 2, 2019) at ¶ 24.

{¶ 4} On June 25, 2019, in the above-captioned case, Duke filed an application, along with supporting testimony, to adjust Rider AU for grid modernization deployment costs incurred in 2018, pursuant to the process approved in the *Gas Distribution Rate Case*.

{¶ 5} By Entry dated July 3, 2019, the attorney examiner established a procedural schedule to accomplish the review of Duke's proposed adjustments to Rider AU, with comments and reply comments due on October 25, 2019, and November 8, 2019, respectively. In the event all of the issues raised in the comments are not resolved, or if the Commission deems the application may be unjust or unreasonable, Staff and intervenor testimony is due on November 22, 2019, with Duke's supplemental testimony to be filed on November 29, 2019. Finally, the attorney examiner scheduled a hearing to occur, if necessary, on December 5, 2019.

{¶ 6} On October 25, 2019, Staff filed its review and recommendations, stating that, due to Duke's inability to provide sufficient financial information to support the locational data of its capital equipment, Staff was unable to adequately complete the audit ordered by the Commission in the *2018 Rider AU Case*. Staff recommended, among other things, that a request for proposal (RFP) be issued for the necessary audit of Duke's capital equipment.

{¶ 7} By Entry issued on November 21, 2019, the attorney examiner determined that the procedural schedule should be held in abeyance, pending the Commission's consideration of Staff's recommendations.

{¶ 8} On December 4, 2019, the Commission directed Staff to issue an RFP for audit services to review Duke's capital assets associated with Rider AU.

{¶ 9} On January 15, 2020, the Commission directed Staff to reissue the RFP for audit services due to an insufficient number of proposals submitted to the Commission. The RFP specified that the draft and final audit reports would be due on April 17, 2020, and April 29, 2020, respectively, although the RFP also noted that the timeline is subject to change by the Commission.

{¶ 10} By Entry dated February 26, 2020, the Commission selected Blue Ridge Consulting Services, Inc. (Blue Ridge) to review Duke's capital assets associated with Rider AU. Additionally, in order to ensure that Blue Ridge has sufficient time to complete its

audit, under circumstances where Duke has been unable to provide sufficient financial information to support the locational data of its capital equipment, the Commission extended the deadlines for the draft and final audit reports to May 20, 2020, and June 3, 2020, respectively.

{¶ 11} On May 12, 2020, Staff filed an unopposed motion requesting that the deadlines for the draft and final audit reports be extended to June 22, 2020, and July 6, 2020, respectively. In support of its request, Staff states that there is a large volume of discovery that must be reviewed for the audit of Duke's capital assets associated with Rider AU.

{¶ 12} The attorney examiner finds that Staff's unopposed motion for extension is reasonable and should be granted. Accordingly, the deadlines for the draft and final audit reports should be extended to June 22, 2020, and July 6, 2020, respectively.

{¶ 13} It is, therefore,

{¶ 14} ORDERED, That Staff's motion for extension be granted in accordance with Paragraph 12. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Sarah J. Parrot

By: Sarah J. Parrot
Attorney Examiner

NJW/mef

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Case No(s). 19-0664-GA-RDR

Summary: Attorney Examiner Entry granting staff's motion for an extension of the deadlines for the draft and final audit reports to June 22, 2020, and July 6, 2020, respectively. electronically filed by Ms. Mary E Fischer on behalf of Sarah J. Parrot, Attorney Examiner, Public Utilities Commission of Ohio