



Public Utilities Commission

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August 27, 2020

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

RE: *In the matter of Cleveland Thermal Steam Distribution, LLC.'s fuel adjustment rider, Case No. 19-2371-HT-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendation regarding Cleveland Thermal Steam Distribution, LLC.'s fuel adjustment rider.

Sincerely,

Marianne Townsend
Chief, Regulatory Utility Services
Rates and Analysis, Dept.
Public Utilities Commission of Ohio

Jason Well
Section Chief, Regulatory Utility Services
Rates and Analysis, Dept.
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

**Cleveland Thermal Steam Distribution
19-2371-HT-RDR**

BACKGROUND:

Cleveland Thermal Steam Distribution, LLC. (CT) is a public utility and a heating company pursuant to R.C. 4905.03(A)(8), providing steam service to consumers in Cleveland, Ohio.

In Case No. 97-522-HT-AIR, Staff recommended that the Public Utilities Commission of Ohio (Commission) require annual financial audits be conducted on CT's fuel cost rate. The audits were to verify the accurate calculation of the monthly rate according to current procedures established and approved by the Commission. Staff recommended the audit also act as an annual inspection of the current methodologies used by CT to determine the rate so that recommendations could be made for potential updates to CT's approach if conditions changed warranting modifications. Staff further recommended that CT's fuel costs be reviewed on an annual basis.

In its Opinion and Order in Case No. 97-522-HT-AIR, the Commission adopted Staff's recommendation that fuel costs should be reviewed on an annual basis.

In Case No. 11-1933-HT-AEC, the Commission ordered CT to docket monthly fuel adjustment rider cost calculations. The Commission directed Staff to open a new docket at the beginning of each year using the same case number along with the relevant year designation. CT's tariff was then amended to include this directive, which requires CT to ascertain its weighted average cost of fuel burned for central steam service for each month and to file such information monthly with the Commission. For 2019, this information was filed in Case No. 19-2371-HT-RDR.

In 2019, CT had two customers subject to the fuel charge calculation and the remaining 54 customers were subject to the purchased steam price.

STAFF'S REVIEW AND RECOMMENDATIONS:

In accordance with the Commission's Opinion and Orders adopting the Stipulations and Recommendations filed in Case Nos. 97-522-HT-AIR and 11-1933-HT-AEC, Staff reviewed CT's 2019 monthly fuel adjustment rider calculations filed in Case 19-2371-HT-RDR and conducted an audit to verify the calculations' inputs as well as the methodology used in the calculations. Staff's audit included a review of invoices and the company's general ledger. Staff also verified the calculation of the current rider rate.

During Staff's investigation, it was noted that CT has not been filing its monthly fuel adjustment rider calculations and its monthly purchased steam cost recovery differential in a timely manner. Going forward, Staff would recommend that CT to make these filings monthly as directed by CT's tariff.

Based on this review, in Staff's opinion, CT's 2019 monthly fuel adjustment rider cost calculations accurately reflect CT's weighted average cost of fuel burned for central steam service as prescribed by the Commission. Therefore, Staff recommends that no adjustments be made to CT's 2019 fuel cost rates or the methodology used.

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Case No(s). 19-2371-HT-RDR

Summary: Staff Review and Recommendation electronically filed by Dorothy Bremer on behalf of PUCO Staff