

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

CASE NO. 20-344-EL-RDR

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

CASE NO. 20-345-EL-ATA

FINDING AND ORDER

Entered in the Journal on September 23, 2020

I. SUMMARY

{¶ 1} The Commission approves Duke Energy Ohio, Inc.'s application for recovery associated with the Distribution Storm Rider, subject to modifications.

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 December 19, 2018, the Commission approved a stipulation and recommendation filed by Duke and other parties that, among other things, included an ESP for the period June 1, 2018, through May 31, 2024. *In re Duke Energy Ohio*, Case No. 17-1263-EL-SSO, et al., Opinion and Order (Dec. 19, 2018). In the Opinion and Order, the Commission continued Duke's Distribution Storm Rider (Rider DSR). In accordance with the stipulation, Rider DSR tracks annual incremental major storm expenses, as compared to the amount recovered in base rates. Duke is required to file an annual adjustment to recover

or refund the accumulated balance of the deferred storm cost deferral as of December 31, 2018.

{¶ 5} On March 30, 2020, Duke filed an application regarding 2019 storm-related restoration costs. Duke explains that Rider DSR is a nonbypassable rider that is designed to either refund or collect amounts as compared to that which is recovered in base rates. Duke states that \$4.3 million is included in base rates for Rider DSR and that the Company had \$2,741,689 in Rider DSR expenses in 2019. Thus, Duke asserts that it seeks to refund \$1,558,311, on a fixed monthly basis of \$0.10 per residential customer.

{¶ 6} Staff filed its review and recommendation on August 26, 2020, and recommends an adjustment of \$342. Staff asserts it investigated whether Duke's application was reasonable and whether the application complied with sound ratemaking principals. Staff states that, generally, Duke appropriately included all major-storm related expenses. Staff recommends that that two direct purchases be disallowed, as they were inadvertently included for recovery. After considering the \$4.4 million already recovery in base rates for storm restoration, Staff's recommended revenue requirement is a refund of \$1,558,653.

{¶ 7} Duke filed a letter on August 28, 2020, stating that it did not contest Staff's recommendations.

{¶ 8} Upon review, the Commission finds that Duke's application for recovery does not appear to be unjust or unreasonable and should be approved, subject to Staff's recommendations. Based on Duke's August 28, 2020 communication, no hearing in the matter is necessary.

III. ORDER

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That Duke's application for recovery be approved, subject to Staff's recommended modifications. It is, further,

{¶ 11} 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,

{¶ 12} 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,

{¶ 13} 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,

{¶ 14} 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,

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

COMMISSIONERS:

Approving:

Sam Randazzo, Chairman

M. Beth Trombold

Lawrence K. Friedeman

Daniel R. Conway

Dennis P. Deters

NJW/hac

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Case No(s). 20-0344-EL-RDR, 20-0345-EL-ATA

Summary: Finding & Order approving Duke Energy Ohio, Inc.'s application for recovery associated with the Distribution Storm Rider, subject to modifications electronically filed by Heather A Chilcote on behalf of Public Utilities Commission of Ohio