BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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Air	Fund	Rider	Pursuant	to	R.C.)	Case No. 20-1143-EL-UNC
3706	5.46.)	

COMMENTS OF DUKE ENERGY OHIO, INC.

As a result of the 2019 enactment of Am. Sub. H. B. 6, the Public Utilities Commission of Ohio (Commission) is required to establish a rider to collect \$170 million annually from all of the Ohio electric customers of regulated electric distribution utilities (EDUs). As a part of that process, the Commission must determine how to allocate the revenue requirements to the EDUs. This case was opened by Staff of the Commission, through the filing of Staff's recommendations for compliance with that requirement.

In its recommendations, Staff makes a number of specific suggestions, most of which Duke Energy Ohio, Inc. (Duke Energy Ohio or Company), agrees with. There are, however, two areas that Duke Energy Ohio believes should be adjusted.

First, Staff proposes the timing and methodology for annual adjustments, as follows:

Each EDU shall update its Rider CAF annually to become effective on January 1 of each year. The first update to Rider CAF will be January 1, 2022, and will include the revenue requirement allocated to each EDU, (Calculated by Staff based on kWh sales data provided by each EDU based on twelve months ending June 30, 2021), adjusted for any under or over recovery of revenues from January 1, 2021 through September 30, 2021. If it is determined throughout the year that the over or under balance is significant, the EDU shall file an interim update to its Rider CAF to include the balance.²

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¹ R.C. 3706.46.

² Comments of the Staff of the Public Utilities Commission of Ohio, p. 2 (June 9, 2020).

In other words, the annual true-up of Rider CAF, or "adjustment," as worded by Staff, would compare nine months of actual revenues (kWh sales data) with twelve months of the allocated revenue requirement. Not only are those two figures necessarily incomparable based on the time difference, but using only part of a year would ignore the seasonality of the EDUs' revenues.

Duke Energy Ohio agrees with Staff that EDUs and Staff should have the ability to adjust the Rider CAF rate mid-year, if it appears that actual sales are quite different than projected sales. However, the true-up itself, for annual rate changes, must be based on the comparison of two actual (not projected) annual numbers.

The Company's second concern relates to the provision of annual kWh sales data to Staff. The recommendation is for that data to be provided by November 1 of each year. On that date, Duke Energy Ohio will only have actual data through September 30. Thus, Staff should clarify whether the data to be provided on that schedule is for the twelve months ended on September 30.

Duke Energy Ohio appreciates the opportunity to comment on Staff's recommendations.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

/s/ Jeanne W. Kingery

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was delivered by U.S. mail (postage prepaid), personal delivery, or electronic mail, on this 17th day of July, 2020, to the following parties.

/s/ Jeanne W. Kingery Jeanne W. Kingery

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