BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc., Under the Commission's Proceedings During the Declared State of Emergency, for a Reasonable Arrangement with Customers Served Under Rates DS, DP, and TS.	))))))	Case No. 20-0856-EL-AEC
In the Matter of the Application of Duke Energy Ohio to Modify its Economic Competitiveness Fund Rider and Request for Waivers.	))))	Case No. 20-0857-EL-RDR

COMMENTS OF DUKE ENERGY OHIO, INC.

Duke Energy Ohio, Inc., (Duke Energy Ohio or the Company) has proposed, in the above-captioned docket, to provide temporary relief to certain non-residential customers that may be adversely impacted by the ongoing pandemic. Specifically, the Company has proposed a balanced and equitable reasonable arrangement that will temporarily reduce the currently approved demand ratchet in applicable non-residential rates during the summer of 2020 and will enable Duke Energy Ohio to recover the lost revenues from those classes of customers. The demand ratchet reduction would last until, but not including, the billing cycle for September 2020, at which time the Company would revert back to its currently effective and Commission-approved base distribution rates for these customer classes, which shall be in place until such time as the rates are modified by the Commission as part of an electric base rate proceeding.

On April 24, 2020, Staff of the Commission issued its review and recommendation concerning the Company's proposal. An amended version of that review was filed on April 28, 2020. According to the procedural schedule for this proceeding, comments are to be filed by May 7, 2020.

Following its review, Staff concluded that the proposal to reduce the minimum billing demand provision is reasonable and should be approved. Staff also concurred that a clear recovery mechanism for the foregone revenues is necessary under accounting requirements. Staff correctly explained that the Company's recovery proposal would use the existing Rider ECF, with a Commission waiver to allow the recovery to be applicable only to those customers taking service under the rate classes that are being provided relief from the minimum billing demand.

Duke Energy Ohio notes that Staff did not express any reservations about the proposed use of Rider ECF to recover foregone revenues from customers in the affected classes. Rather, Staff simply described what it identified as "another potential option":

> Another potential option, if administratively feasible, would be a payment plan mechanism, whereby the customers receiving relief under the reasonable arrangement as a result of the COVID-19 Emergency would ultimately repay the benefits they received at some point in the future.

If the intent is for the Company to offer the proposed demand ratchet reduction to all customers or to create some form of an opt-in or opt-out, and then track and recover the delta revenues from the individual customer, account by account, this "option" would **not** be administratively feasible. Customizing the Company's billing system to track the benefits received by each individual customer would not be possible in a short time frame; nor would it be financially prudent. And without doing the necessary tracking and calculating through the computerized billing system, this would require the manual creation of special bills, not only through the summer period when customers are receiving the benefits of the proposed arrangement but also through subsequent billing periods when the recovery is being made. The Company's system limitations and resources prevent it from being able to put in place any formal plan for billing relief to address the demand ratchet other than as proposed.

The Company is aware that the Commission recently ruled on a somewhat analogous proposal by Ohio Power Company (Ohio Power), in Case No. 20-734-EL-AEC. In that case, Staff had proposed a payment plan mechanism, whereby the customers receiving relief would repay the benefits they had received. This proposal was identical to Staff's proposal in the Company's case. The Commission rejected Ohio Power's filed proposal, but directed Ohio Power to file an optional extended payment plan mechanism that would allow a nonresidential customer subject to a minimum billing demand provision to maintain service and to pay off the arrearages over time.

Duke Energy Ohio's billing system capabilities would limit the Company's ability to implement a customized billing and extended payment plan on an individualized customer-by-customer basis. The Company respectfully requests that the Commission consider the fact that, at least in the Company's situation, no special program is necessary in order to provide nonresidential customers with the opportunity to maintain service and pay off arrearages over time under existing payment plans. Indeed, the Commission's first order, on March 12, 2020, in Case No. 20-591-AU-UNC asked utilities, in essence, not to disconnect customers. And its March 13, 2020, order in that same case ordered utilities to review and revise service reconnection policies, which policies would include plans for the payment of arrearages over time. Thus, nonresidential customers subject to a minimum billing demand provision can already opt in to the ability to keep the lights on and pay over time.

In contrast, the proposal filed by Duke Energy Ohio would offer affected entities the ability to receive lower bills through a temporary reduction in the full tariffed rate, and would socialize, to a limited extent, the recovery of those dollars. This provides immediate rate relief to the businesses in the Company’s service territory that are most seriously affected by the pandemic.

Approval of the Company’s proposed recovery methodology would allow the continued use of the current billing system, which would permit the Company to offer the proposed relief immediately, without delay, and also to avoid incurring additional labor costs. Thus, the Company respectfully submits that the Commission should approve the application filed in this case, with no modifications. If, however, the Commission does not find the Company’s proposal to be reasonable, then the Company respectfully submits that its existing extended payment plan processes are sufficient to assist customers who cannot pay their entire bill during the disconnection suspension period.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

/s/ Jeanne W. Kingery

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CERTIFICATE OF SERVICE

I certify that the Comments of Duke Energy Ohio, Inc. was served by First-Class U.S. Mail or electronic delivery upon counsel identified below for all parties of record this 7th day of May, 2020.

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