

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio, Inc., for Approval to) Case No. 17-872-EL-RDR
Modify Rider PSR.)

In the Matter of the Application of Duke)
Energy Ohio, Inc., for Approval to) Case No. 17-873-EL-ATA
Amend Rider PSR.)

In the Matter of the Application of Duke)
Energy Ohio, Inc., for Approval to) Case No. 17-874-EL-AAM
Change Accounting Methods.)

JUDAH ROSE TESTIMONY ERRATA

PUBLIC VERSION

The Direct Testimony of Judah Rose, previously filed in the above-captioned dockets, will be amended as attached hereto.

The items to be amended are:

1. Text of Testimony
2. Exhibit 25
3. Exhibit 26
4. Exhibit 40
5. Attachment III

TEXT OF TESTIMONY

[REDACTED]

Page 14, Line 1

WHAT IS YOUR CAPACITY PRICE FORECAST?

PJM purchases and OVEC can sell capacity three years forward and the price is expressed as \$/MW-day, \$/kW-month and \$/kW-year. I forecast that [REDACTED]

[REDACTED] PJM already purchased capacity through May 31, 2020, and will purchase again May 2017 for delivery in 2020-2021. One benchmark for capacity prices is the net Cost of New Entry (CONE), and another is CONE times the Balancing Ratio (typically 78 to 90% times CONE) which is the maximum safe harbor bid price and designed to be the indifference point between providing energy only or entering into capacity agreement and then providing firm energy subject to penalties. I project the average PJM RTO capacity price will [REDACTED]

7 This includes partial year pricing for 2017 and 2040. Also we note that the May 31, 2020 to June 1, 2020 capacity prices in this analysis are set equal PJM capacity auction prices, and thereafter capacity prices are ICF's forecasts.

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WHAT IS YOUR FORECAST OF DELIVERED COAL PRICES TO THE OVEC PLANTS?

As shown in Exhibit 26, delivered coal costs at Clifty and Kyger Creek are forecast to be [REDACTED]

[REDACTED] These projections includes estimates of the cost impacts from existing OVEC coal contracts.

Page 99, Line 6

WHAT ARE YOUR CAPACITY PRICE FORECASTS?

ICF's capacity price forecasts are shown in Attachment III and Exhibit 40. I forecast that the capacity price [REDACTED]

[REDACTED] Regarding the already determined capacity prices, the RTO capacity price for delivery years 2017³⁰ to 2019 averages \$42.9/kW-yr in real 2016 dollars, and \$44.8kW-yr in nominal dollars.

EXHIBIT 25

Exhibit 25

ICF Forecast for Illustrative NAPP and Illinois Basin Coal Spot Commodity Prices

Year	NAPP, Upper Ohio River Barge, 12,500 btu/lb, 6 lb/MMBtu Sulfur				Illinois Basin Barge, 11,000 btu/lb, 6 lb/MMBtu Sulfur			
	Nom\$		2016\$		Nom\$		2016\$	
	\$/ton	\$/MMBtu	\$/ton	\$/MMBtu	\$/ton	\$/MMBtu	\$/ton	\$/MMBtu
2017								
2018								
2019								
2020								
2021								
2022								
2023								
2024								
2025								
2026								
2027								
2028								
2029								
2030								
2031								
2032								
2033								
2034								
2035								
2036								
2037								
2038								
2039								
2040								
Avg (2017-2026)								
Avg (2027-2040)								
Avg (2017-2040)								

Source: ICF

EXHIBIT 26

Exhibit 26

ICF Forecast for Delivered Coal Prices to the OVEC Plants

Year	Kyger Creek		Clifty Creek	
	NAPP, Upper Ohio River Barge		Illinois Basin Barge	
	Nom\$/MMBtu	2016\$/MMBtu	Nom\$/MMBtu	2016\$/MMBtu
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
Average (2017-2026)				
Average (2027-2040)				
Average (2017-2040)				

Source: OVEC spreadsheet "OVEC Coal Price Calculation.xlsx" and ICF

EXHIBIT 40

Exhibit 40

PJM Capacity Prices – 2017 to 2040

Delivery Period	Source	RTO Zone Price (Nom \$/kW-yr)	RTO Zone Price (Nom \$/MW-day)
2017	RPM-BRA	34.6	95
2018	RPM-BRA	53.3	146
2019	RPM-BRA	46.4	127
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
Average (2017 – 2026)			
Average (2027 – 2040)			
Average (2017 – 2040)			

Source: 2017/2018/2019 are from PJM-ISO. 2020 onwards are ICF projections or estimates.

- 1) Simple average across all years
- 2) Reflects a calendarization of the capability years.

ATTACHMENT III

Attachment III

PJM Capacity Prices – 2017 to 2040

Delivery Period	Source	RTO Zone Price (Nom \$/kW-yr)	RTO Zone Price (Nom \$/MW-day)
2017	RPM-BRA	34.6	95
2018	RPM-BRA	53.3	146
2019	RPM-BRA	46.4	127
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
Average (2017 – 2026)			
Average (2027 – 2040)			
Average (2017 – 2040)			

Source: 2017/2018/2019 are from PJM-ISO. 2020 onwards are ICF projections or estimates.

- 1) Simple average across all years
- 2) Reflects a calendarization of the capability years.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

Handwritten signature of Amy B. Spiller in blue ink, with the initials 'eaO' written at the end.

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing Judah Rose Testimony Errata Public Version was delivered by U.S. mail (postage prepaid), personal, or electronic mail, on this 24th day of July, 2017, to the parties listed below.

Handwritten signature of Amy B. Spiller in blue ink, with the initials 'eaO' written at the end.
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