

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
DUKE ENERGY OHIO, INC., TO ADJUST  
RIDER DR-IM FOR 2015 SMARTGRID  
COSTS

CASE NO. 16-1404-EL-RDR

### ENTRY

Entered in the Journal on December 21, 2016

#### I. SUMMARY

{¶ 1} The Commission finds that Duke Energy Ohio, Inc.'s application to adjust Rider DR-IM should be approved.

#### II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke) is an electric light company as defined in R.C. 4905.03 and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} On December 17, 2008, the Commission approved a stipulation that, among other things, provided a process for recovering costs associated with Duke's electric SmartGrid system, designated Rider Distribution Reliability-Infrastructure Modernization (Rider DR-IM). *In re Duke Energy Ohio, Inc.*, Case No. 08-920-EL-SSO, et al. (2008 ESP Case), Opinion and Order (Dec. 17, 2008). The stipulation provided that, each year, Duke shall file for approval of Rider DR-IM adjustments. The Commission approved a stipulation that set the initial rates for Rider DR-IM in *In re Duke Energy Ohio, Inc.*, Case No. 09-543-GE-UNC, et al., Opinion and Order (May 13, 2010). Most recently, the Commission approved a stipulation authorizing the current rates of \$6.28 and \$9.35 per bill per month for residential customers and nonresidential customers, respectively. *In re Duke Energy Ohio, Inc.*, Case No. 15-883-GE-RDR, Opinion and Order (March 31, 2016).

{¶ 4} On June 29, 2016, Duke filed an application in this case requesting authority to adjust Rider DR-IM to allow for recovery of 2015 costs for the deployment of its grid modernization and related systems. Duke submitted the testimony of Peggy A. Laub and Donald L. Schneider in support of its application. According to Duke, the proposed rates are to recover operation and maintenance (O&M) and capital-related expenses resulting from the Company's investment in grid modernization associated with electric service. Duke requests a revenue requirement of \$42.7 million to recover approved costs incurred during 2015. According to Duke, this would result in a decrease in rates. The current and proposed rates are as follows:

Customer Class	Current Rate	Proposed Rate	Proposed Change
Residential	\$6.28 per bill	\$4.84 per bill	\$(1.44) <sup>1</sup> per bill
Nonresidential	\$9.35 per bill	\$7.20 per bill	\$(2.15) per bill

{¶ 5} On September 16, 2016, Staff filed its comments, stating that it audited Duke's schedules for consistency with the Commission's directives. Through a combination of document review, interviews, and interrogatories, Staff reviewed Duke's financial statements for completeness, occurrence, presentation, valuation, allocation, and accuracy. Upon review, Staff found that \$17,880 was improperly invoiced to the Company and recommends that amount be removed from the rider. Staff asserts this adjustment will not impact Duke's proposed rates. Staff otherwise asserts the Company appropriately calculated Rider DR-IM and recommends that the application be approved. Duke filed a letter on November 17, 2016, accepting Staff's findings.

<sup>1</sup> Numbers in parenthesis represent negative numbers.

{¶ 6} Upon review of the application and Staff's comments, the Commission finds that Duke's application is reasonable, and should be approved, subject to Staff's recommended adjustment. Accordingly, Duke should be authorized to change the rates for Rider DR-IM to \$4.84 per bill for residential customers and \$7.20 per bill for nonresidential customers.

### III. ORDER

{¶ 7} It is, therefore,

{¶ 8} ORDERED, That, in accordance with paragraph 6, Duke's application be approved and Duke be authorized to adjust the rates for Rider DR-IM. It is, further,

{¶ 9} ORDERED, That Duke be authorized to file two complete copies of tariffs in final form consistent with this Finding and Order. Duke shall file one copy in this case docket and one copy in its TRF docket. It is, further,

{¶ 10} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which final tariffs are filed with the Commission. It is, further,

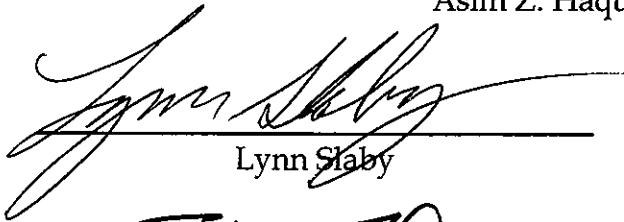
{¶ 11} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

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

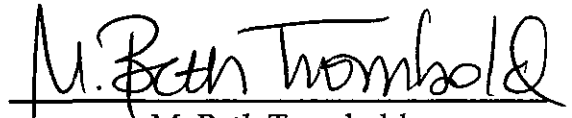
THE PUBLIC UTILITIES COMMISSION OF OHIO



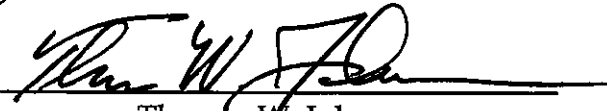
Asim Z. Haque, Chairman



Lynn Slaby



M. Beth Trombold



Thomas W. Johnson

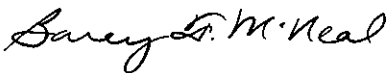


M. Howard Petricoff

NW/vrm

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DEC 21 2016



Barcy F. McNeal  
Secretary