

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC., FOR AN
INCREASE IN ITS ELECTRIC DISTRIBUTION
RATES.

CASE No. 17-32-EL-AIR

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

CASE No. 17-33-EL-ATA

IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC., FOR
APPROVAL TO CHANGE ACCOUNTING
METHODS.

CASE No. 17-34-EL-AAM

ENTRY

Entered in the Journal on February 23, 2017

I. SUMMARY

{¶ 1} The Commission finds that Duke Energy Ohio, Inc.'s motion to set a test period and date certain should be granted and its motion for a waiver of certain filing requirements should be granted in part and denied in part.

II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Applicant or Duke) is an electric light company as defined by R.C. 4905.03(C) and a public utility as defined by R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission pursuant to R.C. 4905.04, 4905.05 and 4905.06.

{¶ 3} An application for an increase in rates is governed by and must meet the requirements of R.C. 4909.17 to 4909.19, and 4909.42. In applying for a rate increase, R.C. 4909.15(C)(1) and (2) provide that a utility may propose a test period for determining the revenues and expenses that is any 12-month period beginning not more than six months prior to the date the application is filed and ending not more than nine months subsequent to the date the application is filed. Unless otherwise ordered by the Commission, the test

period shall be what is proposed by the utility. It is also required that the date certain be no later than the date of filing.

{¶ 4} On January 31, 2017, Duke filed a notice of intent to file an application for an increase in rates, pursuant to R.C. 4909.43(B) and in compliance with Ohio Adm.Code 4901-7-01, Appendix A, Chapter I of the Commission's Standard Filing Requirements. Concurrently, Duke also filed a motion to set a test period and date certain, and for a waiver of certain filing requirements. The Applicant proposes to use the 12 months beginning April 1, 2016, and ending March 31, 2017, as the test year for the filing, and June 30, 2016, as the date certain for determining rate base. The Commission finds that the proposed test period and date certain should be approved.

{¶ 5} In its motion, Duke seeks a waiver from the filing requirements of Ohio Adm.Code 4901-7-01, Appendix A, Chapter II regarding the Applicant's natural gas utility operations. Duke states that information related to its natural gas utility operations is not relevant to these proceedings. Upon consideration of Duke's request, the Commission finds that Duke's waiver request should be denied as the information referenced by Duke is necessary for our review.

{¶ 6} Duke also seeks a waiver from filing requirements set forth in Ohio Adm.Code 4901-7-01, Appendix A, Chapter II, Section C, paragraph (D)(7) regarding the Applicant's payroll analysis by employee classification/payroll distribution. According to Duke, its financial system has changed, and the distinction between exempt and non-exempt employees is no longer available and cannot be reasonably obtained from information the Applicant currently maintains. Instead, Duke proposes to provide the payroll analysis of the two employee classifications of union and non-union. The Commission finds, however, that the information is necessary for our review. Thus, Duke's waiver request should be denied.

{¶ 7} Additionally, Duke requests a waiver from the standard filing requirements as they relate to information associated with electric generation, including fuel, as this information is not relevant to Duke's requested increase in distribution rates and projection of this information would not further enable an efficient and effective review of Duke's application. Therefore, Duke seeks waivers of the following supplemental filing requirements and supplement information provided at filing in Ohio Adm.Code 4901-7-01, Appendix A, Chapter II:

(B)(1) - Five-year capital expenditures budget;

(B)(2) - Five-year financial forecast;

(B)(3) - Underlying assumptions;

(B)(4) - Five-year projection of revenue requirements;

(B)(5) - Balance sheet items;

(B)(6) - Identified elements of a statement of changes in financial position;

(C)(11) - Materials and supplies;

(C)(20) - Construction projects that are 75 percent Complete.

Upon consideration of Duke's request for waiver of these requirements, the Commission finds that, because Duke's application is to increase rates for distribution service, the waiver requests are reasonable and should be granted.

{¶ 8} As a final matter, the Commission notes that the granting of these waivers does not preclude the Staff from obtaining the information waived through data requests if it is subsequently deemed necessary to complete the Staff's investigation effectively and efficiently.

III. ORDER

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That the test period for Duke shall be the 12 months beginning April 1, 2016, and ending March 31, 2017, and the date certain shall be June 30, 2016. It is, further,

{¶ 11} ORDERED, That the appropriate method for making any changes to the date certain or test period shall be the filing of new notice of intent to file an application for an increase in rates and withdrawal of the pending application. It is, further,

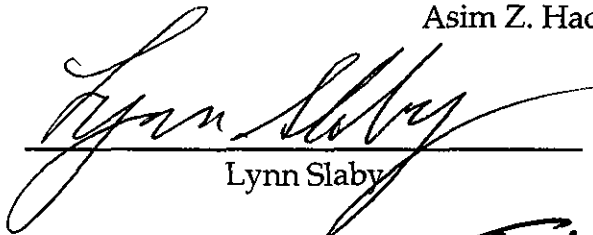
{¶ 12} ORDERED, That Duke's requests for waivers of certain filing requirements be granted in part and denied in part as set forth in the Entry. It is, further,

{¶ 13} ORDERED, That a copy of this Entry be served upon all parties of record.

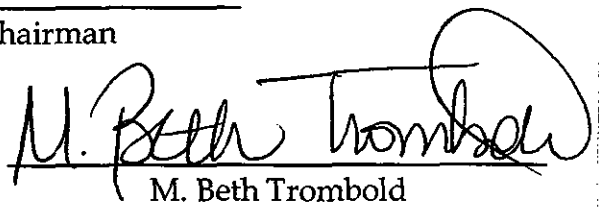
THE PUBLIC UTILITIES COMMISSION OF OHIO



Asim Z. Haque, Chairman



Lynn Slaby



M. Beth Trombold



Thomas W. Johnson

NW/vrm

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FEB 23 2017



Barcy F. McNeal
Secretary