

**BEFORE
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. 17-0032-EL-AIR
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.)	
)	Case No. 17-0033-EL-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc. for Approval to Change Accounting Methods.)	
)	Case No. 17-0034-EL-AAM
)	

**THE OHIO HOSPITAL ASSOCIATION’S OBJECTIONS TO THE
STAFF REPORT OF INVESTIGATION**

I. Introduction

In accordance with R.C. 4909.19, Ohio Admin. Code 4901-1-28(B) and the Hearing Examiner’s Entry of September 28, 2017, the Ohio Hospital Association (“OHA”) submits its objections to the September 26, 2017 Staff Report. OHA submits these objections without prejudice to or limitation upon its right to fully participate at the hearing in this proceeding, including the cross-examination of all witnesses presented as to all issues raised during the course of the proceeding. Whether or not it presents witnesses at the hearing, OHA may adduce evidence through cross-examination of any witness concerning not only OHA’s objections to the Staff Report, but also to objections filed by others parties, particularly Duke Energy Ohio, Inc. (“Duke”), and as to such additional issues which the Public Utilities Commission of Ohio (“Commission”) or the Hearing Examiner may permit the parties to present in accordance with Ohio Admin. Code 4901-1-28(C).

II. Objection - Impact of revenue distribution on Rate DP customers

Although OHA agrees that a rate reduction is justified, OHA objects to the Staff Report because it disproportionately assigns costs to Primary Distribution (“Rate DP”) customers. Duke submitted a cost-of-service study (“COSS”) as part of its application. (Duke Application, Schedule E-3.2.) Duke’s COSS demonstrates that Rate DP customers are currently being allocated more costs than justified based on total distribution revenue by customer class.¹ (Duke Application, Schedule E-3.2, pg. 1 of 20.) Staff accepted Duke’s COSS and determined that the COSS is a “reasonable indicator of costs and cost responsibility between classes.” (Staff Report at 27.) However, the Staff Report recommends adjusting Duke’s revenue proportionally to each class according to the current revenue distribution percentages rather than adjusting revenue distribution in accordance with the COSS. (Staff Report at 27, Table 4.) Staff’s recommendation will result in Rate DP customers unfairly subsidizing other customer classes and paying a disproportionate share of base distribution rates.

Respectfully submitted on behalf of
THE OHIO HOSPITAL ASSOCIATION



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and

¹ OHA does not accept or acknowledge the accuracy of Duke’s COSS, nor does OHA accept Duke’s proposed revenue distribution percentage for Rate DP customers. OHA reserves the right to challenge any aspect of the Duke’s COSS or Duke’s proposed revenue allocation.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served upon the parties of record listed below this 26th day of October 2017 *via* electronic mail.



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This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

10/26/2017 5:04:01 PM

in

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Summary: Objection OHA's Objection to the Staff Report of Investigation electronically filed by Mr. Devin D. Parram on behalf of Ohio Hospital Association