



**Public Utilities
Commission**

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May 24, 2018

FILE

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

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RE: *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval to Establish an Infrastructure Development Rider, Case Nos. 17-1197-GA-ATA and 17-1198-GA-IDR.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendation in regards to the application for approval to establish an Infrastructure Development Rider filed by Duke Energy Ohio, Inc., Case Nos. 17-1197-GA-ATA and 17-1198-GA-IDR.

Tamara S. Turkenton
Director, Rates and Analysis Department
Public Utilities Commission of Ohio

David Lipthratt
Chief, Research and Policy Division
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

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Duke Energy of Ohio, Inc.
Case No. 17-1197-GA-ATA
Case No. 17-1198-GA-IDR

BACKGROUND:

By Finding and Order (Order) dated June 1, 2016, in Case No. 15-871-GA-ORD, the Public Utilities Commission of Ohio (Commission) adopted rules in Ohio Adm. Code 4901:1-43 concerning the recovery of infrastructure development costs for natural gas company infrastructure development to implement R.C. 4929.16 - 4929.167. These rules allow natural gas companies to file applications for an infrastructure development rider to recover costs of certain economic development projects. The rules require a natural gas company that seeks recovery of economic development project costs to first file an application for an infrastructure development rider. The rules then require natural gas companies to file a notice with the Commission, prior to beginning construction, for approval of an economic development project.

SUMMARY OF APPLICATION:

On May 5, 2017, in Case Nos. 17-1197-GA-ATA and 17-1198-GA-IDR, Duke Energy of Ohio, Inc. (Duke or Company) filed an application to adopt an infrastructure development rider (IDR) tariff. The Company proposed to incorporate a new rider known as Infrastructure Development Rider (IDR) into its tariff. The IDR is a mechanism created pursuant to R.C. 4929.161 and Ohio Adm. Code 4901:1-43-04. The purpose of the rider is to recover Infrastructure Development Costs, as defined by R.C. 4929.16, associated with economic development projects approved under R.C. 4929.163 (economic development projects) and 4929.164 (certified sites projects). In addition to establishing the IDR, the Company is also revising the applicable tariff pages concerning the capital investments for distribution mains to new customers in order to reflect the impact of the IDR upon the tariff provision applicable to the extension of distribution mains.

On March 31, 2017, Governor Kasich signed H.B. 26 which repealed R.C. 4929.164 removing the separate statutory rate for certified sites projects, and increased the IDR cost recovery for economic development projects to \$1.50 per month per customer.

STAFF'S REVIEW AND RECOMMENDATIONS:

Staff has reviewed Duke's application and proposed tariffs in this case.

Based on this review, in Staff's opinion, Duke's application is consistent with the applicable provisions of H.B. 26 and the Commission's rules governing approval of utility tariffs. Therefore, Staff recommends that the Commission approve Duke's application in this case.