THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE AUDIT OF DUKE ENERGY OHIO, INC.'S RIDERS SUPPLIER COST RECONCILIATION, RETAIL CAPACITY, RETAIL ENERGY, LOAD FACTOR ADJUSTMENT, ELECTRIC SECURITY STABILIZATION CHARGE, AND ECONOMIC COMPETITIVENESS FUND.	CASE NO. 18-46-EL-RDR

FINDING AND ORDER

Entered in the Journal on August 29, 2018

I. SUMMARY

{¶ 1} The Commission finds Staff's recommendations regarding Duke Energy Ohio, Inc.'s Supplier Cost Reconciliation Rider, Retail Energy Rider, Retail Capacity Rider, Load Factor Adjustment Rider, and Economic Competitiveness Fund Rider should be adopted.

II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke) is an electric distribution utility (EDU) and a public utility as defined by R.C. 4928.01(A)(6) and R.C. 4905.02, respectively. As such, it is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.141 mandates that an EDU shall provide a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric service, including a firm supply of electric generation service, to all consumers within its certified territory. The SSO may be established as a market rate offer under R.C. 4928.142 or an electric security plan (ESP) under R.C. 4928.143.

{¶ 4} On May 29, 2014, Duke filed an application for approval of its third SSO, an ESP under R.C. 4928.143. On April 2, 2015, the Commission issued an Opinion and Order that approved Duke's application subject to certain modifications. *In re Duke Energy Ohio, Inc.*, Case No. 14-841-EL-SSO, et. al. (*Duke ESP 3*), Opinion and Order (Apr. 2, 2015).

{¶ 5} In *Duke ESP 3*, the Commission established the process for review of Duke's various pricing terms and filings made during the ESP's effective period and instructed that future informational filings arising from the provisions of the application approved in the *Duke ESP 3* should be made in *In re Duke Energy Ohio, Inc.*, Case No. 15-6001-EL-RDR. Informational filings are those filings related to riders where quarterly reports and true-ups are necessary and audits are conducted at the discretion of the Commission but for which no Commission action is generally required to adjust the tariff rates. *Duke ESP 3*, Entry (May 13, 2015) at 2. Riders that require informational filings during the term of the ESP include the Supplier Cost Reconciliation Rider (Rider SCR), the Retail Energy Rider (Rider RE), the Retail Capacity Rider (Rider RC), the Load Factor Adjustment Rider (Rider LFA), and the Economic Competitiveness Fund (Rider ECF) (collectively, the Riders). Pursuant to the Commission's instruction, Duke submitted various informational filings under Case No. 15-6001-EL-UNC.

{¶ 6} Although Commission action is not always required with regard to these informational filings, the Commission recognized and preserved its discretion to determine that some action—including an audit—may be necessary. In such cases, the Commission may require that filings be made in a separate docket. *Duke ESP 3*, Entry (May 13, 2015) at 2-3.

{¶ 7} On January 31, 2018, Duke initiated this proceeding by filing its application for an audit of the Riders.

{¶ 8} On April 4, 2018, Staff filed its review and recommendations regarding the Riders. Upon its review of the application (including, but not limited to portions related to the revenues, supplier payments, auction expenses, commercial activity taxes, and revenues and expenses associated with its percentage of income payment plan program, as well as other work papers supporting the Riders), and its verification that all applicable credits were correctly calculated and applied, Staff states it is satisfied that Duke's application is both consistent with and in compliance with Commission orders. As such, Staff recommends that the application be accepted as filed.

{¶ 9} Upon consideration of the application and Staff's review, the Commission finds that the recommendations set forth in Staff's April 4, 2018 filing should be adopted and Duke's application should be accepted as filed.

III. ORDER

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That, in accordance with Paragraph 9, Staff's recommendations be adopted and Duke's application be accepted as filed. 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

M. Beth Trombold

Thomas W. Johnson

Lawrence K. Friedeman

Daniel R. Conway

SEC/sc

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AUG 29 2018

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Secretary