

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY OHIO, INC. TO ADJUST
AND SET ITS BASE TRANSMISSION RATE
RIDER.

CASE NO. 18-941-EL-RDR

FINDING AND ORDER

Entered in the Journal on September 26, 2018

I. SUMMARY

{¶ 1} The Commission approves Duke Energy Ohio, Inc.'s application to adjust and set its base transmission rate rider.

II. DISCUSSION

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

{¶ 3} R.C. 4928.141 mandates that an EDU 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. On April 2, 2015, the Commission issued an Opinion and Order that, among other things, authorized Duke to provide consumers an SSO in the form of an ESP through May 2018. *In re Duke Energy Ohio, Inc.*, Case No. 14-841-EL-SSO, et al., Opinion and Order (April 2, 2015).

{¶ 4} R.C. 4928.05 provides that the Commission may authorize EDUs to recover, through a reconcilable rider on an EDU's distribution rates, all transmission and transmission-related costs, including ancillary and congestion costs, imposed on or charged to the EDU by the Federal Energy Regulatory Commission (FERC) or a regional transmission

organization (RTO), independent transmission operator, or similar organization approved by the FERC.

{¶ 5} On May 25, 2011, the Commission approved a stipulation creating a base transmission rate rider (Rider BTR). *In re Duke Energy Ohio, Inc.*, Case Nos. 11-2641-EL-RDR, et al. (2011 *Rider Case*), Opinion and Order (May 25, 2011). Rider BTR is designed to allow Duke to recover network integrated transmission service costs; Midwest transmission expansion planning costs; and all costs billed to Duke under tariffs approved by the FERC, which includes fees associated with the realignment of RTO membership, such as exit and entrance fees and integration costs, as well as transmission expansion planning costs assessed by the RTO into which the company may realign. Rider BTR is an unavoidable rider, meaning it is billed to both shopping and nonshopping customers. 2011 *Rider Case*, Opinion and Order (May 25, 2011) at 2, 4.

{¶ 6} Pursuant to Ohio Adm.Code Chapter 4901:1-36, an EDU authorized to recover transmission costs under R.C. 4928.05 must update its rider annually.

{¶ 7} On July 13, 2018, pursuant to Ohio Adm.Code 4901:1-36 and the Commission's Order in the 2011 *Rider Case*, Duke filed an application to adjust and set the rates for Rider BTR. On August 31, 2018, Duke filed a revised application to adjust and set rates for BTR. Duke attached numerous schedules supporting the calculations of its proposed rates in the application. The Company requests that its application be approved such that rates are effective September 28, 2018. The application proposed the following total rate adjustments for Rider BTR:

Customer Class	Current Rate		Proposed Rate	
	Energy	Demand	Energy	Demand
	\$/kilowatt hours (kWh)	\$/kW or \$/kilovolt amps (kVA)	\$/kWh	\$/kW or \$/kVA
Residential	0.005839	N/A	0.006883	N/A
Secondary Distribution	-0.000727	1.8932	0.001076	1.4835
Electric Space Heating	0.006689	N/A	0.006350	N/A
Secondary Distribution Small	0.005855	N/A	0.006121	N/A
Customer Class	Current Rate		Proposed Rate	
	Energy	Demand	Energy	Demand
	\$/kWh	\$/kW or \$/kVA	\$/kWh	\$/kW or \$/kVA
Unmetered Small Fixed Loads	0.005830	N/A	0.006341	N/A
Primary Distribution Voltage	1.7927	-0.000727	1.332	0.001076
Transmission Voltage	-0.000727	1.9086	0.001076	1.4817
Lighting	0.001191	N/A	0.002083	N/A

{¶ 8} On August 17, 2018, The Ohio Consumers' Counsel (OCC) filed a motion to intervene and memorandum in support. No memoranda contra the motion to intervene was filed. The Commission finds that the motion to intervene filed by OCC complies with the requirements set forth in R.C. 4903.221 and Ohio Adm.Code 4901-1-11, and should, therefore, be granted.

{¶ 9} On September 12, 2018, Staff filed its Review and Recommendation with regard to Duke's application. Therein, Staff summarizes the application as a whole and explains that Duke proposes to adjust Rider BTR to reflect projected costs for the period October 1, 2018,

through September 30, 2019; to reflect any over or under recovery of costs that occurred from June 1, 2017 through May 31, 2018; and to include forecasted over or under recovery for August and September 2018. Given its analysis, Staff recommends that Duke's August 31, 2018 application be approved for rates effective on a bills-rendered basis beginning on September 28, 2018.

{¶ 10} Upon review of Duke's application and Staff's recommendation, the Commission finds that the proposed rates for Rider BTR do not appear to be unjust or unreasonable and should be approved. Therefore, the Commission finds that it is unnecessary to hold a hearing in this matter. In light of a recent Supreme Court decision, however, we find that Duke should amend the proposed tariffs to include language to clarify that the charges contained in Rider BTR shall be subject to reconciliation and refund following any audits conducted by Staff or due to the Tax Cuts and Jobs Act of 2017 (TJCA) and the Commission investigation opened to review the impact of the TJCA on rates charged to consumers by rate-regulated public utilities in Ohio. See *In the Matter of the Commission's Investigation of the Financial Impact of the Tax Cuts and Jobs Act of 2017 on Regulated Ohio Utility Companies*, Case No. 18-47-AU-COI.

III. ORDER

{¶ 11} It is, therefore,

{¶ 12} ORDERED, That OCC's motion to intervene be granted.

{¶ 13} ORDERED, That the application filed by Duke on August 31, 2018, be approved, as modified by this Finding and Order. It is, further,

{¶ 14} ORDERED, That Duke be authorized to file in final form complete copies of the tariff pages consistent with this Finding and Order and to cancel and withdraw its superseded tariff pages. Duke shall file one copy in its TRF docket and one copy in this docket. It is, further,

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

{¶ 16} ORDERED, That Duke shall notify all affected customers via a bill message or via a bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least 10 days prior to its distribution to customers. It is, further,

{¶ 17} 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,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO



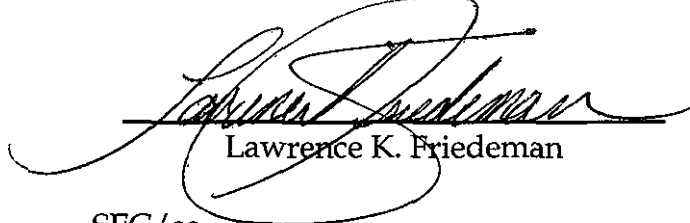
Asim Z. Haque, Chairman



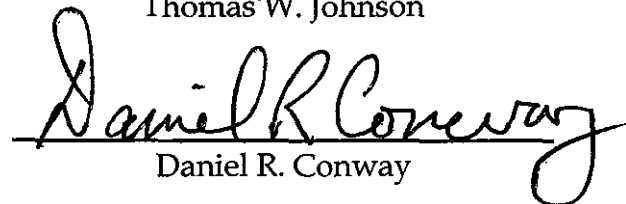
M. Beth Trombold



Thomas W. Johnson



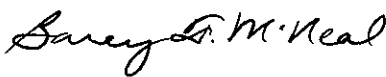
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Barcy F. McNeal
Secretary