

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in 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
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Modify Rider PSR.	)	Case No. 17-872-EL-RDR
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Amend Rider PSR.	)	Case No. 17-873-EL-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.	)	Case No. 17-874-EL-AAM
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service.	)	Case No. 17-1263-EL-SSO
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Amend its Certified Supplier Tariff, P.U.C.O. No. 20.	)	Case No. 17-1264-EL-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Defer Vegetation Management Costs.	)	Case No. 17-1265-EL-AAM
)	
In the Matter of the Application of Duke Energy Ohio, Inc., to Establish Minimum Reliability Performance Standards	)	Case No. 16-1602-EL-ESS
)	

**DUKE ENERGY OHIO, INC.'S ANNUAL DISTRIBUTION CAPITAL INVESTMENT
WORKPLAN**

I. Introduction

On December 19, 2018, the Ohio Public Utilities Commission (Commission) approved an extension of Duke Energy Ohio Inc.'s (Duke Energy Ohio or the Company) Distribution Capital Investment (DCI) Rider through May 31, 2025.¹ The Opinion and Order provided (among other things):

Duke shall work with Staff to develop an annual plan to emphasize proactive distribution maintenance that will focus spending on where it will have the greatest impact on maintaining and improving reliability for customers. The plan shall specifically include identification of those expenditures that will help reduce customers' minutes interrupted. The plan shall be submitted to Staff annually starting on December 1, 2019.²

Additionally, in a separate Duke Energy Ohio Rider DCI docket, the Commission has approved a stipulation requiring Duke Energy Ohio to "file an annual report with the Commission" describing its DCI programs.³

In accordance with the above-described orders, Duke Energy Ohio hereby attaches its Annual DCI Workplan (Workplan) for 2020.

¹ *In the Matter of the Application of Duke Energy Ohio, Inc. for An Increase in Electric Distribution Rates*, Case No. 17-32-EL-AIR, *et. al*, Opinion and Order, pg. 38 (December 19, 2018) (Opinion and Order).

² Opinion and Order, pg. 41.

³ *In the Matter of the Review of Duke Energy Ohio, Inc.'s Distribution Capital Investment Rider*, Case No. 17-1118-EL-RDR, Stipulation and Recommendation, pg. 5-6 (June 22, 2018); *Id.*, Opinion and Order, pg. 6-7 (September 26, 2018).

II. DCI Programs

The attached Workplan includes the capital programs that are currently budgeted for 2020 and is subject to change based on business needs. The Workplan includes a description of the program, measures for reliability improvements, estimated number of units, expected reliability improvements, equipment affected, unit of measure and estimated budget dollars. For easy reference, the Workplan is divided into two sections: programs with expected reliability impacts and necessary programs that do not directly impact reliability. The Workplan demonstrates the Company's proactive efforts to transform the state's electric grid by making it more resilient and reliable to deliver more value to Duke Energy Ohio's customers and enhance the overall electricity experience.

III. Reliability Spending

Paragraph 113 of the Opinion and Order provides:

- (1) For 2018, the Rider DCI revenue cap will be \$32 million.
- (2) For 2019, the Rider DCI revenue cap will be \$42.1 million. This amount may be increased to \$46.8 million if, in 2018, Duke achieves both reliability standards.
- (3) For 2020, the Rider DCI revenue cap will be increased an additional \$14 million, or up to \$18.7 million, depending on whether the Company achieves both reliability standards.
- (4) For years 2021 through 2024, the Rider DCI revenue cap will be increased by an additional \$18.7 million, each year.
- (5) For the period of January 1 through May 31, 2025, the Rider DCI revenue cap will be between the range of \$62.4 million and \$66.3 million depending on the Company's reliability performance in prior years.⁴

⁴ Opinion and Order, pg. 39.

Additionally, the Opinion and Order provides:

The CAIDI and SAIFI standards for 2018 through 2025 shall be as follows:

Reliability Standards		
Year	CAIDI	SAIFI
2018	134.4 minutes	1.12 interruptions
2019	134.34 minutes	1.00 interruptions
2020	134.34 minutes	0.91 interruptions
2021	135.52 minutes	0.83 interruptions
2022-2025	137.00 minutes	0.75 interruptions

⁵

To achieve the approved reliability standards for 2020, Duke Energy Ohio anticipates that it will incur expenditures over and above the approved DCI revenue cap.

IV. Conclusion

The Company will continue to file annual updates in compliance with the Commission-approved Stipulation.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

/s/ Elizabeth H. Watts

Rocco D'Ascenzo (0077651)

Counsel of Record

Deputy General Counsel

Elizabeth H. Watts (0031092)

Associate General Counsel

Jeanne W. Kingery (0012172)

Associate General Counsel

Duke Energy Business Services, Inc.

139 Fourth Street, 1303-Main

Cincinnati, Ohio 45202-0960

(513) 287-4320 (telephone)

(513) 287-4385 (facsimile)

Rocco.d'Ascenzo@duke-energy.com

Elizabeth.Watts@duke-energy.com

Jeanne.Kingery@duke-energy.com

⁵ *Id.*, pg. 41.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Duke Energy Ohio's Annual Distribution Capital Investment Workplan was served on the following parties this 2nd day of December 2019 by regular U. S. Mail, overnight delivery or electronic delivery.

/s/ Elizabeth H. Watts

Elizabeth H. Watts

Steven Beeler
Assistant Attorneys General
Public Utilities Section
180 East Broad St., 6th Floor
Columbus, Ohio 43215
Steven.beeler@ohioattorneygeneral.gov

Counsel for Staff of the Commission

Elyse Akhbari
Counsel of Record
BRICKER & ECKLER LLP
100 South Third Street
Columbus, Ohio 43215
eakhbari@bricker.com

Counsel for People Working Cooperatively, Inc.

David F. Boehm
Michael L. Kurtz
Jody M. Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202
dboehm@BKLawfirm.com
mkurtz@BKLawfirm.com
jkylercohn@BKLawfirm.com

Counsel for the Ohio Energy Group

Trent Dougherty
Counsel of Record
Miranda Leppla
1145 Chesapeake Avenue, Suite I
Columbus, Ohio 43212-3449
tdougherty@theOEC.org
mleppla@theOEC.org

Counsel for the Ohio Environmental Council and Environmental Defense Fund

William Michael
Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
William.michael@occ.ohio.gov

**Counsel for the Ohio Consumers'
Counsel**

Kimberly W. Bojko
Carpenter Lipps & Leland LLP
280 Plaza, Suite 1300
280 North High Street
Columbus, Ohio 43215
Bojko@carpenterlipps.com

**Counsel for the Ohio Manufacturers'
Energy Association**

Joseph M. Clark
21 East State Street, 19th Floor
Columbus, Ohio 43215
joseph.clark@directenergy.com

**Counsel for Direct Energy Services,
LLC and Direct Energy Business, LLC**

Robert T. Dove
Kegler Brown Hill Ritter Co., L.P.A.
65 E. State Street, Ste. 1800
Columbus, Ohio 43215
rdove@keglerbrown.com

**Counsel for the Environmental Law
& Policy Center**

Joseph Olikier
Michael Nugent
IGS Energy
6100 Emerald Parkway
Dublin, Ohio 43016
joliker@igsenergy.com
mnugent@igsenergy.com

**Counsel for Interstate Gas Supply,
Inc.**

Matthew R. Pritchard
McNees Wallace & Nurick LLC
21 East State Street, 17th Floor
Columbus, Ohio 43215
mpritchard@mwncmh.com

**Counsel for Industrial Energy Users-
Ohio**

Colleen L. Mooney
Ohio Partners for Affordable Energy
P. Box 12451
Columbus, Ohio 43212
cmooney@ohiopartners.org

**Counsel for Ohio Partners for
Affordable Energy**

Carrie M. Harris
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, North Carolina 27103
charris@spilmanlaw.com

Derrick Price Williamson
Spilman Thomas & Battle, PLLC
1100 Bent Creek Blvd., Suite 101
Mechanicsburg, PA 17050
dwilliamson@spilmanlaw.com

Lara R. Brandfass
Spilman Thomas & Battle, PLLC
300 Kanawha Boulevard, East
P.O. Box 273
Charleston, WV 25321-0273
lbrandfass@spilmanlaw.com

**Counsel for Wal-Mart Stores East, LP
and Sam's East, Inc.**

Angela Paul Whitfield
Carpenter Lipps & Leland LLP
280 North High Street, Suite 1300
Columbus, Ohio 43215
paul@carpenterlipps.com

Counsel for The Kroger Co.

Dylan F. Borchers
Devin D. Parram
BRICKER & ECKLER LLP
100 South Third Street
Columbus, OH 43215-4291
dborchers@bricker.com
dparram@bricker.com

**Counsel for the Ohio Hospital
Association**

Steven D. Lesser
James F. Lang
N. Trevor Alexander
Mark T. Keaney
CALFEE, HALTER & GRISWOLD
LLP
41 S. High St.
1200 Huntington Center
Columbus, Ohio 43215
Telephone: (614) 621-1500
slesser@calfee.com
jang@calfee.com
talexander@calfee.com
mkeaney@calfee.com

Counsel for the City of Cincinnati

Mark A. Whitt
Christopher T. Kennedy
Lucas A. Fykes
WHITT STURTEVANT LLP
The KeyBank Building, Suite 1590
88 East Broad Street
Columbus, Ohio 43215
whitt@whitt-sturtevant.com
kennedy@whitt-sturtevant.com
fykes@whitt-sturtevant.com

**Counsel for Direct Energy Services,
LLC
Direct Energy Business, LLC, and
Direct Energy Business Marketing,
LLC**

Michael D. Dortch (Counsel of Record)
Richard R. Parsons
Justin M. Dortch
Kravitz, Brown & Dortch, LLC
65 East State Street, Suite 200
Columbus, Ohio 43215
mdortch@kravitzllc.com

**Counsel for Calpine Energy Solutions,
LLC**

Michael J. Settineri
Special Assistant Attorney General
Vorys, Sater, Seymour and Pease LLP
52 E. Gay Street, P.O. Box 1008
Columbus, Ohio 43216-1008
mjsettineri@vorys.com

**Counsel for the University of
Cincinnati**

Michael J. Settineri
Special Assistant Attorney General
Vorys, Sater, Seymour and Pease LLP
52 E. Gay Street
P.O. Box 1008
Columbus, Ohio 43216-1008
mjsettineri@vorys.com

Counsel for Miami University

Tony Mendoza
Staff Attorney
Sierra Club Environmental Law Program
2101 Webster St., 13th Floor
Oakland, CA 94612
tony.mendoza@sierraclub.org

Richard C. Sahli
Richard Sahli Law Office, LLC
981 Pinewood Lane
Columbus, Ohio 43230-3662
rsahli@columbus.rr.com

Counsel for the Sierra Club

Samantha Williams
Staff Attorney
Natural Resources Defense Council
20 N Wacker Drive, Suite 1600
Chicago, IL 60606
(312) 651.7930
swilliams@nrdc.org

Counsel for Natural Resources Defense Council

Michael J. Settineri, Counsel of Record
Gretchen L. Petrucci
Vorys, Sater, Seymour and Pease LLP
52 E. Gay Street
P.O. Box 1008
Columbus, Ohio 43216-1008
mjsettineri@vorys.com
glpetrucci@vorys.com

Counsel for Constellation NewEnergy, Inc. and Exelon Generation Company, LLC

D. David Altman. Counsel of Record
Justin D. Newman
J. Michael Weber
Altman Newman Co., LPA
15 East 8th Street, Suite 200
Cincinnati, Ohio 45202

daltman@environlaw.com
jnewman@environlaw.com
jweber@environlaw.com

Counsel for Cincinnati Clean Energy Foundation

Duke Energy Ohio 2020 DCI Work Plan

21-Nov-19

Row	Capital Program	Program Description	Measures for Reliability Improvements	Estimated 2020 Units	Expected Reliability Improvements	Equipment Affected	Unit of Measure	Estimated 2020 Budget (\$M)
1	Self-Optimizing Grid (SOG) - Automated Switching Devices	Coordinated installation of new electronic reclosers to network the distribution system and create "self healing teams".	SOG reduces the number of customers affected by a long-term outage event by providing the means to reconfigure the distribution system and restore power to those areas not directly involved in the outage.	251	Proactive efforts to minimize the number of customers affected by an outage	Distribution feeders	Per recloser	\$ 17.0
2	Self-Optimizing Grid (SOG) - Circuit Capacity & Connectivity	Increases the capacity of distribution lines or builds new ones to network the distribution system so that load can be transferred to other sources after an outage event.	SOG reduces the number of customers affected by a long-term outage and restore power to those areas not directly involved in the outage.	9	Proactive efforts to minimize the number of customers affected by an outage	Distribution feeders	Milestones	\$ 11.9
3	Self-Optimizing Grid (SOG) - Substation Capacity	Increases the capacity of distribution substation equipment so that load can be transferred to other sources after an outage event.	SOG reduces the number of customers affected by a long-term outage event by providing the means to reconfigure the distribution system and restore power to those areas not directly involved in the outage.	7	Proactive efforts to minimize the number of customers affected by an outage	Distribution feeders	Milestones	\$ 5.4
4	Circuit Sectionalization	Installation / upgrade of sectionalizing devices on circuits to minimize the number of customers affected by an outage.	Installation of sectionalizing devices that can reduce impacts of outages.	182	Reduced customers interrupted	Circuit protection devices (such as reclosers and fuses)	Location	\$ 1.4
5	Targeted Overhead Underground Conversion	Strategic replacement of overhead lines that experience numerous outages, with underground lines.	Outages should be reduced by the replacing of overhead lines that have experienced numerous outages.	5	Proactive efforts to reduce outages	Distribution feeders	Number of overhead primary miles removed	\$ 6.1
6	Declared Protection Zone	Program involves a detailed visual inspection of the distribution line providing power to an area experiencing an above average number of temporary and permanent power outages.	Repair/replacement/upgrades to infrastructure to reduce outages. Probable outage causes identified by a pole-by-pole inspection.	13	Reactive / proactive efforts to reduce outages	Distribution feeders	Per Work Order	\$ 8.9
7	Advanced Metering Infrastructure (AMI)	Program replaces existing meters with smart meters that enable automated meter reading, remote connects/disconnects and quicker outage detection.	Upgrades meters to the AMI standard.	171,000-190,000	Improved outage response	Meters	Per meter	\$ 34.2
8	Pole Replacements	Replacement of defective distribution poles identified during annual pole inspections.	Proactive asset renewal program. There is positive impact to reliability related to the prevention of future outages.	534	Proactive efforts to maintain system reliability	Poles	Per Pole	\$ 4.8
9	Pole Reinforcement	Structural modification of distribution poles identified during annual pole inspections.	Proactive asset renewal program. There is positive impact to reliability related to the prevention of future outages.	523	Proactive efforts to maintain system reliability	Poles	Per Work Order	\$ 0.6
10	Line Patrol Inspection Replacement	Replacement of distribution equipment found during proactive line inspection.	Proactive asset renewal program. There is positive impact to reliability related to the prevention of future outages.	350	Proactive efforts to maintain system reliability	Poles and other capital assets	Per Work Order	\$ 2.4
11	Pole Replacement (Non Inspection Based)	Replacement of defective distribution poles identified during routine, non-inspection based activities.	Proactive asset renewal program. There is positive impact to reliability related to the prevention of future outages.	95	Proactive efforts to maintain system reliability	Poles	Per pole	\$ 1.4
12	Recloser Replacement	Replacement of hydraulic and electronic line reclosers.	Proactive asset renewal program. There is positive impact to reliability related to the prevention of future outages due to recloser failures.	374	Proactive efforts to maintain system reliability	Reclosers	Per recloser	\$ 3.9
13	Recloser Control Replacement	Replacement of the controllers on recloser installations to improve physical security of the controller and provide better capability during service restoration activities.	Increased functionality will expedite the restoration of service to customers who have experienced a power outage.	98	Proactive efforts to maintain system reliability	Reclosers	Per recloser	\$ 2.3
14	Overhead Deteriorated Conductor Replace	Replacement of primary voltage conductors that are likely to fail due their deteriorated condition; a heavier gauge wire is installed.	Proactive asset renewal program. There is positive impact to reliability related to the prevention of future outages.	76,089	Proactive efforts to maintain system reliability	Overhead primary conductor	Feet of conductor	\$ 2.5

Duke Energy Ohio 2020 DCI Work Plan

21-Nov-19

Row	Capital Program	Program Description	Measures for Reliability Improvements	Estimated 2020 Units	Expected Reliability Improvements	Equipment Affected	Unit of Measure	Estimated 2020 Budget (\$M)
15	Capacitor Replacement	Replacement of failed capacitor banks.	Maintains the ability to adequately control voltage on a feeder.	25	Proactive efforts to maintain system voltage	Capacitors	Per Work Order	\$ 1.0
16	Modem Proactive Upgrade	Proactive program to replace smart device modems (in Line Sensors, Reclosers, Regulators, and Capacitor Banks) that are reaching end of useful life.	Proactive asset renewal program. There is positive impact to reliability related to the prevention of future network outages.	591	Proactive efforts to maintain system reliability	Modems	Per modem	\$ 1.4
17	Underground Cable Replacement	Replacement of primary underground cable due to repeated equipment failure.	Cable replacement is an asset renewal program and as such, there will be some positive impact to reliability, related to the prevention of future outages.	139	Reactive efforts to maintain system reliability	Underground cable	Feet of cable	\$ 2.2
18	Other Asset Replacements	Other, mainly reactive, capital replacements such as failed transformers, crossarms, etc.	Asset renewal program. There is positive impact to reliability related to the prevention of future outages.	N/A	Efforts to maintain system reliability	Various	Various	\$ 6.6
19	Vegetation Management	This program includes all capital vegetation management work performed in Duke Energy Ohio.	There is positive impact to reliability related to the prevention of future outages.	N/A	Proactive efforts to maintain system reliability	N/A	N/A	\$ 5.3
20	System / Retail Capacity	New and / or rebuilt distribution substation and line capacity to serve customer load and maintain substation equipment integrity.	Required to maintain reliable service.	N/A	Proactive efforts to maintain system reliability	N/A	N/A	\$ 31.5
21	Distribution Circuit Improvement with Transmission Work	Duke Energy Ohio will rebuild transmission lines in 2020, many of which have a Distribution underbuild. This provides the opportunity to upgrade the Distribution equipment to improve reliability rather than simply transfer or rebuild to the same standards as existing Distribution facilities.	Proactive asset renewal program. Rebuilding to a newer standard can provide a positive impact to reliability related to the prevention of future outages.	N/A	Proactive efforts to maintain system reliability	N/A	N/A	\$ 14.2
22	SUBTOTAL							\$ 165.3
23	Service Restoration	This capital program includes day-to-day work for service restorations which are excluded from the major event category of outages. This would include capital dollars for such things as equipment replacement from an outage and capital dollars associated with minor storm events.	There is no reliability impact.	N/A	N/A	N/A	N/A	\$ 18.2
24	Customer Service Work	This capital program is for work necessary for providing customers electric service in Duke Energy Ohio. It includes capital dollars for providing service to new customers, as well as upgrades to existing commercial, industrial and residential customers.	There is no reliability impact.	N/A	N/A	N/A	N/A	\$ 40.9
25	Customer Operations	This capital program is for the purchase of customer meters for providing customers electric service in Duke Energy Ohio.	There is no reliability impact.	N/A	N/A	N/A	N/A	\$ 6.4
26	Lighting	Capital replacements / additions of lighting not recovered under the OLE tariff.	There is no reliability impact.	N/A	N/A	N/A	N/A	\$ 1.3
27	SUBTOTAL							\$ 66.8
28	TOTAL							\$ 232.1

This work plan is based on Duke Energy Ohio's budget plan as of 21 Nov 2019.

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Case No(s). 17-0032-EL-AIR, 17-0033-EL-ATA, 17-0034-EL-AAM, 17-0872-EL-RDR, 17-0873-EL-ATA, 1

Summary: Report Duke Energy Ohio, Inc.'s Annual Distribution Capital Investment Workplan electronically filed by Mrs. Tammy M Meyer on behalf of Duke Energy Ohio Inc. and D'Ascenzo, Rocco and Watts, Elizabeth and Kinergy, Jean