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January 21, 2020

PUCO

2020 JAN 21 PM 12:59

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

RE: *In the Matter of the Applications of Duke Energy Ohio, Inc., The Dayton Power and Light Company, Ohio Power Company, and the FirstEnergy-Ohio EDUs for Approval to Implement New Rate Schedules Applicable to County Fairs and Agricultural Societies, Case No. 19-1920-EL-UNC*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations regarding the Applications of the Ohio EDUs to Implement New Rate Schedules Applicable to County Fairs and Agricultural Societies, Case No. 19-1920-EL-UNC.



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

Enclosure
Cc: Parties of Record

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**Dayton Power and Light Company
Duke Energy Ohio, Inc.
First Energy Companies
Ohio Power Company**

Case No. 19-1920-EL-UNC

Background

On October 23, 2019, the Commission issued an Entry opening a case to consider proposals of Ohio's electric distribution utilities (EDUs) to implement rate schedules applicable to county fairs and agricultural societies (eligible customers), as required by Amended Substitute House Bill No. 6 of the 133rd Ohio General Assembly (HB6).

The Commission's Entry instructed the EDUs to file proposed tariffs implementing rate schedules to accommodate the new rate design on or before November 13, 2019. The Entry also provided for a comment period with comments responsive to the proposed tariffs to be filed by December 4, 2019.

On November 13, 2019, the EDUs filed their proposed tariffs in response to the Commission's Entry. No Comments were filed by December 4, 2019; however, on December 6, Four A Energy Consulting Services, LLC filed comments in the case.

On December 17, 2019, Duke Energy Ohio, Inc., (Duke-OH) filed a revised proposed tariff schedule and Ohio Power filed a revised proposed tariff on January 17, 2020.

Staff Review & Recommendations

Staff has reviewed the proposed tariffs filed on November 13, 2019, December 17, 2019 and January 17, 2020. The EDUs have chosen various methods of complying with the Commission's Entry. A brief summary of each EDUs filing is provided below.

Dayton Power and Light's (DP&L) eligible customers are currently served under the Company's Primary Service or Secondary Service base distribution schedules. DP&L proposes to add a provision to each of these schedules, as well as any rider that contains demand charges, which currently only includes the Transmission Cost Recovery Rider. The proposed provision replaces demand charges with an average kwh charge. In its

application, DP&L states that it will track revenue loss resulting from customer migration and seek recovery in the future.

Duke-OH has eligible customers being served under various schedules; however, the majority of them are served under the Secondary Distribution -Small schedule (Rate DM). Rate DM and its associated riders, do not include any demand charges, complying with the kwh-only rate design anticipated by HB6 (R.C. Section 4928.80). Duke-OH's proposal will open Rate DM to all eligible customers.

Ohio Edison Company, The Toledo Edison Company and The Cleveland Electric Illuminating Company (FirstEnergy) are proposing a new rider titled "County Fairs and Agricultural Societies." Eligible customers are served under the FirstEnergy Distribution Rate GS (General Service-Secondary) and Rate GP (General Service-Primary). The customers will continue to take service under these schedules but will be subject to the new rider. The new Rider provides a credit for all demand-related rates and riders, and institutes a kwh-only rate, as prescribed by HB6 (R.C. Section 4928.80). The proposed rider includes language which states that any revenue loss associated with customer migration will be recovered through the Delta Revenue Recovery Rider (Rider DRR) or its successor.

Ohio Power Company (OPCo) is proposing a new rate schedule titled "Schedule County Fairs and Agricultural Societies". The new schedule is applicable to all eligible customers served under current Secondary and Primary voltage schedules. The proposed schedule includes a flat monthly customer charge and kwh-only charge, as prescribed by HB6 (R.C. Section 4928.80). In addition, OPCo's Energy Efficiency and Peak Demand Reduction Rider (EEPDR), will be modified to charge these customers the General Service Non-Demand Metered flat monthly fee instead of a demand-based charge.

OPCo is also requesting that the Commission grant them the accounting authority to defer the regulatory asset and deferral related to the revenue loss associated with customer migration to the proposed schedule.

After reviewing of the EDU's proposed tariffs, Staff believes that the proposed modifications and additions to their current tariffs comply with the Commission's Entry by implementing rate schedules that provide county fairs and agricultural societies with a rate design that either incorporates a fixed monthly service fee or an energy charge on a kilowatt-hour basis.

The EDUs have proposed various methods for the recovery of reduced revenues that may result from customers migrating to the proposed rates, including deferring the lost revenue for recovery in the future or recovering through economic development riders. Staff recommends that the reduced revenues, not otherwise recovered in a specific rider as proposed by each EDU, should be considered for recovery in each of the EDUs economic development cost recovery rider.

Conclusion

Staff recommends that the proposed tariffs for all EDUs be approved. Staff also recommends that reduced revenues resulting from customer migration to the proposed rates, not otherwise recovered in a specific rider as proposed by each EDU, be considered for recovery through the EDUs economic development cost recovery riders. Finally, Staff recommends that the Commission direct the EDUs to notify their customers about the new rates and tariff schedules.