

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
DUKE ENERGY OHIO, INC. TO ADJUST  
RIDER AU FOR 2018 GRID  
MODERNIZATION COSTS.

CASE NO. 19-664-GA-RDR

## ENTRY ON REHEARING

Entered in the Journal on January 29, 2020

### I. SUMMARY

{¶ 1} The Commission grants Duke Energy Ohio, Inc.'s application for rehearing of the December 4, 2019 Entry for the purpose of further consideration of the matters specified in the application for rehearing.

### II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke or the Company) is a natural gas company as defined in R.C. 4905.03 and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} In Case No. 07-589-GA-AIR, et al., the Commission approved a stipulation and recommendation that, among other things, provided a process for the filing of Duke's deployment plans for the installation of an automated gas meter reading system, which would share the SmartGrid communications technology for the Company's electric system, and a method for recovering costs associated with the plans, which was designated Rider Advanced Utility (Rider AU). *In re Duke Energy Ohio, Inc.*, Case No. 07-589-GA-AIR, et al. (*Gas Distribution Rate Case*), Opinion and Order (May 28, 2008).

{¶ 4} By Opinion and Order dated July 2, 2019, the Commission approved Duke's application to adjust Rider AU for 2017 grid modernization costs. Additionally, in light of Duke's plans to replace certain advanced metering infrastructure (AMI) components for the gas distribution system, the Commission determined that Staff, in the Company's next annual proceeding to adjust Rider AU, should thoroughly evaluate whether the Company's customers are paying charges through Rider AU for costs associated with equipment that is

no longer used and useful. Staff was directed to perform, as necessary, a field audit or other physical verification of Duke's AMI components for its natural gas operations. *In re Duke Energy Ohio, Inc.*, Case No. 18-837-GA-RDR (2018 Rider AU Case), Opinion and Order (July 2, 2019) at ¶¶ 23-24.

{¶ 5} On June 25, 2019, in the above-captioned case, Duke filed an application, along with supporting testimony, to adjust Rider AU for grid modernization deployment costs incurred in 2018, pursuant to the process approved in the *Gas Distribution Rate Case*.

{¶ 6} By Entry dated July 3, 2019, the attorney examiner established a procedural schedule to accomplish the review of Duke's proposed adjustments to Rider AU, with comments and reply comments due on October 25, 2019, and November 8, 2019, respectively. In the event all of the issues raised in the comments are not resolved, or if the Commission finds that the application may be unjust or unreasonable, Staff and intervenor testimony would be due on November 22, 2019, with Duke's supplemental testimony to be filed on November 29, 2019. Finally, the attorney examiner scheduled a hearing to occur, if necessary, on December 5, 2019.

{¶ 7} On October 25, 2019, Staff filed its review and recommendations, stating that, due to Duke's inability to provide sufficient financial information to support the locational data of its capital equipment, Staff was unable to adequately complete the audit ordered by the Commission in the *2018 Rider AU Case*. Staff recommended that a request for proposal (RFP) be issued for the necessary audit of Duke's capital equipment and that the Rider AU charge be suspended until the audit is completed.

{¶ 8} On November 21, 2019, the attorney examiner determined that the procedural schedule should be held in abeyance, pending the Commission's consideration of Staff's recommendations.

{¶ 9} By Entry issued on December 4, 2019, the Commission directed Staff to issue an RFP for audit services to review Duke's capital assets associated with Rider AU. The

Commission also directed that collection of the rider charge be suspended until otherwise ordered by the Commission.

{¶ 10} R.C. 4903.10 states that any party who has entered an appearance in a Commission proceeding may apply for a rehearing with respect to any matters determined therein by filing an application within 30 days after the entry of the order upon the Commission's journal.

{¶ 11} On January 3, 2020, Duke filed an application for rehearing of the December 4, 2019 Entry.

{¶ 12} The Commission believes that sufficient reason has been set forth by Duke to warrant further consideration of the matters specified in the application for rehearing. Accordingly, the application for rehearing filed by Duke should be granted.

### III. ORDER

{¶ 13} It is, therefore,

{¶ 14} ORDERED, That the application for rehearing filed by Duke be granted for further consideration of the matters specified in the application for rehearing. It is, further,

{¶ 15} ORDERED, That a copy of this Entry on Rehearing be served upon all parties of record.

COMMISSIONERS:

*Approving:*

Sam Randazzo, Chairman  
M. Beth Trombold  
Lawrence K. Friedeman  
Dennis P. Deters

SJP/mef

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Summary: Entry on Rehearing that the Commission grants Duke Energy Ohio, Inc.'s application for rehearing of the December 4, 2019 Entry for the purpose of further consideration of the matters specified in the application for rehearing. electronically filed by Docketing Staff on behalf of Docketing