

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke)
Energy Ohio, Inc., to Adjust and Set Rider) Case No. 20-0344-EL-RDR
DSR.)

In the Matter of the Application of Duke)
Energy Ohio, Inc., for Approval of Tariff) Case No. 20-0345-EL-ATA
Amendments.)

**APPLICATION OF DUKE ENERGY OHIO, INC.,
TO ADJUST RIDER DSR FOR RECOVERY OF
DISTRIBUTION MAJOR STORM EXPENSES**

Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) is an Ohio corporation engaged in the business of supplying electric transmission, distribution, and a standard service offer¹ to customers in southwestern Ohio, all of whom will be affected by this Application, and is a public utility as defined by R. C. 4905.02 and 4905.03. Duke Energy Ohio serves incorporated communities and unincorporated territory within its entire service area, which includes all or parts of Adams, Brown, Butler, Clinton, Clermont, Hamilton, Montgomery, and Warren Counties in Ohio.

In support of its Application, Duke Energy Ohio states as follows:

1. This Application is made pursuant to O.A.C. Chapter 4901:1-35 and the Opinion and Order of the Public Utilities Commission of Ohio (Commission), issued December 19, 2018, in Consolidated Case Nos. 17-32-EL-AIR, *et al.* (Opinion and Order).² In its Opinion and Order,

¹ Duke Energy Ohio provides a standard generation service offer pursuant to an electric security plan, most recently approved in Consolidated Cases No. 17-1263-EL-SSO, *et al.*

² *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates* No. 17-32-EL-AIR, *et al.*, Opinion and Order (December 19, 2018).

the Commission approved a stipulation in which the signatory parties agreed, among other things, that Duke Energy Ohio would extend its Distribution Storm (Rider DSR) to track annual incremental major storm expense, as compared to the amount recovered in base rates.³ Rider DSR was originally approved by the Commission in the Company's ESP III Case No. 14-841-EL-SSO filing. In that proceeding, the Commission ordered the Company to track annual incremental major storm expense as compared to the amount recovered in base rates, but to not seek recovery under the rider until the balance of the asset or liability exceeded \$5 million.⁴ In the Commission's most recent order, the \$5 million threshold was eliminated and the Company was instructed to file an application with the Commission to refund or recover the accumulated balance of the deferred storm cost deferral as of December 31, 2018, with annual rider filings thereafter.⁵

2. Rider DSR is a nonbypassable rider that is designed to either refund or collect amounts as compared to that which is recovered in base rates. The amount included in base rates is \$4.3 million.⁶

3. Schedules supporting the calculation of the proposed rate for Rider DSR are provided as attachments hereto as Attachment 1. The schedules support the calculations for the various cost components that were approved for recovery through Rider DSR.

4. Attached hereto as Attachment 2 is the new tariff sheet No. 101.02 Entitled 'Rider DSR – Distribution Storm Rider.'

5. Attached hereto as Attachment 3 is a summary of capital costs incurred for major storms.

³ *Id.*, pp. 42-43.

⁴ *In the Matter of Application of Duke Energy Ohio, Inc. for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan, Accounting Modifications, and Tariffs for Generation Service*, Case Nos. 14-841-EL-SSO, *et al.*, Opinion and Order, pp. 73-75 (April 2, 2015).

⁵ *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates* No. 17-32-EL-AIR, *et al.*, Opinion and Order, pp. 42-43 (December 19, 2018).

⁶ *Id.*, p. 43.

6. WHEREFORE, Duke Energy Ohio respectfully requests that the Commission approve this Application and the attached tariff and rates for Rider DSR and order rates to be effective first billing cycle of November 2020.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

/s/ Larisa M. Vaysman

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Duke Energy Ohio

Rider DSR

Case No. 20-0344-EL-RDR

Revenue Requirement

Schedule 1

Line No.	Description	Duke Energy Ohio	
1	Prior Year Regulatory Asset (Liability) ⁽¹⁾	\$ -	
2	Total O&M for Major Storms	2,741,689	Schedule 2, Line 21
3	O&M for Major Storms in Base Rates ⁽²⁾	(4,300,000)	
4	Total Incremental O&M for Major Storms Over (Under) Base Rates	(1,558,311)	Line 2 + Line 3
5	Regulatory Asset (Liability) as of December 31, 2019	(1,558,311)	Line 1 + Line 4
6	Calculation of Carrying Charges ⁽³⁾	5.16% -	
7	Revenue Requirement	\$ (1,558,311)	Line 5 + Line 6

Notes:

⁽¹⁾ The Company began collecting on the prior year balance during the November 2019 billing cycle. Determination of over or under collection will occur at the conclusion of the October 2020 billing cycle and be reconciled in next year's (2021) filing.

⁽²⁾ Commission Order on December 19, 2018, in the Company's Distribution Rate Case, Case No. 17-32-EL-AIR, page 42.

⁽³⁾ Accrual on ending balance from prior year at long term debt rate approved in the Company's Distribution Rate Case, Case No. 17-32-EL-AIR.

Duke Energy Ohio

Rider DSR

Case No. 20-0344-EL-RDR

Summary of 2019 O&M Expenses

Schedule 2

Line No.	Resource	Resource Description	2018 Storms ⁽¹⁾		2019 Storms ⁽²⁾				Total
			OSTM1809	OSTM1811	OSTM1902	OSTM1903	OSTM1909	OSTM1910	
1	12004	Overtime-Union	\$ -	\$ -	\$ 181,157.92	\$ 130,807.14	\$ 75,642.62	\$ 45,613.81	\$ 433,221.49
2	21000	Direct Material/Inventory Cost	-	-	28,702.63	7,551.77	4,769.99	4,813.72	45,838.11
3	28000	Material Allocations	-	-	1,136.58	1,823.98	(193.96)	(42.09)	2,724.51
4	28002	Stores Loading	-	-	5,651.17	1,031.33	(663.48)	(50.44)	5,968.58
5	30000	Direct Purchases	-	249.64	32.96	237.50	-	-	520.10
6	40000	Travel Expenses	-	244.12	58.93	890.75	85.23	104.81	1,383.84
7	41000	Meals and Entertainment (50%)	-	49.60	409.40	1,323.49	597.77	418.87	2,799.13
8	41001	Overtime Meals (Non Travel)	-	-	5,171.00	5,765.25	2,748.50	2,047.00	15,731.75
9	42000	Personal Vehicle Mileage Reimb	-	-	-	-	-	-	-
10	50000	Vehicle & Equip. Chargeback	-	-	15,908.68	16,802.51	7,307.75	5,778.59	45,797.53
11	69100	Baseload Contract Labor	8,248.38	276,666.72	560,724.82	1,058,995.28	242,511.52	215,425.34	2,362,572.06
12		Mutual Assistance Received	-	-	-	-	-	-	-
13		TOTAL	8,248.38	277,210.08	798,954.09	1,225,229.00	332,805.94	274,109.61	2,916,557.10
14	ALLOCATED AMOUNTS ⁽³⁾								
15	7.76%	Payroll Taxes	0.00	0.00	14,057.85	10,150.63	5,869.87	3,539.63	33,617.99
16	31.98%	Fringe Benefits	0.00	0.00	57,934.30	41,832.12	24,190.51	14,587.30	138,544.23
17		TOTAL	0.00	0.00	71,992.15	51,982.75	30,060.38	18,126.93	172,162.22
18		Fully Loaded O&M for Major Storms	\$ 8,248.38	\$ 277,210.08	\$ 870,946.24	\$ 1,277,211.75	\$ 362,866.32	\$ 292,236.54	\$ 3,088,719.32
19	MUTUAL ASSISTANCE CREDITS								
20		Mutual Assistance Provided							(347,030.29)
21		TOTAL O&M FOR MAJOR STORMS							<u>\$ 2,741,689.03</u>

Notes:

⁽¹⁾ Represents costs recorded in 2019 for 2018 storms not present in filing for Case No. 19-0574-EL-RDR.⁽²⁾ Represents 2019 major storm expenses through February 2020.⁽³⁾ Payroll Taxes (7.76%) and Fringe Benefits (31.98%) are applied to "Overtime-Union" labor costs (resource code 12004).

Duke Energy Ohio

Rider DSR

Case No. 20-0344-EL-RDR

Cost Allocation and Rate Calculation

Schedule 3

Line No.	Rate Class	Allocation Factor ⁽¹⁾	Allocated Deferral	Annual Bills 2019 ⁽³⁾	Projected Monthly Rider DSR Charge	Annual Billed kW 2019 ⁽³⁾	Projected Monthly Rider DR Charge Per kW
1	Residential (RS, RSLI, ORH, TD, CUR, RS3P)	49.23%	(\$767,188)	8,002,042	(\$0.10)	N/A	
2	Secondary Distribution (DS)	37.09%	(578,024)	N/A	N/A	19,305,497	(\$0.03)
3	Electric Space Heating (EH)	0.45%	(7,075)	4,161	(\$1.70)	N/A	
4	Secondary Distribution (DM)	3.82%	(59,512)	520,980	(\$0.11)	N/A	
5	Unmetered Small Fixed Loads (GSFL, SFL-ADPL)	0.21%	(3,241)	1,248	(\$2.60)	N/A	
6	Primary Distribution (DP)	9.08%	(141,417)	N/A	N/A	4,696,518	(\$0.03)
7	Transmission (TS)	0.00%	N/A	N/A	N/A	N/A	
8	Lighting (SL, TL, OL, NSU, NSP, SC, SE, UOLS, LED)	0.12%	(1,854)	1,767,616	\$0.00	N/A	
9	Total	100.00%	(\$1,558,311) ⁽²⁾	10,296,047			

Notes: ⁽¹⁾ From Cost of Service Study in Case No. 17-032-EL-AIR, Schedule E-3.2, page 18, factor K205, "Weighted Distribution Line Allocation Factor."

⁽²⁾ From Schedule 1 - Revenue Requirement.

⁽³⁾ From CMS customer statistics for 12 months ended December 31, 2019

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Attachment 2

Page 1 of 1

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19
Sheet No. 101.03
Cancels and Supersedes
Sheet No. 101.02
Page 1 of 1

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RIDER DSR

DISTRIBUTION STORM RIDER

APPLICABILITY

Applicable to all retail jurisdictional customers in the Company's electric service areas including those customers taking generation service from a Competitive Retail Electric Service Provider. This tariff does not apply to customers taking service under Rate TS, service at transmission voltage.

DESCRIPTION

All retail jurisdictional customers shall be assessed a charge/credit to recover/refund the costs incurred by the Company due to major storms above or below the amount in base rates. The rates for all customers are shown below.

CHARGES

Rate RS, RSLI & RS3P	\$(0.10) per month
Rate ORH	\$(0.10) per month
Rate TD	\$(0.10) per month
Rate CUR	\$(0.10) per month
Rate DS	\$(0.03) per kW
Rate EH	\$(1.70) per month
Rate DM	\$(0.11) per month
Rate GS-FL, SFL-ADPL	\$(2.60) per month
Rate DP	\$(0.03) per kW
Lighting (SL, TL, OL, NSU, NSP, SC, SE, UOLS, LED)	\$0.00 per month

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This Rider is subject to reconciliation, including, but not limited to, refunds or additional charges to customers, ordered by the Commission as the result of audits by the Commission in accordance with the December 19, 2018, Opinion and Order in Case No. 17-1263-EL-SSO, et al.

Deleted: October 9, 2019

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Issued Pursuant to an Order dated _____ in Case No. 20-0344-EL-RDR before the Public Utilities Commission of Ohio.

Issued: _____ Effective: _____

Issued by Amy B. Spiller, President

Duke Energy Ohio

Rider DSR

Case No. 20-0344-EL-RDR

Storms Capital Summary

RESOURCE	RESOURCE DESCRIPTION	SOH1811DC			SOH1902DC			SOH11903DC		
		107000 (cwip)	108620 (rwip)	Subtotal	107000 (cwip)	108620 (rwip)	Subtotal	107000 (cwip)	108620 (rwip)	Subtotal
11000	Labor									
11002	Labor-Union									
12004	Overtime-Union									
13000	Exempt Supplemental									
18000	Labor Overhead Allocations	97.90	-121.72	-23.82	503.84	100.79	604.63	374.93	74.99	449.92
18001	Unproductive Labor Allocated									
18005	Unproduct Labor Alloc-Union									
18250	Allocated Payroll Tax	7.49	-9.32	-1.83	38.55	7.71	46.26	28.69	5.74	34.43
18251	Allocated Payroll Tax-Union									
18350	Allocated Fringes & Non Union	25.44	-31.64	-6.20	130.96	26.21	157.17	97.45	19.49	116.94
18351	Allocated Fringes-Union									
18400	Incentives Allocated									
18401	Incentives Allocated-Union									
19500	Service Company Overhead									
21000	Direct Material/Inventory Cost	-177.84		-177.84	29,877.30		29,877.30	16,788.28		16,788.28
28000	Material Allocations	-4.30		-4.30	1,314.24		1,314.24	-747.41		-747.41
28002	Stores Loading	-20.04		-20.04	3,431.07		3,431.07	1,764.50		1,764.50
35000	Direct Mat/Purchases Accrual									
41000	Meals and Entertainment (50%)									
41001	Overtime Meals (Non Travel)									
50000	Vehicle & Equip. Chargeback									
50002	Vehicle & Equip Chrbk (Alloc)	1,840.03	-1,840.03	0.00						
69100	Baseload Contract Labor	-338.65	-67.73	-406.38	9,431.93	1,886.39	11,318.32	7,351.33	1,470.27	8,821.60
78000	Allocated S&E (Non-Labor)	93.90	-186.78	-92.88	1,927.33	385.43	2,312.76	1,581.10	316.21	1,897.31
99810	Accounting Entry									
99970	AFUDC Debt	-111.69		-111.69	42.57		42.57	0.00		0.00
99971	AFUDC Equity	-131.16		-131.16	68.50		68.50	0.00		0.00
		\$1,281.08	-\$2,257.22	-\$976.14	\$46,766.29	\$2,406.53	\$49,172.82	\$27,238.87	\$1,886.70	\$29,125.57

Duke Energy Ohio

Rider DSR

Case No. 20-0344-EL-RDR

Storms Capital Summary

RESOURCE	RESOURCE DESCRIPTION	SOH1909DC			SOH1910DC			ALL STORMS TOTAL		
		107000 (cwip)	108620 (rwip)	Subtotal	107000 (cwip)	108620 (rwip)	Subtotal	107000 (cwip)	108620 (rwip)	Grand Total
11000	Labor	151.40	30.28	181.68				151.40	30.28	181.68
11002	Labor-Union	7,279.21	1,455.82	8,735.03	21,976.74	4,395.33	26,372.07	29,255.95	5,851.15	35,107.10
12004	Overtime-Union	43,559.09	8,711.80	52,270.89	35,244.65	7,048.87	42,293.52	78,803.74	15,760.67	94,564.41
13000	Exempt Supplemental	1,781.34	356.27	2,137.61	435.81	87.16	522.97	2,217.15	443.43	2,660.58
18000	Labor Overhead Allocations	9,027.12	1,768.92	10,796.04	8,716.97	1,414.90	10,131.87	18,720.76	3,237.88	21,958.64
18001	Unproductive Labor Allocated	22.71	4.54	27.25				22.71	4.54	27.25
18005	Unproduct Labor Alloc-Union	2,026.72	405.33	2,432.05	6,187.75	1,237.59	7,425.34	8,214.47	1,642.92	9,857.39
18250	Allocated Payroll Tax	808.03	158.96	966.99	696.21	114.68	810.89	1,578.97	277.77	1,856.74
18251	Allocated Payroll Tax-Union	3,869.30	773.87	4,643.17	4,996.20	999.26	5,995.46	8,865.50	1,773.13	10,638.63
18350	Allocated Fringes & Non Union	6,191.02	1,212.72	7,403.74	2,558.39	406.38	2,964.77	9,003.26	1,633.16	10,636.42
18351	Allocated Fringes-Union	33,390.30	6,678.04	40,068.34	17,424.35	3,484.94	20,909.29	50,814.65	10,162.98	60,977.63
18400	Incentives Allocated	8,166.85	1,594.99	9,761.84	45.76	9.15	54.91	8,212.61	1,604.14	9,816.75
18401	Incentives Allocated-Union	1,585.98	317.19	1,903.17	1,939.25	387.87	2,327.12	3,525.23	705.06	4,230.29
19500	Service Company Overhead	1,679.74	335.93	2,015.67	3,172.57	634.48	3,807.05	4,852.31	970.41	5,822.72
21000	Direct Material/Inventory Cost	10,386.70		10,386.70	24,874.99		24,874.99	81,749.43	0.00	81,749.43
28000	Material Allocations	-433.94		-433.94	-112.96		-112.96	15.63	0.00	15.63
28002	Stores Loading	-1,442.93		-1,442.93	146.07		146.07	3,878.67	0.00	3,878.67
35000	Direct Mat/Purchases Accrual							0.00	0.00	0.00
41000	Meals and Entertainment (50%)				92.79	18.56	111.35	92.79	18.56	111.35
41001	Overtime Meals (Non Travel)	1,562.08	312.42	1,874.50	1,609.99	322.01	1,932.00	3,172.07	634.43	3,806.50
50000	Vehicle & Equip. Chargeback	4,358.12	871.59	5,229.71	4,605.29	921.02	5,526.31	8,963.41	1,792.61	10,756.02
50002	Vehicle & Equip Chrbk (Alloc)	18,232.59	3,646.49	21,879.08	17,611.61	3,522.27	21,133.88	37,684.23	5,328.73	43,012.96
69100	Baseload Contract Labor	47,395.69	9,478.99	56,874.68	30,642.39	6,128.42	36,770.81	94,482.69	18,896.34	113,379.03
78000	Allocated S&E (Non-Labor)	31,965.92	6,340.47	38,306.39	27,870.50	5,193.40	33,063.90	63,438.75	12,048.73	75,487.48
99810	Accounting Entry				-1,162.70	-232.26	-1,394.96	-1,162.70	-232.26	-1,394.96
99970	AFUDC Debt	369.48		369.48	332.82		332.82	633.18	0.00	633.18
99971	AFUDC Equity	367.56		367.56	331.09		331.09	635.99	0.00	635.99
		\$232,300.08	\$44,454.62	\$276,754.70	\$210,236.53	\$36,094.03	\$246,330.56	\$517,822.85	\$82,584.66	\$600,407.51

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in

Case No(s). 20-0344-EL-RDR

Summary: Application Application of Duke Energy Ohio, Inc. To Adjust Rider DSR For Recovery of Distribution Major Storm Expenses electronically filed by Mrs. Tammy M Meyer on behalf of Duke Energy Ohio Inc. and D'Ascenzo, Rocco and Vaysman, Larisa