



Public Utilities Commission

Mike DeWine, Governor
Sam Randazzo, Chairman

Commissioners

M. Beth Trombold
Lawrence K. Friedeman
Dennis P. Deters
Daniel R. Conway

April 24, 2020

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

RE: *In the Matter of the Duke Energy Ohio, Inc., Under the Commission's Proceedings During the Declared State of Emergency, for a Reasonable Arrangement with Customers Served Under Rates DS, DP, and TS., 20-856-EL-AEC, 20-857-EL-RDR, Case Nos. 20-599-GE-UNC*

Dear Docketing Division:

Enclosed please find the Staff Recommendation In the Matter of the Duke Energy Ohio, Inc., Under the Commission's Proceedings During the Declared State of Emergency, for a Reasonable Arrangement with Customers Served Under Rates DS, DP, and TS, Case Nos. 20-856-EL-AEC, et al.

David Lipthrott
Chief, Accounting and Finance Division
Public Utilities Commission of Ohio

Barbara Bossart
Chief, Reliability and Service Analysis Division
Service Monitoring and Enforcement Department

Enclosure
Cc: Parties of Record

Duke Energy Ohio
Case No. 20-599-GE-UNC
Case No. 20-856-EL-AEC
Case No. 20-857-EL-RDR

SUMMARY

On March 12, 2020, the Public Utilities Commission of Ohio (Commission) initiated Case No. 20-591-AU-UNC, *In the Matter of the Proper Procedures and Process for the Commission's Operations and Proceedings During the Declared State of Emergency and Related Matters*, (State of Emergency Proceeding) and issued an Entry that, due to the declaration of a state of emergency, "directs all public utilities under its jurisdiction to review their service disconnection policies, practices, and tariff provisions and to promptly seek any necessary approval to suspend otherwise applicable requirements that may impose a service continuity hardship on residential and nonresidential customers or create unnecessary COVID-19 risks associated with social contact."

On March 19, 2020, Duke Energy Ohio, Inc. (Duke or Company) filed an application proposing a comprehensive plan for the duration of the State of Emergency (Plan), seeking the Commission's approval of the Plan and waiver of certain administrative rules.

On April 16, 2020, Duke filed an application for a reasonable arrangement that will temporary reduce the currently approved demand ratchet in applicable non-residential rates during the summer of 2020 and enable Duke to recover the lost revenues from those classes of customers.

On April 17, 2020 the Company amended its application to provide for Attachments A through C containing clean and red-lined tariffs.

STAFF REVIEW OF DISCONNECTION AND CONTINUITY OF SERVICE PLAN

The Company is requesting to alter its disconnection policies and practices by suspending disconnection during the COVID-19 emergency. In addition, the Company is deferring or eliminating certain fees including reconnection fees, late fees, returned check fees and credit card and debit card fees in order to encourage reconnection or continuity of service. In addition, the Company is also waiving credit reviews for reconnections. The Company will also minimize social contacts by encouraging social distancing techniques. Finally, the Company is requesting a waiver of the administrative rule as set forth in the table below.

<u>Rule</u>	<u>Rule Description</u>	<u>Reason</u>	<u>Duke Action</u>
4901:1-10-04(C)	Voltage Requirements	Social Contact	Duke requests to deviate from prompt action in cases where the known voltage levels do not pose an imminent safety hazard or critical operational circumstance.
4901:10-05(F)(1)	Meter Test	Social Contact	Duke requests to suspend customer-requested meter tests.
4901:10-05(I)(1)	Meter Reading	Social Contact	Duke requests to estimate bills.
4901:10-05(I)(2)	Meter Reading	Social Contact	Duke requests to suspend customer-requested meter tests.
4901:10-05(I)(3)	Meter Reading	Social Contact	Duke requests to rely on estimated meter readings.

4901:1-10-05(J)(4)	Meter Opt-Out	Social Contact	Duke requests to refuse advanced meter opt-out service.
4901:1-10-09	Minimum Standards	Social Contact	Duke requests to not be held to the minimum service standards.
4901:1-10-27(D)(3)	Inspections	Social Contact	Duke requests to suspend field inspection requirements.
4901:1-13-04(D)	Meter Test	Social Contact	Duke requests to suspend customer-requested meter tests.
4901:1-13-04(G)(1)	Meter Reading	Social Contact	Duke requests to estimate bills.
4901:1-13-04(G)(5)	Meter Reading/Test	Social Contact	Duke requests to suspend customer-requested meter tests.
4901:1-13-04(G)(6)	Meter Reading	Social Contact	Duke requests to rely on estimated meter readings.
4901:1-13-05(A)	Minimum Standards	Social Contact	Duke requests to not be held to the minimum service standards.
4901:1-13-05(D)	Minimum Standards	Social Contact	Duke requests suspension to complete service line repairs after a shutoff by the end of the next day.
4901:1-16-04(I)	Gas Pipeline Safety	Social Contact	Duke requests suspension to complete repair of grade-two leaks.
4901:1-18-07(A) and (B)	Reconnection of Service	Social Contact	Duke requests suspension to reconnect service for previously disconnected customers within specific time frames.
4901:1-18-17	Removal from PIPP	Service Continuity	Duke requests to suspend termination of PIPP plus customers from the PIPP program.

STAFF RECOMMENDATION REGARDING DISCONNECTION AND SERVICE CONTINUITY PLAN AND WAIVERS OF ADMINISTRATIVE RULES

Staff has no concerns with the Company's disconnection and continuity of service plan and believes suspending disconnections and removing financial barriers to reconnection or continuity of service such as waiving reconnection fees, late fees and credit card processing fees are appropriate actions under the circumstances.

Staff does not oppose the temporary waiver of administrative rules referenced above or related tariff requirements regarding in person meter reading. Staff recommends that for customers who request an initial or final meter reading, Duke should request and instruct the customer how to provide a meter reading during the COVID-19 pandemic. Staff believes that most field inspections do not necessarily require a social contact, however, staff recognizes that some inspections may lead to a social contact. Staff recommends the Company record, track and proactively provide to staff on a monthly basis the inspections that have been delayed and the rescheduled inspection dates. Staff also believes that an extension of the time to repair or replace level two leaks is reasonable, however, the 6 month reevaluation of the leak should continue until the leak is cleared.

Finally, the Company did not specify an end-date for their waiver. Staff recommends that if the Commission approves the waivers requested by the Company they should be valid for a specified period of time.

STAFF REVIEW OF THE APPLICATION FOR A REASONABLE ARRANGEMENT

The Company's proposed reasonable arrangement, filed in Case No. 20-856-EL-AEC, will provide temporary relief to reduce the financial hardships of its commercial and industrial customers through September 2020. Included in the application is a copy of the modified tariffs that includes proposed temporary language to reduce the minimum billing demand from 85% to 50%.

Specifically, the Company proposes to reduce the minimum demand provision that sets a floor on the customer's billing demand at 85% of their peak demand established in the prior summer period. For the temporary period through September 2020, the Company will lower the minimum demand provision to 50% of the customers peak demand set in the prior summer period. This temporary modification is for customers served pursuant to rate schedules DS (Secondary Distribution Voltage), DP (Primary Distribution Voltage) and TS (Transmission Voltage).

The Company has proposed to defer the difference between the amounts billed to customers under the reduced minimum demand provision and the amounts that would have been billed under the minimum demand provisions in the current tariff. The Company proposes to collect the deferred amounts, plus carrying costs through its Economic Competitiveness Fund Rider (Rider ECF), for a period of one year beginning January 1, 2021. The Company proposes to collect carrying charges on the unrecovered balance until fully compensated.

The current Rider ECF would socialize the foregone revenues across all residential and non-residential customers. However, for this reasonable arrangement, the Company requests the Commission provide a waiver to allow the Company to modify its current Rider ECF to allocate the foregone revenues to only the classes that are being provided minimum billing demand relief. Another potential option, if administratively feasible, would be a payment plan mechanism, whereby the customers receiving relief under the reasonable arrangement as a result of the COVID-19 Emergency would ultimately repay the benefits they received at some point in the future.

STAFF RECOMMENDATION – REASONABLE ARRANGEMENT

Staff has reviewed the reasonable arrangement application and believes that the Company's proposal to provide relief for the financial hardships that commercial and industrial customers may face as a result the COVID 19 emergency is reasonable and recommends that the Commission approve the Company's application to reduce the minimum billing demand provision.

Staff concurs with the Company that the Financial Accounting Standards Board (FASB) requirements for revenue deferral contained in Accounting Standards Codification (ASC) 980-605 apply to any forgone revenues that result from implementation of the Plan. Consequently, a clear recovery mechanism is necessary in order to satisfy the requirements detailed in ASC 980-605. The Company proposes to recover through the Rider ECF these foregone revenues that result from the reasonable arrangement.

The currently approved Rider ECF would socialize the foregone revenues across all residential and non-residential customers. However, the Company requests the Commission provide a waiver to allow the Company to modify its current Rider ECF to allocate the foregone revenues to only the classes of customers that are being provided minimum billing demand relief. Another potential option, if

administratively feasible, would be a payment plan mechanism, whereby the customers receiving relief under the reasonable arrangement as a result of the COVID-19 Emergency would ultimately repay the benefits they received at some point in the future.

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

4/24/2020 2:14:22 PM

in

Case No(s). 20-0856-EL-AEC, 20-0857-EL-RDR, 20-0599-GE-UNC

Summary: Staff Review and Recommendation in the Matter of the Duke Energy Ohio, Inc., Under the Commission's Proceedings During the Declared State of Emergency, for a Reasonable Arrangement with Customers Served Under Rates DS, DP, and TS electronically filed by Zee Molter on behalf of PUCO Staff