

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
DUKE ENERGY OHIO, INC. TO ADJUST  
AND SET RIDER ESRR.

CASE NO. 20-51-EL-RDR

IN THE MATTER OF THE APPLICATION OF  
DUKE ENERGY OHIO, INC., FOR  
APPROVAL OF TARIFF AMENDMENTS.

CASE NO. 20-52-EL-ATA

## FINDING AND ORDER

Entered in the Journal on May 20, 2020

### I. SUMMARY

{¶ 1} The Commission approves Duke Energy Ohio, Inc.'s application to adjust and set rates for recovery of vegetation management services.

### II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke or Company) is an electric distribution utility (EDU) defined by R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} On December 19, 2018, the Commission approved a stipulation filed by various parties, which provided for Duke to implement a rider for recovery of vegetation management services (Rider ESRR). *In the Matter of the Application of Duke Energy Ohio, Inc. for an Increase in Electric Distribution Rates*, Case Nos. 17-32-EL-AIR, *et al.*, Opinion and Order (Dec. 19, 2018).

{¶ 4} On January 29, 2020, Duke filed its application requesting approval to adjust the rate for Rider ESRR. In its application, Duke states that Rider ESRR is a nonbypassable rider that is designed to recover all other costs billed to Duke which exceed the test year expenditure for non-affiliated contractor management services of \$10,720,877. Duke's actual 2019 costs were \$28,704,158, which exceeded the amount established in base rates by \$17,983,281. Of this amount, only \$10 million is eligible for recovery under the cap. For

2020, Duke projects program spending to be \$26,782,639, which would exceed the amount in base rates by \$16,061,762.

{¶ 5} On March 17, 2020, the Ohio Consumers' Counsel (OCC) filed a motion to intervene in these proceedings. No party opposed the motion to intervene. The Commission finds that the motion complies with the requirements set forth in R.C 4903.221 and Ohio Adm.Code 4901-1-11, and should, therefore, be granted.

{¶ 6} On May 12, 2020, Staff filed its review and recommendation. As part of its review, Staff contends that it examined the as-filed schedules for consistency with previous Rider ESRR cases to ensure proper accounting and regulatory treatment was applied. Through a combination of document review, interviews, and interrogatories, Staff reviewed Duke's financial statements for completeness, occurrence, presentation, valuation, allocation, and accuracy. As a result of the financial audit, Staff makes no recommendations. With respect to the visual inspections, Staff states that it selected a sample of ten circuits from the Company's three districts to virtually verify that vegetation line clearance was performed as scheduled in 2019. Staff explains that the virtual verifications were conducted via video broadcast on the Microsoft Teams platform. Specifically, Staff states that Duke foresters were in the field and broadcasted a video feed in real-time as they drove and walked the circuits. Circuits were virtually verified in the following counties: Butler, Clermont, Hamilton, and Warren. Staff opines that, while normal regrowth was detected on several circuits, no vegetation was close to making contact with the electric conductors. Additionally, Staff states that all ten circuits showed evidence that Duke conducted vegetation clearance work. Staff believes these circuits to be satisfactory for vegetation control and contends that no additional trimming is required at this time on the circuits audited. Staff, therefore, finds that Duke had appropriately calculated its Rider ESRR and recommends that the application filed on January 29, 2019, be approved.

{¶ 7} Upon review of Duke's January 29, 2020 application and Staff's review and recommendation, the Commission finds that the proposed rates for Rider ESRR do not appear to be unjust or unreasonable and should be approved. Therefore, the Commission finds that it is unnecessary to hold a hearing in this matter. Accordingly, we find that the application to adjust Rider ESRR should be approved.

### III. ORDER

{¶ 8} It is, therefore,

{¶ 9} ORDERED, That OCC's motion to intervene be granted. It is, further,

{¶ 10} ORDERED, That the application filed by Duke on January 29, 2020, be approved. It is, further,

{¶ 11} ORDERED, That Duke be authorized to file in final form complete copies of the tariff pages consistent with this Finding and Order and to cancel and withdraw its superseded tariff pages. Duke shall file one copy in its TRF docket and one copy in this docket. It is, further,

{¶ 12} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariffs are filed with the Commission. It is, further,

{¶ 13} ORDERED, That Duke shall notify all affected customers via a bill message or via a bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least ten days prior to its distribution to customers. It is, further,

{¶ 14} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 15} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

COMMISSIONERS:

*Approving:*

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

LLA/hac

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Summary: Finding & Order approving Duke Energy Ohio, Inc.'s application to adjust and set rates for recovery of vegetation management services electronically filed by Heather A Chilcote on behalf of Public Utilities Commission of Ohio