

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC. FOR
APPROVAL TO CHANGE ACCOUNTING
METHODS.

CASE NO. 20-1011-GE-AAM

ENTRY

Entered in the Journal on May 20, 2020

{¶ 1} Duke Energy Ohio, Inc. (Duke or Company) is a public utility as defined in 4905.02. As such, Duke is subject to the Commission's jurisdiction pursuant to R.C. 4905.04, 4905.05, and 4905.06.

{¶ 2} R.C. 4905.13 authorizes the Commission to establish systems of accounts to be kept by public utilities and to prescribe the manner in which these accounts will be kept. Pursuant to Ohio Adm.Code Chapter 4901:1-13, the Commission adopted the Uniform System of Accounts (USOA), which was established by the Federal Energy Regulatory Commission (FERC), for gas utilities in Ohio. For Ohio regulatory purposes, the system of accounts is only applicable to the extent that it has been adopted by the Commission. Therefore, the Commission may modify the USOA prescribed by FERC as it applies to Ohio utilities. Similarly, pursuant to Ohio Adm.Code 4901:1-9-05, the Commission adopted the USOA for electric utilities in Ohio, except to the extent that the provisions of the USOA are inconsistent with any outstanding accounting orders of the Commission. The Commission may also require the creation and maintenance of such additional accounts as may be prescribed to cover the accounting procedures of electric utilities.

{¶ 3} On March 9, 2020, the governor signed Executive Order 2020-01D (Executive Order), declaring a state of emergency in Ohio to protect the well-being of Ohioans from the dangerous effects of COVID-19. As described in the Executive Order, state agencies are required to implement procedures consistent with recommendations from the Department of Health to prevent or alleviate the public health threat associated with COVID-19. Additionally, all citizens are urged to heed the advice of the Department of Health regarding this public health emergency in order to protect their health and safety. The Executive Order

was effective immediately and will remain in effect until the COVID-19 emergency no longer exists. The Department of Health is making COVID-19 information, including information on preventative measures, available via the internet at coronavirus.ohio.gov/.

{¶ 4} Pursuant to R.C. 3701.13, the Ohio Department of Health has supervision of “all matters relating to the preservation of the life and health of the people” and the “ultimate authority in matters of quarantine and isolation.” On March 12, 2020, the Director of the Ohio Department of Health issued an Order indicating that “all persons are urged to maintain social distancing (approximately six feet away from other people) whenever possible.”

{¶ 5} On March 12, 2020, the Commission opened Case No. 20-591-AU-UNC and directed all utility companies in this state to review their disconnection procedures in light of the state of emergency. *In re the Proper Procedures and Process for the Commission's Operations and Proceedings During the Declared State of Emergency and Related Matters*, Case No. 20-591-AU-UNC (*Emergency Case*), Entry (Mar. 12, 2020) at ¶ 7. On March 13, 2020, the Commission extended its winter reconnection order through May 1, 2020, and directed all utility companies in this state to review their reconnection procedures. *Emergency Case*, Entry (Mar. 13, 2020) at ¶ 6. In the March 12, 2020, and March 13, 2020 Entries, the Commission also directed all utility companies to promptly seek any necessary approval, for the duration of the emergency, to suspend otherwise applicable disconnection or reconnection requirements that may impose a service continuity or service restoration hardship on residential and non-residential customers or create unnecessary COVID-19 risks associated with social contact. The Commission determined that such filings shall be deemed approved on an emergency basis for a period of at least 30 days effective as of the filing date or until such date as the Commission may otherwise specify, which shall not be less than 30 days.

{¶ 6} On March 19, 2020, in Case No. 20-599-GE-UNC, Duke filed an application proposing a temporary plan for addressing the COVID-19 state of emergency, which seeks

the Commission's approval of certain policies, practices, and requirements the Company seeks to suspend pursuant to the Commission's March 12, 2020, and March 13, 2020 Entries and waiver of certain administrative rules. Duke proposes to suspend all disconnections for non-payment, waive all late-payment fees, waive electronic payment fees (credit cards, debit cards, electronic checks) for residential customers, waive credit reviews for reconnection, as well as other actions intended to minimize customer contact.

{¶ 7} By Entry dated March 20, 2020, the Commission directed all utility companies to suspend in-person, actual meter readings in circumstances where a meter is located inside a customer's home or similar location, as well as all other non-essential functions that may create unnecessary COVID-19 risks associated with social contact. The Commission also clarified that requests for accounting authority or incremental cost recovery related to the emergency will be addressed in each utility's individual case by subsequent entry. *Emergency Case*, Entry (Mar. 20, 2020) at ¶¶ 10-11, 13.

{¶ 8} On April 8, 2020, in the *Emergency Case*, the Commission, among other things, extended the 30-day automatic approval period for filings to suspend otherwise applicable disconnection requirements for an additional 30 days, unless otherwise ordered by the Commission. *Emergency Case*, Finding and Order (Apr. 8, 2020) at ¶ 9.

{¶ 9} On May 4, 2020, in Case No. 20-599-GE-UNC, Duke filed a second motion seeking a waiver of certain limitations on offering customers extended payment plan options detailed in Ohio Adm.Code 4901:1-18-05.

{¶ 10} On May 11, 2020, in Case No. 20-1011-GE-AAM, Duke filed an application seeking authority to defer, as a regulatory asset for subsequent recovery, all of the incremental operating costs incurred and foregone revenue that result from implementing the Company's emergency response plan filed in Case No. 20-599-GE-UNC. In support of its request, Duke states that, as a result of COVID-19, the Company has had to implement needed changes to its business operations and that these modifications, which come with an increase in operational costs, have all been in response to Ohio's orders and federal

guidelines. Duke avers that it anticipates that it will incur materially negative financial impacts from the measures required to cope with the COVID-19 crisis, including: (1) incremental costs for information technology modifications that may be or have been required, (2) incremental costs for special cleaning, (3) incremental costs for protective equipment, (4) costs associated with waiving residential electronic payment fees, (5) lost miscellaneous revenues and cost recovery due to suspended tariffed charges, and (6) any other cost or lost revenue directly attributable to the COVID-19 crisis that is not being recovered in base rates or in riders. Duke seeks carrying costs on the deferred amounts until recovery is complete to compensate it for the time value of money. The Company proposes to use the rate for long-term debt, as approved in the Company's most recent base rate cases, to calculate such carrying costs. Duke represents that recovery of any incremental operational costs, including the loss of miscellaneous revenues, deferred under this application will be addressed in a separate proceeding after the total incremental impact is fully known. Lastly, Duke opines that the requested change in accounting procedure will not result in any increase in any rate or charge and suggests that the Commission may approve its application without a hearing.

{¶ 11} On May 19, 2020, Staff filed its review and recommendation regarding Duke's application.

{¶ 12} The attorney examiner finds that, in order to assist the Commission in its review of Duke's application, the following procedural schedule shall be established:

(a) Motions to intervene shall be filed by May 27, 2020.

(b) Comments on the application shall be filed by May 27, 2020.

{¶ 13} It is, therefore,

{¶ 14} ORDERED, That the procedural schedule set forth in Paragraph 12 be adopted. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/Lauren L. Augostini

By: Lauren L. Augostini
Attorney Examiner

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Summary: Attorney Examiner Entry setting forth procedural schedule electronically filed by Heather A Chilcote on behalf of Lauren L. Augostini, Attorney Examiner, Public Utilities Commission of Ohio