

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REVIEW OF DUKE
ENERGY OHIO, INC.'S DISTRIBUTION
CAPITAL INVESTMENT RIDER.

CASE NO. 19-1287-EL-RDR

ENTRY

Entered in the Journal on September 24, 2020

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

{¶ 2} R.C. 4928.141 provides that an EDU shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 3} On May 29, 2014, Duke filed its third ESP application (ESP III). On April 2, 2015, the Commission issued an Opinion and Order modifying and approving Duke's ESP III application for the period of June 1, 2015, through May 31, 2018. *In re the Application of Duke Energy Ohio for Authority to Establish a Std. Serv. Offer in the Form of an Electric Security Plan*, Case No. 14-841-EL-SSO, et al. (*ESP III Case*), Opinion and Order (April 2, 2015). As part of the approved ESP III, the Commission authorized the establishment of the distribution capital investment (DCI) rider to allow for the recovery of capital costs for distribution infrastructure investments. The rider is to be reviewed annually for accounting accuracy, prudence, and compliance with the Commission's Order. Further, the Commission found that a compliance audit of the DCI rider is to be completed annually to ensure conformance with the Opinion and Order.

{¶ 4} By Entry issued on May 30, 2018, in the *ESP III Case*, the Commission granted Duke's request to extend the ESP, including Rider DCI, until a new application for an ESP

was approved. In doing so, the Commission initially extended the 2018 \$35 million revenue cap collection period for Rider DCI until August 1, 2018. In a Second Entry on Rehearing issued July 25, 2018, the Commission granted Duke's application for rehearing, in part, and set a monthly \$5 million cap for Rider DCI until a new ESP was approved. Thereafter, on December 19, 2018, the Commission issued an Opinion and Order modifying and approving an amended stipulation establishing ESP IV that extended Rider DCI through May 31, 2025, subject to certain conditions. *In re Duke Energy Ohio, Inc.*, Case No. 17-1263-EL-SSO, et al. (*ESP IV Case*), Opinion and Order at ¶ 113-116 (Dec. 19, 2018).

{¶ 5} On June 19, 2019, the Commission directed Staff to issue a request for proposal to assist with the annual audit of Rider DCI. Prospective bidders were directed by the Commission to submit proposals to Staff by July 9, 2019. Bidders were directed to demonstrate their understanding of the project and the work required by showing a clear understanding of the tasks to be completed, the experience and qualifications of the personnel who will perform the work, and the anticipated breakdown of costs and timing.

{¶ 6} On July 31, 2019, the Commission issued an Entry selecting Rehmann Consulting (Rehmann) to perform the consulting activities for Duke's Rider DCI and directed Duke to enter into a contract with Rehmann for the purpose of providing payment for its auditing services. Thereafter, on December 13, 2019, Rehmann submitted its audit report.

{¶ 7} By Entry issued January 23, 2020, the attorney examiner, among other things, called for comments regarding the audit report.

{¶ 8} On February 28, 2020, initial comments were timely filed by Staff, Duke, and the Ohio Consumers' Counsel (OCC).

{¶ 9} On March 20, 2020, reply comments were timely filed by Staff, Duke, and OCC.

{¶ 10} On August 25, 2020, Duke filed a Stipulation and Recommendation (Stipulation) on behalf of the Company and Staff (collectively, Signatory Parties) that purports to resolve all of the issues raised by the Signatory Parties in this case.

{¶ 11} On August 26, 2020, OCC filed a correspondence regarding the Stipulation stating that it neither supports nor opposes the Stipulation reached during the Signatory Parties' negotiation process. OCC states that it appreciates the efforts of Duke and Staff to negotiate a result that enabled OCC's non-opposition.

{¶ 12} At this time, the attorney examiner finds it appropriate to set this matter for an evidentiary hearing. Accordingly, an evidentiary hearing shall take place on November 3, 2020, at 10:00 a.m. Testimony in support of the Stipulation should be filed by October 2, 2020. Given the current COVID-19 health emergency, this hearing will be held remotely unless otherwise ordered. The attorney examiner will provide additional details to the parties as those details emerge.

{¶ 13} It is, therefore,

{¶ 14} ORDERED, That a hearing be scheduled in accordance with Paragraph 12.
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

SJP/hac

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Commission of Ohio Docketing Information System on

9/24/2020 12:58:49 PM

in

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Summary: Attorney Examiner Entry scheduling hearing for November 3, 2020, at 10:00 a.m. electronically filed by Heather A Chilcote on behalf of Lauren L. Augostini, Attorney Examiner, Public Utilities Commission of Ohio