

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. 22-18-EL-RDR

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

CASE NO. 22-19-EL-ATA

FINDING AND ORDER

Entered in the Journal on May 18, 2022

I. SUMMARY

{¶ 1} The Commission approves Duke Energy Ohio, Inc.'s application to adjust and set rates for recovery of certain costs 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 certain costs 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 31, 2022, 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 2021 costs were \$21,394,122, which exceeded the amount established in base rates by \$10,673,245. Of this amount, only \$10 million is eligible for recovery under the cap. For 2022, Duke

projects program spending to be \$22,648,784, which would exceed the amount in base rates by \$11,927,907.

{¶ 5} No motions to intervene were filed in this proceeding.

{¶ 6} On May 9, 2022, 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 18 circuits from the Company's three districts to physically verify that vegetation line clearance was performed as scheduled in 2021. Circuits were physically verified in the following counties: Butler, Clermont, Hamilton, and Warren. Staff opines that, while normal regrowth was detected on several circuits, no vegetation was in contact with the electric conductors. Additionally, Staff states that all 18 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 31, 2022, be approved.

{¶ 7} On May 10, 2022, Duke filed correspondence noting that it has no objections to Staff's review and recommendation and that it believes no hearing is needed since there are no issues to resolve.

{¶ 8} Upon review of Duke's January 31, 2022 application, Staff's review and recommendation, and Duke's May 10, 2022 correspondence, 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

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That the application filed by Duke on January 31, 2022, 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:

Jenifer French, Chair
M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

MJS/hac

**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on**

5/18/2022 2:30:12 PM

in

Case No(s). 22-0018-EL-RDR, 22-0019-EL-ATA

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