

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC. FOR
AUTHORITY TO ABANDON CERTAIN
PROPANE-AIR FACILITIES.

CASE NO. 21-986-GA-ABN

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

CASE NO. 21-1035-GA-AAM

ENTRY

Entered in the Journal on August 12, 2022

{¶ 1} Duke Energy Ohio, Inc. (Duke) is a public utility as defined in R.C. 4905.02 and a natural gas company as defined in R.C. 4905.03, and, as such, is subject to the jurisdiction of this Commission.

{¶ 2} R.C. 4905.20 and 4905.21 establish the statutory requirements pertaining to abandonment of facilities that have been dedicated to public use, or service provided therefrom.

{¶ 3} On October 7, 2021, Duke filed an application for authority to abandon certain propane-air facilities pursuant to R.C. 4905.20 and 4905.21. According to Duke, it has used manmade caverns since 1959 to store propane that it uses, along with the associated propane-air facilities, to supplement natural gas during peak usage periods and when otherwise needed. Duke notes that these caverns cannot be inspected or repaired. Duke further notes that it has determined that the caverns and associated propane-air facilities, specifically facilities at East Works, Dick's Creek, and the portion of facilities in Erlanger, Kentucky allocated to Ohio customers, should be abandoned and replaced by alternative methods to provide reliable natural gas distribution service. According to Duke, the Central Corridor Pipeline approved by the Ohio Power Siting Board, and scheduled for an in-service date of February 2022, enables Duke to retire the caverns and associated propane-air peaking facilities while maintaining safe and reliable service to customers. *In re the Application of Duke Energy Ohio, Inc.*, Case No. 16-253-GA-BTX, Opinion, Order, and

Certificate (Nov. 21, 2019). Furthermore, Duke asserts that environmental remediation of its manufactured gas plants, which was addressed in Case No. 14-375-GA-RDR, et al., cannot be completed until the caverns and associated facilities have been decommissioned. Accordingly, Duke submits that the abandonment is reasonable, is in the best interest of the public, and should be approved. Included within its application, Duke also requests authority to defer approximately \$39 million stemming from the abandonment of the facilities as a regulatory asset on its books and records, including costs associated with the propane inventory, decommissioning, and removal of the facilities.

{¶ 4} On January 6, 2022, Commission Staff filed its Review and Recommendation regarding Duke's application (Staff Report).

{¶ 5} On February 2, 2022, Duke filed a motion for a procedural schedule such that parties could file comments regarding the Staff Report.

{¶ 6} By Entry issued on February 8, 2022, the attorney examiner granted Duke's motion directing parties to file initial comments to the Staff Report or to the application by March 7, 2022, and file reply comments by March 21, 2022, and directed motions for intervention to be filed no later than March 7, 2022. Furthermore, the attorney examiner stated that, in accordance with R.C. 4905.20 and 4905.21, the time and place of the public hearing, and publication of the notice required, will be established by a subsequent entry after the comment period.

{¶ 7} No motions to intervene were filed.

{¶ 8} Duke filed initial comments on March 7, 2022. No parties filed reply comments.

{¶ 9} On April 27, 2022, Duke filed a Stipulation and Recommendation (Stipulation) entered into by Duke and Staff, purporting to resolve all issues in the proceeding. On the same date, Duke filed direct testimony in support of the Stipulation.

{¶ 10} In accordance with R.C. 4905.21, a hearing in this matter should be held on September 8, 2022, at 10:00 a.m., at the offices of the Commission, Hearing Room 11-C, 11th Floor, 180 East Broad Street, Columbus, Ohio 43215.

{¶ 11} Duke should publish legal notice of the hearing in a newspaper of general circulation in all of the affected service territory once a week for two consecutive weeks prior to the scheduled date of the hearing. The hearing notice should not appear in the legal notices section of the newspaper. The notice should read as follows:

LEGAL NOTICE

The Public Utilities Commission of Ohio has scheduled a public hearing in Case Nos. 21-986-GA-ABN and 21-1035-GA-AAM, *In the Matter of the Application of Duke Energy Ohio, Inc. for Authority to Abandon Certain Propane-Air Facilities and for Authority to Change Accounting Methods*. According to Duke Energy Ohio, Inc. (Duke), it has used manmade caverns since 1959 to store propane that it uses, along with the associated propane-air facilities, to supplement natural gas during peak usage periods and when otherwise needed. Duke asserts that these caverns cannot be inspected or repaired. Further, Duke has determined that the caverns and associated propane-air facilities, specifically facilities at East Works, Dick's Creek, and the portion of facilities in Erlanger, Kentucky allocated to Ohio customers, should be abandoned and replaced by alternative methods to provide reliable natural gas distribution service. According to Duke, the Central Corridor Pipeline approved by the Ohio Power Siting Board enables Duke to retire the caverns and associated propane-air peaking facilities while maintaining safe and reliable service to customers. *In re the Application of Duke Energy Ohio, Inc.*, Case No. 16-253-GA-BTX, Opinion, Order, and Certificate (Nov. 21, 2019). Furthermore, Duke asserts that

environmental remediation of its manufactured gas plants, which was addressed in Case No. 14-375-GA-RDR, et al., cannot be completed until the caverns and associated facilities have been decommissioned. Consequently, Duke believes that the abandonment is reasonable, is in the best interest of the public, and should be approved.

Staff of the Commission recommended that Duke's application for abandonment be approved. Further, Staff also recommended deferral authority for the net book value of the propane inventory but does not recommend deferral authority for the net book value of the propane caverns. Staff also recommended approval of deferral authority for a portion of the estimated decommissioning costs. Staff asserts that recovery of these deferred amounts cannot be recovered until these amounts have been reviewed and addressed in future proceedings before the Commission.

Since the filing of the application and Staff's report, Duke and Staff have entered into a stipulation and recommendation purporting to resolve all issues in the case, which has been offered to the Commission for consideration.

An evidentiary hearing in this proceeding will commence on September 8, 2022, at 10:00 a.m., at the offices of the Commission, Hearing Room 11-C, 180 East Broad Street, 11th Floor, Columbus, Ohio 43215.

Further information may be obtained by contacting the Public Utilities Commission of Ohio, 180 East Broad Street, Columbus, Ohio 43215-3793, viewing the Commission's web page at

<http://www.puco.ohio.gov>, or contacting the Commission's hotline at 1-800-686-7826.

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That an evidentiary hearing be held at the Commission's offices on September 8, 2022, consistent with Paragraph 10. It is, further,

{¶ 14} ORDERED, That Duke publish notice of the hearings as set forth in Paragraph 11. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/Matthew J. Sandor

By: Matthew J. Sandor
Attorney Examiner

MJA/mef

**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on
8/12/2022 12:20:35 PM**

in

Case No(s). 21-0986-GA-ABN, 21-1035-GA-AAM

Summary: Attorney Examiner Entry scheduling a hearing for September 8, 2022, at 10:00 a.m., at the offices of the Commission, Hearing Room 11-C, and requiring applicant to publish notice of the same, as detailed herein electronically filed by Ms. Mary E. Fischer on behalf of Matthew J. Sandor, Attorney Examiner, Public Utilities Commission of Ohio