



# Public Utilities Commission

**Mike DeWine**, Governor  
**Jenifer French**, Chair

## Commissioners

M. Beth Trombold  
Lawrence K. Friedeman  
Dennis P. Deters  
Daniel R. Conway

November 17, 2022

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus OH 43215

RE: *In the Matter of the Application of Nestle Purina PetCare Company for approval of an  
Economic Development Arrangement with Duke Energy Ohio, Inc., Case No. 22-932-EL-AEC*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations regarding the Application of Nestle Purina PetCare Company for approval of an Economic Development Arrangement with Duke Energy Ohio, Inc., Case No. 22-932-EL-AEC

---

Tamara S. Turkenton  
Director, Rates and Analysis Dept.  
Public Utilities Commission of Ohio

Enclosure  
Cc: Parties of Record

## **STAFF REVIEW AND RECOMMENDATIONS**

### **NESTLE PURINA PETCARE COMPANY Case No. 22-932-EL-AEC**

#### **Background**

On October 7, 2022, Nestle Purina PetCare Company (Applicant or Customer) filed an application for approval of an economic development reasonable arrangement with Duke Energy Ohio, Inc. (Duke or Company) pursuant to Ohio Revised Code 4905.31 and Ohio Administrative Code, Chapter 4901:1-38.

The Applicant is a mercantile customer that produces leading dry dog and cat food brands, including Purina Pro Plan, Purina ONE and Dog Chow. The Applicant is constructing a new facility in Williamsburg Township, Ohio. The facility will be the Applicant's first new facility built from the ground up since 1975.

The Applicant is investing over \$550 million in Ohio to acquire land and develop the facility. The Applicant will employ more than 300 people at the new facility by 2024, including professional staff, production operators, technical staff and engineers. The savings generated by the proposed arrangement will allow the Applicant to make significant investment to further develop well-trained workers in the region for its facility's needs.

The Applicant is striving to make the facility one hundred percent powered by renewable energy in 2025, while supporting its ambition for zero environmental impact in company operations by 2050.

Following are the proposed terms of the proposed Reasonable Arrangement:

- A. The arrangement will commence upon approval of the Application and shall end on the final billing cycle that includes October 31, 2027.
- B. The applicant may receive energy and capacity from a competitive retail electric serve provider.
- C. The applicant will be subject to Duke's charges for transmission services, distribution services, ancillary services and non-bypassable riders subject to a \$0.004 per kWh credit, however, the credit will be subject to an annual cap of \$750,000.
- D. The Applicant commits to grow and maintain employment at the facility at no less than 300 employees by year end 2024 and maintain at least 300 employees as an annual average for the remainder of the period covered by the proposed arrangement.

- E. The Applicant commits to invest at least \$550 million in the facility by year end 2024 and increase expenditures on worker training by at least the credit amount they receive as a result of this arrangement.
- F. The proposed arrangement is subject to credit reductions if employment or investment levels are not met or maintained. The credit per kWh provided for under the arrangement will be reduced in accordance with the average shortfall ratio until the next billing cycle when the applicable commitment is satisfied or met. Shortfall adjustments will apply to future periods and will not result in a clawback of discounts or other benefits already received under the Arrangement.

### **Staff Review and Recommendations**

Staff's review analyzed the Application to evaluate whether Applicants' proposed arrangement terms adhere to the economic development arrangement requirements set forth in Ohio Adm. Code 4901:1-38-03.

Pursuant to its review the Staff believes the proposed application does adhere to the requirements set forth in Ohio Adm. Code 4901:1-38-03 for a reasonable arrangement and should be approved.

### **Conclusion**

Based on this review, it is Staff's opinion that the Application is consistent with the Commission's rules governing approval of economic development arrangements. Therefore, Staff recommends that the Commission approve the Application in this case.

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

**11/17/2022 12:44:03 PM**

**in**

**Case No(s). 22-0932-EL-AEC**

Summary: Staff Review and Recommendation regarding the Application of Nestle Purina PetCare Company for approval of an Economic Development Arrangement with Duke Energy Ohio, Inc. electronically filed by Zee Molter on behalf of PUCO Staff