

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REVIEW OF THE  
RECONCILIATION RIDER OF DUKE  
ENERGY OHIO, INC.

CASE NO. 20-167-EL-RDR

## ENTRY

Entered in the Journal on March 22, 2023

### I. SUMMARY

{¶ 1} The Commission approves London Economics International LLC's request for additional funds.

### II. DISCUSSION

#### A. *Procedural Background*

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

{¶ 3} R.C. 4928.141 provides that an electric distribution utility 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.

{¶ 4} 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 Duke Energy Ohio, Inc.*, Case No. 14-841-EL-SSO, et al., Opinion and Order (Apr. 2, 2015). As part of the approved ESP III, the Commission authorized the establishment of the Price Stabilization Rider (PSR) as a non-bypassable and zero-placeholder rider for the term of ESP III. Under the PSR, Duke was authorized to provide to customers the net benefit of all revenues

accruing to the Company as a result of its ownership interest and contractual entitlement in the Ohio Valley Electric Corporation (OVEC), excluding all costs associated with said entitlement. The Commission stated that implementation details for the PSR would be determined in a future proceeding.

{¶ 5} On March 31, 2017, Duke filed an application in Case No. 17-872-EL-RDR, et al., to modify and amend the PSR and for approval to change its accounting methods.

{¶ 6} On June 1, 2017, Duke filed its fourth and current ESP application (ESP IV) that, among other things, proposed an extension of the PSR beyond May 31, 2018. On December 19, 2018, the Commission issued an Opinion and Order modifying and approving an amended stipulation resolving, among other things, both ESP IV and the *PSR Case*. *In re Duke Energy Ohio, Inc.*, Case No. 17-1263-EL-SSO, et al., Opinion and Order (Dec. 19, 2018) (*ESP IV Order*). In the Opinion and Order, the Commission authorized Duke to recover or credit the net proceeds of selling OVEC energy and capacity into the PJM Interconnection, LLC marketplace and OVEC costs through the PSR. *ESP IV Order* at ¶ 136-140.

{¶ 7} The PSR is subject to quarterly filings starting with the first billing cycle of April 2019. *ESP IV Order* at ¶ 140. Additionally, the Commission provided for an annual audit to establish the prudence of all costs and sales flowing through the PSR and to demonstrate that the Company made reasonable efforts to transfer its contractual entitlement under the Inter-Company Power Agreement.

{¶ 8} By Entry dated February 13, 2020, the Commission directed Staff to issue a request for proposal for audit services necessary to assist the Commission with the audit of Duke's PSR for the period of January 1, 2019, through December 31, 2019. On April 8, 2020, the Commission selected London Economics International LLC (LEI) to complete the audit.

{¶ 9} On October 21, 2020, LEI's audit report was filed in the docket.

{¶ 10} Thereafter, motions to intervene were granted for the Ohio Consumers' Counsel, The Kroger Co., and the Ohio Manufacturers' Association Energy Group.

{¶ 11} By Entry issued August 25, 2021, this matter was set for hearing to begin on November 9, 2021.

{¶ 12} On November 3, 2021, Duke filed a motion to continue the hearing.

{¶ 13} On November 4, 2022, the attorney examiner issued an Entry granting the unopposed motion to continue the hearing.

{¶ 14} On March 4, 2022, the attorney examiner issued an Entry rescheduling the hearing to commence May 25, 2022.

{¶ 15} On May 25, 2022, at the beginning of the evidentiary hearing, counsel for Duke made an oral motion for a continuance of the evidentiary hearing due to a COVID-19 exposure situation. No parties opposed the continuance request. The attorney examiner granted the oral motion, continuing the hearing to May 26, 2022, and directed that the hearing be held virtually. (Tr. I at 6.) The hearing resumed on May 26, 2022, and concluded on May 31, 2022.

***B. Auditor's Request and Commission Conclusion***

{¶ 16} On August 18, 2022, Dr. Marie Fagan, on behalf of LEI, filed correspondence requesting a change order for this engagement. Dr. Fagan states that, due to the hearing being continued from November 2021 to May 2022, LEI had to perform several expert witness tasks twice. Further, Dr. Fagan notes that LEI had already arrived in Columbus on May 24, 2022, for the hearing the next day when the last-minute continuance was granted, resulting in LEI needing to spend an extra day in Columbus. According to Dr. Fagan, LEI did not bill for all of its time in Columbus on May 25, 2022, as it had other work to attend to for part of the day, but there was a meeting with Staff, some preparatory time, and the brief time spent in the hearing room, all of which pertained to this particular case. Dr. Fagan submits that the net impact of the above two changes was six additional hours of work at \$431/hour, as well as reimbursable data expenses of \$33.10, totaling \$2,619.10.

{¶ 17} On August 23, 2022, Staff filed correspondence recommending that the Commission approve LEI's additional invoice in full for the reasons outlined in LEI's letter. Staff notes that LEI's filed request was necessary because the request for proposal to retain services of an auditor for this case included reimbursement of costs not to exceed \$20,000 and that LEI's additional invoice exceeds this threshold by \$2,435.10.

{¶ 18} Upon review of the filings, the Commission finds LEI's August 18, 2022 request for additional funds to be reasonable and, therefore, approves the request.

### III. ORDER

{¶ 19} It is, therefore,

{¶ 20} ORDERED, That LEI's August 18, 2022 request for additional funds be approved, as stated in Paragraph 18. It is, further,

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

#### COMMISSIONERS:

##### *Approving:*

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

MJS/dmh

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Summary: Entry that the Commission approves London Economics International LLC's request for additional funds electronically filed by Ms. Donielle M. Hunter on behalf of Public Utilities Commission of Ohio.