

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. 23-26-EL-RDR

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

CASE NO. 23-54-EL-ATA

FINDING AND ORDER

Entered in the Journal on May 17, 2023

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.

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 (Rider ESRR). *In re Application of Duke Energy Ohio, Inc.*, Case Nos. 17-32-EL-AIR, et al., Opinion and Order (Dec. 19, 2018). On December 14, 2022, the Commission approved a stipulation filed by various parties, effective January 1, 2023, modifying Rider ESRR such that it would be used for any qualifying under-recovery and over-recovery related to certain costs recovered through base rates. *In re Application of Duke Energy Ohio, Inc.*, Case No. 21-887-EL-AIR, et al. (2021 Rate Case), Opinion and Order (Dec. 14, 2022).

{¶ 4} On January 31, 2023, Duke filed its application requesting approval to adjust the rate for Rider ESRR. In its application, Duke states that, as approved in the 2021 Rate Case, Rider ESRR was updated such that \$22,505,088 would be recovered through base rates

and that Rider ESRR would be used for any qualifying under-recovery and over-recovery of costs related to non-affiliated contractor management services. Duke's application reconciles actual costs for 2021 and recovers projected costs for 2023. Duke's 2023 projected costs are \$23,371,256, which exceeds the amount established in base rates by \$866,168. Duke requests a revenue requirement of \$959,803, which includes an under-recovery of \$91,133 from the 2021 Rider ESRR true-up and application of the commercial activities tax. Consequently, Duke requests a Rider ESRR rate of 0.17 percent to be applied to base distribution charges, a decrease of 2.02 percent from the prior rate.

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

{¶ 6} On May 5, 2023, 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 27 circuits from the Company's three districts to physically verify that vegetation line clearance was performed as scheduled in 2022. 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 27 circuits showed evidence that Duke conducted vegetation clearance work. Staff believes the vegetation control for these circuits is satisfactory and contends that no additional trimming is required at this time on the audited circuits. Staff, therefore, finds that Duke had appropriately calculated its Rider ESRR and recommends that the application filed on January 31, 2023, be approved.

{¶ 7} Upon review of Duke's January 31, 2023 application and Staff's review and recommendation, 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

{¶ 8} It is, therefore,

{¶ 9} ORDERED, That the application filed by Duke on January 31, 2023, be approved. It is, further,

{¶ 10} 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,

{¶ 11} 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,

{¶ 12} 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,

{¶ 13} 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,

{¶ 14} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

COMMISSIONERS:

Approving:

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

MJS/dr

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Case No(s). 23-0026-EL-RDR, 23-0054-EL-ATA

Summary: Finding & Order that the Commission approves Duke Energy Ohio, Inc.'s application to adjust and set rates for recovery of certain costs of vegetation management electronically filed by Ms. Donielle M. Hunter on behalf of Public Utilities Commission of Ohio.