

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke)
Energy Ohio, Inc., for Recovery of Program)
Costs, Lost Distribution Revenue and) Case No. 21-482-EL-RDR
Performance Incentives Related to its Energy)
Efficiency and Demand Response Programs.)

PROPOSED SURREPLY COMMENTS OF DUKE ENERGY OHIO, INC.

Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) hereby tenders its Proposed Surreply Comments regarding its Amended Application (Amended Application) in this proceeding, which was filed with the Public Utilities Commission of Ohio (Commission) on April 14, 2022. The Staff of the Public Utilities Commission of Ohio (Staff) filed its Review and Recommendations on March 17, 2023 (Staff Review).¹

Subsequent to the filing of the Amended Application, intervening parties submitted comments on the Amended Application. On April 26, Duke Energy Ohio filed initial comments (Duke Energy Ohio Comments)² and the Office of the Ohio Consumers' Counsel (OCC) also filed initial comments (OCC Comments).³ On May 11, 2023, Duke Energy Ohio, OCC, and The Ohio Manufacturers' Association Energy Group (OMAEG) filed reply comments.⁴

The Company now submits its Proposed Surreply Comments, only to respond to OCC's misunderstanding of the issue of carrying costs, which was first introduced in the OCC Reply

¹ Staff's Review and Recommendations (March 17, 2023).

² Comments of Duke Energy Ohio, Inc. (April 26, 2023).

³ Initial Comments by Office of the Ohio Consumers' Counsel (April 26, 2023).

⁴ Reply Comments of Duke Energy Ohio, Inc. (May 11, 2023) (Duke Energy Ohio Reply Comments); Reply Comments By The Office Of The Ohio Consumers' Counsel (May 11, 2023) (OCC Reply Comments); Reply Comments of the Ohio Manufacturers' Association Energy Group (May 11, 2023) (OMAEG Reply Comments).

Comments. Where these Proposed Surreply Comments do not address a matter discussed in an intervenor's reply comments, agreement should not be inferred. Insofar as intervenors' reply comments reiterate issues raised in their initial comments, Duke Energy Ohio's Reply Comments address those issues.

I. DISCUSSION

Based on a misunderstanding of the revenue requirement calculations and/or the Rider EE-PDR calculations, OCC accuses Duke Energy Ohio of “misrepresent[ing] the PUCO Staff's recommendation adjustments to its revenue requirements” because Duke did not make any additional deduction for “carrying costs” in its calculations in its initial comments.⁵ It is not clear to the Company whether OCC (1) believes that carrying costs for time elapsed since each program year were included in the proposed revenue requirement—which is totally false—or (2) is arguing that the Company must refund carrying costs on alleged overcollections because OCC appears to incorrectly believe that Duke Energy Ohio has already been collecting the amounts for the 2018, 2019, 2020, and 2021 program years from customers. But in both cases, OCC would be wrong.

There was no misrepresentation—the reason no carrying costs were deducted is because no carrying costs were included in the revenue requirement calculation in the first place. Staff's recommendations in all three cases did indeed include the phrase “plus applicable carrying charges.”⁶ However, there were no applicable carrying charges to deduct, because the Company does not include carrying charges in its applications for this rider. Duke Energy Ohio incurred

⁵ OCC Reply Comments, p. 2.

⁶ Staff Review, p. 2; *In the Matter of the Application of Duke Energy Ohio, Inc. for Recovery of Program Costs, Lost Distribution Revenue and Performance Incentives Related to its Energy Efficiency and Demand Response Programs*, Case No. 20-613-EL-RDR, Staff's Review and Recommendations, p. 3 (December 17, 2021); *In the Matter of the Application of Duke Energy Ohio, Inc. for Recovery of Program Costs, Lost Distribution Revenues, and Performance Incentives Related to its Energy Efficiency and Demand Response Programs*, Case No. 19-622-EL-RDR, Staff's Review and Recommendations, p. 4 (December 12, 2019).

the costs in question for programs run during the 2018, 2019, 2020, and 2021 program years, and has been waiting to collect the amounts in its applications since then, with no compensation for the time that has passed. The supporting schedules to the Supplemental Testimony of James E. Zilkowski, filed on April 14, 2022, with the Amended Application depict all of the items included in the revenue requirement calculation; carrying costs is not such an item.

As for the second potential misunderstanding, the Company has already explained in its Reply Comments, that it does not recalculate its Rider EE-PDR rates to incorporate submitted costs until it receives an order from the Commission approving its request for cost recovery, and therefore that “[n]one of the amounts sought to be recovered in the pending cases have been charged to customers.”⁷ Thus, any alleged overinclusion of amounts in the Company’s Amended Application or any of the applications filed in Case Nos. 19-622-EL-RDR, 20-613-EL-RDR, or the instant case, *could not possibly* have impacted the amounts collected through the rider. There is no basis, therefore, to deduct additional carrying costs on any recommended disallowances pertaining to these pending applications..

⁷ Duke Energy Ohio Reply Comments, p. 2.

II. CONCLUSION

The Company respectfully requests that its Amended Application be approved in accordance with its Initial Comments, Reply Comments and these Proposed Surreply Comments.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

/s/ Larisa M. Vaysman

Rocco O. D'Ascenzo (0077651)

Deputy General Counsel

Jeanne W. Kingery (0012172)

Associate General Counsel

Larisa M. Vaysman (0090290) (Counsel of Record)

Senior Counsel

Duke Energy Business Services LLC

139 Fourth Street, 1303-Main

Cincinnati, Ohio 45202-0960

(513) 287-4320 (telephone)

(513) 370-5720 (facsimile)

Rocco.D'Ascenzo@duke-energy.com

Jeanne.kingery@duke-energy.com

Larisa.vaysman@duke-energy.com

Willing to accept service via e-mail

Attorneys for Duke Energy Ohio, Inc.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Proposed Surreply Comments of Duke Energy Ohio, Inc. was served on the following parties this 23rd day of May, 2023 by regular U. S. Mail, overnight delivery or electronic delivery.

/s/ Larisa M. Vaysman
Larisa M. Vaysman

John H. Jones
Section Chief
Public Utilities Section
30 East Broad Street
16th Floor
Columbus, Ohio 43215-3414
John.Jones@ohioAGO.gov

Counsel for Staff of The Public Utilities Commission of Ohio

Kimberly W. Bojko
Jonathan Wygonski
Carpenter Lipps & Leland LLP
280 North High Street, Suite 1300
Columbus, Ohio 43215
bojko@carpenterlipps.com
wygonski@carpenterlipps.com

Counsel for Ohio Manufacturers' Association Energy Group

Connor D. Semple
Assistant Consumers' Counsel
Office of the Ohio Consumers' Counsel
65 East State Street, Suite 700
Columbus, Ohio 43215
Connor.semple@occ.ohio.gov

Counsel for the Office of the Ohio Consumer's Counsel

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

5/23/2023 4:35:57 PM

in

Case No(s). 21-0482-EL-RDR

Summary: Comments Proposed Surreply Comments of Duke Energy Ohio, Inc.
electronically filed by Mrs. Minna Sunderman on behalf of D'Ascenzo, Rocco and
Kingery, Jeanne and Vaysman, Larisa and Duke Energy Ohio, Inc..