



Public Utilities Commission

Commissioners

Daniel R. Conway
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Jenifer French, Chair

August 29, 2023

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

RE: *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval to Change Accounting Methods, Case No. 16-387-GA-AAM.*

Dear Docketing:

Enclosed please find the Staff's Review and Recommendation regarding the compliance filing made by Duke Energy Ohio, Inc., Case No. 16-387-GA-AAM.

A handwritten signature in black ink that reads "Adam Burns".

Adam Burns
Accounting and Finance Division
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

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Duke Energy Ohio, Inc., (Duke)
Case No. 16-387-GA-AAM

SUMMARY:

By Opinion and Order (Order) dated January 4, 2017, the Commission adopted a stipulation and recommendation (Stipulation) filed in Case No. 16-387-GA-AAM, thereby authorizing Duke Energy Ohio, Inc., (Duke or Company) to establish a regulatory asset to defer up to \$4.0 million annually (with a carrying charge rate of three percent per annum without compounding) for expenses related to its Integrity Management Program (IMP or Program). The IMP is comprised of six initiatives designed to reduce key risks to Duke's natural gas delivery system, continue to ensure the safe and reliable operation of its system, and facilitate compliance with pipeline safety laws. The Commission's Order requires Duke to file an annual report on the IMP by June 1 each year. The report is to include annual and cumulative Program expenses, monthly expenditures for each safety initiative on an annual basis, and an audit report prepared by the Company's external auditor regarding the accuracy of Duke's accounting of Program expenditures. Additionally, the report includes items such as IMP's progress toward reducing risks to Duke's system, any mid-term adjustments to IMP projects or programs, and the Company's efforts toward identifying inefficiencies and implementing cost saving measures.

On May 30, 2023, Duke filed its annual report for the IMP, detailing expenses deferred for calendar year 2022. Pursuant to Commission Order, Staff has 90 days to file a report regarding the proposed IMP deferrals.

STAFF REVIEW and RECOMMENDATIONS:

Staff have reviewed Duke's annual report and the accompanying attachments filed with the annual report. Staff have no objections to the Company's annual report. Staff recommends that the Commission accept Duke's annual report as filed. However, Staff's lack of objection to Duke's Annual Report should not be construed as support for future recovery of Program deferrals. Staff reserves the rights to challenge recovery of IMP deferrals in any future recovery proceeding.

**This foregoing document was electronically filed with the Public Utilities
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in

Case No(s). 16-0387-GA-AAM

Summary: Staff Review and Recommendation regarding the compliance filing made by Duke Energy Ohio, Inc. electronically filed by Zee Molter on behalf of PUCO Staff.