



Public Utilities Commission

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September 7, 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., to Adjust and Set Rider DSR, Case No. 23-126-EL-RDR and For Approval of Tariff Amendments, Case No. 23-281-EL-ATA.*

Dear Docketing Division:

Enclosed please find the Review and Recommendations of the Staff of the Public Utilities Commission of Ohio (Staff) in the Matter of Duke Energy Ohio, Inc., to adjust and Set Rider DSR, Case No. 23-126-EL-RDR, *et al.*

Natalia Messenger
Accounting and Finance Division
Public Utilities Commission of Ohio

Enclosure
Cc: Parties of Record

Duke Energy Ohio, Inc.
Case No. 23-126-EL-RDR, et al.

SUMMARY

On March 29, 2023, the Duke Energy Ohio, Inc. (Duke or the Company) filed an application and schedules (Application) to reconcile its 2022 storm-related restoration costs. The Company is proposing a revenue requirement of \$13,915,618 to be collected on a fixed monthly basis.

On December 19, 2018, the Commission approved Duke's Electric Security Plan and its Application to Increase Distribution Rates through an Opinion and Order.¹ The Opinion and Order adopted a stipulation in which the signatory parties agreed that the Company would extend its Distribution Storm Rider (Rider DSR) to track annual incremental major storm expense, as compared to the amount recovered in base rates.

Rider DSR, as currently approved, is a nonbypassable rider that is designed to either refund or collect amounts as compared to that which is recovered in base rates. The amount included in base rates as of January 1, 2019, is \$4.3 million.

FINANCIAL AUDIT

Staff's investigation reviews whether the Application is just and reasonable and whether the Company comported with sound ratemaking principles and followed Commission directives.

As part of its Application, Duke included storm costs associated with a storm that occurred on November 5-6, 2022. Staff found that the Company did not include this November storm in the Company's Rule 10 report, and therefore the costs are not eligible for recovery in the rider. Disallowed costs associated with this storm total \$79,085.75.

In its review, Staff found that Duke improperly included \$4,980.27 in transactions. The Company has agreed to withdraw this amount from the Application. Due to an error, the Company also indicated that a small adjustment of \$236.19 should be made to its revenue. This adjustment reduces revenues, which increases the revenue requirement by \$236.19.

Staff's adjustments to the revenue requirement total \$84,066.02.

STAFF RECOMMENDATION

Staff recommends that the Application be approved as filed, less the balance of \$4,980.27 that the Company has withdrawn from the application, Staff's adjustment of \$79,085.75 to exclude costs associated with one of the storms included in the filing, and the Company's correction of \$236.19 to the schedules. This would reduce the total major storm expenses for 2022 to \$18,300,651. After accounting for \$4.3 million already recovered in base rates for major storm restoration, the prior year's regulatory liability of \$(160,577) and carrying charges, Staff's recommended revenue requirement is \$13,831,788.34.

**This foregoing document was electronically filed with the Public Utilities
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Case No(s). 23-0126-EL-RDR, 23-0281-EL-ATA

Summary: Staff Review and Recommendation regarding the Application of Duke Energy Ohio, Inc. to Adjust and Set Rider DSR electronically filed by Zee Molter on behalf of PUCO Staff.