

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 ON REHEARING

Entered in the Journal on November 1, 2023

I. SUMMARY

{¶ 1} The Commission grants the applications for rehearing filed by Ohio Consumers' Counsel, the Ohio Manufacturers' Association Energy Group, and the Kroger Co. for the purpose of further consideration of the matters specified in the applications for rehearing.

II. PROCEDURAL BACKGROUND

{¶ 2} Duke Energy Ohio, Inc. (Duke) is an electric light company as defined by R.C. 4905.03 and a public utility as defined by R.C. 4905.02, and, as such, 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. On October 21, 2020, LEI's audit report was filed in the docket.

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

{¶ 10} After an evidentiary hearing, on September 6, 2023, the Commission issued an Opinion and Order that approved and adopted the audit performed by LEI.

{¶ 11} R.C. 4903.10 states that any party who has entered an appearance in a Commission proceeding may apply for a rehearing with respect to any matters determined therein by filing an application within 30 days after the entry of the order upon the Commission's journal.

{¶ 12} On October 6, 2023, OCC, Kroger, and OMA filed applications for rehearing with respect to the Commission's Opinion and Order.

{¶ 13} On October 16, 2023, Duke filed a memorandum contra the application for rehearing.

{¶ 14} The Commission believes that sufficient reason has been set forth to warrant further consideration of the matters specified in the applications for rehearing. Accordingly, the applications for rehearing should be granted.

III. ORDER

{¶ 15} It is, therefore,

{¶ 16} ORDERED, That the applications for rehearing filed by OCC, Kroger, and OMA be granted for further consideration of the matters specified in the applications for rehearing. It is, further,

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

COMMISSIONERS:

Approving:

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

NJW/dmh

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Case No(s). 20-0167-EL-RDR

Summary: Entry on Rehearing granting the applications for rehearing filed by Ohio Consumers' Counsel, the Ohio Manufacturers' Association Energy Group, and the Kroger Co. for the purpose of further consideration of the matters specified in the applications for rehearing electronically filed by Ms. Mary E. Fischer on behalf of Public Utilities Commission of Ohio.