

PUCO adopts agreement in Duke Energy Ohio rate cases

COLUMBUS, OHIO (Dec. 19, 2018) – Today the Public Utilities Commission of Ohio (PUCO) adopted a settlement agreement resolving a number of high profile cases in the Duke Energy Ohio electric service territory.

“With today’s decision, Duke joins Ohio’s three other electric distribution utilities in having regulatory certainty into the mid-2020s,” stated PUCO Chairman Asim Z. Haque. “Over the next six years, Duke will make investments to improve reliability and modernize the electric grid, in line with the PUCO’s PowerForward initiative.”

The Commission’s order resolves Duke Energy Ohio’s distribution rate case, electric security plan, reliability standard case, and power purchase agreement.

Duke’s base distribution rates will be lowered by more than \$19 million annually, and establish a rate of return of 7.54 percent. Duke will provide \$772,000 in annual funding for various low-income assistance programs in coordination with the city of Cincinnati and People Working Cooperatively.


Duke’s electric security plan (ESP) will continue to set default generation rates through competitive auctions through May 2025.

Duke will continue to make grid modernization investments and capital improvements during the term of the ESP, subject to annual cost caps and ongoing Commission review. Grid modernization efforts will allow competitive electric suppliers and third-parties access to usage data, enabling them to offer innovative products and services to their customers.

Duke will file an application with the PUCO to make investments in to-be-identified battery storage projects through a new pilot.

Through this Commission’s order, Duke will pursue more aggressive annual reliability measures during the term of the ESP. Duke will also continue its five-year vegetation management program to ensure system reliability.

Duke will recover/credit the net proceeds from selling power from its share of the Ohio Valley Electric Corporation into the regional marketplace through the nonbypassable Price Stabilization Rider, consistent with previous Commission decisions for AEP Ohio and Dayton Power & Light Company.

As a result of today’s decision, a residential customer using 1,000 kilowatt hours (kWh) per month will see an increase in their monthly bill by approximately \$1.57. However, the Commission also noted that a pending proceeding related to a rate reduction  Tax Cuts and Jobs Act of 2017 will help to mitigate this rate increase.

A copy of today's Commission opinion and order is available on the PUCO website www.PUCO.ohio.gov by clicking on the link to Docketing Information System and entering case 17-32-EL-AIR in the search field.

Background

On July 22, 2016, Duke Energy Ohio filed an application to adjust its minimum electric reliability standards, and separately filed an application to include its OVEC obligations in its Price Stabilization Rider.

On March 2, 2017, Duke Energy Ohio filed an application with the PUCO to increase its base distribution rates by \$15.4 million annually.

On June 1, 2017, Duke Energy Ohio filed an application for approval its electric security plan.

On Sept. 26, 2017, PUCO staff filed a report of its investigation regarding Duke Energy Ohio's application to increase its distribution rates. PUCO staff recommended reducing Duke's annual distribution revenues.

On Oct 23, and Oct. 26, 2017, the PUCO held local public hearings in Middletown and Cincinnati to receive public testimony related to Duke Energy Ohio's proposed electric security plan.

On Oct. 30, and Nov. 2 2017, the PUCO held local public hearings in Hamilton and Cincinnati to receive public testimony related to Duke Energy Ohio's application to increase distribution rates.

On April 13, 2018, a settlement agreement was filed, intended to resolve the signatory party's issues in the distribution rate case, electric security plan, and reliability standards application. The settlement agreement was signed by Duke Energy Ohio, PUCO staff, city of Cincinnati, Ohio Partners for Affordable Energy, Ohio Energy Group, Ohio Hospital Association and People Working Cooperatively, Kroger, Industrial Energy Users-Ohio, Ohio Manufacturers' Association Energy Group, and Walmart.

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The Public Utilities Commission of Ohio (PUCO) is the sole agency charged with regulating public utility service. The role of the PUCO is to assure all residential, business and industrial consumers have access to adequate, safe and reliable utility services at fair prices while facilitating an environment that provides competitive choices. Consumers with utility-related questions or concerns can call the PUCO Call Center at (800) 686-PUCO (7826) and speak with a representative.

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