

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE PROCUREMENT
OF PERCENTAGE OF INCOME PAYMENT
PLAN PROGRAM GENERATION FOR
CUSTOMERS OF DUKE ENERGY OHIO,
INC.

CASE NO. 16-940-EL-UNC

FINDING AND ORDER

Entered in the Journal on March 21, 2018

I. SUMMARY

{¶ 1} The Commission accepts the results of Duke Energy Ohio, Inc.'s competitive auction to procure generation supply for percentage of income payment plan program customers.

II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke or Company) is an electric distribution utility as defined in R.C. 4928.01(A)(6) and public utility as defined in R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.54 and 4928.544 require the director of development services to aggregate percentage of income payment plan (PIPP) program customers for the purpose of establishing a competitive procurement process for the supply of competitive retail electric service for those customers, which shall be an auction. Additionally, pursuant to the written request by the director of development services, the Commission shall design, manage, and supervise the competitive procurement process.

{¶ 4} By Order issued on March 2, 2016, in Case No. 16-247-EL-UNC, the Commission adopted a competitive request for proposal (RFP) auction process to procure generation supply to serve the PIPP load. The first phase of the competitive RFP auction process consists of an initial RFP auction during which certified retail electric service (CRES) providers submit bids to serve the PIPP load for less than the SSO. If no CRES provider

submits a bid to serve the PIPP load for less than the SSO, then a supplemental RFP auction is conducted where CRES providers may submit bids to serve the PIPP load at any price. Finally, if no CRES provider participates in either RFP auction, the electric utility may implement contingency measures to procure supply for the PIPP load. The Commission found that this process satisfies the requirements in R.C. 4928.542 to ensure reliable electric service to PIPP customers, reduce the cost of the PIPP program relative to the otherwise applicable SSO, and results in the best value for persons paying the universal service rider. *In re the Implementation of Sections 4928.54 and 4928.544 of the Revised Code*, Case No. 16-247-EL-UNC, Finding and Order (Mar. 2, 2016) (*RFP Auction Order*).

{¶ 5} Accordingly, Duke, in consultation with Staff and CRA International Inc. d/b/a Charles River Associates, Inc. (CRA), an independent auction manager retained by Duke, accepted bids for its initial competitive RFP auction on March 13, 2018. In that auction, no bidder submitted a conforming bid in the RFP process. Accordingly, pursuant to the *RFP Auction Order*, a supplemental auction was conducted on March 19, 2018. At that time, Duke, in consultation with Staff and CRA, accepted bids for its supplemental competitive RFP auction. The competitive RFP auction procured supply for 100 percent of the PIPP load for the June 1, 2018, to May 31, 2019 delivery period. On March 13, 2018, and March 21, 2018, CRA and Bates White, LLC (Bates White), a consultant retained by the Commission to monitor the RFP auction, submitted a report regarding the conduct of the auction. This report consisted of confidential versions, filed under seal, and redacted versions of the reports filed by CRA, which are publicly available in this docket. CRA and Bates White each recommend that the Commission find that the competitive RFP auction, within the limits of its structures, had sufficient competitive attributes and resulted in a winning price that is reasonable.

{¶ 6} The Commission finds that the report filed by CRA and Bates White do not contain any recommendation or evidence that the auction violated the RFP auction bidding rules in such a manner as to invalidate the auction. Further, the Commission finds that the

competitive RFP auction process followed the process adopted by the Commission in *RFP Auction Order* and met the requirements of R.C. 4928.542. Accordingly, the Commission will not reject the results of the competitive RFP auction.

{¶ 7} In addition, the Commission notes that the report filed by CRA and Bates White contain sensitive information which should be deemed confidential and remain under seal. Therefore, the Commission finds that the names of unsuccessful bidders and the price of unsuccessful bids be protected from public release indefinitely. Further, the Commission finds that certain information regarding the competitive RFP auction contained in the report submitted by CRA should be released to the public after a brief period of time to allow the winning bidder to procure any additional necessary capacity to serve the PIPP load. Accordingly, unless otherwise ordered by the Commission, the Commission finds that the redacted report filed by CRA detailing the competitive RFP auction proceeding shall be subject to public release 21 days after the issuance of this Finding and Order.

{¶ 8} Finally, the Commission finds that the winning bidder and winning bid price shall remain confidential until all of the scheduled RFP auction for the delivery year have been completed. Accordingly, the winning bidder and winning bid price shall be subject to public release after all of the competitive RFP auction have been conducted for the delivery year beginning on June 1, 2018.

III. ORDER

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That the information set forth in Paragraph 7 be deemed confidential. It is, further,

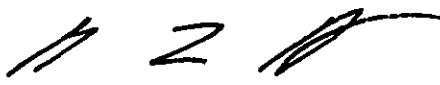
{¶ 11} ORDERED, That, unless otherwise ordered by the Commission, the information set forth in Paragraph 7 be subject to public release after all of the competitive RFP auction have been conducted for the delivery year beginning on June 1, 2018. It is, further,

{¶ 12} ORDERED, That Duke is authorized to file tariffs, in final form, consistent with this Finding and Order. Duke shall file one copy in this case docket and one copy in its TRF docket. It is, further,

{¶ 13} ORDERED, That the effective date of the new tariffs shall be June 1, 2018, contingent upon final review by the Commission. It is, further,

{¶ 14} ORDERED, That a copy of this Finding and Order be served upon each party of record.

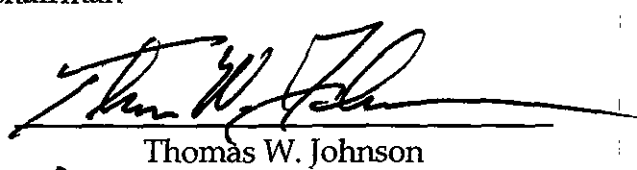
THE PUBLIC UTILITIES COMMISSION OF OHIO



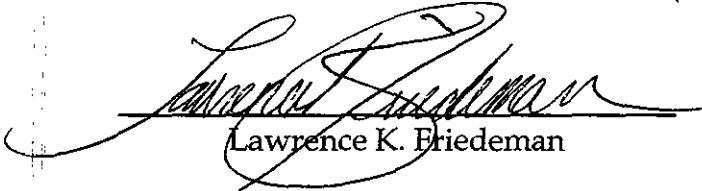
Asim Z. Haque, Chairman



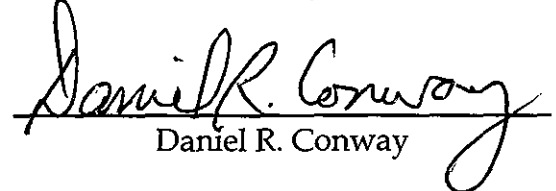
M. Beth Trombold



Thomas W. Johnson



Lawrence K. Friedeman

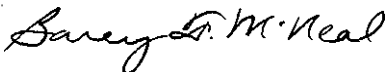


Daniel R. Conway

NW/SC/vrm

Entered in the Journal

MAR 21 2018



Barcy F. McNeal
Secretary