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In the Matter of the Annual Energy
Efficiency Portfolio Status Report of
Duke Energy Ohio, Inc.

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Case No. 11- 1311-EL-EEO

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ANNUAL ENERGY EFFICIENCY STATUS REPORT

OF DUKE ENERGY OHIO, INC.

I. Introduction

Pursuant to Rule 4901:1-39-05, O.A.C., Duke Energy Ohio, Inc. (Duke Energy Ohio or Company) must file an annual status report by March fifteenth each year. The annual status Report must contain a section on compliance demonstration which includes an update to the benchmark report, an assessment of program performance, and an independent program evaluator report. Following is Duke Energy Ohio's submission demonstrating its compliance with the State's energy mandates for 2010.

II. Second Annual Energy Efficiency Portfolio Status Report

This portfolio status report represents the Company's second filing of a status report on the load impacts achieved through implementation of its energy efficiency and demand response programs pursuant to Rule 4901:1-39-05 (C), O.A.C. This report is composed of the following two sections: (1) Compliance Demonstration which provides information on load impact achievements relative to the baseline and (2) Program Performance Assessment which summarizes program activities and evaluation, measurement, and verification information.

(1) Compliance Demonstration

(a) Update of the Benchmark Report

Pursuant to Rule 4901:1-39-05 (A), O.A.C., Duke Energy Ohio must file the following information in a benchmark report:

- (1) The energy and demand baselines for kilowatt-hour sales and kilowatt demand for the reporting year; including a description of the method of calculating the baseline, with supporting data.
- (2) The applicable statutory benchmarks for energy savings and electric utility peak-demand reduction.

In preparing the baseline, Duke Energy Ohio is required to adjust the sales and/or demand baseline for normal weather as well as for changes in numbers of customers, sales, and peak demand to the extent such changes are outside its control.

This benchmark update report provides information on two areas. The first area involves the baseline for 2010, including a discussion of adjustments made to normalize for weather and to adjust for changes in numbers of customers, sales, and peak demand, where those changes are outside the control of Duke Energy Ohio. The second area involves an estimate of the statutory benchmarks for energy savings and electric utility peak-demand reduction.

Baseline

On February 8, 2010, the Company filed its first benchmark report which established a benchmark for 2009 of 68,233 MWH and 44.6 MW. Table 1 below provides that estimate of the baseline and benchmarks for energy and peak demand.

Table 1. Duke Energy Ohio Baseline and Benchmark						
	Total	Weather Normalization	Weather Normal Level of Total	Three Year	Benchmark	Benchmark
Year	Energy (MWh)	Adjustment (MWh)	Energy (MWh)	Average (MWh)	Percentage	Requirement (MWh)
2006	22,402,660	418,046	22,820,706			
2007	23,510,777	(845,221)	22,665,556			
2008	22,321,489	425,325	22,746,814			
		2009 Energy Baseline		22,744,359	0.3%	68,233
	Peak	Weather Normalization	Weather Normal Level of Peak	Three Year	Benchmark	Benchmark
Year	Demand (MW)	Adjustment (MW)	Demand (MW)	Average (MW)	Percentage	Requirement (MW)
2006	4,520	71	4,591			
2007	4,607	(279)	4,328			
2008	4,125	337	4,462			
		2009 Peak Demand Baseline		4,460	1.0%	44.5

In preparing the estimate of the 2010 benchmarks, The Company discovered an error in the calculation of the 2009 energy baseline. The weather normal levels of total energy were incorrectly associated with the wrong year. As a result, the 2009 baseline should be lower and the resulting 2009 energy benchmark should be lower by 572 MWh. The 2009 peak load baseline and benchmark are unchanged. Table 2 below provides a corrected Baseline and Benchmark for 2009.

Table 2. Duke Energy Ohio Baseline and Benchmark Corrected for 2009						
	Total	Weather Normalization	Weather Normal Level of Total	Three Year	Benchmark	Benchmark
Year	Energy (MWh)	Adjustment (MWh)	Energy (MWh)	Average (MWh)	Percentage	Requirement (MWh)
2006	22,402,660	262,896	22,665,556			
2007	23,510,777	(763,963)	22,746,814			
2008	22,321,489	(72,401)	22,249,088			
		2009 Energy Baseline		22,553,819	0.3%	67,661
	Peak	Weather Normalization	Weather Normal Level of Peak	Three Year	Benchmark	Benchmark
Year	Demand (MW)	Adjustment (MW)	Demand (MW)	Average (MW)	Percentage	Requirement (MW)
2006	4,520	71	4,591			
2007	4,607	(279)	4,328			
2008	4,125	337	4,462			
		2009 Peak Demand Baseline		4,460	1.0%	44.6

In estimating the baseline for Duke Energy Ohio for the year 2010, the Company uses the three-year average of the actual level of total energy sold (sales plus losses) and peak demand, adjusted for differences from normal weather. Table 3 provides the historical level of total energy (kWh) for the years 2007 to 2009, the amount of the weather adjustment, and the weather normalized level of total energy. Table 3 also provides similar information for kW peak demand.

Table 3. Duke Energy Ohio Baseline and Benchmark for 2010						
	Total	Weather Normalization	Weather Normal Level of Total	Three Year	Benchmark	Benchmark
Year	Energy (MWh)	Adjustment (MWh)	Energy (MWh)	Average (MWh)	Percentage	Requirement (MWh)
2006	22,402,660	262,896	22,665,556			
2007	23,510,777	(763,963)	22,746,814			
2008	22,321,489	(72,401)	22,249,088			
2009	20,405,122	320,494	20,725,616			
			2010 Energy Baseline	21,907,173	0.5%	109,536
	Peak	Weather Normalization	Weather Normal Level of Peak	Three Year	Benchmark	Benchmark
Year	Demand (MW)	Adjustment (MW)	Demand (MW)	Average (MW)	Percentage	Requirement (MW)
2006	4,520	71	4,591			
2007	4,607	(279)	4,328			
2008	4,125	337	4,462			
2009	4,002	476	4,478			
			2010 Peak Demand Baseline	4,423	0.75%	33.2

The Company employs the following process to normalize kWh and kW for differences in the weather: Using econometric equations for each customer class, from the load forecast process discussed in the Long-Term Forecast Report filings, the adjustment process for kWh is performed as follows:

Let: $KWH(N) = f(W(N))g(E)$

$KWH(A) = f(W(A))g(E)$

Where: $KWH(N)$ = electric sales - normalized

$W(N)$ = weather variables - normal

E = economic variables

$KWH(A)$ = electric sales - actual

$W(A)$ = weather variables – actual

Then: $KWH(N) = KWH(A) * f(W(N))g(E)/f(W(A))g(E)$

$= KWH(A) * f(W(N))/f(W(A))$

With this process, weather-normalized sales are computed by scaling actual monthly sales for each class by a factor from the econometric equation that accounts for the impact of deviations from monthly normal weather.

Similarly, using an econometric equation for peak, the adjustment process for kW is performed as follows:

Let: $KW(N) = f(W(N))g(E)$

$$KW(A) = f(W(A))g(E)$$

Where: $KW(N)$ = electric peak demand - normalized

$W(N)$ = weather variables - normal

E = economic variable

$KW(A)$ = electric peak demand - actual

$W(A)$ = weather variables - actual

Then:
$$KW(N) = KW(A) * f(W(N))g(E)/f(W(A))g(E)$$
$$= KW(A) * f(W(N))/f(W(A))$$

With this process, weather-normalized peak demand is computed by scaling actual peak demand by a factor from the econometric equation that accounts for the impact of deviations from normal weather.

Once total energy and peak demand have been adjusted for normal weather, the computation of the baseline for 2010 is simply the average of the load values for the three years 2007 to 2009. The baseline values for energy and demand are provided above in Table 3.

Benchmark Compliance

With the establishment of the baseline energy and peak demand, the level of the statutory benchmark is computed by applying the appropriate incremental percentage of achievement, as stated in S.B. 221, to the baseline. The computation of the benchmark achievement level for 2010 is provided above on Table 3. The baseline for energy is 109,536 MWH and the baseline for peak loads is 33.2 MW.

Duke Energy Ohio respectfully submits that this information is responsive to all of the baseline and benchmark calculations as set forth in Rule 4901:1-39-05(A), O.A.C., and requests that the Commission approve these baseline and benchmark calculations as submitted.

As a result of the Company's 2010 efforts to promote customer participation in its energy efficiency and demand response programs, the Company has achieved incremental energy and demand impacts in 2010 as summarized below in Table 4. Details of impacts for each program are provided in Appendix A.

Table 4: Incremental Energy Efficiency and Demand Response Program Impact Summary			
Demand Response Programs	Participants/Measures	MWH	MW
Power Manager		0	13.7
PowerShare		0	53.4
Demand Response Special Contracts		0	19.3
Total Demand Response Programs		0	86.4
Energy Efficiency Programs			
Residential Programs	2,682,708	93,260	16.6
Non-Residential Programs	292,840	217,495	23.6
Total EE Programs	2,975,548	310,755	40.2
Banked Amounts		225,160	51.8
Total Load Impacts		535,915	178.4

Table 5 provides a comparison of the impacts relative to the benchmarks previously mentioned. This indicates that the Company has complied with the S.B. 221 statutory benchmarks for the year 2010. An affidavit indicating that the reported performance complies with the statutory benchmarks is provided in Appendix B.

Table 5: Comparison of Achieved Impacts to the 2010 Benchmark			
	2010 Benchmark	Achievement	Variance Over/(Under)
MWH	109,536	535,915	426,379
MW	33.2	178.4	145.2

In addition, since the Company's efforts exceeded the requirement, there is a residual amount of load impacts that carry forward to support achievement of the 2011 benchmarks.

1. Program Performance Assessment

As part of Duke Energy Ohio's Electric Security Plan (ESP) filing in 2008, the Company proposed a set of energy efficiency and demand response programs. These were subsequently approved on December 17, 2008 and reaffirmed (except for the Prepaid Meter Program) in the Commission's Order in Case No. 09-1999-EL-POR. Implementation of the new Save-A-Watt programs began January 2009. Program descriptions and key activities are provided below.

(a) Program Descriptions and Key Activities

Residential Programs

Smart Saver Residential – provides incentives to residential consumers for installing energy efficient equipment. This program addresses the market barrier of higher upfront costs of high efficiency equipment. The program is available to residential customers served by Duke Energy Ohio. A third party is under contract to process customer applications and maintain a list of participating HVAC contractors and builders.

- Program is promoted through but not limited to;
 - Trade ally outreach through both mail and in-person
 - Advertising
 - Company website promotion

Modifications to this program in 2010 included sending customers coupons to redeem free CFLs at Walmart, Business Reply Cards (BRC) for at home delivery, and IVR(Interactive Voice Response)/WEB/OLS (Online Services) which is an on demand ordering tool. Campaign success can be attributed to the no cost coupon offer by GE/Walmart and the new channels offering “free” CFLs delivered directly to the customer’s home. The BRC and IVR/WEB/OLS channels allowed a “hassle-free” opportunity for customers to participate in the CFL programs without redeeming a coupon. Customers simply returned the postage paid BRC or utilized the IVR/WEB/OLS channels to opt-in for the CFLs. Inventory issues were eliminated by working with a 3rd party vendor to stock CFLs in advance to meet demand. One highlight for the new IVR/WEB/OLS channels is the ability for customers to check eligibility, order CFLs and track the status of their order; from requested date to delivery. The IVR/WEB/OLS channels allow Duke Energy to utilize low-cost, no-cost marketing channels to reach eligible customers who have not participated in traditional coupon offers. Total bulbs distributed through CFL campaigns exceeded 2.6 million bulbs in 2010.

The new channels allowed for increased impacts, and encouraged customers to become more energy efficient in a more cost effective manner.

Potential changes in 2011 include:

IVR/WEB/OLS (CFL offer) – Duke Energy will continue to utilize these channels to reach eligible customers requesting free CFLs to ship directly to their homes at no additional cost. Duke also plans to explore and utilize new marketing channels to reach eligible customers in Ohio.

a. Additional marketing channels will include:

- i. Earned Media (Print, Press Release, TV, Radio)**
- ii. Social Media (Twitter, Facebook, YouTube Video)**
- iii. Duke Energy Web site (State Landing Pages, Portal Story, OLS Promo boxes, Opt-in E-mail)**
- iv. Duke Energy Messaging Channels (Bill Messages, Bill Insert, Bill Envelopes)**
- v. Print (Direct Mail piece, Event/Low Income Agency Postcard)**

Property Manager – Duke Energy has selected Honeywell as the vendor to manage the property manager marketing channel. In this role, Honeywell will partner with Ohio property managers to enroll multi-family complexes for the CFL install program. Duke Energy pays for the bulbs and the Property Manager pays for the shipping costs. The goal is to identify the number of units and permanent fixtures available with each apartment unit. Property Managers will install CFLs into the permanent fixture during their routine maintenance visits and provide tracking for each unit and the number of bulbs installed. Honeywell will validate and report the activity for each individual unit on the property.

HVAC

Program enhancements currently being considered include developing an electronic application submission process to allow for easier, quicker and more efficient submission of customer applications. Additional measures are currently being developed that are complimentary to the Smart Saver® HVAC program. The new services would further incentivize customers to increase their home's efficiency through measures, such as attic insulation and air sealing, duct sealing, and HVAC tune ups.

Participation nearly doubled the goal of 8,951 heat pump, air conditioners, and gas furnaces, realizing participation of 16,148. Variance from the estimated budget, participation and impacts are a result of a greater than expected acceptance of the program by customers and participating trade allies. Another contribution to this success is the work done by WECC trade ally representatives in signing up over 193 participating trade allies during 2010 and over 700 trade allies since program start up in June 2009.

Residential Energy Assessments – The Residential Energy Assessments program includes two separate measures: 1) Personalized Energy Report (PER) ® and 2) Home Energy House Call.

The Personalized Energy Report (PER)® Program is a residential energy efficiency program that provides single family home customers with a customized report about their home and family and how they use energy. The goal of the report is to help the customer better understand his/her energy usage and allow the customer to better manage energy costs. In addition, the customer receives CFLs as an incentive to participate in the program.

Home Energy House Call (HEHC) is a free in-home assessment designed to help our customers learn about home energy usage and how to save on monthly bills. The program provides personalized information unique to the customer's home and energy practices. An energy specialist visits the customer's home to analyze the total home energy usage and to pinpoint energy saving opportunities. An energy specialist will also explain how to improve the heating and cooling comfort levels, check for air leaks, examine insulation levels, review appliances, help the customer preserve the environment for the future and keep electric costs low. A customized report is prepared, explaining the steps the customer can take to increase efficiency. As a part of the Home Energy House Call program, customers receive an Energy Efficiency Starter Kit, as well as additional CFLs. At the request of the customer, the energy specialist can install the efficiency items that allow the customer to begin saving immediately.

By identifying the efficiency improvements, this program confronts the significant market barrier of customer awareness of potential savings. The program is available to individually metered residential customers receiving concurrent service from the Company. Assessments are only available to owner-occupied single family residences. Third party vendors are used.

- Program is promoted through but not limited to:
 - Zip code specific direct mail
 - Email to customers
 - Promotion on company website.

Modifications to this program in 2010 included reducing the number of questions in order to increase participation.

Potential changes to this program in 2011 include:

- Future campaigns will emphasize the online survey as being the fastest way to receive the report and the CFLs, but paper reports will still be available.
- For the HEHC program, specialty bulbs are being considered as additions to the program (DSMore runs are taking place currently). These specialty bulbs include candelabra and recessed lighting bulbs. Duke has found that most homes have lighting fixtures requiring these specialty bulbs, and this is an opportunity to consider for HEHC.

Energy Efficiency Education Program for Schools – educates students about sources of energy and energy efficiency in homes and schools, and provides them the ability to conduct a home energy audit of their homes. This program will help homeowners identify efficiency savings, addressing the market barrier of lack of customer recognition of savings opportunities. Energy Efficiency Starter Kits are provided free to homes where students complete a home energy survey. Additional CFLs are also provided if available sockets are identified in the survey.

A third party, Scholastic company offers this program to schools served by Duke Energy Ohio.

- The Program is promoted through but not limited to;
 - Shipment of education kits direct to the teacher and classroom
 - Email outreach to school administrators
 - In-school presentations

- Promotion on the Company's website

Parents are encouraged to participate in their student's learning efforts through assisting in the completion of a home energy survey that provides tangible information to help families manage their energy usage. Another very important highlight of the program is the ability for Duke Energy to track, at the household level, impacts achieved from energy measures distributed into homes through data obtained from the home energy questionnaire found in the Energy Efficiency Starter Kits. Since January 2010 through December 2010, over 3,920 families have participated in the program in Ohio.

Program challenges stem from the customer acquisition through the school channel. Effective implementation requires multiple audience engagement, e.g. administrators, teachers, students and parents. Depending upon different directives and priorities from school administrators, curriculum flexibility among teachers to incorporate an optional program, student enthusiasm and awareness and buy-in from parents to complete the home energy surveys with their children, it can be challenging to get immediate adoption.

Modification to this program included eliminating the last 4 digits of the account holder's social security number, along with reducing the number of survey questions from 30 to 6 questions.

Potential changes to the program in 2011 include:

- Revising both (Duke Energy and Scholastic) supplemental Web sites, banner ads and creating blogs for teacher postings.
- Offering more teacher trainings (online, in-person).
- Modifying participant incentives.
- Implementing a robust marketing partnership with community organizations.

- Leveraging and building upon field coordinators' educator/administrator networks for stronger marketing and promotion.
- Building an online reporting tool identifying county, district, school and teacher adoption rates. This tool will also hold household customer data, as well as those that may be disqualified for any reason.
- Potentially going out for bid to develop a more costs effective approach to serve the K12 market.

Low Income Services – provides assistance to low income customers through several measures. The upfront costs of high efficiency equipment are an especially difficult barrier for low income customers to overcome. For the CFL program, this program is available to any low income customer eligible for services provided by low income agencies who has not participated in this program within the past 36 months. For the weatherization and refrigerator replacement program, this program is available to any low income customer up to 200% of the federal poverty level who has not participated in this program within the past 10 years. For the CFL program, eligible customers will complete a survey with an assistance agency. The agency submits the report to the Company, and the customer will receive up to 12 CFLs. A third party will complete the weatherization/refrigerator replacement and will be paid by the Company.

- The program is promoted through but not limited to;
 - Community Action Agencies and NGO's
 - Direct mail to customers

Potential changes to the program in 2011:

Duke Energy continues to evaluate opportunities to provide new offerings to low income customers in the most cost effective manner. Duke Energy is investigating the option to discontinue offering the Agency Assistance Kits. The offering of CFLs via the IVR/Web channel has reached more low income customers than the Low Income CFL program. The IVR/Web offering is a cost effective avenue to reach low income customers. The number of Low Income customers that participated in CFL campaigns (GE/Wal-Mart, BRC and IVR/Web/OLS) in OH - 2010 was about 212,000. This participation was much higher than the 3,700 customer goal set for the Low Income CFL program. Total bill savings is estimated to be in excess of \$10 million annually for participating customers. Promotional materials are given to agencies to distribute to customers to promote the CFLs.

Duke Energy intends to file a new Low Income Neighborhood program. This program will target neighborhoods where the majority of the residents are below 200% of the federal poverty guidelines. This Neighborhood Low Income program is being modeled after a program currently being offered by other utilities. A request for proposal was sent to vendors and five proposals have been submitted to administer this program. Proposals are currently under review.

Power Manager – provides incentives to residential consumers that allow the company to cycle their outdoor compressor during peak energy periods between May and September. Participating customers of the Company who have a functioning outdoor A/C unit are eligible for the program. Participants in the Power Manager program allow Duke Energy to control their air conditioners during peak summer demand periods. Customers receive a one-time enrollment incentive of \$25 or \$35 depending on the Power Manager option they choose. In addition, they receive credits for

each Power Manager event. Following the end of the event season, which runs from May through September, if warranted, customers receive a credit that ensures their total credit for the season is a minimum of \$5 or \$8 depending on the option in which they enrolled.

Due to the extreme heat and subsequent high electric demand during the summer of 2010, Power Manager was activated on nine different days in Ohio. During these events, Duke Energy cycled customers' air conditioning units off and on, helping shift demand and lower the afternoon peak.

A third party installs the device on customers A/C units.

- The program is promoted through but not limited to;
 - Zip code specific direct mail
 - Company website

Potential changes to the program in 2011:

To help increase the acceptance level of the Power Manager program, Duke Energy will be developing new marketing material that will provide a more targeted message to various customer segments. Some customers will receive information that speaks more specifically to the environmental and broader scale economic impact of the Power Manager program. Others will receive information relating to the more direct benefits for them.

Plans also include reaching out to customers who have participated in other Duke Energy programs, but who have not enrolled in Power Manager. Studies show that customers who have participated in other programs have a higher satisfaction with Duke Energy than other customers. Our intent is to build on this previous relationship.

Non-Residential Programs

Smart Saver Non-Residential – provides prescriptive incentives for businesses to install high efficiency equipment. This program addresses the market barrier of higher upfront costs of high efficiency equipment. Major categories include lighting, motors, pumps, VFD's, food service and process equipment. The program is available to new or existing non-residential facilities served by Duke Energy Ohio.

- Participation for the Smart Saver Prescriptive program in 2010 increased 77% over 2009. This was due in large part to the bonus incentive offering that began in July of 2009 and ended 12/31/2009. The bonus incentive offering temporarily increased incentives for measures where potential participation was high and higher incentives could be increased while maintaining cost-effectiveness. Bonus incentives were again offered during July 2010 through December 2010. Large increases in participation and energy savings is recognized in December, January, and February as customers complete projects that were started earlier in the year.
- kWh and kW savings increased for 2010 by 74% and 79% respectively which is directly correlated with the increase in participation.
- While participation increased over 75%, program costs for 2010 increased by only 45% from 2009. Although incentives increased, the administrative costs associated with implementing the program did not increase in proportion to the incentive costs.
- In 2009, incentives for chiller tune-ups were offered as a limited time bonus offer. In 2010, chiller tune-ups were added to the Prescriptive program as a permanent measure. Due to changes in baseline efficiency, requirements for reach-in refrigerators and freezers

were updated. In addition, incentives were changed from a flat rate per unit to a tiered incentive based on size.

- In response to the EISA 2007 motor requirements, Duke Energy has begun to phase out incentives for NEMA premium motors.

The incentive process is handled by a third party vendor.

- The program is promoted through, but not limited to the following;
 - Trade ally outreach
 - Duke Energy Ohio Business Relations Managers
 - Company website

Potential changes to the program in 2011 include:

Standards continue to change and new, more efficient technologies continue to emerge in the market. The Company expects to continue to add new measures to approved programs to provide incentives for customers to take advantage of a broader suite of products. The Company undertakes an annual review of technologies and efficiency levels through internal sources and with the assistance of outside technical experts.

In December, 38 new measures were presented to the collaborative for addition to the Prescriptive program. The collaborative agreed with inclusion of the measures in early 2011.

Custom Rebate – Duke Energy's Smart Saver Nonresidential Custom Incentive Program offers financial assistance to qualifying commercial, industrial and institutional customers (that have not opted out) to enhance their ability to adopt and install cost-effective electrical energy efficiency projects.

The Smart Saver Custom Incentive program is designed to meet the needs of Duke Energy customers with electrical energy saving projects involving more complicated or alternative technologies, or those measures not covered by standard Prescriptive Smart Saver Incentives. The intent of the Smart Saver Program is to encourage the implementation of energy efficiency projects that would not otherwise be completed without Duke Energy's technical or financial assistance.

The Custom Incentive application is for projects that are not listed on the applications for Smart Saver Prescriptive Incentives. Unlike the Prescriptive Incentives, Custom Incentives do require pre-approval prior to the project implementation. Proposed energy efficiency measures may be eligible for Custom Incentives if they clearly reduce electrical consumption and/or demand.

Currently there are the following application forms that are located on the Duke Energy website under the Smart Saver Incentives (Business and Large Business tabs).

The program is promoted through but not limited to the following;

- Trade ally outreach
- Duke Energy Ohio Business Relations Managers
- Company website

Potential changes to the program in 2011 include:

Based on the performance of the Custom Incentives to date, Duke Energy recommends that the program be continued in its current form.

Energy Assessments - The purpose of this program is to assist non-residential customers in assessing their energy usage and providing recommendations for more efficient use of energy.

The program will also help identify those customers who could benefit from other Duke Energy Ohio Energy Efficiency non-residential programs.

The types of available energy assessments are as follows:

- ***Online Analysis.*** The customer provides information about their facility by answering a series of online questions. Based upon the analysis of the customer's responses to the questionnaire, Duke Energy Ohio will provide an energy savings report back to the customer that includes various energy saving recommendations.
- ***Telephone Interview Analysis.*** The customer provides information to Duke Energy Ohio through a telephone interview after which billing data, and if available, load profile data, will be analyzed. Duke Energy Ohio will provide an energy analysis report with an efficiency assessment along with recommendations for energy efficiency improvements.
- ***On-site Audit and Analysis.*** Duke Energy Ohio will cover a portion of the costs of an on-site assessment. Duke Energy Ohio will provide, consistent with the customer's desired level of investment and detail, an energy analysis report. The report will include an efficiency assessment and recommendations for efficiency improvements, tailored to the customer's facility and operation.

Duke Energy recommends that the program be continued in its current form

PowerShare – PowerShare® is Duke Energy's demand side management (or demand response) program geared toward Commercial and Industrial customers. The primary offering under PowerShare® is named CallOption and it provides customers a variety of offers that are based on their willingness to shed load during times of peak system usage. These credits are received regardless of whether an event is called or not. Energy credits are also available for participation

(shedding load) during curtailment events. The notice to curtail under these offers is between 6 hrs (emergency) and day-ahead (economic) and there are penalties for non-compliance during an event.

- The program is promoted through but not limited to the following;
 - Duke Energy Ohio Business Relations Managers
 - Email to customers
 - Company website

Potential changes for this program in 2011 include:

Duke Energy is exploring Automated Demand Response technologies that have been deployed in other areas (e.g. California, Australia) that could simplify the ways for commercial customers to curtail. By combining these effects across many facilities, like those of a national chain account, load shedding strategies could be staggered across several stores in order to give a substantial amount of curtailed load without unduly impacting the end-use customer's operation. The overall objective is to expand demand response beyond the typical customer market of large industrial customers and drive opportunities in the commercial market space.

(a) **Number and Type of Participants**

The number of participants or measures installed by customer type is summarized above in Table 4. Details on participation by measure are provided in Appendix A.

(b) **Comparison of Forecasted savings to Achieved Savings**

The Company's programs are approved for implementation through the year 2011. Table 6 provides a comparison of achieved impacts through 2010 as well as the forecasted impacts that were presented in the Company's ESP filing in 2008.

Table 6: Comparison of Achievement to Forecasted Impacts and Trend Projection Through 2011								
	Achieved Load Impacts ¹		Forecasted Load Impacts					
	MWH through 2010	MW through 2010	MWH 2009	MWH 2010	MWH 2011	MW 2009	MW 2010	MW 2011
Prior Approved Programs	206,670	34.1	-	-	-	-	-	-
DSMSpecial Contracts	0	19.3	-	-	-	-	-	-
Residential Programs								
Residential Assessments	12,567	1.6	7,757	16,439	26,279	2.2	4.7	7.5
Smart Saver® for Residential Customers	222,633	24.2	35,587	75,801	121,456	4.8	10.5	17.1
Low Income	3,472	0.3	7,133	14,422	20,552	1.0	2.0	2.9
Energy Efficiency Education Program for Schools	2,609	0.3	7,802	23,406	46,812	1.6	4.9	9.7
Residential Pilot Programs	2,956	0.5	-	-	-	-	-	-
Power Manager	0	38.0	-	-	-	29.4	42.9	56.5
Non Residential Programs								
Smart Saver® for Non Residential Customers	133,310	24.7	38,579	81,017	123,246	9.3	19.6	29.7
Custom Rebate	19,359	2.3	7,896	16,582	26,137	1.3	2.8	4.4
PowerShare	0	77.6	-	-	-	78.9	111.4	135.8
Total for All Programs	603,576	223.0	104,754	227,667	364,482	128.5	198.8	263.6

1. Reflects 2010 incremental achievement added to 2009 achievement.

This table indicates that the achieved MWH and MW impacts through 2010 are above the 2010 forecast. While the impacts for the Low Income program are lower than forecasted, additional impacts for low income customers were realized through the Smart Saver Residential campaign.

There are no mercantile customers that have opted out of payment of the energy efficiency rider at this time.

(c) The Company is not claiming any impacts from transmission and distribution infrastructure improvements at this time.

(d) Evaluation, Measurement, and Verification (EM&V)

The following EM&V studies have been completed on the 2009 programs:

- CFL Program
- “Get Energy Smart” K12 Curriculum Process Evaluation
- Non-Res Smart Saver Prescriptive Lighting and VFD Update Memo
- PowerShare
- Home Energy House Call
- Residential SmartSaver®
- Personalized Energy Report
- Home Energy Comparison Report
- Power Manager
- Non-Res Smart Saver Custom – Smart Building Advantage (only)

Appendix C provides an up-to-date summary of the activities undertaken with respect to EM&V.

The past and current EM&V studies and other information used as sources for the program/measure level impacts are provided in Appendices D through N.

The cost effectiveness of the current programs is provided below in Table 7.

Table 7: Cost Effectiveness Test Results of Current Programs					
		Utility Test	TRC Test	RIM Test	Participant Test
RESIDENTIAL CUSTOMER PROGRAMS					
	Residential Energy Assessments	2.46	2.44	1.08	210.25
	Residential Smart Saver® Energy Efficiency	2.42	1.21	0.88	2.43
	Low Income Services	2.19	2.19	0.79	NA
	Energy Efficiency Education Program for Schools	2.69	2.69	0.94	NA
	Power Manager	1.40	1.67	1.40	NA
NON-RESIDENTIAL CUSTOMER PROGRAMS					
	Non-Residential Energy Assessments	NA	NA	NA	NA
	Smart Saver® for Non-Residential Customers	3.81	2.20	1.27	2.83
	Power Share	3.54	29.79	1.23	NA

(e) Continuation of Programs

Based on the success experienced and feedback from customers and trade allies, Duke Energy Ohio proposes continuing with the existing suite of offers, subject to annual adjustments for changes in efficiency levels or market conditions, and incorporates the proposed programs identified below.

The following programs were piloted in 2010:

- **Residential Energy Management Systems** - this pilot is testing in-home technologies and associated customer support. This pilot is offered in conjunction with the Company's Smart Grid deployment and with new time based rate options
- **Home Energy Comparison Report** – provide to customers a comparative usage data report for similar residences in the same geographic region. By identifying efficiency savings and educating customers it confronts a significant market barrier, customer awareness of

potential savings. Participants receive periodic comparative usage reports along with specific recommendations to encourage energy saving behavior.

- **Energy Smart Buildings (renamed to Smart Building Advantage)** – is a new innovative marketing and branding approach to Duke's existing non-residential programs. It incorporates two key principles to drive efficiency improvements in large commercial and institutional facilities. The first part of the process is a detailed assessment of the customer facility to drive overall efficiency gains in the building. The assessment that is provided is a more in-depth assessment than is provided through the currently offered Assessment offers. Energy conservation measures identified are modeled through the Custom Incentive program and the customer incorporates Duke Energy Ohio incentives into their capital improvement plan. The second key to success is continuous commissioning of the customer's facility. Smart Building Advantage includes installation of two way communication equipment with the customer. The delivery information allows the customer to employ continuous commissioning through regular reporting, training and ongoing measurement and verification. There has been early success with the pilot with a limited number of customers. In 2011, Duke hopes to expand the reach of this new approach and increase the number of customers participating in this marketing pilot.

- **Residential Retrofits** – Tests a program to help homeowners identify and fix the top energy wasting areas of their home to save money and increase comfort. To make adoption easier, customers receive a free in-home energy assessment to identify the key areas of energy loss, improvement recommendations, access to skilled contractors and an incentive when the recommended improvements are installed.

The following program will be piloted in 2011:

- **E3: Economy, Energy, and Environment** – this program combines several federally-sponsored programs focused on the manufacturing market with Duke Energy's offerings to form a comprehensive, integrated, full-cycle program to improve efficiency and competitiveness of industrial customers. During the assessment phase, customers will receive reviews concerning lean manufacturing, energy use and environmental waste flows. The resulting report will include detailed recommendations for savings and a green-house gas inventory. The program includes periodic customer follow-up to ensure continued awareness of utility program incentives as well as other sources of funding or assistance (such as the Ohio Dept. of Development grant programs, SBA tax incentives or training incentives via local workforce boards). The program was piloted in Columbus by AEP in 2009. This program did not begin in 2010 as originally planned but will begin in 2011.

Additional pilots may be pursued in 2011.

2. Conclusion

With this Status Report, Duke Energy Ohio has demonstrated that it is in compliance with the statutory load impact requirements as measured and reported in its Benchmark Report filed March 15, 2011. Duke Energy Ohio respectfully requests that the Commission find that the Company has met its compliance requirements for the 2010 compliance year.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Elizabeth H. Watts", written over a horizontal line.

Elizabeth H. Watts
Associate General Counsel
Amy B. Spiller
Deputy General Counsel
Duke Energy Ohio, Inc.
15 East Broad Street
Suite 2100
Columbus, Ohio 43215

**AFFIDAVIT
OF
THOMAS J. WILES**

COMES NOW Thomas J. Wiles being duly sworn, deposes and says:

1. My name is Thomas J. Wiles. I am employed by Duke Energy Business Services, Inc. as General Manager Market Analytics.
2. This Affidavit will be filed with the Ohio Public Utilities Commission in support of Duke Energy Ohio's Annual Energy Efficiency Portfolio Status Report (the Report) which is required by Ohio Administrative Code §4901:1-39-05 (C).
3. As General Manager of Market Analytics, I have responsibility for load research, demand side management, load management analytics and product management analytics. As part of my professional responsibilities I assisted with the underlying analysis and preparation of Duke Energy Ohio's Report.
5. The information contained within the Report is true and accurate to the best of my knowledge.
6. The performance detailed in the Report demonstrates that Duke Energy Ohio has complied with the statutory benchmarks contained in Ohio Revised Code 4928.66.

FURTHER AFFIANT SAITH NOT.


Thomas J. Wiles

State of Ohio)
) SS:
County of Hamilton)

Subscribed to and sworn to before me this 14th day of March, 2011.


ADELE M. DOCKERY
Notary Public, State of Ohio
My Commission Expires 01-05-2014


Notary Public