

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of :
Duke Energy Ohio, Inc. for Recovery : Case No. 13-753-EL-RDR
of Program Costs, Lost Distribution :
Revenue and Performance Incentives :
Related to its Energy Efficiency and :
Demand Response Programs. :
:

COMMENTS
SUBMITTED ON BEHALF OF THE STAFF OF THE PUBLIC UTILITIES
COMMISSION OF OHIO

These Comments address Duke Energy Ohio's ("Duke") request for the cost recovery of its Rider EE-PDRR. This rider includes all of the actual costs for implementing Duke's 2012 energy efficiency and peak demand reduction programs, the lost distribution margins associated with some of its non-residential rate classes and a shared savings incentive payment for most of its programs. In addition, Duke seeks authority to collect the projected program costs, appropriate lost distribution revenues and shared savings for calendar year 2013.

The Staff objects to Duke's exclusion of the EE-PDRR Evaluation, Measurement and Verification ("EM&V") costs in determining the amount of the shared savings Duke has determined that it is allowed to recover in the

rider. Duke would not incur any EM&V costs if the EE/PDRR programs did not exist. Because the EE-PDRR programs must be evaluated, measured, and verified per Commission rule, the EM&V costs are necessarily “EE-PDRR program cost” and should be included as a part of Duke’s overall EE-PDRR program costs calculation. Further, including these EM&V costs in Duke’s program costs incentivizes Duke to keep EM&V costs as low as possible in order to maximize shared savings from the programs.

After including these EM&V costs, the total amount of shared savings should be reduced by the EM&V amount spent on each of Duke’s individual programs. These costs are found on the 2012 and 2013 Program Summary spreadsheets provided in Jim Ziolkowski’s testimony as Attachment JEZ-1 in Duke’s Application. Staff recommends a reduction of \$200,013 in Duke’s 2013 estimated EE-PDRR Rider costs. Staff also recommends a reduction of \$238,027 in the actual 2012 EE-PDRR Rider costs. Staff recommends that Duke file its EE-PDRR Rider tariffs to reflect these changes and that the changes be applied to Duke’s different rate class schedules.

Respectfully submitted,

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William L. Wright
Section Chief

/s/ Devin P. Parram

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**Counsel for the Staff of the Public
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PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Comments** submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by email upon the following Parties of Record, this 1st day of July, 2013.

/s/ Devin P. Parram

Devin P. Parram
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Summary: Comments electronically filed by Mrs. Tonnetta Y Scott on behalf of PUCO