

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

DIRECT TESTIMONY OF

RICHARD G. STEVIE, PH.D.

ON BEHALF OF

DUKE ENERGY OHIO, INC.

September 13, 2013

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I. INTRODUCTION AND PURPOSE

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Richard G. Stevie and my business address is 123 East Fourth Street,
3 Suite 300, Cincinnati, Ohio 45202.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed as Vice President, Forecasting, by Integral Analytics, Inc. (IA).
6 Integral Analytics, Inc. is an analytical software and consulting firm focused on
7 operational, planning, and market research solutions for the energy industry. In
8 addition, I have been retained by Duke Energy Business Services to provide
9 consulting support on energy efficiency issues.

10 **Q. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATIONAL**
11 **BACKGROUND AND PROFESSIONAL EXPERIENCE.**

12 A. I received a Bachelor's degree in Economics from Thomas More College in May
13 1971. In June 1973, I was awarded a Master of Arts degree in Economics from
14 the University of Cincinnati. In August 1977, I received a Ph.D. in Economics
15 from the University of Cincinnati. In 2012, I was named a Research Fellow for
16 the Economics Center at the University of Cincinnati.

17 Prior to joining IA, I was Chief Economist for Duke Energy. During my
18 tenure with Duke Energy, I managed several key analytical functions including
19 economic forecasts, projections of energy sales and peak load demands, customer
20 research on energy usage, market research, product development analytics,
21 evaluation of energy efficiency and demand response program cost-effectiveness,
22 and measurement and verification of energy efficiency and demand response

1 impacts. I have been involved in many regulatory proceedings and provided
2 expert witness testimony on numerous utility economic issues in Ohio, Kentucky,
3 Indiana, North Carolina, and South Carolina. The principle areas of testimony
4 involved load forecasting, cost-effectiveness analysis of energy efficiency and
5 demand response programs, measurement and verification plans for energy
6 efficiency and demand response programs, market pricing for energy, regulatory
7 recovery mechanisms for energy efficiency, weather normalization of energy
8 sales, and assessment of economic conditions.

9 Before the merger with Duke Energy, I was General Manager of Market
10 Analytics for Cinergy Corp. and prior to that Senior Economist with the
11 Cincinnati Gas & Electric Company. In addition, I was a past Director of
12 Economic Research for the Public Staff of the North Carolina Utilities
13 Commission. While working at the Public Staff, I provided expert testimony on
14 numerous issues including cost of capital, capital structure, operating ratio, and
15 rate design.

16 For over twenty years, I chaired the Regional Economic Advisory
17 Committee for the Greater Cincinnati Chamber of Commerce. As chair of the
18 committee, I led the development and presentation of the Chamber's Annual
19 Economic Outlook. In addition, I have appeared in numerous local forums to
20 provide views on the economy.

21 **Q. ARE YOU A MEMBER OF ANY PROFESSIONAL ORGANIZATIONS?**

22 A. Yes, I am a member of the American Economic Association, the National
23 Association of Business Economists, the International Association for Energy

1 Economics, and the Association of Energy Services Professionals. Also, I chair
2 the board of trustees of the Tri-State Education and Technology Foundation
3 which operates the Drake Planetarium and Science Center. I also serve on the
4 Finance and Building and Grounds Committees of Seton High School.

5 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC**
6 **UTILITIES COMMISSION OF OHIO?**

7 A. Yes, I have testified in numerous proceedings including rate case applications,
8 Long-Term Forecast Report proceedings, and energy efficiency applications.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THESE**
10 **PROCEEDINGS?**

11 A. The primary purpose of my testimony is to adopt the Direct Testimony of Ashlie
12 J. Ossege that was pre-filed in these proceedings on March 28, 2013. Ms. Ossege
13 is no longer employed with Duke Energy Corp. Through this testimony, I adopt
14 the direct testimony of Ms. Ossege which provides an overview of the programs
15 on which Evaluation, Measurement and Verification (EM&V) activities occurred
16 or for which EM&V results were applied in 2012 and demonstrates how the
17 results from the EM&V process will be used in the true-up of Rider EE-PDR.

II. ADOPTION OF TESTIMONY

1 **Q. ARE YOU FAMILIAR WITH THE TESTIMONY SUBMITTED BY MS.**
2 **OSSEGE IN THESE PROCEEDINGS AND THE ATTACHMENTS**
3 **DESCRIBED IN HER DIRECT TESTIMONY?**

4 A. Yes. I have reviewed the attachments to Ms. Ossege's testimony, submitted by the
5 Company and sponsored by Ms. Ossege in her Direct Testimony, Attachments 1-
6 9.

7 **Q. DO YOU HEREBY ADOPT THE DIRECT TESTIMONY OF ASHLIE J.**
8 **OSSEGE FILED IN THESE PROCEEDINGS ON MARCH 28, 2013, AS**
9 **YOUR OWN?**

10 A. Yes. I am very familiar with the Company's information presented by Ms.
11 Ossage and hereby adopt the attachments and the information and support Ms.
12 Ossege provided in her Direct Testimony as my own Direct Testimony in these
13 proceedings.

III. CONCLUSION

14 **Q. DOES THIS CONCLUDE YOUR PRE-FILED SUPPLEMENTAL DIRECT**
15 **TESTIMONY?**

16 A. Yes.
17
18

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Summary: Testimony DIRECT TESTIMONY OF
RICHARD G. STEVIE, PH.D.
ON BEHALF OF
DUKE ENERGY OHIO, INC. electronically filed by Carys Cochern on behalf of Watts,
Elizabeth H. Ms.