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 RELATED TO ITS ENERGY EFFICIENCY AND DEMAND RESPONSE PROGRAMS.	CASE NO. 15-534-EL-RDR

ENTRY ON REHEARING

Entered in the Journal on December 14, 2016

I. SUMMARY

{¶ 1} The Commission grants the applications for rehearing filed by the Ohio Energy Group, the Ohio Manufacturers' Association, the Kroger Company, and the Ohio Consumers' Counsel for the limited purpose of further consideration of the matters specified in the applications for rehearing.

II. DISCUSSION

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

{¶ 3} R.C. 4928.141 provides that an EDU shall provide customers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including firm supply of electric generation services. The SSO must be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 4} Pursuant to R.C. 4928.66, EDUs are required to implement energy efficiency and peak demand response (EE/PDR) programs. Through these programs, the EDUs are mandated to achieve a specific amount of energy savings every year.

{¶ 5} By Opinion and Order issued August 15, 2012, the Commission approved a stipulation entered into between Duke and some of the parties. *In re Duke Energy Ohio, Inc.*, Case No. 11-4393-EL-RDR (*Rider Case*). Specifically, among other things, the Commission approved the recovery of program costs, lost distribution revenue, and performance incentives related to Duke's EE/PDR programs.

{¶ 6} On March 30, 2015, Duke filed an application for recovery of program costs, lost distribution revenue, and performance incentives related to its energy efficiency and demand response programs for 2014. *In re Duke Energy Ohio, Inc.*, Case No. 15-534-EL-RDR (*2014 Recovery Case*). The previous year, on March 28, 2014, Duke filed a similar application for recovery for 2013. *In re Duke Energy Ohio, Inc.*, Case No. 14-457-EL-RDR (*2013 Recovery Case*).

{¶ 7} Motions to intervene were granted to Ohio Manufacturers' Association (OMA), the Ohio Consumers' Counsel (OCC), the Ohio Energy Group (OEG), the Kroger Company (Kroger), the Environmental Law and Policy Center (ELPC), and Ohio Partners for Affordable Energy (OPAE). On June 17, 2015, comments were filed by OPAE, OEG, Kroger, Staff, and OMA. Reply comments were filed by OMA, Kroger, and Duke on July 1, 2015.

{¶ 8} On January 6, 2016, Duke and Staff filed a joint stipulation and recommendation (stipulation) regarding the *2013 Recovery Case* and the *2014 Recovery Case* for the Commission's consideration. As to the *2014 Recovery Case*, the stipulation purported to only resolve issues regarding the shared savings mechanism, and not program costs of lost distribution revenue. As part of the stipulation, Duke would receive $19.75 million in shared savings. Further, Duke agreed to retire 150,000 hours of banked savings and agreed not to pursue shared savings in future cases. Duke and Staff filed testimony in support of the stipulation on February 19, 2016. On March 4, 2016, OPAE, OEG, OCC, and OMA filed testimony in opposition to the stipulation.

{¶ 9} A hearing on the stipulation was held on March 10, 2016. Thereafter, on April 28, 2016, Duke, Staff, OEG, OPAE, OMA, OCC, and Kroger filed initial briefs. Reply briefs were filed by Duke, Staff, OEG, OPAE, OMA, OCC, and Kroger on May 13, 2016. On June 23, 2016, Staff filed a review and recommendations.

{¶ 10} On October 26, 2016, the Commission issued a Finding and Order approving the application for recovery of program costs, lost distribution revenue, and performance incentives related to Duke's energy efficiency and demand response programs for 2014, subject to modifications, and, in doing so, adopted the stipulation and recommendation submitted by Duke and Staff regarding performance incentives.

{¶ 11} R.C. 4903.10 states that any party who has entered an appearance in a Commission proceeding may apply for rehearing with respect to any matters determined in that proceeding, by filing an application within 30 days after the entry of the order upon the journal of the Commission.

{¶ 12} On November 23, 2016, applications for rehearing were filed by OEG, OMA, and Kroger. OCC filed its application on November 25, 2016. On December 5, 2016, Duke filed a memorandum contra the applications for rehearing.

{¶ 13} The Commission finds that the applications for rehearing filed by OEG, OMA, Kroger, and OCC should be granted for the limited purpose of further consideration of the matters specified in the application for rehearing. We find that sufficient reason has been set forth to warrant further consideration of the matters raised in the application.

III. ORDER

{¶ 14} It is, therefore,

{¶ 15} That the applications for rehearing filed by OEG, OMA, Kroger, and OCC be granted for further consideration of the matters specified in the applications for rehearing. It is, further,

{¶ 16} ORDERED, That a copy of this Entry on Rehearing be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Asim Z. Haque, Chairman

Lynn Slaby

M. Beth Trombold

Thomas W. Johnson

M. Howard Petricoff

NW/vrm

Entered in the Journal

DEC 1 4 2016

Barcy F. McNeal

Barcy F. McNeal
Secretary