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Elizabeth H. Watts
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September 8, 2016

Ms. Barcy F. McNeal, Secretary
Public Utilities Commission of Ohio
180 East Broad Street, 11th Floor
Columbus, Ohio 43215

Re: In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of its Energy Efficiency and Peak Demand Reduction Portfolio of Programs, Case No.16-576-EL-RDR.

Dear Ms. McNeal:

This letter is submitted by Duke Energy Ohio, Inc., the Ohio Environmental Council, the Environmental Defense Fund, the Environmental Law & Policy Center, the Natural Resources Defense Council, Ohio Partners for Affordable Energy, the Ohio Hospital Association and IGS Energy, Inc., to advise of the parties' concern regarding the negative impact that the lack of a decision by the Public Utilities Commission of Ohio (Commission) in the above-captioned proceeding will have on Duke Energy Ohio customers. Pursuant to an Entry in this proceeding, Duke Energy Ohio filed an application for approval of an energy efficiency and peak demand reduction (EE/PDR) portfolio on June 15, 2016. A stipulation and amended stipulation were filed on December 22, 2016, and January 27, 2017, respectively. A hearing on the application and related stipulations was held on February 27, 2017, and briefing was concluded on April 7, 2017. Duke Energy Ohio's prior portfolio was originally approved for 2014 through 2016. For eight months, Duke Energy Ohio has continued to provide energy efficiency services to its customers without an assurance of cost recovery for program costs, lost distribution revenues or shared savings.

Most of the interested parties reached a stipulated settlement that provided for an approved portfolio for 2017 through 2019. The Staff of the Public Utilities Commission of Ohio (Staff) and the Office of the Ohio Consumers' Counsel (OCC) did not join the stipulation and instead contested the settlement due primarily to the lack of a cap on overall costs.

Since the completion of the hearing, the Company has made diligent efforts to meet its statutory benchmarks and to help its customers reduce their energy usage. But it has done so at financial risk due to ongoing regulatory uncertainty and to the detriment of new innovative programs proposed in the Stipulation that have yet to be implemented. Indeed, the risk imposed by the delay in authorizing the portfolio plan has now escalated to a point where it may become necessary for Duke Energy Ohio to suspend its effective energy efficiency and peak demand



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response (EE/PDR) programs. Significantly, absent a timely decision on the pending stipulation or should the Commission adopt Staff's recommended \$33,820,565 cap on overall spending, including program costs, and shared savings, the Company will be forced to terminate the EE/PDR programs for the balance of the year.

If the Company is forced to cease offering its ongoing programs and to thereby create a loss of efficiency in its portfolio of programs, customers will be deprived of these valuable services and negatively financially impacted. For example, more than 300,000 residential customers will no longer receive a Home Energy Report (myHER), which educates customers regarding their monthly energy usage and ways to become more efficient. Finally, the Company will be forced to suspend over 60 currently pending incentive applications to key commercial and industrial customers designed to help keep these important engines of our local economy competitive. Further, stopping and restarting programs will only add unnecessary expense to the overall cost of the Company's portfolio. For these reasons, the signatory parties to this letter respectfully request that the Commission issue a decision on the proposed stipulation as soon as possible.

Respectfully submitted,
Duke Energy Ohio, Inc.

A handwritten signature in black ink that reads 'Elizabeth H. Watts'. The signature is fluid and cursive, with the first and last names being more prominent.

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Summary: Letter of Notification Letter to Docketing Regarding Need for Commission Order electronically filed by Ms. Elizabeth H Watts on behalf of Duke Energy Ohio, Inc.