

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application)	
for Integration Of Mercantile)	
Customer Energy Efficiency or)	Case No. 14-146-EL-EEC
Peak Demand Reduction Programs)	
Between Duke Energy Ohio, Inc.)	
and AK Steel Corp.)	

COMMENTS OF DUKE ENERGY OHIO, INC.

On January 31, 2014, AK Steel Corporation (AK Steel) submitted an application that purports to commit the energy efficiency and peak demand reduction from a proposed waste heat recovery project to Duke Energy Ohio, Inc., (Duke Energy Ohio) in exchange for an exemption from Duke Energy Ohio's energy efficiency rider, Rider EE-PDR. However, this application varies from the applications typically submitted for review and approval by the Public Utilities Commission of Ohio (Commission) in that that project described by AK Steel has not been built, and, indeed, AK Steel explicitly states that it does not commit to building any such project.¹ Assuming AK Steel to proceed with the project, it further posits that it will install the project by June 1, 2015. Thus, AK Steel's application seeks an advisory opinion from the Commission with respect to whether or not its project will be entitled to receive the requested exemption.

Duke Energy Ohio has not performed any analysis with respect to this proposed, hypothetical project. However the Company submits the following comments and observations with respect to the application:

1. The application submitted is incorrect in that it states that the applicant is seeking to commit existing demand reduction, demand response, and energy efficiency

¹ Overview and Commitment Form, p.12 of Application.

programs for integration into the Company's programs. This is an incorrect statement since the project has not yet been undertaken.

2. If it is the Commission's intention to pre-approve an applicant's exemption, Duke Energy Ohio submits that each such application will require a two-step process so that once the project is completed and before the integration is approved, the financial information associated with the project can be updated. The net present value of energy savings as of the time of the application will not be the same as in June of 2015 when AK Steel predicts its project will be complete and it is thus critical that accurate financial information function to determine the extent of a rider exemption.
3. Duke Energy Ohio requests that the Commission clarify that the exemption from the Company's Rider EE-PDR will be for nine months effective *after* the project is complete and savings can be verified. To allow an exemption prior to the time that an operational project yields tangible measures would result in an inequitable distribution of rider amounts.

Duke Energy Ohio respectfully requests that the Commission consider these comments in reaching a decision with respect to AK Steel's application.

Respectfully submitted,



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PROOF OF SERVICE

I certify that Duke Energy Ohio, Inc.'s Comments were served by electronic mail upon counsel identified below for all parties of record this 24th day of March, 2014.


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