**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| 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 |

**COMMENTS**

SUBMITTED ON BEHALF OF THE STAFF OF

THE PUBLIC UTILITIES COMMISSION OF OHIO

In this filing, the Company is requesting approval to adjust its Rider EE-PDR to recover costs related to compliance with statutory energy efficiency require­ments.  Included in this adjustment request are items such as estimated costs of imple­menting its energy efficiency program, lost distribution revenue associated with certain rate classes, performance incentives in the form of shared savings, and true-up adjust­ments for cost recovery from prior periods.  Staff notes that costs and incentives included in the Com­pany’s filing for recovery in Rider EE-PDR have yet to be evaluated through a financial audit process.  Further, the claimed energy savings, which form the basis for the Com­pany’s calculation of shared savings and lost distribution revenue, have yet to be verified and approved through the Commission’s Evaluation, Measurement , and Verifi­cation (EM&V) process.  See Ohio Adm. Code 4901:1-39-05(D). Staff therefore recom­mends that any approval given by the Commission for the Company to adjust its Rider EE-PDR rate be subject to further review, and adjustment, as deemed necessary in subse­quent Commission proceedings.  Staff views such an approach to be consistent with the Commission’s May 20, 2015 order issued in Case No. 14-0457-EL-RDR, in which the Commission stated that approval of the rider rate was subject to consideration of an audit and any necessary true-ups. See ¶ (13).

Respectfully submitted,

**Michael DeWine**

Ohio Attorney General

**William L. Wright**

Section Chief

/s/ Ryan P. O’Rourke

**Ryan P. O’Rourke**

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**On behalf of the Staff of**

**The Public Utilities Commission of Ohio**

# 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 via electronic mail upon the following Parties of Record, this 17th day of June, 2015.

/s/ Ryan P. O’Rourke

**Ryan P. O’Rourke**

Assistant Attorney General

**Parties of Record:**

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