

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy)
Ohio, Inc., for Approval of Its Energy Efficiency)
and Peak Demand Reduction Program Portfolio)
Plan.)

Case No. 16-576-EL-POR

MOTION OF DUKE ENERGY OHIO, INC., FOR A WAIVER

Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) hereby moves the Public Utilities Commission of Ohio (Commission), in accordance with Rule 4901-1-12, Ohio Administrative Code (O.A.C.), for a waiver to allow recovery of program costs incurred for energy efficiency and peak demand reduction for 2017. The reasons for this motion are set forth in the accompanying Memorandum in Support.

Respectfully submitted,
DUKE ENERGY OHIO, INC.

/s/ Elizabeth H. Watts _____

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MEMORANDUM IN SUPPORT

On June 15, 2016, Duke Energy Ohio filed with the Commission an application for approval of a three-year energy efficiency and peak demand reduction portfolio for the period commencing January 1, 2017. Therein, the Company set forth its proposed annual budget for program costs and shared savings for each of the three years included in the portfolio. Duke Energy Ohio witness James E. Ziolkowski provided testimony explaining the Company's proposed rate recovery mechanism and Attachment JEZ-1, a forecasted revenue requirement for each year (2017 – 2019), excluding any shared savings incentives. The forecasted budget was in the amount of \$38,788,550. That budgeted amount was subsequently amended in the 2017 rider filing so that the forecasted budget was \$39,126,072.

On December 22, 2016, Duke Energy Ohio and several intervenors filed a stipulation, wherein they recommended approval of the portfolio plan. On September 27, 2017, the Commission issued an order approving the stipulation. However, in doing so, the Commission first modified the stipulation to include an annual cap – for 2018 and 2019 – on program costs and shared savings. It was understood that lost distribution levels were not included within the cap. The Commission further stated that it was not applying this cap to 2017 but directed the Company to seek a waiver in the event of an exceedance of the budgeted program costs, as forth in its initial Application.

Duke Energy Ohio's EE/PDR programs have been well received in 2017. Indeed, program participation has surpassed historical levels, with such participation which has allowed the Company's ongoing efforts to exceed the energy mandates and lower customer's bills through cost effective energy. Consequently and so as to enable realization of these benefits, Duke Energy Ohio respectfully requests a waiver such that it may exceed its previously budgeted program costs, with reconciliation and recovery of such costs to be determined in a subsequent

proceeding. Program costs will exceed the budgeted amount due to successful program design leading to accelerated customer participation and technological advances.

Consistent with the terms of the stipulation filed in this proceeding, Duke Energy Ohio submitted an application for authority to defer energy efficiency and peak demand reduction program costs and lost distribution revenues on February 2, 2017.¹ The Company noted that the portfolio that had been filed in 2016 had not yet been approved but that in compliance with the law, Ohio mandates, and the stipulation, the Company was continuing its existing portfolio until the new one was approved. However, based on the Commission's directive in this proceeding approving the portfolio, permitting cost recovery, and directing Duke Energy Ohio to seek a waiver in respect of 2017 costs, Duke Energy Ohio submits that its deferral request is moot and, upon a final order in this proceeding, will withdraw its application to defer program costs. In the interim, Duke Energy Ohio submits that such deferral request may be held in abeyance.

Consistent with the Commission's Order to not suspend its programs, as of this filing, the Company anticipates spending \$56 million for the balance of the year. This will allow the Company to deliver the efficiency that Duke Energy Ohio customers have come to expect. As the amount is most certainly going to result in a number that exceeds the cap provided by the Commission in its Opinion and Order in this proceeding, the Company respectfully requests that the Commission permit recovery of these actual costs in the 2017 true-up rider proceeding and grant a waiver for this purpose in order to permit the Company to recover all program costs for 2017.

¹ *In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Defer Energy Efficiency and Peak Demand Reduction Program Costs and Lost Distribution Revenue*, Case No.17-349-EL-AAM, Application, (February 2, 2017).

Respectfully submitted,

DUKE ENERGY OHIO, INC.

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was delivered by U.S. mail (postage prepaid), personal delivery, or electronic mail, on this 12th day of October, 2017, to the following parties.

/s/ Elizabeth H. Watts

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