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January 31, 2018

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

Re: Case No. 16-576-EL-POR, In the Matter of the Application of Duke Energy Ohio, Inc.  
for a Waiver to File a New Energy Efficiency and Peak Demand Reduction Program  
Portfolio Plan

Dear Ms. McNeal:

Pursuant to the Second Entry on Rehearing of the Public Utilities Commission of Ohio (Commission) in the above-captioned proceeding, Duke Energy Ohio was directed to file a report of spending on Energy Efficiency and Peak Demand Reduction Program Portfolio Plan for 2017 and to report the Company's actions to curtail program spending in compliance with the Commission's September 27, 2017 Order and the First Entry on Rehearing.

Attached is a schedule of programs offered by the Company in 2017 and associated spending along with explanations of the actions taken by the Company in the fourth quarter to control spending in compliance with the Commission's Order and Entries on Rehearing. Additionally, in compliance with Rule 4901:1-39-05, the Company will file an annual portfolio status report that will provide greater detail regarding these programs and their management during 2017.

Should you have any questions please feel free to contact me.

Respectfully submitted,

/s/ Elizabeth H. Watts

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	Duke Energy Ohio - 2017 Program Costs						2017 Actions to Curtail Program Spending* *Actions taken since October 1, 2017
	Total Program Costs		Average Monthly Spend		Percentage Change		
	Jan-Sep	Oct-Dec	Jan-Sep	Oct-Dec			
	2017	2017	2017	2017			
<b>Residential - Energy Efficiency</b>							
Energy Efficiency Education Program for Schools	\$ 437,902	\$ 241,733	\$ 48,656	\$ 80,578	65.6%	Only completed currently scheduled schools. Despite the fact that no new schools were scheduled after October 1, the average monthly spending is higher due to the fact that October-December are all months schools are in session and the presentations and participation occur.	
Home Energy Comparison Report	\$ 2,515,279	\$ (127,266)	\$ 279,475	\$ (42,422)	-115.2%	Reduced the number of reports for remainder of year by 50%	
Low Income Neighborhood Program	\$ 367,839	\$ 136,236	\$ 40,871	\$ 45,412	11.1%	Only completed currently scheduled neighborhoods, no additional neighborhoods scheduled	
Low Income Weatherization - Pay for Performance	\$ 149,727	\$ 37,310	\$ 16,636	\$ 12,437	-25.2%	Worked with low income agency to stop all non-previously scheduled work	
Residential Energy Assessments	\$ 604,447	\$ 110,219	\$ 67,161	\$ 36,740	-45.3%	Finished scheduled assessments as of October 1. No additional assessments to be scheduled for 2017	
Smart Saver Residential	\$ 3,273,117	\$ 726,600	\$ 363,680	\$ 242,200	-33.4%	No marketing outreach for the remainder of 2017 beginning in October	
<b>Residential Energy Efficiency Total</b>	<b>\$ 7,348,310</b>	<b>\$ 1,124,831</b>	<b>\$ 816,479</b>	<b>\$ 374,944</b>	<b>-54.1%</b>		
<b>Residential - Demand Response</b>							
Power Manager®	\$ 768,566	\$ (156,026)	\$ 85,396	\$ (52,009)	-160.9%	Stopped all marketing, installations and IT work scheduled to occur during the remainder of 2017.	
<b>Residential Demand Response Total</b>	<b>\$ 768,566</b>	<b>\$ (156,026)</b>	<b>\$ 85,396</b>	<b>\$ (52,009)</b>	<b>-160.9%</b>		
<b>Non-Residential - Energy Efficiency</b>							
Power Manager® for Business - EE	1 \$ 113,939	\$ 254	\$ 12,660	\$ 85	-99.3%	Delayed the launch of this new program and reevaluated feasibility moving forward	
Small Business Energy Saver	\$ 3,073,841	\$ 442,205	\$ 341,538	\$ 147,402	-56.8%	Only completed customer projects already in-process and stopped marketing activities for the remainder of the year.	
Smart Saver Non Residential Custom	\$ 1,828,776	\$ 2,370,467	\$ 203,197	\$ 790,156	288.9%	Only paid incentives on customer applications on projects with offers already tendered to date/contractual obligations. No new applications for customer projects had offers tendered after October 1, 2017. The end of the year traditionally sees high volume of payments as projects started earlier in the year get completed.	
Smart Saver Non Residential Performance Incentive Program	\$ 1,669	\$ 4	\$ 185	\$ 1	-99.3%	Delayed the launch of this new program and reevaluated feasibility moving forward	
Smart Saver Non Residential Prescriptive	\$ 26,373,256	\$ 5,574,025	\$ 2,930,362	\$ 1,858,008	-36.6%	Moved to new lower incentive levels effective 10/1/17 with new portfolio approval rather than 90 day transition period. Stopped all marketing activities for remainder of year	
<b>Non-Residential Energy Efficiency Total</b>	<b>\$ 31,391,481</b>	<b>\$ 8,386,954</b>	<b>\$ 3,487,942</b>	<b>\$ 2,795,651</b>	<b>-19.8%</b>		
<b>Non-Residential - Demand Response</b>							
Power Manager® for Business - DR	1 \$ -	\$ -	\$ -	\$ -			
PowerShare®	\$ 1,156,606	\$ 318,484	\$ 128,512	\$ 106,161	-17.4%	Only honored existing contracts signed at beginning of 2017	
<b>Non-Residential Demand Response Total</b>	<b>\$ 1,156,606</b>	<b>\$ 318,484</b>	<b>\$ 128,512</b>	<b>\$ 106,161</b>	<b>-17.4%</b>		
<b>Total - All Energy Efficiency and Demand Response</b>	<b>\$ 40,664,963</b>	<b>\$ 9,674,244</b>	<b>\$ 4,518,329.27</b>	<b>\$ 3,224,747.88</b>	<b>-28.6%</b>		
<b>Cost Recovery Only</b>							
<b>Non-Residential - Energy Efficiency</b>							
Mercantile Self-Direct	\$ 625,180	\$ 486,273	\$ 69,464	\$ 162,091	133.3%	State of Ohio program	
<b>Cost Recovery Only Total</b>	<b>\$ 625,180</b>	<b>\$ 486,273</b>	<b>\$ 69,464</b>	<b>\$ 162,091</b>	<b>133.3%</b>		
<b>Grand Total</b>	<b>\$ 41,290,143</b>	<b>\$ 10,160,516</b>	<b>\$ 4,587,794</b>	<b>\$ 3,386,839</b>	<b>-26.2%</b>		

1 - Costs for the Power Manager® for Business Program are listed on the Power Manager® for Business - EE row