1 BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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3 In the Matter of the :
Application for Recovery :
4 of Costs, Lost Margin, and:
Performance Incentive :
5 Associated with the : Case No. 09-283-EL-RDR
Implementation of Electric:
6 Residential and :
Non-Residential Demand :
7 Side Management Programs :
by Duke Energy Ohio. :

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9 PROCEEDINGS

10 before Ms. Katie Stenman, Attorney Examiner, at the
11 Public Utilities Commission of Ohio, 180 East Broad
12 Street, Room 11-C, Columbus, Ohio, called at 10 a.m.
13 on Friday, March 5, 2010.

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1 APPEARANCES:

2 Duke Energy Ohio, Inc.
By Ms. Amy Spiller,
3 Ms. Elizabeth H. Watts,
and Mr. Rocco D'Ascenzo
4 2500 Atrium II
139 East Fourth Street
5 Cincinnati, Ohio 45201

6 On behalf of the Duke Energy Ohio.

7 Ohio Partners for Affordable Energy
By Mr. David C. Rinebolt
8 and Ms. Colleen L. Mooney
233 West Lima Street
9 Findlay, Ohio 45840

10 On behalf of the Ohio Partners for
Affordable Energy.
11

Janine L. Migden-Ostrander,
12 Ohio Consumers' Counsel
By Mr. Larry S. Sauer
13 and Ms. Ann Hotz,
Assistant Consumers' Counsel
14 10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
15

On behalf of the Residential Customers of
16 Duke Energy Ohio.

17 Richard Cordray,
Ohio Attorney General's Office
18 By Mr. Duane W. Luckey,
Senior Deputy Attorney General
19 Public Utilities Section
And Ms. Anne L. Hammerstein,
20 Assistant Attorney General
180 East Broad Street
21 Columbus, Ohio 43215

22 On behalf of the Staff of the PUCO.

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- - -

Friday Morning Session,

March 5, 2010.

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EXAMINER STENMAN: All right. Let's go on the record. The Public Utilities Commission of Ohio has called for a hearing at this time and place Case No. 09-283-EL-RDR, being in the Matter of the Application for Recovery of Costs, Lost Margin, and Performance Incentive Associated with the Implementation of Electric Residential and Non-Residential Demand Side Management Programs by Duke Energy Ohio.

My name is Katie Stenman, and I am the Attorney Examiner assigned to this case. At this time I would like to take appearances of the parties starting with the company.

MS. WATTS: Thank you, your Honor. On behalf of Duke Energy Ohio, Amy Spiller, Rocco D'Ascenzo, Elizabeth Watts, we are at 2500 Atrium II, 139 East Fourth Street, Cincinnati, Ohio 45201.

EXAMINER STENMAN: On behalf of staff.

MS. HAMMERSTEIN: Thank you, your Honor. On behalf of the staff of the Public Utilities Commission of Ohio, Richard Cordray, Attorney General, by Duane W. Luckey, Chief of the Public

1 Utilities Section, Anne L. Hammerstein, Assistant
2 Attorney General, 180 East Broad Street, Columbus,
3 Ohio 43215.
4 EXAMINER STENMAN: Thank you. On behalf
5 of OCC.
6 MR. SAUER: Thank you, your Honor. On
7 behalf of the Office of the Ohio Consumers' Counsel
8 representing the residential consumers of Duke Energy
9 Ohio, Janine L. Migden-Ostrander, Consumers' Counsel,
10 Larry S. Sauer and Ann Hotz, Assistant Consumers'
11 Counsel, 10 West Broad Street, Suite 1800, Columbus,
12 Ohio 43215. Thank you.
13 EXAMINER STENMAN: Thank you.
14 MS. MOONEY: Yes, your Honor, on behalf
15 of Ohio Partners for Affordable Energy, David C.
16 Rinebolt and Colleen L. Mooney, attorneys, 233 West
17 Lima Street, Findlay, Ohio.
18 EXAMINER STENMAN: Thank you.
19 I understand that the parties have
20 docketed a stipulation?
21 MS. WATTS: That's correct, your Honor.
22 We do have a stipulation.
23 EXAMINER STENMAN: Okay. And I see
24 that's not signed by two of the parties, OCC and
25 Kroger. I have a letter here from OCC, but with

respect to Kroger do we --

MS. WATTS: Yeah.

EXAMINER STENMAN: -- do we know what's going on with Kroger?

MS. WATTS: Yeah. I had authority to sign on behalf of Kroger -- no. I take that back, I'm sorry. Kroger indicated to me that they would not sign but would not oppose. They aren't here today so that's the best I can tell you.

EXAMINER STENMAN: Will they be filing something in the docket indicating they are not opposing the stipulation?

MS. WATTS: I can ask them to do that.

EXAMINER STENMAN: That would be excellent. That would be preferred.

Mr. Sauer, do you want to clarify your position with respect to the stipulation?

MR. SAUER: I would just ask for the letter that we filed this week to be marked as OCC Exhibit No. 1 and file that with the record in the case.

EXAMINER STENMAN: It will be so marked.

(EXHIBIT MARKED FOR IDENTIFICATION.)

EXAMINER STENMAN: Is there any objections to admitting that into the record here?

Hearing none OCC Exhibit 1 will be admitted.

(EXHIBIT ADMITTED INTO EVIDENCE.)

EXAMINER STENMAN: Okay. Let's go back to the stipulation.

MR. SAUER: Do you want a copy of that letter, your Honor?

EXAMINER STENMAN: I have a copy. It's okay.

Do we have anyone available to testify in support of the stipulation?

MS. HAMMERSTEIN: Your Honor, the staff is prepared to call Gregory Scheck to support the stipulation.

EXAMINER STENMAN: Okay. Please do so.

MS. HAMMERSTEIN: The staff calls Gregory Scheck to the stand.

(Witness sworn.)

EXAMINER STENMAN: Go ahead.

MS. HAMMERSTEIN: Thank you, your Honor.

- - -

GREGORY SCHECK

being first duly sworn, as prescribed by law, was examined and testified as follows:

DIRECT EXAMINATION

By Ms. Hammerstein:

Q. Good morning. Would you please state your name and spell it for the record.

A. My name is Gregory Scheck spelled G-R-E-G-O-R-Y S-C-H-E-C-K.

Q. And, Mr. Scheck, what is your business address and by whom are you employed?

A. My business address is 180 East Broad Street, Columbus, Ohio 43215, and I am employed by the Public Utilities Commission of Ohio.

Q. And in what position are you employed by the Commission?

A. I am employed as a utility specialist in the Energy and Environment Department.

Q. Can you keep your voice up a little bit? The fan is back here. I can't even hear you.

A. I'm employed as a utility specialist in the Energy and Environment Department.

Q. Thank you. And could you just briefly outline your experience and education for us today.

A. Yes. I've worked at the Commission a

1 little over 24 years in various capacities dealing
2 with energy efficiency, demand forecasting,
3 evaluation of advanced metering and Smart Grid and
4 demand response.
5 Q. Okay. And your educational background?
6 A. I have a Master's degree in economics.
7 Q. Thank you. And are you familiar with the
8 company's filings in this case?
9 A. Yes.
10 Q. And how did you gain that familiarity?
11 A. I participated in the initial filing of
12 programs by the company of which this is a recovery
13 of those programs for the period of July 1, 2008,
14 through December 31, 2008. Those programs started I
15 believe on July 1, 2007.
16 MS. HAMMERSTEIN: Okay. And, your Honor,
17 at this time I have placed before you and the witness
18 and the court reporter the Stipulation and
19 Recommendation that was docketed with the Commission
20 on February 25 of 2010, and we would like to have
21 that marked as Joint Exhibit 1.
22 EXAMINER STENMAN: It will be so marked.
23 (EXHIBIT MARKED FOR IDENTIFICATION.)
24 MS. HAMMERSTEIN: Thank you, your Honor.
25 Q. Mr. Scheck, do you have before you a copy

of Joint Exhibit 1?

A. Yes, I do.

Q. And how -- are you familiar with that document?

A. Yes, I am.

Q. And how did you gain that familiarity?

A. With the -- in discussions with the company going over appendices with respect to their cost recovery, their energy efficiency programs.

Q. Okay. Are you aware of and familiar with the three-part test the Commission uses to evaluate settlements before it?

A. Yes.

Q. Okay. Do you believe that the stipulation in this case, Joint Exhibit 1, is the product of serious bargaining among capable, knowledgeable parties?

A. Yes, it is.

Q. Okay. And why is that so?

A. Because the parties to the case all have a material interest in the energy efficiency programs and represent consumer groups or consumer interest groups that participate or may participate in those programs as well as the company's actual deployment of the programs themselves.

Q. Okay. And does the stipulation considered as a whole benefit ratepayers and the public interest?

A. Yes, they do because the programs all except for educational-type programs or experimental pilot programs pass the total resource cost test.

Q. Okay. And do you believe the stipulation violates any important regulatory principle?

A. Not that I know of.

Q. Okay. And what is your recommendation to the Commission regarding Joint Exhibit 1?

A. That the Commission should approve Joint Exhibit 1 with respect to the cost recovery of the programs put forward.

MS. HAMMERSTEIN: Thank you, Mr. Scheck. I have no further questions at this time, your Honor.

EXAMINER STENMAN: Okay. At this point I have a few questions, but does anyone else have any questions for the witness before?

MS. WATTS: The company has no questions.

MR. SAUER: No questions, your Honor.

MS. MOONEY: No questions, your Honor.

- - -

1 EXAMINATION

2 By Examiner Stenman:

3 Q. Okay. I just have a couple of quick

4 questions. Do you have a copy of the application

5 with you?

6 A. Not the complete application. I have the

7 appendices to the application.

8 Q. You may be able to answer my questions

9 off of the appendices alone. In the application how

10 many programs experience shared savings?

11 A. Okay. Look through here. And there

12 were, let's see -- it looks like there are four

13 programs within the residential class that

14 experienced shared savings. And there weren't any

15 shared saving -- I should say there were some

16 carryover shared savings from the prior period in the

17 commercial class. But there aren't any in -- I

18 should say there were projected shared savings so

19 there are some shared savings with the current

20 programs.

21 Q. And what do you mean by carryover

22 savings?

23 A. The carryover relates to the prior period

24 when -- that would be the year before reconciliation

25 adjustments from July 1, 2007, through June 30, 2008.

1 Q. And this is just for the period, this
2 particular application, from June of 2008 through
3 December of 2008?
4 A. Slight modification. It's July 1, 2008,
5 through December 31 of 2008. At that point in time
6 these programs still continue, but in terms of the
7 way they are treated are slightly different under the
8 new save a watt program approved in the company's
9 electric energy security plan post January 1, 2000 --
10 starting beginning January 1, 2009.
11 Q. Okay. And one final question just for
12 clarity of the record, do you know what the monthly
13 charge per consumer will be under this DSC rider?
14 A. The monthly charge, with respect to --
15 are you talking about the residential or
16 distribution?
17 Q. Residential.
18 A. A residential I have they are actually
19 getting a dollar per kilowatt hour credit.
20 Q. Okay.
21 A. It's a very, very small, infinitesimal
22 amount in terms of decimal points. And then there is
23 actually a small amount of recovery charge for the
24 commercial customers.
25 EXAMINER STENMAN: Okay. I think that's

1 all I have.
2 Based on my questions does anyone else
3 have any questions?
4 MS. HAMMERSTEIN: No, thank you, your
5 Honor.
6 EXAMINER STENMAN: Okay. Hearing none,
7 Mr. Scheck, you are excused.
8 With respect to Joint Exhibit 1.
9 MS. HAMMERSTEIN: Your Honor, at this
10 time I would move Joint Exhibit 1.
11 EXAMINER STENMAN: Any objections?
12 MS. WATTS: No objections.
13 MR. SAUER: No objections.
14 EXAMINER STENMAN: Hearing none Joint
15 Exhibit 1 will be admitted on the record.
16 (EXHIBIT ADMITTED INTO EVIDENCE.)
17 EXAMINER STENMAN: Is there anything else
18 to come before us today?
19 MS. HAMMERSTEIN: Nothing further from
20 staff.
21 MR. SAUER: OCC Exhibit 1 was moved into
22 the record.
23 EXAMINER STENMAN: That's been admitted.
24 MR. SAUER: Okay. Thank you.
25 EXAMINER STENMAN: If there is nothing

1 further then this case will be submitted on the
2 record, and we are adjourned. Thank you.
3 (Thereupon, the hearing was concluded at
4 10:13 a.m.)
5 - - -
6 CERTIFICATE
7 I do hereby certify that the foregoing is
8 a true and correct transcript of the proceedings
9 taken by me in this matter on Friday, March 5, 2010,
10 and carefully compared with my original stenographic
11 notes.
12
13 _____
14 Karen Sue Gibson, Registered
Merit Reporter.
15 (KSG-5176)
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Summary: Transcript Transcript of Duke Energy Ohio hearing held on 03/05/10. electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Gibson, Karen Sue Mrs.