

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio, Inc., for Recovery of)
Program Costs, Lost Distribution Revenue) Case No.14-457-EL-RDR
and Performance Incentives Related to its)
Energy Efficiency and Demand Response)
Programs.)

DUKE ENERGY OHIO, INC.'S MEMORANDUM CONTRA APPLICATION FOR REHEARING OF OHIO PARTNERS FOR AFFORDABLE ENERGY

I. INTRODUCTION

In this proceeding, the Public Utilities Commission of Ohio (Commission) rendered a Finding and Order (Order) on May 20, 2015 approving Duke Energy Ohio, Inc.'s application with certain modifications. On June 19, 2015, Ohio Partners for Affordable Energy (OPAE) and the Environmental Law & Policy Center (ELPC), as well as Duke Energy Ohio each filed an application for rehearing. Duke Energy Ohio responds herein to the applications for rehearing of OPAE.

II. DISCUSSION

OPAE'S objection to the Commission's Finding and Order (Order) is limited to one issue; that the Company should not be permitted to recover shared savings absent a cap on the incentives. However, after stating this as its grounds for rehearing, OPAE goes on to recognize that the Commission explicitly approved an energy efficiency cost recovery mechanism that did not include a cap.¹ OPAE even admits that its previous request for a cap had been rejected by

¹ Ohio Partners for Affordable Energy's Application for Rehearing at 3.

the Commission when it approved a stipulation that did not have a proposed cap.² Likewise, OPAE recognizes that Duke Energy Ohio's shared savings incentive is unique in that "there is no annual cap on its shared savings recovery from ratepayers." OPAE goes on to argue the existence of different cost recovery mechanisms relevant to other Ohio electric distribution utilities, but neglects to explain how such mechanisms are relevant to Duke Energy Ohio since each of the Ohio electric distribution utilities are unique. OPAE simply fails to raise any legal argument to support its application for rehearing.

OPAE has been a participant in Duke Energy Ohio's energy efficiency collaborative and an intervenor in all of the cases wherein the Company's cost recovery mechanism was addressed, agreed to and approved by the Commission. As a result of its participation in these cases, OPAE is well aware of the fact that the Company's cost recovery mechanism is historically different from each of the other Ohio utilities, that the mechanism includes a provision for shared savings, including banked impacts, and that there is no cap on the shared savings. For a history of these cases, the Company respectfully directs the Commission to the Application for Rehearing of Duke Energy Ohio, Inc. in this case.

It should also be pointed out that the Company has asked the Commission to reconsider its Order with respect to clarifying the determination of its achievement level and the associated shared savings percentage used in the calculation of the shared savings incentive. OPAE should understand that absent the inclusion of banked impacts in the calculation of shared savings, the Company will not earn any incentive. Thus, the application of a cap is of no consequence. The incentive mechanism that has been approved in all the previous cases leading up to this case relied upon the inclusion of banked impacts to determine its achievement toward the energy efficiency mandates used to determine the incentive level. The calculation of achievement leads

² *Id.*

to the percentage of incentive to which the Company is entitled. The appropriate percentage is then multiplied by the net avoided cost benefit. The avoided cost benefit itself is calculated based on actual achievement for a particular year, not including any costs or avoided cost savings associated with banked impacts.

Removing banked impacts in the calculation of achievement toward the mandate for purposes of ultimately calculating the shared savings incentive will result in the Company not earning any incentive. Thus, despite the fact that creating a cap on a shared savings incentive is illogical, any discussion of a cap is unnecessary. OPAE's application for rehearing should be denied.

III. CONCLUSION

In light of the foregoing, the Company respectfully requests that the Commission grant rehearing and modify its Order consistent with the comments set forth in the Company's Application for Rehearing and as requested also by ELPC, and deny rehearing as requested by OPAE.

Respectfully submitted,
Duke Energy Ohio, Inc.



Amy B. Spiller (0047277)

Deputy General Counsel

Elizabeth H. Watts (0031092)

Associate General Counsel

Duke Energy Business Services

139 E. Fourth Street, 1303-Main

Cincinnati, Ohio 45201-0960

Telephone: (614) 222-1331

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 29th day of June, 2015, to the following parties.


Elizabeth H. Watts

Office of Attorney General
Mike DeWine
180 East Broad Street
7th Floor
Columbus, Ohio 43215

Terry L. Etter
Consumers' Counsel
Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215
Terri.Etter@occ.ohio.gov

Kimberly W. Bojko
Carpenter Lipps & Leland LLP
280 North High Street, Suite 1300
Columbus, Ohio 43215
Bojko@carpenterlipps.com

Colleen Mooney
Ohio Partners for Affordable Energy
231 West Lima Street
Findlay, Ohio 45839
cmooney@ohiopartners.org

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

6/29/2015 4:46:34 PM

in

Case No(s). 14-0457-EL-RDR

Summary: Memorandum Duke Energy Ohio, Inc.'s Memorandum Contra Application for Rehearing of Ohio Partners for Affordable Energy electronically filed by Ms. Elizabeth H Watts on behalf of Duke Energy Ohio, Inc.