

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke :
Energy Ohio, Inc. for Approval to : Case No. 14-1580-EL-RDR
Continue Cost Recovery Mechanism for :
Energy Efficiency Programs through :
2016. :

**PREFILED TESTIMONY
OF
GREGORY C. SCHECK**

**RATES AND ANALYSIS DEPARTMENT
Forecasting, Markets, and Corporate Oversight Division**

Staff Exhibit _____

June 30, 2015

1 1. Q. Please state your name and your business address.

2 A. My name is Gregory C. Scheck and my business address is 180 East Broad
3 Street, 3rd Floor, Columbus, Ohio, 43215-3793.
4

5 2. Q. By whom are you employed and what is your position?

6 A. I am employed by the Public Utilities Commission of Ohio (Commission)
7 as a Utility Specialist 3 in the Forecasting, Markets, and Corporate
8 Oversight Division of the Commission's Rates and Analysis Department.
9

10 3. Q. What are your qualifications as they relate to your testimony in this pro-
11 ceeding?

12 A. I have worked at the Commission since 1985 in various capacities. Most of
13 that time I have spent reviewing and evaluating demand forecasts, energy
14 efficiency and peak demand reduction programs, and smart grid related
15 issues. I have written comments and testimony in numerous cases before
16 the Commission.
17

18 4. Q. What is the purpose of your testimony in this proceeding?

19 A. The purpose of my testimony is to set forth Staff's recommendations
20 regarding Duke Energy Ohio's ("Duke" or "the Company") application for
21 approval to continue its cost recovery mechanism for energy efficiency
22 programs through 2016.

1 5. Q. Should the Company be allowed to use accrued banked savings to earn
2 shared savings in a future year?

3 A. No. Recently, in Case No. 14-457-EL-RDR, the Commission found that the
4 Company may only use banked savings to reach its mandated benchmark
5 and that the Company could not use banked savings to claim a shared sav-
6 ings incentive. Additionally, in Case No. 12-2190-EL-POR, the Commis-
7 sion similarly found that FirstEnergy could only count banked savings
8 towards shared savings in the year it is banked.¹ Staff supports the Com-
9 mission's position on this issue.

10
11 6. Q. Does the Staff believe that a cap should be placed on the Company's shared
12 savings?

13 A. Yes. All three of the other EDU's in the state (FirstEnergy, AEP-Ohio, and
14 DP&L) have a cap on shared savings. Duke is the only Ohio EDU that
15 does not have a cap on shared savings. Therefore, if a cap is placed on
16 Duke's shared savings it would be consistent with what the Commission
17 has determined for the other three EDUs in the state.

¹ *In the Matter of the Application of The Cleveland Electric Illuminating Company, Ohio Edison Company, and The Toledo Edison Company for Approval of Their Energy Efficiency and Peak Demand Reduction Program Plans for 2013 through 2015*, Case No. 12-2190-EL-POR (Opinion and Order at 16) (Mar. 20, 2013).

1 7. Q. If the Commission approves a cap on the Company's shared savings, what
2 should the amount of the cap be?

3 A. Staff would recommend that the Commission apply a shared savings cap of
4 \$6.5 million per year after tax. Staff calculated this recommended \$6.5
5 million annual cap by taking the weighted average of FirstEnergy, AEP-
6 Ohio, and DP&L's approved shared savings caps based on the adjusted
7 baseline sales for FirstEnergy, AEP-Ohio, and DP&L for 2013. The
8 calculation is set forth in Attachment A.

9

10 8. Q. Does this conclude your testimony?

11 A. Yes, it does. However, I reserve the right to submit supplemental testi-
12 mony as new information subsequently becomes available or in response to
13 positions taken by other parties.

PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Prefiled Testimony of **Gregory C. Scheck** submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, hand-delivered, and/or delivered via electronic mail, upon the following parties of record, this 30th day of June, 2015.

/s/ Katie L. Johnson

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ATTACHMENT A

YEAR 2013	DP&L	AEP	DUKE	FE
MWH Normalized Sales	13,833,988	43,100,200	20,619,687	52,163,639
Annual Shared Savings Cap	\$ 4,500,000	\$ 20,000,000	\$ 6,520,563	\$ 10,000,000
\$/MWH	0.325	0.464	0.316	0.192

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Case No(s). 14-1580-EL-RDR

Summary: Testimony Prefiled Testimony of Gregory C. Scheck submitted by Assistant Attorney General Katie Johnson on behalf of the Staff of the Public Utilities Commission of Ohio. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio