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, and Performance Incentives Related to its Energy Efficiency and Demand Response Programs.	))))))	Case Nos. 14-457-EL-RDR 15-534-EL-RDR

ENTRY

The attorney examiner finds:

(1) Duke Energy Ohio, Inc. (Duke or the Company) is an electric distribution utility (EDU) as defined in R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

(2) R.C. 4928.141 provides that an EDU shall provide customers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including firm supply of electric generation services. The SSO must be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

(3) Pursuant to R.C. 4928.66, EDUs are required to implement energy efficiency and peak demand response (EE/PDR) programs. Through these programs, the EDUs are mandated to achieve a specific amount of energy savings every year.

(4) By Opinion and Order issued August 15, 2012, the Commission approved a stipulation entered into between Duke and some of the parties. *In re Duke Energy Ohio, Inc.*, Case No. 11-4393-EL-RDR (*Rider Case*). Specifically, among other things, the Commission approved the recovery of program costs, lost distribution revenue, and performance incentives related to Duke's EE/PDR programs. In the Order, Duke was granted a waiver allowing the Company to create a new cost recovery mechanism, provided it filed a new portfolio application in 2013. The cost recovery mechanism, as approved, encourages Duke to seek energy savings through a tiered incentive mechanism. If Duke exceeds the mandated annual benchmark,

it is entitled to a percentage of shared savings, depending on how far it surpasses the benchmark. The incentive mechanism expires at the end of 2015, unless the interested parties decide the incentive is reasonable and effective and should continue for another year. By Opinion and Order issued December 4, 2013, the Commission adopted a stipulation that approved Duke's portfolio application and maintained the cost recovery mechanism as permitted in the *Rider Case*. *In re Duke Energy Ohio, Inc.*, Case No. 13-431-EL-POR (*Portfolio Case*).

(5) On March 28, 2014, as revised on April 17, 2014, Duke filed an application for recovery of program costs, lost distribution revenue, and performance incentives related to its energy efficiency and demand response programs for 2013. *In re Duke Energy Ohio, Inc.*, Case No. 14-457-EL-RDR (*2013 Recovery Case*). On March 30, 2015, Duke filed a similar application for recovery for 2014. *In re Duke Energy Ohio, Inc.*, Case No. 15-534-EL-RDR (*2014 Recovery Case*).

(6) On May 20, 2015, the Commission issued its Finding and Order in the *2013 Recovery Case*, approving Duke's application with certain modifications. In its modifications, the Commission ruled that the Company cannot use banked savings toward achieving the performance incentive. The Commission also noted that Staff was currently auditing the costs included in the rider rate and that the Commission's approval is subject to its consideration of that audit.

On June 19, 2015, applications for rehearing of the May 20, 2015 Finding and Order were filed by Duke and Ohio Partners for Affordable Energy (OPAE). By Entry on Rehearing dated July 8, 2015, the Commission granted rehearing for further consideration of the matters specified in the applications.

(7) On January 6, 2016, Duke filed a joint stipulation and recommendation (stipulation) regarding the *2013 Recovery Case* and the *2014 Recovery Case* for the Commission's consideration.

(8) On January 21, 2016, the attorney examiner issued an Entry establishing a procedural schedule. Testimony in support of the stipulation was to be filed by February 5, 2016, testimony in

opposition was to be filed by February 19, 2016, and an evidentiary hearing was to begin on February 25, 2016.

(9) On January 29, 2016, a joint motion for extension of time was filed by Staff, Duke, and the intervening parties. The parties request a 14-day extension, asserting that settlement discussions are ongoing and more time would assist the parties in reaching a unified settlement.

(10) The attorney examiner finds that the request for an extension of time is reasonable and should be granted. Accordingly, the following procedural schedule should be established:

(a) Testimony in support of the stipulation should be filed by February 19, 2016.

(b) Testimony in opposition to the stipulation should be filed by March 4, 2016.

(c) An evidentiary hearing shall commence on March 10, 2016, at 10:00 a.m., at the offices of the Commission, 180 East Broad Street, 11th Floor, Hearing Room 11-A, Columbus, Ohio 43215-3793.

(11) For clarification, the attorney examiner notes the purpose of the hearing is only to address the stipulation and the relevant issues therein. Remaining issues not resolved by the stipulation, specifically those in the *2014 Recovery Case*, will be addressed at a later date.

It is, therefore,

ORDERED, That the joint motion for an extension of time be granted. It is, further,

ORDERED, That the procedural schedule set forth in finding (10) be adopted. It is, further,

ORDERED, That a copy of this Entry be served upon each party of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Nicholas Walstra

By: Nicholas Walstra
Attorney Examiner

jrj/vrm

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in

Case No(s). 14-0457-EL-RDR, 15-0534-EL-RDR

Summary: Attorney Examiner Entry granting joint motion for extension of time and setting forth procedural schedule; electronically filed by Vesta R Miller on behalf of Nicholas Walstra, Attorney Examiner, Public Utilities Commission of Ohio