

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF THE
CITY OF CINCINNATI FOR INTEGRATION OF
MERCANTILE CUSTOMER ENERGY CASE NO. 14-1409-EL-EEC
EFFICIENCY OR PEAK-DEMAND REDUCTION
PROGRAMS WITH DUKE ENERGY OHIO, INC.

ENTRY

Entered in the Journal on October 20, 2016

{¶ 1} R.C. 4928.01(A)(19) defines a mercantile customer as a commercial or industrial customer that consumes more than 700,000 kilowatt hours of electricity per year or that is part of a national account involving multiple facilities in one or more states. R.C. 4928.66 imposes certain energy efficiency and peak demand reduction requirements upon Ohio's electric distribution utilities, but also enables mercantile customers to commit their peak demand reduction, demand response, and energy efficiency (EEDR) programs for integration with the electric utility's programs in order to meet the statutory requirements. Ohio Adm.Code 4901:1-39-05(G) permits a mercantile customer to file, either individually or jointly with an electric utility, an application to commit the customer's EEDR programs for integration with the electric utility's programs, pursuant to R.C. 4928.66.

{¶ 2} On July 17, 2013, the Commission adopted a pilot program (EEC Pilot) in Case No. 10-834-EL-POR to expedite the review and approval process for applications filed by mercantile customers under Ohio Adm.Code 4901:1-39-05(G) until such time as the provisions of the EEC Pilot can be codified in Ohio Adm.Code Chapter 4901:1-39. The EEC Pilot program is intended to simplify the application process through the use of a standard application template for mercantile customers who commit their programs for integration with an electric utility. The EEC Pilot program includes an automatic approval process whereby applications conforming to the standard template are deemed to be approved 60 days after filing, unless suspended or otherwise ordered by the Commission or an attorney examiner.

{¶ 3} On August 14, 2014, the city of Cincinnati, Ohio (City) filed an application, pursuant to Ohio Adm.Code 4901:1-39-05(G), requesting a cash rebate of \$298,255 for integration of its streetlight upgrade project with the EEDR programs of Duke Energy Ohio, Inc. (Duke or Company).

{¶ 4} On September 9, 2014, Duke filed comments objecting to this application. The Company contends that this application refers to Duke's Efficient Outdoor Lighting SmartSaver Prescriptive Incentive Program (EOLS Program) that is part of the Company's EEDR portfolio supported by Duke's energy efficiency rider, Rider EE-PDR. The Company states that, as the City's streetlight service is under Duke's Unmetered Outdoor Lighting Electric Service, it does not pay a volumetric charge for energy consumed or any charges towards Duke's Rider EE-PDR. Therefore, Duke argues, the City should not be eligible to participate in the Company's EOLS Program since it does not contribute towards that program, which is paid for by other customers.

{¶ 5} On September 14, 2014, the City filed a reply to Duke's comments, asserting that Duke's position is discriminatory in that Duke has jointly filed similar applications, such as that of the city of Blue Ash in Case No. 14-874-EL-EEC. The City states that the instant application is filed under the EEC Pilot Program, rather than Duke's EOLS Program, which was referenced for purposes of establishing the cost-effectiveness of the City's streetlight upgrade project in this case. The City argues that its project will benefit all customers that fund Duke's EEDR obligations, and notes that the City has nearly 550 accounts that contribute approximately \$360,000 annually under Duke's Rider EE-PDR. Finally, the City contends that Duke's position is not shared by any other Ohio electric utility and would constitute poor public policy since street lighting is a prime source for cost-effective EEDR.

{¶ 6} On October 9, 2014, the attorney examiner issued an Entry suspending the automatic approval process under the EEC Pilot program, in light of the opposition by Duke.

{¶ 7} On September 2, 2016, Staff filed its report recommending that the City's request for a cash rebate be denied. Staff notes that R.C. 4928.66(A)(2)(c) only provides for an exemption from a utility's cost recovery mechanism (in this case, Duke's Rider EE-PDR) for mercantile customers that commit their energy savings to the utility, and the statute does not specifically address the option of a cash rebate. Staff believes that a cash rebate is not appropriate in this case as the City does not contribute to Duke's Rider EE-PDR.

{¶ 8} As the issues raised in this case have not previously been considered by the Commission, the parties should be granted an opportunity to respond to Staff's recommendations. Accordingly, the parties should file any comments or objections to the Staff Report by November 10, 2016. Any reply comments should be filed by November 21, 2016.

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That the parties file any comments or objections to the Staff Report by November 10, 2016, and any reply comments by November 21, 2016. It is, further,

{¶ 11} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Richard M. Bulgrin

By: Richard M. Bulgrin
Attorney Examiner

JRJ/dah

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

10/20/2016 2:36:01 PM

in

Case No(s). 14-1409-EL-EEC

Summary: Attorney Examiner Entry ordering the parties file any comments or objections to the Staff Report by November 10, 2016, and any reply comments by November 21, 2016. Entry electronically filed by Debra Hight on behalf of Richard M. Bulgrin, Attorney Examiner.