

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 No. 14-457-EL-RDR

THIRD ENTRY ON REHEARING

Entered in the Journal on December 14, 2016

I. SUMMARY

{¶ 1} In this Third Entry on Rehearing, the Commission grants the applications for rehearing filed by Ohio Manufacturers' Association and the Ohio Consumers' Counsel for the limited purpose of further consideration of the matters specified in the applications for rehearing.

II. DISCUSSION

{¶ 2} 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.

{¶ 3} 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.

{¶ 4} 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.

{¶ 5} 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.

{¶ 6} 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*).

{¶ 7} Motions to intervene were filed by the Ohio Manufacturers' Association (OMA), the Ohio Consumers' Counsel (OCC), and Ohio Partners for Affordable Energy (OPAE). OMA, OCC, and OPAE all filed comments regarding the application on June 17, 2014. Reply comments were filed by OMA, OCC, OPAE, and Duke.

{¶ 8} 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.

{¶ 9} On June 19, 2015, applications for rehearing of the May 20, 2015 Finding and Order were filed by Duke and OPAE. By Entry on Rehearing dated July 8, 2015, the Commission granted rehearing for further consideration of the matters specified in the applications.

{¶ 10} On January 6, 2016, Duke and Staff filed a joint stipulation and recommendation (stipulation) regarding the *2013 Recovery Case* and the *2014 Recovery Case* for the Commission's consideration. As part of the stipulation, Duke would receive \$19.75 million in shared savings. Further, Duke agreed to retire 150,000 hours of banked savings and agreed not to pursue shared savings in future cases. Duke and Staff filed testimony in support of the stipulation on February 19, 2016. On March 4, 2016, OPAE, OCC, and OMA filed testimony in opposition to the stipulation. A hearing on the stipulation was held on March 10, 2016. Thereafter, on April 28, 2016, Duke, Staff, OPAE, OCC, and OMA filed initial briefs. Reply briefs were filed by Duke, Staff, OPAE, OCC, and OMA on May 13, 2016.

{¶ 11} In a second entry on rehearing, on October 26, 2016, the Commission approved the stipulation. The Commission found that the stipulation is reasonable, meets the criteria used by the Commission to evaluate stipulations, and should be adopted. In approving the stipulation, the application for rehearing filed by Duke was granted, pursuant to the terms of the stipulation, and OPAE's application was denied.

{¶ 12} R.C. 4903.10 states that any party who has entered an appearance in a Commission proceeding may apply for rehearing with respect to any matters determined in that proceeding, by filing an application within 30 days after the entry of the order upon the journal of the Commission.

{¶ 13} On November 23, 2016, and November 25, 2016, OMA and OCC, respectively, filed applications for rehearing. Duke filed a memorandum contra the applications for rehearing on December 5, 2016.

{¶ 14} The Commission finds that the applications for rehearing filed by OMA and OCC should be granted for the limited purpose of further consideration of the matters specified in the application for rehearing. We find that sufficient reason has been set forth to warrant further consideration of the matters raised in the application.


III. ORDER

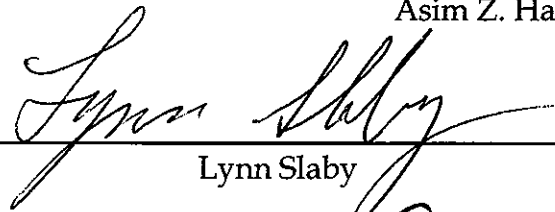
{¶ 15} It is, therefore,

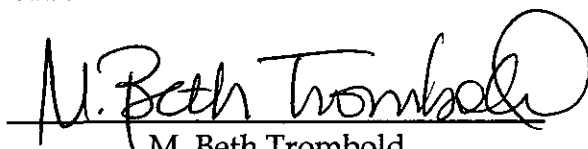
{¶ 16} That the applications for rehearing filed by OMA and OCC be granted for further consideration of the matters specified in the applications for rehearing. It is, further

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

THE PUBLIC UTILITIES COMMISSION OF OHIO



Asim Z. Haque, Chairman

Lynn Slaby


M. Beth Trombold

Thomas W. Johnson

M. Howard Petricoff

NW/vrm

Entered in the Journal

DEC 14 2016

Barcy F. McNeal
Secretary