

**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) Case No. 17-781-EL-RDR
Revenues, and Performance Incentives)
Related to its Energy Efficiency and)
Demand Response Programs.)

**MOTION FOR PROCEDURAL SCHEDULE
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL**

In this case, Duke Energy Ohio, Inc. ("Duke") seeks to adjust the rates that it charges customers for its energy efficiency programs, including the amounts that it charges customers for utility profits (shared savings) and lost distribution revenues. Duke's request to update its energy efficiency rider is based, in part, on projected energy efficiency and demand response costs of over \$47 million for 2017.¹ These projections are based on the energy efficiency portfolio application and a related settlement (the "Portfolio Settlement") that Duke filed in its pending energy efficiency portfolio case.² The Public Utilities Commission of Ohio ("PUCO") has not yet approved Duke's 2017 portfolio.³

In that case, the PUCO Staff and the Office of the Ohio Consumers' Counsel ("OCC") have asked the PUCO to reduce the amount that Duke can charge customers for energy efficiency in 2017, 2018, and 2019 by imposing a \$33.8 million annual cap on

¹ See Application (March 31, 2017), Ziolkowski Testimony, Ex. Page 5 of 11.

² See Application, Case No. 16-576-EL-POR (June 15, 2016); Amended Application, Case No. 16-576-EL-POR (Oct. 14, 2016); Amended Stipulation & Recommendation, Case No. 16-576-EL-POR (Jan. 27, 2017).

³ See generally Case No. 16-576-EL-POR.

charges for energy efficiency program costs and shared savings.⁴ Thus, the costs that Duke charges customers for energy efficiency in 2017 may be different—and perhaps significantly different—than the costs Duke proposed in its energy efficiency application.

The PUCO should not approve Duke's request to update its energy efficiency rider in the current case based on 2017 projections that have not yet been approved. Instead, the PUCO should establish a procedural schedule as follows:

- This case (Case No. 17-781-EL-RDR) shall be held in abeyance pending the resolution of Case No. 16-576-EL-POR.
- Upon entry of an order approving energy efficiency and peak demand reduction programs for 2017 in Case No. 16-576-EL-POR, Duke shall have 14 days to file an amended application in Case No. 17-781-EL-RDR. Any projections for 2017 shall reflect the costs that the PUCO approves for 2017 in Case No. 16-576-EL-POR.
- Consistent with Ohio Administrative Code 4901:1-39-07(B), any person may file objections to Duke's amended application within 30 days after the filing of that amended application.
- After any objections are filed, the PUCO shall determine whether a further procedural schedule is necessary, including but not limited to testimony and a hearing.

⁴ See Prefiled Direct Testimony of Patrick Donlon, Rates & Analysis Department, Case No. 16-576-EL-POR (Feb. 6, 2017); Direct Testimony of Colleen Shutrump on Behalf of the Office of the Ohio Consumers' Counsel (Feb. 6, 2017).

Respectfully submitted,

BRUCE WESTON (0016973)
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MEMORANDUM IN SUPPORT

I. RECOMMENDATION

In this proceeding, Duke seeks to update its energy efficiency rider to charge customers \$46.7 million in energy efficiency costs for 2016.⁵ Duke also seeks to charge customers for the following projected costs for 2017: \$37.5 million in program costs, \$1.7 million in costs for evaluation, measurement, and verification, and \$8.6 million in shared savings, for a total of about \$47.4 million.⁶ The PUCO should not approve Duke's proposed rider update at this time because the 2017 projections may not accurately reflect what consumers will pay for energy efficiency in 2017.

At this time, Duke does not have any approved energy efficiency or peak demand reduction programs for 2017. The PUCO approved Duke's previous energy efficiency programs through the end of 2016 in Case No. 13-833-EL-POR. Duke's current energy efficiency portfolio case, Case No. 16-576-EL-POR, is pending. In that case, Duke is seeking approval of programs for 2017, 2018, and 2019 through the Portfolio Settlement

⁵ See Application, Ziolkowski Testimony, Ex. Page 3 of 11 (total residential program costs).

⁶ Id., Ex. Page 5 of 11. Duke also seeks to charge nonresidential customers about \$400,000 in lost revenues for 2017.

that was signed by several parties, but not OCC or the PUCO Staff.⁷ The PUCO has not yet ruled on the Portfolio Settlement.

In their opposition to the Portfolio Settlement, the PUCO Staff and OCC recommended that the PUCO place a \$33.8 million annual limit on the amount that Duke can charge customers for energy efficiency program costs and shared savings for 2017.⁸ This is substantially lower than Duke's projected \$47.4 million in charges found in its application in this case.

Until the PUCO approves a new portfolio of energy efficiency and peak demand reduction programs for Duke for 2017, Duke's 2017 energy efficiency costs remain uncertain. The PUCO should not authorize Duke to charge customers \$47.4 million in projected energy efficiency costs for 2017 because the PUCO has yet to determine whether charges of that magnitude are appropriate. Instead, the PUCO should hold this case in abeyance pending resolution of the energy efficiency case.

In a similar situation involving AEP Ohio, the utility sought to update its economic development rider based on a stipulation that was pending before the PUCO in another case.⁹ The PUCO found that the rider could not be updated based on the pending stipulation; it could only be updated if the stipulation were ultimately approved.¹⁰

Once the energy efficiency case is resolved, there will be more clarity regarding the amount that Duke will be permitted to charge customers for energy efficiency in

⁷ See Amended Stipulation & Recommendation, Case No. 16-576-EL-POR (Jan. 27, 2017).

⁸ See footnote 4 above.

⁹ Opinion & Order, In re Application of Ohio Power Co. to Adjust its Economic Development Rider Rate, Case No. 15-279-EL-RDR (Mar. 18, 2016).

¹⁰ Id. ¶ 15.

2017. It therefore makes sense for the PUCO to wait before acting upon Duke's application in this case.

II. CONCLUSION

In the interests of administrative economy, OCC requests that the PUCO adopt the following procedural schedule:

- This case (Case No. 17-781-EL-RDR) shall be held in abeyance pending the resolution of Case No. 16-576-EL-POR.
- Upon entry of an order approving energy efficiency and peak demand reduction programs for 2017 in Case No. 16-576-EL-POR, Duke shall have 14 days to file an amended application in Case No. 17-781-EL-RDR. Any projections for 2017 shall reflect the costs that the PUCO approves for 2017 in Case No. 16-576-EL-POR.
- Consistent with Ohio Administrative Code 4901:1-39-07(B), any person may file objections to Duke's amended application within 30 days after the filing of that amended application.
- After any objections are filed, the PUCO shall determine whether a further procedural schedule is necessary, including but not limited to testimony and a hearing.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of this Motion was served on the persons stated below
via electronic transmission, this 1st day of May 2017.

/s/ Christopher M. Healey
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Summary: Motion Motion for Procedural Schedule by the Office of the Ohio Consumers' Counsel electronically filed by Ms. Deb J. Bingham on behalf of Healey, Christopher Mr.