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October 27, 2017

The Honorable Richard Bulgrin, Attorney Examiner
Public Utilities Commission of Ohio
180 East Broad Street, 12th Floor
Columbus, OH 43215-3793

Re: *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of its 2017-2019 Energy Efficiency and Peak Demand Reduction Program Portfolio Plan*, Case No. 16-576-EL-POR

Dear Attorney Examiner Bulgrin:

On September 27, 2017, the Commission issued an order in Case 16-576-EL-POR (Opinion and Order) approving a modified stipulation for Duke Energy Ohio's (Duke or Company) 2017 through 2019 energy efficiency portfolio plan.

In this order, the Commission stated (pages 15-16):

[T]he Stipulation will be modified to limit Duke's annual recovery of EE/PDR program costs and shared savings for calendar years 2018 and 2019 to not exceed four percent of the Company's 2015 operating revenues as reported on FERC Form 1. Duke may exceed the cap in calendar year 2017 to recover program costs only. Because we will allow Duke to exceed the cap in 2017, Duke will not be authorized to recover shared savings for 2017 to the extent such recovery would exceed the cap. Moreover Duke should scale back, but not suspend, its EE-PDR programs to avoid materially exceeding its Portfolio Plan budget for 2017 as approved in this case. The Company should not exceed the Portfolio Plan budget for programs for calendar year 2017 without having obtained a waiver from the Commission.

On October 12, 2017, Duke filed a motion for waiver in this docket. In its request for waiver, the company states at page 3:

Consistent with the Commission's Order to not suspend its programs, as of this filing, the Company anticipates spending \$56 million for the balance of the year.....the Company respectfully requests that the Commission permit recovery of these actual costs in the 2017 true-up rider proceeding and grant a waiver for this purpose in order to permit the company to recover all program costs for 2017.

Staff has reviewed the Company's request for waiver and verified with the Company that they will not collect shared savings incentives for savings achieved in 2017. Staff further verified that the Company has not suspended its efficiency programs for year 2017. Without suspending the programs, Duke revised their 2017 budget from \$39,126,072 to \$56,000,000 to continue efficiency programs through the remainder of 2017. Accordingly, Staff does not object to the Company's request for waiver.

Respectfully submitted,
Michael DeWine
Ohio Attorney General

William L. Wright
Section Chief

/s/ John H. Jones

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**Counsel for the Staff of
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JHJ/klk

cc: Parties of Record

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Case No(s). 16-0576-EL-POR

Summary: Letter of Notification to the Honorable Richard Bulgrin electronically filed by Mrs. Tonneta Y Scott on behalf of PUCO