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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In The Matter of the Application of Duke)
Energy Ohio, Inc. for Approval of) Case No. 10-0042-EL-ATA
Tariff for Rate TD-AM)

APPLICATION OF DUKE ENERGY OHIO, INC.
FOR APPROVAL OF TARIFF FOR RATE TD-AM

Duke Energy Ohio, Inc. (Duke Energy) is an Ohio Corporation engaged in the business of supplying electric generation, transmission and distribution service to approximately 660,000 customers in southwestern Ohio. Duke Energy is a public utility as defined by R.C. 4905.02 and R.C. 4905.03.

Duke Energy is filing this Application pursuant to R.C. 4909.18 for Approval of Tariff for Rate TD-AM, P.U.C.O. Electric Tariff No. 19, Sheet No. 32. Exhibit 1 attached hereto sets forth the tariff.

The Ohio General Assembly enacted S.B. 221, effective on July 31, 2008, which amended various provisions of Amended Substitute Senate Bill 3. Among the amendments are various revisions to Section 4905.31, Revised Code and Chapter 4928, Revised Code, specifically Section 4928.14 which required electric utilities to provide customers with a default standard service offer (SSO), consisting of either a market rate offer (MRO) or an electric security plan (ESP).

Accordingly, Duke Energy filed an application for approval of an SSO on July 31, 2008. On December 17, 2008, the Commission approved its stipulation with certain modification in

Case No. 08-920-EL-SSO. The Stipulation provided for a collaborative¹ to maximize the benefits of the SmartGrid investment. The opportunities were to include the implementation of tariffs.

Duke Energy convened a SmartGrid Collaborative to assist with and collectively determine proper deployment of Duke Energy Ohio's SmartGrid. The SmartGrid Collaborative has now convened on several occasions (Sept. 17, 2009, Oct. 28, 2009, and Dec. 9, 2009). At present, the SmartGrid Collaborative includes the Staff of the Public Utilities Commission of Ohio, The Office of Consumers' Counsel, Ohio Partners for Affordable Energy and The Kroger Company. The SmartGrid Collaborative met and contributed to lively discussion regarding the terms of the pilot tariff rate. The collaborative has determined that the proposed time-of-day rate for residential service for those customers with advanced metering will offer a benefit to those customers.

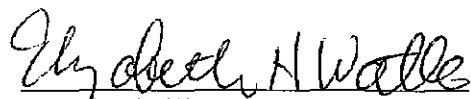
It is anticipated that the implementation of this new time-of-day (TD) rate will inform the SmartGrid Collaborative and provide a valuable measure of experience from which to draw upon in creating and implementing additional rates that will enhance customer energy efficiency and the SmartGrid experience. This somewhat limited pilot program is a cautious start to rolling out different rates. It is anticipated that customers will see a bill decrease as a result of the implementation of this pilot. However, customers who do not take proper advantage of the rate may see a bill increase. It is precisely due to the lack of experience with customer reaction and implementation that the first pilot is limited in number and scope. Additionally, at this phase of SmartGrid deployment, Duke Energy Ohio will support customer billing by individually "hand" billing these customers. This is necessary because the billing support systems for SmartGrid

¹ *In re Duke Energy Ohio SSO*, Case Nos. 08-920-EL-SSO, et al., Stipulation and Recommendation, (October 28, 2008) at 15.

deployment are not yet operational. It is further anticipated that beginning in approximately May, 2010, Duke Energy Ohio will provide web-based information to customers so that the customer will have more information and education upon which to rely.

For these reasons, and for this very limited number of customers, Duke Energy Ohio respectfully requests that the Commission approve this tariff. Upon approval of this Application, the Companies will file a sufficient number of copies of its tariff sheets, as directed by the Commission.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Elizabeth H. Watts", is written over a horizontal line.

Amy B. Spiller
Associate General Counsel
Elizabeth H. Watts
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RATE TD-AM

**OPTIONAL TIME-OF-DAY RATE FOR RESIDENTIAL SERVICE WITH ADVANCED METERING
(PILOT)**

APPLICABILITY

Applicable to electric service for all domestic purposes in private residences and single occupancy apartments in the entire territory of the Company where distribution lines are adjacent to the premises to be served. This rate is available only as Company advanced meters with interval recording registers are installed on the customer's premises. The advanced meters must be commissioned, certified, and provide billable quality data. This rate is available to the first two hundred fifty (250) customers that request service under this rate. Eligible customers must receive generation service from Duke Energy Ohio, and they must have had a total annual electric bill of \$300 or more during the prior 12 months. This rate is not available to customers on income payment plans, budget billing, HEAP, or any other assistance plan.

Residences where not more than two rooms are used for rental purposes will also be included. Where all dwelling units in a multi-occupancy building are served through one meter and the common use area is metered separately, the kilowatt-hour rate will be applied on a "per residence" or "per apartment" basis, however, the customer charge will be based on the number of installed meters.

Where a portion of a residential service is used for purposes of a commercial or public character, the applicable general service rate is applicable to all service. However, if the wiring is so arranged that the service for residential purposes can be metered separately, this Rate will be applied to the residential service, if the service qualifies hereunder.

Rate TD-AM is offered on a pilot basis. The Company reserves the right to modify this rate, subject to approval by the Commission, as information regarding customer participation, load response, costs, and other pertinent information becomes available. If the Company changes the base generation charges or structure of this rate, customers who have not completed their initial term of service may continue taking service under Rate TD-AM or switch to Rate RS (Residential Service) or any other rate for which the customer is eligible.

For customers taking service under any or all of the provisions of this tariff schedule, this same schedule shall constitute the Company's Standard Service Offer.

NET MONTHLY BILL

Computed in accordance with the following charges:

	<u>Summer Period</u>	<u>Winter Period</u>
1. Distribution Charges		
(a) Customer Charge		
Single Phase	\$5.50 per month	\$5.50 per month
Three Phase	\$8.00 per month	\$8.00 per month

Filed pursuant to an Order dated in Case No. before the Public Utilities Commission of Ohio.

Issued:

Effective:

Issued by Julie Janson, President

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NET MONTHLY BILL (Contd.)

(b) Energy Charge		
All Peak kilowatt-hours	\$0.022126 per kWh	\$0.022126 per kWh
Shoulder kilowatt-hours	\$0.022126 per kWh	\$0.022126 per kWh
Off Peak kilowatt-hours	\$0.022126 per kWh	\$0.022126 per kWh

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 51, Rider PTC-AAC, Annually Adjusted Component Rider
Sheet No. 53, Rider PTC-FPP, Fuel and Economy Purchased Power Rider
Sheet No. 54, Rider SRA-CD, Capacity Dedication Rider
Sheet No. 56, Rider SRA-SRT, System Reliability Tracker
Sheet No. 57, Rider TCR, Transmission Cost Recovery Rider
Sheet No. 70, Rider DR, Storm Recovery Rider
Sheet No. 81, Rider EER, Energy Efficiency Revolving Loan Program Rider
Sheet No. 83, Rider OET, Ohio Excise Tax Rider
Sheet No. 84, Rider RTC, Regulatory Transition Charge Rider
Sheet No. 86, Rider USR, Universal Service Fund Rider
Sheet No. 104, Rider DR-IM, Infrastructure Modernization Rider
Sheet No. 105, Rider DR-ECF, Economic Competitiveness Fund Rider
Sheet No. 106, Rider DR-SAWR, Energy Efficiency Recovery Rate
Sheet No. 108, Rider UE-ED, Uncollectible Expense – Electric Distribution Rider

3. Price to Compare – Base Generation Charges (PTC-BG)

The following generation charges are applicable to all customers except those customers who receive their energy from a Certified Supplier:

	<u>JAN 1, 2010 – DEC. 31, 2011</u>	
	<u>Summer Period</u>	<u>Winter Period</u>
Energy Charge		
On Peak kilowatt-hours	\$0.121406 per kWh	\$0.106414 per kWh
Shoulder kilowatt-hours	\$0.071156 per kWh	\$0.024214 per kWh
Off Peak kilowatt-hours	\$0.000854 per kWh	(\$0.002494) per kWh

MINIMUM CHARGE

The minimum charge shall be the Customer Charge as stated above.

BILLING PERIODS

For purposes of administration of the above charges, the summer period is defined as June 1 through September 30. The winter period is defined as October 1 through May 31.

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RATING PERIODS

The rating periods applicable to the above kilowatt-hour charges are as follows:

- a) Summer On Peak Period - 11:00 a.m. to 6:00 p.m. Monday through Friday, excluding holidays.
- b) Summer Shoulder Period - 8:00 a.m. to 11:00 a.m. and 6:00 p.m. to 10:00 p.m. Monday through Friday, excluding holidays.
- c) Winter On Peak Period - 8:00 a.m. to 11:00 a.m. and 6:00 p.m. to 10:00 p.m. Monday through Friday, excluding holidays.
- d) Winter Shoulder Period - 11:00 a.m. to 6:00 p.m. Monday through Friday, excluding holidays.
- e) Off Peak Period - All hours Monday through Friday not included above plus all day Saturday and Sunday as well as New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day and Christmas Day or on the day nationally designated to be celebrated as such with the exception that if the foregoing holidays occur on a Sunday, the following Monday is considered a holiday.

LATE PAYMENT CHARGE

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

TERMS AND CONDITIONS

This rate is available upon application in accordance with the Company's Service Regulations.

The initial term of service under this rate is one (1) year. After one year, customers may at their discretion remain on this rate for an additional one (1) year term or switch to another applicable rate.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.

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