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# BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of Duke Energy Ohio to Update its Transmission Cost Recovery Rider	) ) C	ase No. 10-981-EL-RDR	**************************************

#### SUPPLEMENTAL REPORT

On July 16, 2010, Duke Energy Ohio, Inc. (Duke Energy Ohio) filed an application in this matter, to update its transmission cost recovery rider, Rider TCR. Consistent with that filing, and in compliance with Ohio Adm. Code 4901:1-36-06, Duke Energy Ohio submits the following statements regarding the costs included in Rider TCR over which it has control.

## Real-Time Revenue Sufficiency Guarantee First Pass Distribution Amount

This cost represents a mechanism to fund Real-Time Sufficiency Guarantee Make Whole Payments to Asset Owners. Duke Energy Ohio seeks to minimize this cost by forecasting its load day ahead. The only load that is charged the Real-Time RSG Distribution is the deviation from the day ahead forecast.

## Real-Time Excessive Deficient Energy Deployment Charge Amount

This cost represents the charges, in certain circumstances, to Asset Owners owning generation and regulation-qualified demand response resources. This charge cannot be completely avoided because of factors such as outages, derates, equipment limitations, and Midwest ISO commercial model limitations. However, Duke Energy Ohio endeavors to mitigate the costs through the use of the Energy Management Systems Automatic Generation Control.

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## Contingency Reserve Deployment Failure Charge Amount

This cost represents a charge incurred by generation or demand response resources in certain circumstances. This charge cannot be completely avoided because of factors such as outages, derates, equipment limitations, and Midwest ISO commercial model limitations. However, Duke Energy Ohio endeavors to mitigate the costs through the use of the Energy Management Systems Automatic Generation Control.

Respectfully submitted,

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### CERTIFICATE OF SERVICE

I hereby certify that, on this 17<sup>th</sup> day of August 2010, the foregoing Supplemental Report has been served via electronic mail to the following persons:

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