

FILE

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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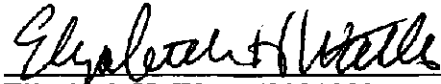
In The Matter of the Application of)
Duke Energy Ohio, Inc. to Create)
a Deferral Account for Rider DRI) Case No. 10-2973-EL-ATA
and for Approval to True Up Rider DRI)
Beginning on April 1, 2011)

PROPOSED TARIFF AND SUPPORTING WORK PAPERS FOR RIDER DRI

On December 9, 2010, Duke Energy Ohio, Inc. (Duke Energy Ohio or Company) submitted an application to the Public Utilities Commission of Ohio (Commission) pursuant to Ohio Rev. Code 4909.18, seeking authority to create a deferral account for any amounts of its reliability investment costs left unrecovered after Rider DRI terminates on December 31, 2010, and for approval to briefly re-instate Rider DRI to true up its revenue recovery beginning on April 1, 2011, ending approximately two to four months later, when its reliability investment costs are fully recovered.

Duke Energy Ohio submits herein its proposed tariff and supporting work-papers to permit the Commission to reach a determination with regard to the Company's application. Duke Energy Ohio respectfully requests that this Commission permit it to create a deferral account for any amounts of its reliability investments left unrecovered after Rider DRI terminates on December 31, 2010, and to permit it to briefly re-instate Rider DRI to true up its revenue recovery beginning on April 1, 2011, consistent with the tariff submitted and ending approximately two to four months later, when its reliability investment costs are fully recovered.

Respectfully submitted,



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P.U.C.O. Electric No. 19
Sheet No. 58.3
Cancels and Supersedes
Sheet No. 58.2
Page 1 of 1

RIDER DRI

DISTRIBUTION RELIABILITY INVESTMENT RIDER

APPLICABILITY

Applicable to all non-residential customers receiving service under the Company's retail rate groups beginning April 1, 2011 and ending June 30, 2011.

DISTRIBUTION RELIABILITY INVESTMENT FACTORS

All customers receiving electric service under Rate DS, Rate EH, Rate GS-FL, Rate SFL-ADPL, Rate DM, Rate DP, Rate TS, Rate TL, Rate NSU, Rate NSP, Rate SC, Rate SE, Rate UOLS, Rate OL, Rate SL and Rate RTP shall be assessed a monthly charge that will enable the Company to recover deferred amounts related the Company's investments in its distribution system to maintain and enhance system reliability.

The charges for the respective electric service schedules are:

<u>Tariff Sheet</u>	<u>DRI Charge</u> (Per kWh)
Rate CUR, Common Use Residential Service	\$0.001074
Rate DS, Service at Secondary Distribution Voltage	\$0.000653
Rate GS-FL, Optional Unmetered General Service Rate for Small Fixed Loads	\$0.000868
Rate EH, Optional Rate for Electric Space Heating	\$0.000690
Rate DM, Secondary Distribution Service – Small	\$0.001160
Rate DP, Service at Primary Distribution Voltage	\$0.000453
Rate SFL-ADPL, Optional Unmetered Rate for Small Fixed Loads Attached Directly to Company's Power Lines	\$0.000868
Rate TS, Service at Transmission Voltage	\$0.000000
Rate SL, Street Lighting Service	\$0.002921
Rate TL, Traffic Lighting Service	\$0.002921
Rate OL, Outdoor Lighting Service	\$0.002921
Rate NSU, Street Lighting Service for Non-Standard Units	\$0.002921
Rate NSP, Private Outdoor Lighting for Non-Standard Units	\$0.002921
Rate SC, Street Lighting Service – Customer Owned	\$0.002921
Rate SE, Street Lighting Service – Overhead Equivalent	\$0.002921
Rate UOLS, Unmetered Outdoor Lighting Electric Service	\$0.002921
Rate RTP, Real Time Pricing Program	
Rate DS	\$0.000000
Rate DP	\$0.000000
Rate TS	\$0.000000

Issued pursuant to an Order dated _____ in Case No. 10-2973-EL-ATA before the Public Utilities Commission of Ohio.

Issued:

Issued by Julie Janson, President

Effective:

	April - June 2010 Recovery ⁽¹⁾	Recovery % of Total Distribution ⁽²⁾	April - June 2011 True-Up ⁽³⁾	April - June 2011 Projected Sales (kWh)	Rider Rate (\$/kWh)
Residential - CUR	\$22,249	1%	\$21,603	20,113,000	0.001074
Secondary Distribution Large DS	\$1,060,481	66%	\$1,029,654	1,577,859,000	0.000653
Secondary Distribution Large EH	\$11,088	1%	\$10,748	15,582,000	0.000690
Secondary Distribution Small DM	\$144,523	9%	\$140,324	121,016,000	0.001160
Secondary Distribution Small GSFL	\$6,593	0%	\$6,401	7,373,000	0.000868
Primary Distribution	\$289,674	18%	\$281,259	620,313,000	0.000453
Transmission ⁽⁴⁾	\$0	0%	\$0	840,793,000	-
Lighting	\$74,088	5%	\$71,936	24,629,000	0.002921
RTP - DS	\$0	0%	\$0	966,000	-
RTP - DP	\$0	0%	\$0	(44,495,000)	-
RTP - TS	\$0	0%	\$0	15,934,000	-
Total Distribution	\$1,608,656	100%	\$1,561,923	3,200,083,000	

Notes

⁽¹⁾ Based on Actual Revenue for April - June 2010

⁽²⁾ Recovery Percent based on April - June 2010 total distribution

⁽³⁾ Under Recovery to collect

**DUKE ENERGY OHIO
RIDER DRI REVENUES
JANUARY 2006 - DECEMBER 2010**

**Case No. 10-2973-EL-ATA
Exhibit 2
Page 2**

Sum of DIST REL INV Row Labels	Column Labels						Grand Total
	Commercial	Industrial	OPA	Other	Residential	Street Lighting	
2006	\$4,032,497	\$1,479,131	\$771,353	\$0	\$693	\$226,969	\$6,510,644
2007	\$4,476,379	\$1,503,020	\$840,758	\$0	\$738	\$248,757	\$7,069,651
2008	\$4,401,249	\$1,421,825	\$838,934	\$0	\$782	\$246,240	\$6,909,030
2009	\$4,255,923	\$1,258,833	\$788,227	\$0	\$793	\$241,982	\$6,545,858
2010	\$4,379,654	\$1,291,079	\$727,326	\$0	\$777	\$241,058	\$6,639,894
Grand Total	\$21,545,701	\$6,953,988	\$3,966,599	\$0	\$3,781	\$1,205,007	\$33,675,077

Note: Rider DRI revenues shown above as residential are associated with outdoor lighting.

Total Actual 2006 - 2010 Rider DRI revenues:	\$33,675,077
Total non-residential Deferral from WDW-2 page 2:	\$35,237,000
Estimated under-recovery:	<u>\$1,561,923</u>

Duke Energy Ohio

Increase in Distribution Revenue Requirements

(On Net Distribution-Related Capital Investment) (\$000)

From Case No. 05-59-EL-AIR Attachment WDW-2, page 2

Case No. 10-2973-EL-ATA

Exhibit 2

Page 3

	Return on Plant	Depreciation	Property Taxes	Total Deferral	Annual Recovery ^(a)
1 <i>Components of Distribution Deferral</i>	\$24,215	\$24,171	\$25,646	\$74,032	\$14,806
2 <i>Cost of Service Allocation Factors</i>	RB91	DE41	L521		
3 Residential ^(b)	52.5%	53.2%	51.6%		
4 Secondary Distribution Large DS	32.5%	32.0%	33.2%		
5 Secondary Distribution Large EH	0.5%	0.52%	0.53%		
6 Secondary Distribution Small DM	4.2%	4.22%	4.1%		
7 Secondary Distribution Small GSFL	0.2%	0.16%	0.16%		
8 Primary Distribution	8.0%	7.8%	8.14%		
9 Transmission	0.0%	0.1%	0.01%		
10 Lighting	2.1%	2.0%	2.3%		
11 Total Distribution	100.0%	100.0%	100.0%		
12 <i>Allocation of Deferrals</i>					
13 Residential ^(b)	\$12,713	\$12,859	\$13,233	\$0	\$0
14 Secondary Distribution Large DS	7,870	7,735	8,514	24,119	4,824
15 Secondary Distribution Large EH	121	126	136	383	77
16 Secondary Distribution Small DM	1,017	1,020	1,051	3,089	618
17 Secondary Distribution Small GSFL	48	39	41	128	26
18 Primary Distribution	1,937	1,885	2,088	5,910	1,182
19 Transmission ^(c)	-	24	3	27	5
20 Lighting	509	483	590	1,582	316
21 Total Distribution	\$24,215	\$24,171	\$25,656		\$7,048

Notes: ^(a) Order approving Stipulation allowed for recovery of the total deferral over the five year period beginning January 1, 2006.^(b) Order approving Stipulation disallowed recovery of the residential share of the distribution rate deferral.^(c) Resulting allocation produces a negligible dollar amount for recovery. Therefore, no rider is proposed for Transmission customers.