

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke )  
Energy Ohio for Approval of a Market )  
Rate Offer to Conduct a Competitive ) Case No. 10-2586-EL-SSO  
Bidding Process for Standard Service )  
Offer Electric Generation Supply, )  
Accounting Modifications, and Tariffs )  
for Generation Service. )

ENTRY ON REHEARING

The Commission finds:

- (1) Duke Energy Ohio, Inc. (Duke) is an electric distribution utility and a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) Section 4928.141, Revised Code, requires electric utilities to provide consumers with a standard service offer, consisting of either a market rate offer (MRO) or an electric security plan.
- (3) Section 4928.142, Revised Code, authorizes an electric utility to file an MRO as its SSO, whereby retail electric generation pricing will be based, in part, upon the results of a competitive bid process (CBP). Paragraphs (A) and (B) of Section 4928.142, Revised Code, set forth requirements an electric utility must meet in order to demonstrate that the CBP and the MRO proposal comply with the statute. Paragraph (B) provides that an application must detail the utility's proposed compliance with the statutory CBP requirements, with the requirements set forth in the Commission's rules, and with the regional transmission organization and pricing information requirements. In determining whether an MRO meets the requirements of Section 4928.142(A) and (B), Revised Code, the Commission must read those provisions together with the policies of this state as set forth in Section 4928.02, Revised Code.
- (4) Paragraphs (D) and (E) of Section 4928.142, Revised Code, set forth the blended price requirements any electric distribution utility, such as Duke, which, as of July 31, 2008, directly owned operating electric generating facilities that had been used and useful in this state, must abide by.

- (5) Chapter 4901:1-35, Ohio Administrative Code, sets forth requirements each electric utility must comply with when filing an SSO in the form of an MRO, pursuant to Sections 4928.141 and 4928.142, Revised Code.
- (6) On November 15, 2010, Duke filed an application for an MRO in accordance with Section 4928.142, Revised Code.
- (7) By opinion and order issued February 23, 2011, the Commission ultimately found that Duke had not presented a complete MRO application and the application was in noncompliance with Section 4928.142, Revised Code. The Commission concluded that, since Duke had not presented a complete MRO application, the case could not proceed as filed. However, the Commission chose to fully discuss the remainder of Duke's application as guidance for any future filings.
- (8) Section 4903.10, Revised Code, states that any party who has entered an appearance in a Commission proceeding may apply for rehearing with respect to any matters determined in the proceeding by filing an application within 30 days after the entry of the order upon the journal of the Commission.
- (9) On March 25, 2011, Duke and FirstEnergy Solutions Corp. (FES) filed applications for rehearing of the Commission's February 23, 2011, order. Wal-Mart Stores East, LP and Sam's East, Inc., filed a memorandum contra Duke's application for rehearing on April 1, 2011. On April 4, 2011, Industrial Energy Users-Ohio, Ohio Consumers' Counsel, Ohio Partners for Affordable Energy, The Ohio Energy Group, The Kroger Company, The Greater Cincinnati Health Council, and the Ohio Manufacturers' Association filed memorandum contra the applications for rehearing.
- (10) The Commission believes that sufficient reason has been set forth by Duke and FES to warrant further consideration of the matters specified in their applications for rehearing. Accordingly, the applications for rehearing filed by Duke and FES should be granted.

It is, therefore,

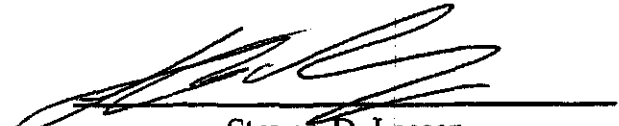
ORDERED, That the applications for rehearing filed by Duke and FES be granted for further consideration of the matters specified in the applications for rehearing. It is, further,

ORDERED, That a copy of this entry on rehearing be served upon all interested parties of record.

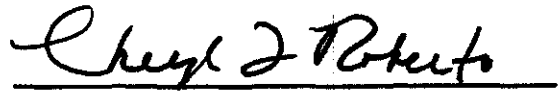
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Todd A. Snitchler, Chairman

  
Paul A. Centolella

  
Steven D. Lesser

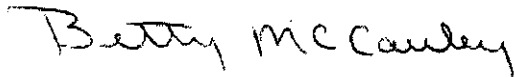
  
Andre T. Porter

  
Cheryl L. Roberto

CMTP/KLS/dah

Entered in the Journal

**APR 19 2011**

  
Betty McCauley  
Secretary