

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In The Matter of the Application of Duke)
Energy Ohio, Inc. for Approval of)
Tariff for Rate PTR 2.0)

Case No. 11-2798-EL-ATA

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AMENDED APPLICATION OF DUKE ENERGY OHIO, INC.
FOR EXPEDITED APPROVAL OF TARIFF FOR RATE PTR 2.0

Duke Energy Ohio, Inc. (Duke Energy Ohio) 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 Ohio is a public utility as defined by R.C. 4905.02 and R.C. 4905.03. Duke Energy Ohio filed an Application for approval of a new tariff on May 2, 2011 pursuant to R.C. 4909.18 for Approval of Tariff for Rate PTR 2.0, P.U.C.O. Electric Tariff No. 19, Original Sheet No. 37 consisting of two pages. In support of its Application and to clarify some of the elements of the proposed tariff, Duke Energy Ohio submits this Amended Application.

I. History of the Development of the Tariff

Duke Energy Ohio filed its 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 Ohio convened a SmartGrid Collaborative to assist with and collectively determine proper deployment of Duke Energy Ohio's SmartGrid. The SmartGrid Collaborative has now

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

convened monthly since September of 2009 and has collectively developed four previous new tariff offerings. At present, the SmartGrid Collaborative includes the active participation of the Staff of the Public Utilities Commission of Ohio, The Office of the Ohio Consumers' Counsel, and Ohio Partners for Affordable Energy, but is open to any interested Party to the Stipulation entered in Duke Energy Ohio's Electric Security Plan Case No. 08-920-EL-SSO. The SmartGrid Collaborative is continuing to meet and discuss development of new SmartGrid applicable tariff rates. This new proposed tariff has been discussed among the members of the Collaborative and to the extent feasible, the contributions of the various stakeholders has been incorporated into the tariff.

II. The Proposed Pilot Program for Tariff PTR 2.0

The tariff proposed herein is consistent with Duke's deliberate approach to developing and testing time-differentiated pricing rate structures. PTR 2.0 is the direct product of learnings that Duke Energy Ohio and the Collaborative have taken from its previous pilots and hence should be more attractive to customers and provide Duke Energy Ohio and the Collaborative with an even better understanding of the impacts that a Peak Time Rebate program can achieve. Additionally, this proposed pilot has been developed for the purpose of evaluating the effectiveness and the potential impacts of different customer acquisition strategies for time differentiated pricing pilots. In this new proposed tariff pilot program, and consistent with the language set forth in the tariff itself, Duke Energy Ohio proposes to have up to five hundred customers served on this rate. Within these five hundred customers, Duke Energy Ohio is proposing to served two hundred customers that have been acquired through an opt-out acquisition and two hundred customers that have been acquired through and opt-in acquisition. The remaining one hundred customers will potentially come from the population of customers that participated in the original

PTR pilot and the TD-AM pilot, as well as the customers who recently signed up for the TD-AM Lite/HEM pilot.

The bifurcated acquisition strategy discussed above is proposed for the purpose of gaining insight into the impact that different acquisition approaches may have on two district aspects of the pilot. First, the opt-out acquisition approach will allow Duke Energy Ohio to gain another key data point with respect to understanding how to most effectively attract and acquire customers to participate in time-differentiated pricing offers. Second, this bifurcated acquisition will allow Duke Energy Ohio to understand if the level of behavioral modification taken by customers that affirmatively select to participate in the pilot is higher or lower than those who are placed on the rate by the Company.

Duke Energy Ohio will not include customers on this rate to participate in budget billing for two reasons. First, in order for the price signals associated with rate PTR 2.0 to truly motivate behavior, the signals must be seen in a timely manner on the monthly bill. A customer having to wait for its annual true-up to see the credits associated with behavioral changes is not getting the appropriate positive reinforcement for motivating the desired behavioral changes during a peak event. The second reason for not including budget billing customers in this pilot is that the budget billing capability has not yet been integrated into Duke Energy Ohio's interval meter billing system. However, the limited size of the opt-out sample (200 customers) and the fact that under rate PTR 2.0, customers can only benefit from participation, should work to alleviate any concerns around the opt-out pilot proposal.

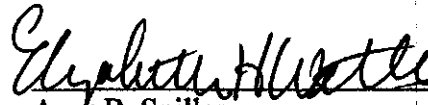
Finally, the draft tariff accompanying the original Application in this case was incorrectly designated as Rate PTR. The correct designation should be Rate PTR 2.0. The attached draft tariff is corrected.

III. Conclusion

For these reasons, and for this very limited number of customers, Duke Energy Ohio respectfully requests that the Commission approve this tariff. Due to the nature of this new proposed tariff, such that it allows the customer an advantage during peak summer months, it is important that the tariff be approved on an expedited basis so that the Company can move to acquire the customers thereby allowing the newly acquired customers to be able to take maximum advantage of the rate.

Upon approval of this Application, the Companies will file a sufficient number of copies of its Rate PTR 2.0 tariff sheets, as directed by the Commission. Likewise, all collateral customer materials will be reviewed with Commission Staff prior to their use.

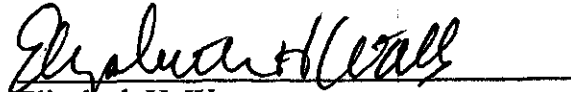
Respectfully submitted,

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

Amy B. Spiller
Deputy General Counsel
Elizabeth H. Watts
Associate General Counsel
Duke Energy Ohio Business Services
155 East Broad Street
Columbus, Ohio 43215
614-222-1330

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Amended Application of Duke Energy Ohio, Inc., was served by regular U.S. mail upon the following parties on this 12th day of May, 2011


Elizabeth H. Watts

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RIDER PTR 2.0

PEAK TIME REBATE – RESIDENTIAL PILOT PROGRAM

AVAILABILITY

The Peak Time Rebate (PTR) Program is applicable to residential Customers served under Rates RS, TD-AM, and TD-LITE. This rider 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 rider is available to the first five hundred (500) customers that request service under this rider. Eligible customers must receive generation service from Duke Energy Ohio. This rider is not available to customers on income payment plans, budget billing, HEAP, or any other assistance plan. Customers participating in the Power Manager program are not eligible to participate in the PTR Program.

Rider PTR is offered on a pilot basis. The Company reserves the right to modify this rider, subject to approval by the Commission, as information regarding customer participation, load response, costs, and other pertinent information becomes available.

PROGRAM DESCRIPTION

The PTR Program is voluntary and offers residential Customers the opportunity to reduce their electric costs by reducing their electric usage during Company's critical peak load periods (critical peak events).

At its discretion, the Company may call up to ten (10) critical peak events per year during the calendar months of June, July, August, and September. Participating customers will be notified on the day prior to a critical peak event of the planned event for the next day. Critical peak events will last 5 hours and will begin at 2 P.M. and end at 7 P.M., and they will not occur on weekends or holidays as recognized by the National Electric Reliability Corporation (NERC). The Company may call up to three (3) events per week with no more than two (2) events occurring on consecutive days. A week is defined as the period Sunday through Saturday.

Participating customers may choose to maintain their electric usage levels at previous levels during an event. Customers who do not reduce usage levels during the event will not incur any penalties, and they will be billed for the electricity consumed during the event at their applicable tariff rates. No customer's bill will increase as a result of this tariff.

Customers will receive a bill credit of \$0.2800 per kWh of load reduction during the critical peak event. Credits will appear on participating customers' bills. The kWh load reduction is calculated as the difference between the estimated kWh usage that would have occurred during the critical peak event without action by the participant (estimated kWh) and the participant's actual kWh usage during the critical peak event (actual kWh). Credits will be computed and provided on customers' bills within two monthly billing cycles. Bills ordinarily are rendered at monthly intervals. The word "month" shall mean the period of approximately thirty (30) days between monthly bill dates.

Issued pursuant to an Order dated June 23, 2010 in Case No. 10-455-EL-ATA before the Public Utilities Commission of Ohio.

Issued: June 1, 2011

Effective: July 1, 2011

Issued by Julie Janson, President

PROGRAM DESCRIPTION (CONTINUED)

The Company will use the participant's recent historical electricity consumption information for non-event, non-holiday weekdays in establishing the participants' individualized estimated kWh usage for use as a base line to determine the amount of load reduction as follows:

1. Identify the ten most recent non-event, non-holiday weekdays.
2. Using those ten weekdays, identify the seven with the highest usage and calculate the average hourly usage during the peak period hours (2:00 P.M. – 7:00 P.M.). This determines the estimated kWh baseline.
3. Adjust the estimated baseline, if necessary, to account for weather differences between the event day and the seven identified weekdays. The estimated baseline is adjusted only if the results of the weather calculation increases the estimated baseline.
 - a. Customer-specific weather sensitivity is determined by modeling the impact of temperature and humidity on hourly usage during peak period hours (2:00 P.M. – 7:00 P.M.) for prior non-holiday weekdays within the calendar months of June, July, August, and September.

BILLING UNDER STANDARD RATES

Customers served under Rate RS, Rate TD-AM, or TD-LITE will be billed for all energy used under the terms and conditions and at the rates and charges of the applicable tariff. In addition, Customers will receive credits on their electric bill for participation in the PTR Program as described above in the PROGRAM DESCRIPTION section.

CUSTOMER NOTIFICATION OF CRITICAL PEAK EVENTS

Participating customers will be notified by 8:00 P.M. on the day prior to a critical peak event of the planned event for the next day. The Company will notify customers of critical peak events for the following day via telephone, e-mail, text messaging, or any other means that becomes available. The customer will be required to provide a primary contact method of communication.

Participating customers are responsible for the costs of establishing and maintaining internet service, e-mail service, telephone service, and/or cell phone text messaging service. The Company will provide a mechanism for participants to choose their primary preferred communication channel.

The Company is not liable for any damages or claims resulting from customers' failure to receive notice of a critical peak event, for any reason.

TERM AND CONDITIONS

Except as provided in this Rider PTR, all terms, conditions, rates, and charges outlined in the applicable Rate RS, Rate TD-AM, or TD-LITE will apply. Participation in the PTR Program will not affect Customers' obligations for electric service under these rates.

Any interruptions or reductions in electric service caused by outages of Company's facilities, other than as provided under the PTR Program, will not be deemed an event period under this PTR Program. Agreements under the PTR Program will in no way affect Customer's or Company's respective obligations regarding the rendering of and payment for electric service under the applicable electric tariff and its applicable rate schedules. It will be Customer's responsibility to monitor and control their demand and energy usage before, during, and after a critical peak event period.

Issued pursuant to an Order dated June 23, 2010 in Case No. 10-455-EL-ATA before the Public Utilities Commission of Ohio.

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19
Sheet No. 37.1
Cancels and Supersedes
Original Sheet No. 37
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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 the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.

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