

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio, Inc. to Adjust and Set the) Case No. 11-5778-EL-RDR
Rates for Rider BTR and Rider RTO.)

FINDING AND ORDER

The Commission finds:

- (1) Duke Energy Ohio, Inc. (Duke) is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) By opinion and order issued May 25, 2011, in *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of the Establishment of Rider BTR and Associated Tariff Approval*, Case Nos. 11-2641-EL-RDR, et al. (11-2641, et al.), the Commission approved a stipulation creating a base transmission rate rider (Rider BTR) and a regional transmission organization rider (Rider RTO) to supplant Duke Energy Ohio, Inc.'s (Duke) transmission cost recovery rider at its expiration on December 31, 2011. Rider BTR is an unavoidable rider which was approved to recover network integrated transmission costs, Regional Transmission Enhancement Plan charges, Midwest Transmission Expansion Planning costs, and other nonmarket-based costs from all customers. As approved, Rider RTO is an avoidable rider that will recover all charges billed by a Federal Energy Regulatory Commission-approved RTO in proportion to Duke's standard service offer load.
- (3) On November 17, 2011, as amended December 1, 2011, Duke filed an application to adjust and set the rates for Riders BTR and RTO for the period January 1, 2012 through December 31, 2012, pursuant to Chapter 4901:1-36, Ohio Administrative Code (O.A.C). In the application, Duke requests various waivers and provides schedules supporting the calculation of the proposed rate for Rider BTR. However, as some uncertainty still exists as to the costs to be recovered through Rider RTO, Duke proposes it remain set at zero, with an application to adjust Rider RTO to be filed on or before July 15, 2012. Duke requests that the new rate for Rider BTR be made effective on January 3, 2012.

- (4) On December 7, 2011, Staff filed a review and recommendation in this docket recommending that the Commission approve the application filed by Duke on November 17, 2011, as amended December 1, 2011. Staff recommends that the new Rider BTR and Rider RTO rates be approved and become effective on a bills-rendered basis, beginning on January 3, 2012.
- (5) As approved in 11-2641, et al., Rider BTR is an unavoidable rider. Therefore, in its application, Duke requests a continuing waiver of Rule 4901:1-36-04(B), O.A.C., which provides that the transmission cost recovery rider shall be avoidable by all customers who choose alternative generation suppliers. No one filed memoranda contra Duke's request for waiver. Upon consideration of Duke's request for waiver of Rule 4901:1-36-04(B), O.A.C., the Commission finds that it is reasonable and should be granted.
- (6) Upon review of the application in this case and Staff's recommendation, the Commission finds that, consistent with Chapter 4901:1-36, O.A.C., the proposed rates for Riders BTR and RTO, as filed on November 17, 2011, and amended on December 1, 2011, do not appear to be unjust or unreasonable, and should be approved. Therefore, the Commission finds that it is unnecessary to hold a hearing in this matter.
- (7) As a final matter, the Commission notes that, in its application, Duke requests a waiver of Rule 4901:1-36-05, O.A.C., which provides that an application made under Chapter 4901:1-36, O.A.C., be approved or set for hearing within 75 days after the filing of a complete application. At this time, we find that the issuance of this finding and order renders Duke's request for a waiver of Rule 4901:1-36-05, O.A.C. moot.

It is, therefore,

ORDERED, That Duke's request for a waiver of Rule 4901:1-36-04(B), O.A.C, be granted. It is, further,

ORDERED, That the application filed by Duke on November 17, 2011, as amended December 1, 2011, be approved. It is, further,

ORDERED, That Duke's request for a waiver of Rule 4901:1-36-05, O.A.C. is moot. It is, further,

ORDERED, That Duke be authorized to file in final form four complete copies of the tariff pages consistent with this finding and order and to cancel and withdraw its superseded tariff pages. Duke shall file one copy in its TRF docket (or may make such filing electronically as directed in Case No. 06-900-AU-WVR) and one copy in this docket. The remaining two copies shall be designated for distribution to the Rates and Tariffs, Energy and Water Division of the Commission's Utilities Department. It is, further,

ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date of this finding and order and the date upon which four complete printed copies of final tariffs are filed with the Commission. It is, further,

ORDERED, That Duke shall notify all affected customers via a bill message or via a bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least 10 days prior to its distribution to customers. It is, further,

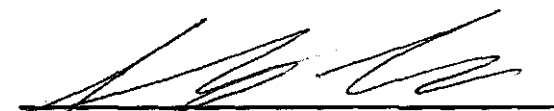
ORDERED, That nothing in this finding and order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

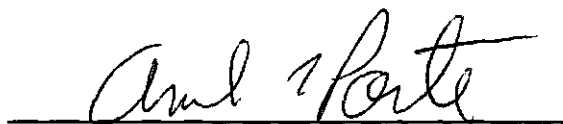
ORDERED, That a copy of this finding and order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Paul A. Centolella


Steven D. Lesser

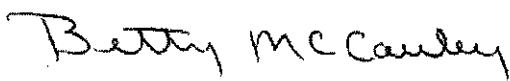

Andre T. Porter


Cheryl L. Roberto

KLS/CMTP/dah

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DEC 14 2011


Betty McCauley
Secretary