

In the Matter of the Application of)
Duke Energy Ohio, Inc., for Approval) Case No. ~~13-0336~~ -EL-RDR
to Adjust Rider DDR.)

1. This Application is made pursuant to the Finding and Order issued by the Public Utilities Commission of Ohio (Commission) on November 22, 2011, in Case Nos. 11-3549-EL-SSO, wherein the Commission adopted and approved the Stipulation filed by the Parties that included an agreement the Duke Energy Ohio would subsequently file for approval of a distribution decoupling mechanism to adjust rates between rate cases. Subsequent to the Commission's approval of the Stipulation in that

proceeding, Duke Energy Ohio did file an application for approval of a pilot decoupling mechanism. That application was approved by the Commission in a Finding and Order on May 30, 2012 in Case No. 11-5905-EL-RDR, December 21, 2012.

2. In its Finding and Order in Case No. 11-5905-EL-RDR, the Commission approved the proposed decoupling mechanism and directed the Company to accrue positive or negative differences in a balancing account specific to each rate class and to submit an application to adjust Rider DRR by March 1 of each year.
3. At the conclusion of the pilot, Duke Energy Ohio is to provide a report to the Commission discussing the results of the pilot and justification for extending or terminating the program.
4. Attachment 1 to this Application shows the calculation of the proposed rider rates. The proposed rider rates are \$0.000720 per kWh for all residential rates, \$0.000662 per kWh for Rate EH, and (\$0.002222) per kWh for Rate DM.
5. Attachment 2 is a proposed draft tariff for the Commission's review.
6. These rates for Duke Energy Ohio customers subject to Rider DDR are just and reasonable and should be approved. A copy of the proposed tariff sheet is included as Attachment 2 to this Application.

WHEREFORE, Duke Energy Ohio respectfully requests that the Commission approve the new decoupling distribution rider rate for Rider DDR as proposed in this Application.

Respectfully submitted,
Duke Energy Ohio, Inc.



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served this 26th day of February, 2013, by U.S. mail, postage prepaid, or by electronic mail upon the persons listed below.

Elizabeth H. Watts

Elizabeth H. Watts

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Attorney for the Natural Resources Defense Council

		DM	EM	RESIDENTIAL
M	Three Percent Cap (Page 6)	\$786,364	\$48,115	\$8,019,858

DUKE ENERGY OHIO
 CALCULATION OF RIDER DDR (DECOUPLING) RATES
 ACTUAL USAGE AND CUSTOMER COUNTS - JANUARY - DECEMBER 2012

PAGE 2

COMPANY	T
SERV	E

Sum of USAGE	RATECODE													
MONTH	DM	EH	ORH	ORHP	RS	RS01	RS3P	RSU	RSPP	TD	TDBS	TDMX	TDPL	Grand Total
Jan-12	47,818,099	11,491,820	860,128		8,080	662,977,848	9,364,400	424,555	7,316,167	33,908,288	43,536			774,213,511
Feb-12	44,340,423	10,894,687	729,731		7,120	587,695,929	8,526,425	318,427	6,443,988	32,377,671	44,533			691,385,914
Mar-12	41,239,295	8,861,013	538,089			468,368,263	7,824,110	317,800	5,244,616	28,083,533	34,697			590,511,416
Apr-12	38,504,779	6,587,300	390,754		2,000	407,108,679	6,948,993	278,209	4,070,405	22,986,261	25,555			485,882,838
May-12	39,363,799	6,669,082	304,741			426,771,141	6,650,114	308,217	4,842,890	23,042,443	29,300			508,064,717
Jun-12	47,347,280	148,123	427,039			560,150,497	6,892,182	399,497	6,030,818	28,272,591	35,083			649,703,110
Jul-12	57,072,849	-8,892	559,107			789,154,241	7,305,977	475,854	8,579,660	39,706,135	47,080			902,890,011
Aug-12	52,204,661	12	471,309			729,710,644	6,908,275	433,633	7,894,471	38,421,111	37,029			836,171,145
Sep-12	49,237,388	-18,316	420,588			611,206,533	6,618,552	411,676	6,307,390	31,701,197	35,182			706,123,190
Oct-12	38,829,451	6,058,946	344,604			403,187,850	6,310,988	306,687	4,279,557	21,706,195	23,534			481,848,112
Nov-12	39,224,412	7,500,293	512,729			451,480,988	7,284,183	313,605	5,064,649	24,991,127	31,143	10,699	13,059	536,446,723
Dec-12	44,451,461	9,009,072	650,654			564,456,627	8,586,744	353,915	6,211,744	30,383,973	35,950	32,375	30,643	664,239,400
Grand Total	539,730,507	67,218,020	6,268,473		17,200	6,092,272,240	80,426,943	4,343,375	72,289,335	355,560,525	419,032	43,074	43,702	7,827,090,144

COMPANY	T
SERV	E

Sum of CUSTOMERS	RATECODE														
MONTH	DM	EH	ORH	ORHP	RS	RS01	RS3P	RSU	RSPP	TD	TDBS	TDMX	TDPL	Grand Total	
Jan-12	38,540	864	196		1	579,642	13,651	166	7,952	26,670	23			667,705	
Feb-12	38,531	873	199		1	579,762	13,629	164	7,722	28,240	23			669,244	
Mar-12	38,625	870	199			578,964	13,678	164	7,543	29,197	23			669,263	
Apr-12	38,597	864	198		0	576,013	13,663	166	7,384	29,500	22			666,407	
May-12	38,626	855	197			575,692	13,717	156	8,585	28,990	22			666,840	
Jun-12	38,857	36	200			573,708	13,710	166	8,475	28,556	23			663,731	
Jul-12	38,974	6	198			573,761	13,711	165	8,288	28,526	23			663,646	
Aug-12	38,996	4	199			574,050	13,727	164	8,166	28,648	22			663,976	
Sep-12	38,891	14	198			573,698	13,771	167	7,984	28,229	23			662,955	
Oct-12	38,823	846	196			572,635	13,771	172	7,978	28,170	22			667,613	
Nov-12	38,840	834	200			578,569	13,775	168	7,918	28,035	23	40	29	668,472	
Dec-12	38,844	829	199			579,966	13,838	169	7,736	27,525	23	47	36	669,260	
Grand Total	465,234	6,895	2,379		2	6,921,450	164,641	1,987	95,731	340,280	272	97	65	89	7,999,132

Source: Duke Energy Ohio Revenue Reports

DUKE ENERGY OHIO
 CALCULATION OF RIDER DDR (DECOUPLING) RATES
 ACTUAL USAGE WEATHER NORMALIZED - JANUARY - DECEMBER 2012

PAGE 3

Weather Normal	ORH	ORHP	RS	RS01	RS3P	RSU	RSPP	TD	TDBS	TDMX	TDPL
Jan-12	930,222	8,738	717,005,643	10,127,529	459,153	7,912,381	36,671,563	47,084	-	-	-
Feb-12	801,487	7,820	645,485,481	9,364,849	350,837	7,077,641	35,561,445	48,912	-	-	-
Mar-12	593,017	-	549,241,790	8,622,797	350,241	5,779,987	30,950,305	38,239	-	-	-
Apr-12	428,075	2,191	445,992,171	7,612,701	304,781	4,459,175	25,159,799	27,996	-	-	-
May-12	344,681	-	403,299,899	6,290,046	291,266	4,576,535	21,775,172	24,854	-	-	-
Jun-12	416,466	-	546,281,484	6,721,535	389,606	5,881,498	27,572,577	34,214	-	-	-
Jul-12	455,734	-	644,400,599	5,965,850	388,569	7,005,895	32,422,885	38,452	-	-	-
Aug-12	432,913	-	670,262,788	6,345,474	398,306	7,251,327	35,291,031	34,012	-	-	-
Sep-12	418,067	-	607,546,054	6,777,683	409,208	6,269,585	31,511,186	34,971	-	-	-
Oct-12	384,288	-	449,618,830	7,037,759	342,340	4,772,389	24,205,873	26,244	-	-	-
Nov-12	492,643	-	433,794,647	6,998,832	301,320	4,866,246	24,012,123	29,923	10,280	12,547	13,294
Dec-12	701,353	-	608,438,822	9,255,819	381,492	6,695,760	32,751,478	38,751	34,898	33,031	39,109
Total	6,398,946	18,749	6,721,388,208	91,120,874	4,367,119	72,548,419	357,885,437	423,652	45,178	45,578	52,403

Weather Normal	DM	Weather Normal	EH
Jan-12	49,064,090	Jan-12	11,702,909
Feb-12	45,273,852	Feb-12	11,079,309
Mar-12	42,086,411	Mar-12	8,975,820
Apr-12	38,992,176	Apr-12	6,662,793
May-12	38,496,188	May-12	6,540,739
Jun-12	46,485,100	Jun-12	145,410
Jul-12	53,087,887	Jul-12	(9,201)
Aug-12	50,271,375	Aug-12	12
Sep-12	48,956,154	Sep-12	(18,211)
Oct-12	40,045,266	Oct-12	6,225,354
Nov-12	39,044,845	Nov-12	7,475,282
Dec-12	45,529,950	Dec-12	9,165,477
Total	537,333,294		67,945,693

DUKE ENERGY OHIO
CASE NO. 88-798-EL-AIR
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
(ELECTRIC SERVICE)

PAGE 4

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: ☒ ORIGINAL ☐ UPDATED ☐ REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE E-4
PAGE 1 OF 2
WITNESS:
J.E. ZIOLKOWSKI

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)	PROPOSED TOTAL REVENUE EXCL. CUST CHG (J)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)	(\$)
1	RS	RESIDENTIAL SERV	7,383,847	7,418,615,972	2.760022	204,755,456	98.54	0	204,755,456	164,144,297
2	ORH	OPTIONAL HEATING SERVICE	2,445	7,643,980	2.117562	161,866	0.08	0	161,866	148,418
3	TD	OPTIONAL TIME OF DAY SERVICE	228	371,717	2.362012	8,780	0.00	0	8,780	5,588
4	CUR	COMMON USE RESIDENTIAL SERVICE	158,024	89,034,908	3.188771	2,830,119	1.37	0	2,830,119	1,009,987
5	RS3P	RESIDENTIAL THREE-PHASE SERVICE	510	795,277	2.899185	21,460	0.01	0	21,460	17,590
6		TOTAL RESIDENTIAL	7,545,060	7,516,461,855	2.764421	207,786,097	55.85	0	207,786,097	166,285,886
7	DS	SEC DISTRIBUTION SERV	270,289	6,844,371,500	1.558459	106,606,739	70.80	0	106,606,739	
8	DS RTP	SEC DISTRIBUTION SERV RTP	391	4,792,372	4.245392	203,455	0.14	0	203,455	
9	GSFL	UNMTRD SMALL FIXED LOAD	3,358	29,101,782	1.804451	551,319	0.37	0	551,319	
10	EH	ELEC SPACE HTG	5,180	88,416,637	1.612323	1,425,562	0.95	0	1,425,562	1,266,922
11	DM	SEC DIST SERV-SMALL	504,887	549,503,054	3.568489	19,608,955	13.62	0	19,608,955	14,798,117
12	DP	PRIM DIST VOLTAGE	3,583	2,541,614,731	0.792099	20,133,684	13.36	0	20,133,684	
13	DP RTP	PRIM DIST VOLTAGE RTP	173	101,804,682	2.024128	2,060,657	1.37	0	2,060,657	
14		TOTAL DISTRIBUTION	787,831	10,159,604,828	1.482808	150,650,371	40.49	0	150,650,371	10,065,039
15	TS	TRANSMISSION SERV	581	3,202,630,344	0.003254	104,200	86.98	0	104,200	
16	TS RTP	TRANSMISSION SERV RTP	48	72,389,563	0.021560	15,600	13.02	0	15,600	
17		TOTAL TRANSMISSION	629	3,275,027,907	0.003658	119,800	0.03	0	119,900	
18	SL	STREET LIGHTING	494,541	37,857,344	12.002247	4,543,732	59.24	0	4,543,732	
19	TL	TRAFFIC LIGHTING	403,826	20,985,795	0.022752	172,661	2.25	0	172,661	
20	OL	OUTDOOR LIGHTING	224,516	23,120,060	7.800010	1,803,575	23.52	0	1,803,575	
21	NSU	NON STD STREET LIGHTING	22,889	1,402,417	9.631940	135,080	1.76	0	135,080	
22	NSP	NON STD POL'S	27,519	1,511,127	17.103087	258,449	3.37	0	258,449	
23	SC	S L - CUST OWNED	264,052	34,033,887	1.154141	392,709	5.12	0	392,709	
24	SE	S L - OVERHEAD EQUIV	77,032	4,852,803	7.463606	302,197	4.72	0	302,197	
25	UOLS	UNMETERED OUTDOOR LIGHTING	3,653	301,104	0.460970	1,388	0.02	0	1,388	
26		TOTAL LIGHTING	1,608,026	124,064,537	6.182170	7,609,881	2.06	0	7,609,881	
27		TOTAL RETAIL	9,841,548	21,075,359,127		365,226,739	98.43	0	365,226,739	
28	INTERDEPARTMENTAL		12	6,998,760	1.543659	108,037	1.85	0	108,037	
29	BAD CHECK CHARGES		0	0	-	184,709	3.16	0	184,709	
30	LATE PAYMENT CHARGES		0	0	-	0	0.00	0	0	
31	RECONNECTION CHARGES		0	0	-	441,882	7.50	0	441,882	
32	RENTS-DISTRIBUTION		0	0	-	2,810,016	44.68	0	2,810,016	
33	POLE CONTACT RENTALS		0	0	-	786,527	13.46	0	786,527	
34	INTERCOMPANY		0	0	-	0	0.00	0	0	
35	SPECIAL CONTRACTS		34	583,459	2.056700	12,000	0.21	0	12,000	
36	OTHER MISC		0	0	-	1,696,552	20.08	0	1,696,552	
37		TOTAL MISC	36	7,582,219	77.045030	5,841,723	1.57	0	5,841,723	
38		TOTAL COMPANY	9,841,584	21,082,941,346	1.764784	372,068,462	100.00	0	372,068,462	

NOTE: DETAIL CONTAINED ON SCHEDULES E-4.1 PAGES 1 THROUGH 44.
(1) FOR LIGHTING RATES, COLUMN C REPRESENT NUMBER OF UNITS FOR 12 MONTHS.

DUKE ENERGY OHIO
 CALCULATION OF RIDER DDR (DECOUPLING) RATES
 FORECAST SALES JULY 2013 - JUNE 2014

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	DM	EH	ORH	ORHP	RS	RS3P	RSLI	RSPP	TD
Jul-13	49,926,959	-	485,364	-	709,238,684	428,287	7,368,904	-	38,672
Aug-13	52,602,223	-	468,948	-	740,507,699	412,858	7,651,601	-	39,940
Sep-13	47,796,811	-	443,446	-	658,864,854	385,245	6,615,879	-	36,529
Oct-13	39,264,265	6,616,157	401,621	-	482,691,560	323,770	5,217,160	-	28,364
Nov-13	38,090,338	6,607,544	461,327	-	461,622,411	294,178	5,096,589	-	28,637
Dec-13	46,270,101	9,426,828	725,450	7,371	649,506,533	395,722	7,039,987	8,802,910	41,646
Jan-14	52,428,834	12,726,945	979,865	9,205	755,268,315	483,657	8,334,638	38,628,569	49,597
Feb-14	47,644,456	11,735,618	838,986	8,186	675,686,684	367,252	7,408,783	37,224,820	51,200
Mar-14	44,563,990	9,366,529	634,591	-	587,762,017	374,795	6,185,197	33,119,600	40,920
Apr-14	40,067,678	8,742,111	530,505	-	506,760,835	305,766	6,505,940	-	32,272
May-14	40,348,581	7,479,959	391,130	-	441,323,901	295,796	4,925,408	-	28,393
Jun-14	47,133,104	-	422,229	-	568,499,682	351,899	5,954,374	-	32,051
Total	546,137,340	72,701,691	6,783,462	24,762	7,237,733,175	4,419,225	78,304,460	117,775,899	448,221
Total Residential			7,445,489,204						

DUKE ENERGY OHIO

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CALCULATION OF RIDER DDR (DECOUPLING) RATES

CALCULATION OF THREE PERCENT CAP BASED ON JANUARY 2012 THROUGH DECEMBER 2012 DISTRIBUTION REVENUES

BILL PERIOD (All)

Row Labels	Sum of DISTRIBUTION	Sum of OHIO EXC TAX	Sum of UNIV SERVICE	Sum of SAW RECOV	Sum of Rider DR	Sum of RIDER EE	Sum of INFRA MOD
DM	\$19,491,339	\$2,438,456	\$660,133	\$743,206	\$177,638	\$159,244	\$1,202,123
EH	\$1,113,740	\$262,503	\$82,318	\$79,555	\$24,833	\$29,388	\$11,498
OR	\$143,586	\$28,092	\$7,688	\$4,433	\$840	\$3,495	\$3,960
RS	\$200,944,054	\$33,298,128	\$8,817,708	\$5,323,901	\$2,660,716	\$3,533,085	\$12,542,206
TD	\$11,615	\$2,551	\$680	\$303	\$163	\$533	\$879
Grand Total	\$221,704,333	\$36,029,729	\$9,568,526	\$6,151,399	\$2,864,190	\$3,725,746	\$13,760,666

Total Residential (OR, RS, TD)

\$267,328,616

Total DM

\$24,872,138

Total EH

\$1,603,835

3% of Total Residential (OR, RS, TD)

\$8,019,858

3% of Total DM

\$746,164

3% of Total EH

\$48,115

RIDER DDR

DISTRIBUTION DECOUPLING RIDER

APPLICABILITY

Applicable to all customers taking service under the Company's rate schedules listed below.

DECOUPLING RIDER RATES

As a three-year pilot program or until the Company's next distribution rate case, applicable customers shall be assessed a monthly charge or credit which reflects an adjustment to rates that will effectively remove Duke Energy Ohio's distribution-related through-put incentive.

CHARGES/CREDITS

Beginning July 1, 2013, the following Rider DDR rates apply:

<u>Tariff Sheet</u>	<u>DDR Charge/Credit</u> (Per kWh)
Rates RS, RS3P, RSLI, Residential Service All kWh	\$0.000720
Rate ORH, Optional Residential Service With Electric Space Heating All kWh	\$0.000720
Rate TD, Optional Time-of-Day Rate All kWh	\$0.000720
Rate TD-AM, Optional Time-of-Day Rate For Residential Service With Advanced Metering All kWh	\$0.000720
Rate TD-2012, Optional Time-of-Day Rate For Residential Service With Advanced Metering All kWh	\$0.000720
Rate TD-2013, Optional Time-of-Day Rate For Residential Service With Advanced Metering All kWh	\$0.000720
Rate TD-CPP_LITE, Optional Critical Peak Pricing Rate For Residential Service With Advanced Metering All kWh	\$0.000720
Rate TD-LITE, Optional Time-of-Day Rate For Residential Service With Advanced Metering (Modified) All kWh	\$0.000720
Rate CUR, Common Use Residential Service All kWh	\$0.000720
Rate EH, Optional Rate For Electric Space Heating All kWh	\$0.000662
Rate DM, Secondary Distribution Service, Small All kWh	(\$0.002222)

Filed pursuant to an Order dated _____ in Case No. _____ before the Public
Utilities Commission of Ohio.

Issued:

Issued by James P. Henning, President

Effective:

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

2/26/2013 5:05:53 PM

in

Case No(s). 13-0536-EL-RDR

Summary: Application Application of Duke Energy Ohio, Inc. to Adjust and Set Rider DDR electronically filed by Carys Cochern on behalf of Watts, Elizabeth H. Ms.