

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Duke Energy Ohio, Inc., for Approval)
of a Distribution Decoupling Rider.) Case No. 11-5905 -EL-RDR

REPLY COMMENTS OF DUKE ENERGY OHIO, INC.

Duke Energy Ohio, Inc., (Duke Energy Ohio) initiated this case in 2011 pursuant to a stipulation that had been approved by the Public Utilities Commission of Ohio (Commission) in Duke Energy Ohio's second electric security plan case (ESP II).¹ In the ESP II stipulation, the Company had agreed to withdraw its request to establish a decoupling rider. and instead agreed to request approval of a decoupling rider, Rider DDR, in a separate proceeding.² Rider DDR is designed to adjust rates between rate cases to remove the Company's incentive to sell energy and it is thereby complementary to Duke Energy Ohio's energy efficiency programs. The mechanism was established in the above-captioned case, but more recently, in Duke Energy Ohio's ESP III proceeding, was approved to continue until the Company's next distribution base rate case.³

On March 13, 2017, the Office of the Ohio Consumers' Counsel (OCC) submitted comments in this proceeding wherein it pointed out that the Company did not file a redline of the DDR tariff, to indicate its deletion, in the Company's recently filed distribution rate case, Case No.17-32-EL-AIR, *et al.*, as OCC had anticipated would be done.

¹ *In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to Section.4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service*, Case No.11-3549-EL-SSO, *et al.*

² ESP II, Stipulation, pg. 30 (October 24, 2011).

³ *In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to R.C.4928.143 in the Form of an Electric Security Plan, Accounting Modifications, and Tariffs for Generation Service*, Case No.14-841-EL-SSO, *et al.*, Opinion and Order, at pg. 76 (April 2, 2015).

On March 16, 2017, Duke Energy Ohio submitted testimony in support of its application to increase rates in the rate proceeding. As explained in the direct testimony of Duke Energy Ohio witness James A. Riddle, the Company proposes to continue Rider DDR. Consequently, submission of a tariff sheet showing the elimination of Rider DDR would have been contrary to the Company's proposal.

The above-captioned proceeding is one through which Rider DDR will be adjusted. It is not a proceeding to assess the continuation of the rider. Rather, such assessment is properly made in the context of the Company's pending distribution rate case. Consequently, the OCC's observations here may be generally informative but they are not determinative of the outcome of this proceeding or other pending matters.

Respectfully submitted,
Duke Energy Ohio, Inc.

A handwritten signature in blue ink that reads "Elizabeth H. Watts" followed by a small mark that appears to be "DDR".

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served this 17th day of March, 2017, by U.S. mail, postage prepaid, or by electronic mail upon the persons listed below.


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Summary: Reply Reply Comments of Duke Energy Ohio, Inc. electronically filed by Dianne Kuhnell on behalf of Duke Energy Ohio, Inc. and Spiller, Amy B. and Watts, Elizabeth H.