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Duke Energy Corporation
139 East Fourth Street
P.O. Box 960
Cincinnati, Ohio 45201-0960

RECEIVED-DOCKETING DIV.

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PUCO

March 7, 2008

Public Utilities Commission of Ohio
ATTN: Docketing Division
13th Floor
180 East Broad Street
Columbus, Ohio 43215-3793

RE: In the Matter of the Application of Duke)
Energy Ohio, Inc., to Adjust and Set) Case No. 07-973-EL-UNC
the Annually Adjusted Component of)
its Market-Based Standard Service Offer)

Docketing Division:

Pursuant to the Commission's Order approved in the above captioned case, enclosed, for purposes of updating the Company's electric tariff, are four (4) copies of Duke Energy Ohio's Rider AAC, Annually Adjusted Component Rider which becomes effective on April 1, 2008. This update is to correct the true-up of the 2007 budget to actual environmental reagent variance.

One copy of the enclosed tariff is for filing with TRF Docket Number 89-6002-EL-TRF.

Please time-stamp the enclosed extra copy and return for our file. Thank you.

Very truly yours,

Robert M. Parsons

Enclosures

This is to certify that the images appearing are an
accurate and complete reproduction of a case file
document delivered in the regular course of business.
Technician TM Date Processed 3/7/2008

RIDER AAC

ANNUALLY ADJUSTED COMPONENT RIDER

APPLICABILITY

Applicable to all jurisdictional retail customers in the Company's electric service area.

CHARGE

The Annually Adjusted Component Rider Charges detailed below are applicable after the end of the Market Development Period, except that they will not apply to those customers that receive a shopping credit or are eligible to avoid the Annually Adjusted Component charge as described below in the AVOIDANCE OF CHARGE section. All applicable kWh are subject to the Annually Adjusted Component Rider Charge. See Section VI, Item 7 of the Electric Service Regulations for the definition of the term "Market Development Period."

The following rates are effective for non-residential customers (including residential service of a commercial or public character) April 1, 2008:

<u>Tariff Sheet</u>	<u>AAC Charge</u> (per kWh/kW)
Rate DS, Service at Secondary Distribution Voltage	
First 1000 kW	\$1.049100
Additional kW	\$0.829900
Billing Demand Times 300	\$0.002682
Additional kWh	\$0.002228
Rate GS-FL, Optional Unmetered For Small Fixed Loads	
kWh Greater Than or Equal to 540 Hours	\$0.008910
kWh Less Than 540 Hours	\$0.010242
Rate CUR, Common Use Residential Service	
Summer, First 1000 kWh	\$0.006052
Summer, Additional kWh	\$0.007669
Winter, First 1000 kWh	\$0.006052
Winter, Additional kWh	\$0.002284
Rate EH, Optional Rate For Electric Space Heating	
All kWh	\$0.003656
Rate DM, Secondary Distribution Service, Small	
Summer, First 2800 kWh	\$0.008023
Summer, Next 3200 kWh	\$0.002048
Summer, Additional kWh	\$0.000894
Winter, First 2800 kWh	\$0.006367
Winter, Next 3200 kWh	\$0.002052
Winter, Additional kWh	\$0.000848

Filed pursuant to an Order dated January 16, 2008 in Case No. 07-973-EL-UNC before the Public Utilities Commission of Ohio.

Issued: March 7, 2008

Effective: April 1, 2008

Issued by Sandra P. Meyer, President

CHARGES (Contd.)

Tariff Sheet

AAC Charge
(per kWh/kW)

Rate DP, Service at Primary Distribution Voltage	
First 1000 kW	\$0.947400
Additional kW	\$0.747300
Billing Demand Times 300	\$0.003021
Additional kWh	\$0.002423
Rate TS, Service at Transmission Voltage	
First 50,000 Kva	\$1.148400
Additional kVA	\$0.827800
Billing Demand Times 300	\$0.001973
Additional kWh	\$0.002243
Rate SL, Street Lighting Service	
All kWh	\$0.003946
Rate TL, Traffic Lighting Service	
All kWh	\$0.002310
Rate OL, Outdoor Lighting Service	
All kWh	\$0.003946
Rate NSU, Street Lighting Service for Non-Standard Units	
All kWh	\$0.003946
Rate NSP, Private Outdoor Lighting for Non-Standard Units	
All kWh	\$0.003946
Rate SC, Street Lighting Service - Customer Owned	
All kWh	\$0.003946
Energy only - all kWh	\$0.001570
Rate SE, Street Lighting Service - Overhead Equivalent	
All kWh	\$0.003946
Rate UOLS, Unmetered Outdoor Lighting Electric Service	
All kWh	\$0.001625

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CHARGES (Contd.)

The following rates apply to residential customers beginning April 1, 2008:

<u>Tariff Sheet</u>	<u>AAC Charge</u> (per kWh/kW)
Rate RS, Residential Service	
Summer, First 1000 kWh	\$0.006672
Summer, Additional kWh	\$0.008454
Winter, First 1000 kWh	\$0.006672
Winter, Additional kWh	\$0.002517
Rate ORH, Optional Residential Service With Electric Space Heating	
Summer, First 1000 kWh	\$0.005957
Summer, Additional kWh	\$0.007137
Winter, First 1000 kWh	\$0.005955
Winter, Additional kWh	\$0.003083
Winter, kWh greater than 150 times demand	\$0.001928
Rate TD, Optional Time-of-Day Rate	
Summer, On-Peak kWh	\$0.013603
Summer, Off-Peak kWh	\$0.001986
Winter, On-Peak kWh	\$0.010693
Winter, Off-Peak kWh	\$0.001988

AVOIDANCE OF ANNUALLY ADJUSTED COMPONENT RIDER CHARGE

The first 25% of eligible residential load and the first 50% of eligible non-residential load, by customer rate class, to switch to a certified supplier shall not pay the AAC. All remaining 75% of residential load or 50% of non-residential load, by customer rate class, shall pay the AAC. The Company shall calculate the switched load by customer class in the same manner as it calculates switched load pursuant to its transition plan stipulation approved by the Commission in Case No 99-1658-EL-ETP.

The Company shall establish and maintain a queue of switched load, effective January 1, 2005, such that as the load of one customer returns to the Company's market-based standard service offer (MBSSO) market price, the applicable load of the next customer in the queue shall move into the percent of switched load permitted to avoid the AAC in the applicable customer class, in order, until the applicable switched percentage of load has been achieved.

AVOIDANCE OF ANNUALLY ADJUSTED COMPONENT RIDER CHARGE (Contd.)

To qualify to bypass the AAC, a non-residential customer must enter into a contract with a creditworthy CRES provider to provide firm generation service through December 31, 2008, or a non-residential customer may sign a contract with the Company assuring that it will purchase competitive retail electric generation service from a competitive retail electric service provider through December 31, 2008. Such contract or agreement must satisfy the full capacity, energy, and transmission requirements associated with the customer. The applicable non-residential customer must provide a minimum of 60-days notice to the Company of the effective date of the contract, and may provide notice to the Company beginning November 23, 2004. All loads of customers seeking to avoid the AAC must be in the applicable percentage of switched load of the applicable customer class necessary to avoid the AAC at the time that contract notice is given to the Company. All customers, including those already switched, may give such notice and shall be placed in the queue for avoidance of the AAC at the time notice is given. To calculate the applicable percentage of switched load by customer class the Company shall count all switched customers receiving shopping credits and customers having given the required notice and with the required contract. Switched non-residential customers who return to the Company's generation service will be charged the highest hourly generation cost that the Company incurs for that hour. None of the restrictions or requirements set forth above shall apply to residential customers prior to January 1, 2006. At the end of their market development period at January 1, 2006, residential customers may bypass the RSC if they are in the first 25% of residential load as determined by order and receipt by the Company of a proper Direct Access Service Request as of January 1, 2006. Residential customers returning to the Company due to the default of their contracting competitive retail electric service provider or upon expiration of their contract shall be served at the Company's then existing MBSSO market price calculated as if the consumer had never purchased competitive retail electric service from a certified supplier.

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