# BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In The Matter of the Amended Application	)	
of Duke Energy Ohio, Inc.	)	Case No. 09-780-EL-ATA
To Modify Its Tariff for Rider PLM	)	

# AMENDED APPLICATION OF DUKE ENERGY OHIO, INC. TO MODIFY ITS TARIFF FOR RIDER PLM AND FOR EXPEDITED APPROVAL

Duke Energy Ohio, Inc. (Duke Energy Ohio or Company) 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 is filing this Amended Application pursuant to R.C. 4909.18 to modify its tariff for Rider Peak Load Management (Rider PLM) as set forth in Duke Energy's Rider PLM Tariff, P.U.C.O. Electric Tariff No. 19, Sheet No. 87 (Rider PLM Tariff). Exhibits A and B attached hereto set forth the current and proposed changes to this Tariff.

The PLM Program is voluntary and offers customers the opportunity to reduce their electric costs by managing their electric usage during Company's peak load periods. This arrangement is effectuated by an agreement with the customer wherein the customer may curtail its load or buy through under certain circumstances. Rider PLM Tariff presently specifies in its first paragraph that customers electing to choose an alternative supplier will only be eligible to participate in the PLM program in the emergency program.

The Ohio General Assembly enacted S.B. 221, effective on July 31, 2008, which mandated, among other things that electric distribution utilities achieve certain benchmarks with

respect to energy efficiency and renewable energy. Among the requirements set forth in S.B. 221 was the mandate to implement peak demand reduction programs designed to achieve a one per cent reduction in peak demand in 2009 and an additional seventy-five hundredth of one per cent reduction each year through 2018. R.C. 4928.66 (A)(1)(b). The Rider PLM program is one

of the means by which Duke Energy expects to achieve this demand reduction.

Commission consider this request on an expedited basis.

As a result of a downward trend in market prices for energy, Duke Energy Ohio has been experiencing an increase in customers switching to competitive suppliers in its service territory. If this trend continues, and if Duke Energy Ohio cannot offer this program to customers choosing alternative suppliers, then its ability to reduce demand is significantly hampered. Indeed, if Duke Energy Ohio lost its entire load to customers switching, it would be unable to comply with the mandates at all. For these reasons, Duke Energy Ohio respectfully requests that the

Accordingly, Duke Energy Ohio respectfully requests that the Commission authorize the changes to Rider PLM. Upon approval of this Application, the Companies will file a sufficient number of copies of its revised tariff sheets, as directed by the Commission.

Respectfully submitted,

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Elizabeth H. Watts
Assistant General Counsel
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#### RIDER PLM

#### PEAK LOAD MANAGEMENT PROGRAM

#### **AVAILABILITY**

Applicable to Customers served under the Standard Rates DS, DP, and TS or Rate RTP. Customers electing to choose an alternative supplier will not be eligible to participate in the PLM Program.

#### PROGRAM DESCRIPTION

The PLM Program is voluntary and offers Customers the opportunity to reduce their electric costs by managing their electric usage during Company's peak load periods. Customer and Company will enter into a Service Agreement under this Rider which will specify the terms and conditions under which Customer agrees to reduce usage.

#### **SERVICE OPTIONS**

Customers may elect to participate in a PLM service option by either choosing to:

- a) reduce demand to a specified amount,
- b) reduce energy usage below their baseline, or
- c) sell the output of any Customer owned self generation to Company.

Upon approval of Company, Customers will have the choice to combine the electric loads of multiple accounts (aggregate) served under the Company's Standard Rate Schedules and/or Special Contracts of Company, for any of the options available under the PLM Program. Any aggregation of Customer loads applies only to the provisions of this Rider (the PLM Program) and in no way is to be used to migrate between or to the Company's Standard Rate Schedules and/or Special Contracts.

The specific hours for the PLM service option will be mutually agreed upon between Customer and Company and specified in the Service Agreement. The targeted hours for the PLM Program will generally be between 11:00 A.M. and 8:00 P.M., Monday through Friday, starting June 1 and ending September 30.

Buy-through energy is the incremental energy the Customer has decided to purchase in lieu of managing their electric demand or energy usage as agreed upon between the Customer and the Company.

Issued pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

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## **Demand Reduction Option**

Customers served under the Standard Rates DS, DP, and TS or Rate RTP electing this option agree, upon notification by Company, to limit their demand to a Firm Load Level. Customer and Company will mutually agree on the amount of demand reduction, the conditions under which a request for reduction can be issued and the mechanism to be used to verify compliance. Based upon these factors, Company will establish a bill credit to be given to Customer and the structure of the bill credit. The value of bill credit will take into consideration the projected avoided cost of firm capacity and energy, any bill savings from reducing load under the applicable Standard Rates or Rate RTP and program administrative costs.

Company will provide buy-through energy, if available, to be billed based on price quotes (Buythrough Quotes) provided to Customer. Such Buy-through Quotes will include a) applicable transmission and distribution charges, generation charges based on out-of-pocket cost plus 10% and all applicable riders and taxes included in the Standard Rate. Customer will be billed for all usage above the Firm Load Level at such Buy-through Quotes. If buy-through energy is not available and Customer fails to reduce its usage to the Firm Load Level, Customer will be billed for all usage above the Firm Load Level at \$10.00 per kilowatt-hour.

# **Energy Reduction Below Baseline**

Customers served under the Standard Rates DS, DP, and TS or Rate RTP electing this option agree, upon notification by Company, to reduce energy usage below their Baseline Level. Reductions below the Baseline Level during such periods will be credited at the Energy Buy-Back Price Quotes provided to Customer by Company. Customer and Company will mutually agree upon a) the conditions under which such Price Quotes will be in effect, b) the time period by which Company will provide such Price Quotes to Customer and c) the time duration such Price Quotes will be in effect. The determination of such Energy Buy-Back Price Quotes will take into consideration the projected avoided cost of energy, any bill savings from reducing load under the applicable Standard Rates or Rate RTP and program administrative costs.

Customer will agree to provide Company with an estimate of the amount of load reduction to be provided during such periods. The Baseline Level must be mutually agreeable to by both the Customer and the Company as representing the Customer's normal usage level during the time period that a notification could be given.

#### **Generation Sell Back**

Customers served under the Standard Rates DS, DP, and TS or Rate RTP electing this option, agree upon notification by Company, to sell the output of their electric generator to Company. Customer and Company will mutually agree on the amount of generation to be sold back and the conditions under which a request to run the generator can be issued. Based upon these factors, Company will establish a bill credit to be given to Customer and the structure of the bill credit. The value of bill credit will take into consideration the projected avoided cost of firm capacity and energy and program administrative costs.

Suitable metering will be installed either by Customer or Company to measure the energy output of the Generator. Customer will provide suitable access and a suitable location for the installation of such metering equipment.

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#### **Generation Sell Back**

During such time period that the electrical output of the generator is being sold back to Company, the meter readings that are normally used to bill the Customer shall be adjusted by adding back the measured output of the generator.

#### **BILLING UNDER STANDARD RATES**

Customers served under Standard Rates DS, DP or TS will be billed for all demand and energy used under the terms and conditions and at the rates and charges of the applicable Standard Rate. In addition, Customers will receive credits on their electric bill for participation in the PLM Program based upon the elected Service Option and outlined in the PLM Service Agreement.

#### **BILLING UNDER RATE RTP**

Customers served under Rate RTP will be billed for all demand and energy used under the terms and conditions and at the rates and charges of Rate RTP. In addition, Customers will receive credits on their electric bill for participation in the PLM Program based upon the elected Service Option and outlined in the PLM Service Agreement. During a notice period under this Rider, Customer's RTP billing will be adjusted to equate any credits to those outlined in the PLM Service Agreement.

#### **PROGRAM EQUIPMENT**

Company will provide Internet based communication software to be used to provide Customer with the Buy-through and Price Quotes. Customer will be responsible for providing its own Internet access.

Customer may purchase from either Company or other third-party suppliers any other necessary equipment or software packages to facilitate participation in this PLM Program. While Customers are encouraged to use such equipment or software packages to maximize benefits under this PLM Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

#### **CUSTOMER GENERATION**

Customers electing to operate a Generator in parallel with Company's electric system will operate the Generator in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. Company will grant such permission only in cases where it is satisfied that such parallel operation is practicable and without interference or probability of interference with the ability of Company to render adequate service to its other Customers.

#### **TERM AND CONDITIONS**

Except as provided in this Rider PLM, all terms, conditions, rates, and charges outlined in the applicable Standard Rates or Rate RTP will apply. Participation in the PLM Program will not affect Customer's 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 PLM Program, will not be deemed a notice period under this PLM Program. Agreements under the PLM 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 notice period.

Issued pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

**EXHIBIT A** 

Duke Energy Ohio 139 East Fourth Street Cincinnati, Ohio 45202 P.U.C.O. Electric No. 19 Sheet No. 87.1 Cancels and Supersedes Sheet No. 87 Page 4 of 4

#### **TERM AND CONDITIONS**

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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#### RIDER PLM

#### PEAK LOAD MANAGEMENT PROGRAM

#### **AVAILABILITY**

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#### PROGRAM DESCRIPTION

The PLM Program is voluntary and offers Customers the opportunity to reduce their electric costs by managing their electric usage during Company's peak load periods. Customer and Company will enter into a Service Agreement under this Rider which will specify the terms and conditions under which Customer agrees to reduce usage.

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## **Demand Reduction Option**

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#### **Energy Reduction Below Baseline**

Customers served under the Standard Rates DS, DP, and TS or Rate RTP electing this option agree, upon notification by Company, to reduce energy usage below their Baseline Level. Reductions below the Baseline Level during such periods will be credited at the Energy Buy-Back Price Quotes provided to Customer by Company. Customer and Company will mutually agree upon a) the conditions under which such Price Quotes will be in effect, b) the time period by which Company will provide such Price Quotes to Customer and c) the time duration such Price Quotes will be in effect. The determination of such Energy Buy-Back Price Quotes will take into consideration the projected avoided cost of energy, any bill savings from reducing load under the applicable Standard Rates or Rate RTP and program administrative costs.

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#### **Generation Sell Back**

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#### **BILLING UNDER STANDARD RATES**

Customers served under Standard Rates DS, DP or TS will be billed for all demand and energy used under the terms and conditions and at the rates and charges of the applicable Standard Rate. In addition, Customers will receive credits on their electric bill for participation in the PLM Program based upon the elected Service Option and outlined in the PLM Service Agreement.

#### **BILLING UNDER RATE RTP**

Customers served under Rate RTP will be billed for all demand and energy used under the terms and conditions and at the rates and charges of Rate RTP. In addition, Customers will receive credits on their electric bill for participation in the PLM Program based upon the elected Service Option and outlined in the PLM Service Agreement. During a notice period under this Rider, Customer's RTP billing will be adjusted to equate any credits to those outlined in the PLM Service Agreement.

#### **PROGRAM EQUIPMENT**

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#### **CUSTOMER GENERATION**

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# **TERM AND CONDITIONS**

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**EXHIBIT B** 

Duke Energy Ohio 139 East Fourth Street Cincinnati, Ohio 45202 P.U.C.O. Electric No. 19 Sheet No. 87.42 Cancels and Supersedes Sheet No. 87.1 Page 4 of 4

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Summary: Amended Application AMENDED APPLICATION OF DUKE ENERGY OHIO, INC. TO MODIFY ITS TARIFF FOR RIDER PLM AND FOR EXPEDITED APPROVAL electronically filed by Carys Cochern on behalf of Watts, Elizabeth H