

THE PUBLIC UTILITIES COMMISSION OF OHIO

## FINDING AND ORDER

- (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) On December 17, 2008, the Commission approved a Stipulation and Recommendation (ESP Stipulation) in Case No. 08-920-EL-SSO, et. al., establishing an electric security plan for Duke. Among other terms in the ESP Stipulation, Duke committed to convene a collaborative group with Staff and other interested stakeholders (SmartGrid Collaborative) for the purpose of exploring opportunities to maximize the benefits of the SmartGrid investment to design and implement tariffs, including residential time-of-use tariffs, which will assist customers in managing their electric costs. *In re Duke*, Case No. 08-920-EL-SSO, et al., Opinion and Order at 18 (December 17, 2008).
- (3) On January 12, 2010, as amended on February 19, 2010, Duke filed an application in this proceeding proposing to offer a time-of-day rate (Rate TD-AM) as a pilot program for generation service, which is to be made available to 250 residential customers on a voluntary basis. In order to be eligible, a customer must have installed on his or her premises an advanced meter that is commissioned, certified, and able to provide billable quality data. The initial term of service for Rate TD-AM is one year, after which a customer may remain on this rate for an additional one-year term or switch to another applicable rate. Duke explains that Rate TD-AM, as proposed, was the result of discussions with the SmartGrid Collaborative,<sup>1</sup> which has convened several times between September 17, 2009, and February 19, 2010.

<sup>1</sup> Duke states that present at the SmartGrid Collaborative meetings were Duke, Staff, The Office of the Ohio Consumers' Counsel, the Ohio Partners for Affordable Energy, and the Kroger Company.

- (4) On February 23, 2010, the Ohio Partners for Affordable Energy (OPAE) filed comments in this docket stating that, while it does not agree with the proposed tariff, OPAE has chosen not to oppose the filing because it involves a pilot program limited to 250 customers. However, OPAE believes that the pilot will ultimately confirm that dynamic pricing schemes result in increased bills for the majority of low-income households.
- (5) The Commission notes that the program is a voluntary program that will provide customers with the opportunity to regulate their consumption based on certain price signals. We also note that the program is limited to 250 customers on a pilot basis. Accordingly, upon review of the proposed Rate TD-AM pilot program proposal the Commission finds that the proposed tariff is consistent with the ESP Stipulation, does not appear to be unjust or unreasonable, and should be approved. Therefore, the Commission finds that it is unnecessary to hold a hearing regarding the application.
- (6) Accordingly, the Commission finds that Duke should proceed with the process of acquiring customers to take service under this tariff on a voluntary basis in a manner consistent with of the advice of the participants in Duke's SmartGrid Collaborative. Furthermore, the Commission finds that Duke shall inform the SmartGrid Collaborative, the Commission's Service Monitoring and Enforcement Department, and the Commission's Energy and Environment Department of significant events in the customer acquisition process.
- (7) The proposed voluntary Rate TD-AM is a small first step towards enabling consumers to better manage their energy costs. Duke should proceed, in consultation with members of the SmartGrid Collaborative, to develop a comprehensive plan for determining what pricing, technology, and communication options will work best for different consumers and for extending time-differentiated and dynamic pricing options.

It is, therefore,

ORDERED, That the application filed by Duke on January 12, 2010, as amended on February 19, 2010, be approved. It is, further,

ORDERED, That Duke be authorized to file, in final form, a four complete copies of the tariff, consistent with this Finding and Order. Duke shall file one copy in its TRF

docket (or make such filing electronically as directed in Case No. 06-900-AU-WVR) and one copy in this case 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,

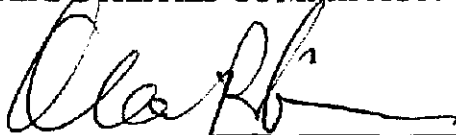
ORDERED, That the effective date of the new tariff shall be a date not earlier than the date of this Finding and Order and the date upon which four complete copies are filed with the Commission. It is, further,

ORDERED, That Duke comply with the requirements set forth in finding (6). 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 all parties of record.

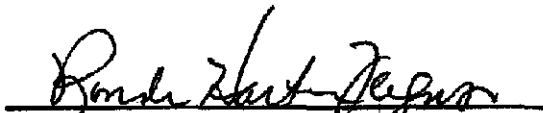
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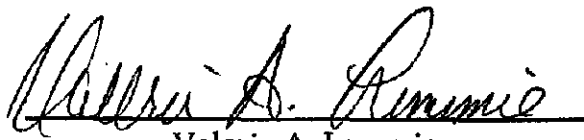
Alan R. Schriber, Chairman



Paul A. Centolella



Ronda Hartman Fergus



Valerie A. Lemmie

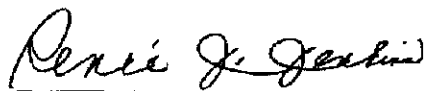


Cheryl L. Roberto

DJ/clh

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**MAR 03 2010**



Renee J. Jenkins  
Secretary