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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO **APR -7 PM 4:46**

In The Matter of the Application of Duke)
Energy Ohio, Inc. for Approval of)
Tariff for Rate PTR)

PUCO

Case No. 10- **455-EL-ATA**

**APPLICATION OF DUKE ENERGY OHIO, INC.
FOR APPROVAL OF TARIFF FOR RATE PTR**

Duke Energy Ohio, Inc. (Duke Energy Ohio) 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 Application pursuant to R.C. 4909.18 for Approval of Tariff for Rate PTR, P.U.C.O. Electric Tariff No. 19, Sheet No. 37. Exhibit 1 attached hereto sets forth the proposed tariff.

The Ohio General Assembly enacted S.B. 221, effective on July 31, 2008, which amended various provisions of Amended Substitute Senate Bill 3. Among the amendments are various revisions to Section 4905.31, Revised Code and Chapter 4928, Revised Code, specifically Section 4928.14 which required electric utilities to provide customers with a default standard service offer (SSO), consisting of either a market rate offer (MRO) or an electric security plan (ESP).

Duke Energy Ohio filed an application for approval of an SSO on July 31, 2008. On December 17, 2008, the Commission approved its stipulation with certain modification in Case

No. 08-920-EL-SSO. The Stipulation provided for a collaborative¹ to maximize the benefits of the SmartGrid investment. The opportunities were to include the implementation of tariffs.

Duke Energy convened a SmartGrid Collaborative to assist with and collectively determine proper deployment of Duke Energy Ohio's SmartGrid. The SmartGrid Collaborative has now convened on several occasions (Sept. 17, 2009, Oct. 28, 2009, and Dec. 9, 2009, Jan. 13, 2010, Feb. 17, 2010 and March 16, 2010). At present, the SmartGrid Collaborative includes the Staff of the Public Utilities Commission of Ohio, The Office of Consumers' Counsel, Ohio Partners for Affordable Energy and The Kroger Company. The SmartGrid Collaborative is continuing to meet and discuss development of new SmartGrid applicable tariff rates. The collaborative has determined that the proposed Peak Time Rebate rate for residential service for those customers with advanced metering will offer a benefit to those customers.

It is anticipated that the implementation of this new Peak Time Rebate (PTR) rate will inform the SmartGrid Collaborative and provide a valuable measure of experience from which to draw upon in creating and implementing additional rates that will enhance customer energy efficiency and the SmartGrid experience. This limited pilot program is complementary and in addition to previously approved Rate TD-AM. It is also, important to note that Duke Energy Ohio has requested that the Commission waive certain of its rules contained in the Ohio Administrative Code in order to allow this pilot and the pilot program related to Rate TD-AM to proceed. Duke Energy Ohio will not be able to implement either of the tariff programs absent such a waiver.

Customers ordinarily should see a bill decrease as a result of the implementation of this pilot. However, customers who do not take proper advantage of the rate may see a bill increase.

¹ *In re Duke Energy Ohio SSO*, Case Nos. 08-920-EL-SSO, et al., Stipulation and Recommendation, (October 28, 2008) at 15.

It is precisely due to the lack of experience with customer reaction and implementation that the first pilot is limited in number and scope. It is anticipated that beginning in approximately May, 2010, Duke Energy Ohio will provide web-based information to customers so that the customer will have more information and education upon which to rely.

For these reasons, and for this very limited number of customers, Duke Energy Ohio respectfully requests that the Commission approve this tariff. Upon approval of this Application, the Companies will file a sufficient number of copies of its tariff sheets, as directed by the Commission.

Respectfully submitted,



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RIDER PTR

PEAK TIME REBATE – RESIDENTIAL PILOT PROGRAM

AVAILABILITY

The Peak Time Rebate (PTR) Program is applicable to residential Customers served under Rates RS and TD-AM. This rider is available only as Company advanced meters with interval recording registers are installed on the customer's premises. The advanced meters must be commissioned, certified, and provide billable quality data. This rider is available to the first five hundred (500) customers that request service under this rider. Eligible customers must receive generation service from Duke Energy Ohio. This rider is not available to customers on income payment plans, budget billing, HEAP, or any other assistance plan. Customers participating in the Power Manager program are not eligible to participate in the PTR Program.

Rider PTR is offered on a pilot basis. The Company reserves the right to modify this rider, subject to approval by the Commission, as information regarding customer participation, load response, costs, and other pertinent information becomes available.

PROGRAM DESCRIPTION

The PTR Program is voluntary and offers residential Customers the opportunity to reduce their electric costs by reducing their electric usage during Company's critical peak load periods (critical peak events).

At its discretion, the Company may call up to ten (10) critical peak periods per year during the calendar months of June, July, August, and September. Participating customers will be notified on the day prior to a critical peak event of the planned event for the next day. Critical peak events will last 8 hours and will begin at noon and end at 8 P.M., and they will not occur on weekends or holidays as recognized by the National Electric Reliability Corporation (NERC). The Company may call up to three (3) events per week with no more than two (2) events occurring on consecutive days. A week is defined as the period Sunday through Saturday.

Participating customers may choose to maintain their electric usage levels at previous levels during an event. Customers who do not reduce usage levels during the event will not incur any penalties, and they will be billed for the electricity consumed during the event at the normal tariff rates. No customer's bill will increase as a result of this tariff.

Customers will receive a bill credit of \$0.2800 per kWh of load reduction during the critical peak event. Credits will appear on participating customers' bills. The kWh load reduction is calculated as the difference between the estimated kWh usage that would have occurred during the critical peak event without action by the participant (estimated kWh) and the participant's actual kWh usage during the critical peak event (actual kWh). Credits will be computed and provided on customers' bills within two monthly billing cycles. Bills ordinarily are rendered at monthly intervals. The word "month" shall mean the period of approximately thirty (30) days between monthly bill dates.

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PROGRAM DESCRIPTION (CONTINUED)

The Company will use the participant's recent historical electricity consumption information for non-event, non-holiday weekdays in establishing the participants' individualized estimated kWh usage for use as a base line to determine the amount of load reduction.

BILLING UNDER STANDARD RATES

Customers served under Rate RS or Rate TD-AM will be billed for all energy used under the terms and conditions and at the rates and charges of the applicable tariff. In addition, Customers will receive credits on their electric bill for participation in the PTR Program as described above in the PROGRAM DESCRIPTION section.

CUSTOMER NOTIFICATION OF CRITICAL PEAK EVENTS

Participating customers will be notified by 8:00 P.M. on the day prior to a critical peak event of the planned event for the next day. The Company will notify customers of critical peak events for the following day via telephone, e-mail, text messaging, or any other means that becomes available. The customer will be required to provide a primary contact method of communication.

Participating customers are responsible for the costs of establishing and maintaining internet service, e-mail service, telephone service, and/or cell phone text messaging service. The Company will provide a mechanism for participants to choose their primary preferred communication channel.

The Company is not liable for any damages or claims resulting from customers' failure to receive notice of a critical peak event, for any reason.

TERM AND CONDITIONS

Except as provided in this Rider PTR, all terms, conditions, rates, and charges outlined in the applicable Rate RS or Rate TD-AM will apply. Participation in the PTR Program will not affect Customers' 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 PTR Program, will not be deemed an event period under this PTR Program. Agreements under the PTR 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 critical peak event period.

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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