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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application)
of Duke Energy Ohio, Inc. to Adjust)
and Set the Annually Adjusted Component)
of its Market Based Standard Service Offer)

Case No. 10- 1268 EL-RDR

APPLICATION OF DUKE ENERGY OHIO, INC. TO ADJUST
RIDER PRICE TO COMPARE-ANNUALLY ADJUSTED COMPONENT
(PTC-AAC)

1. Duke Energy Ohio, Inc. (Duke Energy Ohio) is an Ohio corporation engaged in the business of supplying electric transmission, distribution, and generation service in Adams, Brown, Butler, Clinton, Clermont, Hamilton, Montgomery, and Warren Counties in Southwestern Ohio to approximately 500,000 consumers, and supplying electric transmission and distribution service to approximately 180,000 customers who receive generation service from Competitive Retail Electric Service (CRES) Providers.

2. Duke Energy Ohio is a "public utility" as defined by R.C. 4905.02 and 4905.03, and an "electric distribution company," "electric light Company," "electric supplier," and "electric utility" as defined by R.C. 4928.01.

3. This application is made pursuant to the Public Utilities Commission of Ohio's Opinion and Order issued December 17, 2008, in Case No. 08-920-EL-SSO that allows Duke Energy Ohio to file an application before the Commission to establish a new price for its Annually Adjusted Component Rider (PTC-AAC) rate if it intends to change the Rider PTC-AAC price.

4. The schedules supporting Duke Energy Ohio's calculation of the necessary change to Rider PTC-AAC are provided as attachments to the

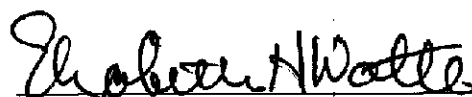
testimony of Duke Energy Ohio witness, Peggy A. Laub. The schedules include and support the calculations for the four cost components that were approved for recovery through Rider PTC-AAC, including environmental compliance costs, fuel diversity costs, changes in tax laws and costs for Homeland Security.

5. Schedule 1 (also labeled as Attachment PAL-1) is a summary of the revenue requirement. Attachments PAL-2 and PAL-3 are the proposed amended tariff of Rider PTC-AAC, and the calculation of the Rider PTC-AAC charge as a percentage of the Rider SRA-CD price, respectively.

WHEREFORE, Duke Energy Ohio respectfully requests that the Commission approve the attached annually adjusted component tariff and Rider PTC-AAC prices. Duke Energy Ohio respectfully requests that the Commission grant approval of the Rider ptc-AAC application.

Respectfully submitted,

DUKE ENERGY OHIO



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