



Duke Energy Corporation
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February 28, 2012

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 to Set its) Case No. 11-6001-EL-RDR
Supplier Cost Reconciliation Rider)

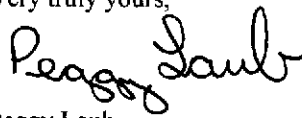
Docketing Division:

Enclosed for purposes of setting the Company's electric tariff, are four (4) copies of the following proposed tariff to become effective for bills rendered beginning with the first billing cycle in April 2012.

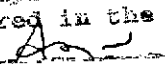
Sheet No. 115.1 Rider SCR Supplier Cost Reconciliation Rider

One copy of the enclosed tariff is to be designated for TRF Docket Number 89-6002-EL-TRF.

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

Very truly yours,

Peggy Laub

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  Date Processed 2/28/12

RIDER SCR

SUPPLIER COST RECONCILIATION RIDER

APPLICABILITY

Applicable to all retail jurisdictional customers in the Company's electric service territory who receive electric generation service from the Company under the Standard Service Offer (SSO). Rider SCR does not apply to customers taking generation service from a Competitive Retail Electric Service (CRES) provider except as provided below in the NON-BYPASSABLE PROVISION section.

DESCRIPTION

The Supplier Cost Reconciliation Rider recovers any differences between payments made to suppliers, as determined through the competitive bid process (SSO Auction), and the revenues collected through Rider RC and Rider RE. Rider SCR will also be used to recover all prudently incurred costs associated with conducting the SSO Auction and any costs resulting from supplier default. Rider SCR will be filed quarterly and will be subject to annual audits by the Commission at its discretion. The monthly accumulated balance of over- and under-recovery will accrue a carrying charge equal to Duke Energy Ohio's overall cost of long-term debt, as approved in its most recent distribution rate case (e.g., Case No. 08-709-EL-AIR).

NON-BYPASSABLE PROVISION

Subject to Commission approval, Rider SCR becomes applicable to all retail jurisdictional customers in the Company's electric service territory including those customers taking generation service from a CRES provider under the following circumstance:

The revenue balance within the SCR account becomes equal to or greater than ten percent of the Company's total actual SSO revenues collected for the most recent twelve month period under Riders RE, RC, RECON, RTO, and AER-R. The total actual SSO revenue will be determined from data covering the most recent quarter for which it is available.

Duke Energy Ohio shall apply to the Commission for confirmation that the Company should modify the Rider such that it becomes non-bypassable regardless as to whether or not the balance in the Rider results from over- or under-recovery.

For customers of CRES providers, Rider SCR will become bypassable again when, at the time of the quarterly filing, the Rider balance of over- or under-recovery falls below the ten percent threshold.

CHARGES

The charge for all customers is \$0.000923 per kWh.