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June 25, 2012

FILE

12-817-EL-RDR

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus OH 43215

RE: *In the Matter of the Application of Duke Energy Ohio, Inc. to Set its Fuel And Reserve  
Capacity Reconciliation Rider, Rider RECON, Case No. 12-817-EL-RDR.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the  
application of Duke Energy Ohio to set Rider RECON.

Sincerely,

Tamara S. Turkenton  
Chief, Utilities, Accounting & Electricity Division  
Public Utilities Commission of Ohio

Enclosure  
Cc: Parties of Record

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**Duke Energy Ohio**  
**Case No. 12-817-EL-RDR**

**SUMMARY**

On May 25, 2012, Duke Energy Ohio (Duke-OH) filed an application to set its Fuel and Reserve Capacity Reconciliation Rider (Rider RECON). Rider RECON is a bypassable charge designed to act as a true-up of Duke-OH's Rider FPP-PTC (price to compare fuel and purchased power) and its Rider SRT-SRA (system reliability adjustment: system reliability tracker) that expired on December 31, 2011.

Rider RECON is a pricing component that was approved and established in the Stipulation and Recommendation (Stipulation) filed on October 24, 2011, in Case No. 11-3549-EL-SSO, *et al.*, as well as in accordance with the Public Utilities Commission of Ohio's (Commission) Opinion and Order (Order) dated November 22, 2011, and its subsequent Entry dated December 14, 2011 (Entry).

Duke-OH's proposed rates reflect a total revenue requirement of \$1,248,665.93 in order to true-up the under-collected costs for calendar year 2011. Of this amount, rates for Rider FPP-PTC are \$1,151,249.32 and \$97,416.61 for Rider SRT-SRA. The resulting rate is \$0.000862 per kWh for all customers.

**STAFF REVIEW**

In accordance with a Staff data request, Duke-OH provided schedules supporting the calculation of the proposed tariff, Sheet No. 109.02, Rider Recon filed on May 25, 2012. The Staff has reviewed the December 31, 2011 ending balances for Rider FPP-PTC and Rider SRT-SRA as included in the filing dated May 25, 2012, and believe they are appropriately included in Rider RECON.

**CONCLUSION**

Duke-OH requests that Rider RECON become effective on a bills-rendered basis beginning with the first billing cycle in July. The Staff recommends the application be approved.