



**Public Utilities
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12-817-EL-RDR

FILE

June 26, 2012

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PUCO

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 AMENDED 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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Technician jl Date Processed JUN 26 2012

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. However, due to the fact that this Application will not be processed by July 1, 2012, Staff is recommending that Rider RECON be implemented on a service-rendered basis effective with the date of a Commission order in this case.

The Staff recommends the application be approved.