

In the Matter of the Application of)
Duke Energy Ohio, Inc., to) Case No. 13-1539 -EL-ESS
Establish Reliability Targets.)

1. Duke Energy Ohio, Inc., (Duke Energy Ohio or the Company) is an Ohio corporation engaged in the business of supplying electric transmission, and distribution service in Adams, Brown, Butler, Clinton, Clermont, Hamilton, Montgomery, and Warren Counties in Southwestern Ohio to approximately 690,000 electric customers and 420,000 gas customers.

2. Duke Energy Ohio is a “public utility” as defined by Sections 4905.02 and 4905.03, Revised Code, and an “electric distribution company,” “electric light company,” “electric supplier,” and “electric utility” as defined by Section 4928.01, Revised Code.

3. On May 19, 2010, in Case No. 09-757-EL-ESS, the Public Utilities Commission of Ohio, (Commission) issued an Opinion and Order approving a Stipulation that set Duke Energy Ohio's current Reliability Targets. The Stipulation provided, *inter alia*, that Duke Energy Ohio would file an updated reliability performance standard application no later than June 30, 2013. The Stipulation further required Duke Energy Ohio to conduct a customer perception survey with oversight by the Staff of the Public Utilities Commission of Ohio.

4. Pursuant to Rule 4901:1-10-10, Ohio Administrative Code, (O.A.C.), and consistent with the commitments set forth in the Stipulation and the Commission's

Opinion and Order in Case No. 09-757-EL-ESS, Duke Energy Ohio submits its Application to update its Reliability Targets; Customer Average Interruption Duration Index (CAIDI), and System Average Interruption Frequency Index (SAIFI).

5. The Company's original SAIFI Standard was agreed to in Case No. 08-920-EL-SSO, *et al.*, in a Stipulation and Recommendation that was adopted and approved by the Commission on December 17, 2008. Duke Energy Ohio has met its commitment with regard to SAIFI each year since the start of its SmartGrid deployment. The SAIFI Standard set forth therein provided for SAIFI values through 2015. It is anticipated that the grid modernization deployment will be substantially complete on or before 2015. The Company proposes to continue compliance with the terms of that Stipulation that was adopted and approved by the Commission. Accordingly, Duke Energy Ohio proposes that its SAIFI targets be approved as follows:

2013 – 1.24

2014 – 1.17

2015 and thereafter, 1.10

Duke Energy Ohio anticipates that it may reach SAIFI values below those proposed above in subsequent years. However, such improvements will be evaluated at the time based upon relative merits and cost effectiveness. Therefore the Company does not propose any SAIFI values lower than 1.10 at this time.

6. As noted in Duke Energy Ohio's application in Case No. 09-757-EL-ESS, the Customer Average Interruption Duration Index (CAIDI) value tends to increase with improvements to the distribution system. Duke Energy Ohio has made substantial improvements over the past few years as a result of deployment of grid modernization across its service territory. Accordingly, the Company proposes to continue its existing

approved CAIDI standard as previously approved by the Commission. The standard recognized the increase of CAIDI values and was approved as follows:

2013 – 115.42

2014 – 119.92

2015 – 124.37

2016 and continuing thereafter at an increase of three minutes per year.

As noted in paragraph five above, the Company anticipates continuous improvement in its distribution system that will cause potential decreases in the SAIFI index. Such improvements will be evaluated on a timely basis to determine value and cost effectiveness. To the extent such improvements reduce SAIFI, then CAIDI will likely continue to increase.

7. Attached hereto are the results of the Customer Perception Survey required by 4901:1-10-10(B)(4)(b). This survey was administered to a statistically valid and random sample of Duke Energy Ohio residential and business customers and was prepared in accordance with the Staff of the Public Utilities Commission of Ohio directives.

Respectfully submitted,
Duke Energy Ohio, Inc.

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This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

6/28/2013 8:50:07 AM

in

Case No(s). 13-1539-EL-ESS

Summary: Application Application of Duke Energy Ohio, Inc. to Establish Reliability Targets.
electronically filed by Ms. Elizabeth H Watts on behalf of Duke Energy Ohio, Inc.