



Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

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Consumers' Counsel

November 19, 2007

Ms. Renee Jenkins, Director
Public Utilities Commission of Ohio
180 East Broad Street, 13th Floor
Columbus, Ohio 43215-3793

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PUCO

Re: *In re Duke Application to Modify its Certified Supplier Tariff*, Case Nos. 06-723-EL-ATA, Joint
Stipulation and Recommendation

Dear Ms. Jenkins:

On November 6, 2007, a Joint Stipulation and Recommendation ("Stipulation") was filed by Duke Energy Ohio, Inc. ("Duke," formerly "CG&E") and three marketers in the above-mentioned docket. The Stipulation correctly states, in paragraph 8, that the Office of the Ohio Consumers' Counsel ("OCC") "neither supports nor objects to the proposed changes as presented in this Joint Stipulation and Recommendation."

The OCC does not support the proposed changes because the Stipulation does not entirely reverse the effect of the improper increase in the collateral requirements for alternative providers of generation service that Duke initiated in 2006. Duke did so by failing to subtract, as required in Duke's electric transition plan stipulation, the avoidable portion of the customer's rate from the past summer's highest purchased power price when computing collateral requirements. *In re CG&E ETP Cases*, Case Nos. 99-1658, et al., Stipulation at 19, ¶14(d)(2) (May 8, 2000) ("shopping credit [is the amount] CG&E will receive due to the defaulting Certified Supplier's customers returning to CG&E's standard service offer"), located in existing Supplier Tariff (see Application, Exhibit A, Section 6.2, ¶5 ("less the average shopping credit that the Company will receive due to the defaulting supplier's End-use Customers returning").

The OCC does not object to the proposed changes because the Stipulation provides for a long overdue, significant reduction to Duke's earlier increase in the collateral requirements for alternative providers of generation service. The greater specificity regarding the treatment of unsecured credit (Stipulation, Attachment at Section 6.2, ¶5) and recognition of the certified supplier's receivables held by Duke as a form of security against the event of default (Section 6.2, ¶6) are welcome changes to the existing tariff that may improve opportunities for marketers to provide competitive choices for consumers.

Very truly yours,

Jeffrey L. Small
OCC Counsel of Record

Cc: Counsel for Parties

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