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DE-OHIO EXHIBIT _____

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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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| In The Matter of the Application of Duke Energy Ohio for Approval of an Electric Security Plan |))) | Case No. 08-920-EL-SSO |
| In the Matter of the Application of Duke Energy Ohio for Approval to Amend Accounting Methods |))) | Case No. 08-921-EL-AAM |
| In the Matter of the Application of Duke Energy Ohio for Approval of a Certificate of Public Convenience and Necessity to Establish an Unavoidable Capacity Charge |))))) | Case No. 08-922-EL-UNC |
| In the Matter of the Application of Duke Energy Ohio for Approval to Amend its Tariffs |))) | Case No. 08-923-EL-ATA |

DIRECT TESTIMONY OF

BARRY W. WOOD, JR.

ON BEHALF OF DUKE ENERGY OHIO

July 31, 2008

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I. INTRODUCTION AND PURPOSE

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Barry W. Wood, Jr., and my business address is 139 E. Fourth Street,
3 Cincinnati, Ohio 45202.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed as Vice President, Business and Community Relations for Duke
6 Energy Business Services, Inc., which is the service company affiliated with Duke
7 Energy Ohio (DE-Ohio or Company).

8 **Q. PLEASE SUMMARIZE YOUR EDUCATION AND PROFESSIONAL**
9 **QUALIFICATIONS.**

10 A. I earned a Bachelor of Science in Electrical Engineering from North Carolina
11 State University and a Master of Business Administration from Queens College in
12 Charlotte, NC. I am also a registered engineer in the State of North Carolina.

13 **Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES AS VICE**
14 **PRESIDENT, BUSINESS AND COMMUNITY RELATIONS.**

15 A. In my role as Vice President of Business and Community Relations, I am
16 responsible for DE-Ohio's economic development efforts, charitable giving, and
17 relationship management with large business consumers and locally elected
18 officials. I also represent the Company externally by serving on the boards of
19 directors of several local non-profit agencies and regional economic development
20 organizations.

1 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC
2 UTILITIES COMMISSION OF OHIO?

3 A. No.

4 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
5 PROCEEDING?

6 A. The purpose of my testimony is to discuss DE-Ohio's proposed Economic
7 Competitiveness Fund (ECF), which is a component of its Electric Security Plan
8 (ESP).

9 II. ECF TRACKER DISCUSSION

10 Q: PLEASE EXPLAIN DE-OHIO'S PROPOSED ECONOMIC
11 COMPETITIVENESS FUND.

12 A: The ECF is intended to support public and private economic development
13 investments within the DE-Ohio certified territory. Through the ECF, DE-Ohio
14 will provide grants to partially support public green infrastructure projects, such
15 as mass transit and renewable energy. In addition, the ECF will provide grants to
16 support public and private job creation and retention initiatives and respond to
17 requests by business consumers for generation service discounts. The investment
18 will be recovered through an ECF tracker.

19 Q: WHY IS DE-OHIO PROPOSING THIS FUND?

20 A: The fund will enable DE-Ohio to meet the requirements of O.A.C. Chapter
21 4901:1-38. The purpose of that chapter is to, among other things, facilitate a
22 global economy through the increased job growth and job retention in the State of
23 Ohio. The chapter is also intended to promote energy efficiency and acknowledge

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1 environmental technologies.

2 **Q: PLEASE EXPLAIN HOW THE ECF TRACKER SATISFIES THE**
3 **REQUIREMENTS OF O.A.C. CHAPTER 4901:1-38.**

4 A: DE-Ohio's proposed ECF will encourage investments in economic development
5 initiatives and green infrastructure within the DE-Ohio certified territory. Grants
6 may be awarded to public or private entities for the purpose of attracting new jobs
7 or retaining existing jobs to the DE-Ohio service area. In addition, ECF grants to
8 partially support public green infrastructure will positively impact the
9 environment and create greater awareness for renewable energy and energy
10 efficiency.

11 **Q: WHAT IS THE BENEFIT OF INCLUDING PUBLIC INITIATIVES OR**
12 **PROJECTS WITHIN THE SCOPE OF THE ECF?**

13 A: DE-Ohio acknowledges the important role that public entities (*e.g.*, local
14 governments, chambers of commerce, economic development organizations,
15 public service entities, and educational institutions) play in attracting and retaining
16 jobs and a talented workforce. Most often, public initiatives require a broad base
17 of community support and leverage both public and private investment. In
18 addition, public entities are often better positioned to make investments in green
19 infrastructure, such as mass transit and renewable energy. DE-Ohio believes that
20 allowing both public and private sectors to participate in the ECF will encourage
21 collaboration and increase the effectiveness of economic development within the
22 DE-Ohio service area.

23 **Q: PLEASE DETAIL THE CONSIDERATION, IF ANY, THAT DE-OHIO**
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1 **HAS GIVEN TO INVESTMENT IN PUBLIC GREEN**
2 **INFRASTRUCTURE PROJECTS RELATIVE TO THE ECF.**

3 A: DE-Ohio recognizes the positive impact public green infrastructure projects, such
4 as mass transit and renewable energy, have on the environment. These projects
5 encourage smart growth, attract private investment, and increase public awareness
6 of renewable energy and energy efficiency. To support these projects, DE-Ohio
7 will allocate a total of \$1 million towards mass transit and renewable energy
8 projects during the term of the ESP, provided DE-Ohio receives Renewable
9 Energy Credits (REC's) associated with funded projects. Additional public
10 project grants will be considered throughout the term of the ESP. All ECF grants
11 or contracts, with the exception of the aforementioned \$1 million allocation, are
12 subject to review by the Commission and will be recovered through an
13 unavoidable ECF - Sustainable Community Fund tracker (Rider DR-ECF). DE-
14 Ohio will adjust Rider DR-ECF quarterly and shall otherwise make annual filings
15 that will be subject to Commission audit.

16 **Q: WILL THE ECF PROVIDE THE SOLE MECHANISM FOR CAPITAL**
17 **INVESTMENT RELATIVE TO GREEN INFRASTRUCTURE?**

18 A: No. The ECF grants shall be made when supplemented by other public or private
19 investments.

20 **Q: PLEASE EXPLAIN WHETHER THE ECF IS INTENDED TO DIRECTLY**
21 **BENEFIT BUSINESS CONSUMERS.**

22 A: Business customers will benefit from economic development initiatives that
23 attract and retain a talented workforce or improve the quality of the existing

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1 workforce in the region. In addition, business consumers may apply for
2 generation discounts under the ECF. Any such application must be approved by
3 the Commission.

4 **III. CONCLUSION**

5 **Q. DOES THIS CONCLUDE YOUR PRE-FILED TESTIMONY IN THIS**
6 **PROCEEDING?**

7 **A. Yes.**