

VIA HAND DELIVERY

RECEIVED-DOCKETING DIV

2008 AUG 29 AM 8: 25

DUKE ENERGY CORPORATION 155 East Broad St. 21st. Floor

Columbus, OH 43215

614 221 7551

614 221 7556 fax

August 29, 2008

PUCO

Ms. Renee J. Jenkins
Docketing Department
Public Utilities Commission of Ohio
180 East Broad Street, 13th Floor
Columbus, Ohio 43215

06-653- EL. ORD

Re:

Case No. 06-653-EL-ORD: In the Matter of the Commission's Review of Chapters 4901:1-9, 4901:1-10, 4901:1-21, 4901:1-22; 4901:1-23, 4901:1-24 and 4901:1-25 of the Ohio Administrative Code

Dear Ms. Jenkins:

Attached, please find the original and 3 copies of Duke Energy Ohio's *Reply Comments* in the aforementioned case. Please file the original and date stamp the two extra copies of the memorandum and return them to Carys Cochem.

Should you have any questions, please contact me at 513-419-1856 or Paul Colbert at 614-221-7551.

Kind Regards,

Tamara R. Reid McIntosh, Esq. Regulatory Legal Liaison

CC:

Paul Colbert, Associate General Counsel, Duke Energy Ohio Elizabeth Watts, Assistant General Counsel, Duke Energy Ohio

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of productions.

Technician M Date Processed

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Review Chapters 4901:1-9, 4901:1-10, 4901:1-21, 4901:1-22; 4901:1-23, 4901:1-24 and 4901:1-25

of the Ohio Administrative Code

Case No. 06-653-EL-ORD

REPLY COMMENTS OF DUKE ENERGY OHIO

INTRODUCTION

In its Entry dated April 4, 2007, the Public Utilities Commission of Ohio (Commission) presented its Staff's (Staff) proposed modifications ("Proposed Rules") to the regulations pertaining to the (1) Preservation of Records by Electric, Gas, Water, and Sewage Disposal Utilities at Chapters 4901:1-9 et seq. and Appendix A; (2) Electric Service and Safety Standards ("ESSS") at Chapters 4901:1-10 et seq.; (3) Competitive Retail Electric Service ("CRES") Providers at Chapters 4901:1-21 et seq.; (4) Interconnection Service at Chapters 4901:1-22 et seq.; (5) Electric Reliability, Safety and Customer Service Standards Enforcement at Chapters 4901:1-23 et seq.; (6) Certification of CRES Providers at Chapters 4901:1-24 et seq.; and (7) Market Monitoring at Chapters 4901:1-25 et seq. of the Ohio Administrative Code ("O.A.C."). The Commission sought initial comments and reply comments from interested parties on the proposed rules no later than Friday, June 8, 2007, and July 24, 2007, respectively.

On May 1, 2008, Governor Strickland signed into law Amended Substitute Senate Bill No. 221 ("SB 221") amending various provisions of Amended Substitute Bill No. 3 ("SB 3"). Among those amendments are various revisions to Section 4905.31 of

the Ohio Revised Code (R.C.) and Chapter 4928 of the R.C., which necessitate corresponding modifications to many rules currently under review in the above-captioned proceeding. As a result SB 221 and various comments that were previously received pursuant to the pending five-year rule review, the Staff reconsidered its Proposed Rules contained in Chapters 4901:1-9, 4901:1-10, 4901:1-21, 4901:1-22, 4901:1-23, 4901:1-24, and 4901:1-25, O.A.C., and recommends revisions to its previously issued proposed rules, as well as additional modifications consistent with SB 221. The Commission requested initial comments and reply comments no later than August 12, 2008, and August 29, 2008, respectively. Duke Energy Ohio (DE-Ohio) is an Ohio corporation engaged in the business of supplying electricity and natural gas to consumers in Southwestern Ohio and is a public utility as defined by Sections 4905.02 and 4905.03, R.C. The Staff's proposed changes, if adopted, will directly impact DE-Ohio's provision of electric service to consumers in Southwestern Ohio. DE-Ohio appreciates the opportunity to provide reply comments concerning Staff's proposed modifications to the aforementioned rules, in light of the adoption of SB221.

SPECIFIC COMMENTS

 4901:1-9 et seq.: REGULATIONS TO GOVERN THE PRESERVATION OF RECORDS

In its initial comments, the Ohio Consumer and Environmental Advocates ("OCEA")² proposes adding sections (M) and (N) to the Revenue Accounting and

¹ On August 15, 2008, Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company, Columbus Southern Power Company, Ohio Power Company, and The Ohio Hospital Association (Joint Signatories) filed a motion for a fourteen-day extension, until September 5, 2008, to file reply comments and a request for expedited ruling. The Commission granted a seven-day extension and the time to file reply comment was extended until August 29, 2008.

² OCEA includes OCC, NOPEC, City of Toledo, OPAE, Ohio Interfaith Power and Light, Appalachian People's Action Coalition, Cleveland Housing Network, Empowerment Center of Greater Cleveland,

Collecting provision included at Appendix A of 4901:1-09-06, O.A.C. As proposed, Section (M) would require Ohio electric utilities to retain records of aggregate annual sales data to all customers for 20 years.³ Section (N) would require utilities to retain records of aggregate distributed generation by type for 20 years. OCEA reasons that, "during a recent Climate Strategy development, [DE-Ohio] was unable to provide historical consumption for gas or electric for the City of Cincinnati or any of the customer class subdivisions for 1996, which would have allowed a ten year aggregate growth rate to be identified."

DE-Ohio requests that the Commission forego including OCEA's proposed additions in the final rule. OCEA cites an isolated instance in support of placing an additional retention requirement on all Ohio electric utilities. Record retention requirements are designed to ensure corporate compliance with administrative, state, and federal regulatory mandates. DE-Ohio contends that the instance cited to by OCEA did not fall within the purview of regulatory oversight; therefore, it should not be utilized to support the inclusion of additional retention requirements for Ohio electric utilities.

Lastly, DE-Ohio renews its recommendation that the Commission adopt record retention timelines that are consistent with those of the Federal Energy Regulatory Commission (FERC). As SB 221 mandates uniformity concerning regulatory requirements, DE-Ohio suggests that the Commission reconsider adopting record retention requirements that are aligned with those adopted by FERC. DE-Ohio believes

Counsel for Citizens Coalition, Citizen Power, Northwest Ohio Aggregation Coalition, Edgemont Neighborhood Coalition of Dayton, Ohio, Farmers Union, Sierra Club Ohio Chapter, United Clevelanders against Poverty, and Environment Ohio.

³ Section (M) as proposed by OCEA would include component sales to the customer class, residential, commercial industrial, governmental and transportation along with fuel use data for the utility, for each municipal jurisdiction, each county and any other large jurisdictions or subdivisions the utility deems appropriate.

See OCEA's initial comments at 13.

that these changes will afford Ohio electric utilities the ability to maintain consistency between federal and state regulatory requirements.

II. 4901:1-10 et seq.: ELECTRIC SERVICE & SAFETY STANDARDS

A. 4901:1-10-01: Definitions.

In its initial comments, COSE requests an expanded definition for "governmental aggregator" to include a third class of organizations that would fit into the broader category of governmental aggregators.⁵ In the alternative, COSE requests a new definition for "non-governmental aggregation program" to address the Commission's allowance of certain non-governmental actors to aggregate power for a certain demographic.⁶ Lastly, COSE requests the inclusion of a new definition for "group of mercantile customers" to allow smaller customers to aggregate together to reach the level of a mercantile customer.⁷ COSE reasons that it is critical that a group of smaller commercial users be eligible to apply to the Commission for a reasonable arrangement with the electric utility.⁸

DE-Ohio requests that the Commission forego including COSE's proposed definitions. DE-Ohio believes that COSE's proposed additions are unnecessary. COSE (and other similarly-situated organizations) may continue to carry out its purpose and functions utilizing its current certified broker and aggregator status within the state of Ohio. Therefore, it is unnecessary for Ohio electric utilities to incur the added expense of tracking these additional aggregations to the same extent as electric utilities track governmental aggregations or mercantile customers.

⁵ See COSE's initial comments at 2.

[°] *ld* at 2.

⁷ Id at 3

B. 4901:1-10-10: Distribution System Reliability.

As noted in its initial comments, DE-Ohio favors allowing Ohio utilities to provide company-specific minimum reliability performance standards and appreciates the Commission Staff for proposing regulatory requirements that consider varying nuances associated with different service territories. DE-Ohio believes that such nuances make it difficult to confine Ohio electric utilities to identical minimum reliability performance standards. In its initial comments, OCEA takes a wholly divergent approach to proposing regulatory oversight as it relates to distribution system reliability, distribution circuit performance, and reporting. OCEA has effectively rewritten the Commission's rules under 4901:1-10-10, 4901:1-10-11, 4901:1-10-26, and 4901:1-10-30, O.A.C. Generally, OCEA's proposed changes result in Ohio electric utilities being afforded less time to carry out more rigorous regulatory mandates, while being subject to more stringent penalties and/or sanctions if compliance is not achieved. Further, OCEA proposes to involve the Office of the Ohio Consumers' Counsel ("OCC") in almost every aspect of the Commission's regulatory oversight responsibilities.

DE-Ohio opposes OCEA's approach, as it implies that Ohio electric utilities' distribution reliability management and reporting occur without frequent and continuous guidance, involvement, and/or oversight by the Commission and its Staff. Further, it implies that the Commission Staff's oversight is insufficient. DE-Ohio has previously pointed out that the Commission Staff has steadily increased its oversight and scrutiny of the operational aspects of each electric utility's distribution reliability management. As such, the Commission Staff has been actively engaged in each electric utility's plans addressing reliability standards, circuit performance and improvement, and reporting. DE-Ohio contends that, in light of the Commission Staff's comprehensive involvement

with utilities' distribution reliability management, OCEA's proposed changes are unwarranted. As such, DE-Ohio requests that the Commission exclude OCEA's proposed changes associated with distribution reliability management from the final rule.

C. 4901:1-10-22: Electric Utility Customer Billing and Payments.

Under Section (D), the Commission Staff proposes the following addition to 4901:1-10-22, O.A.C.:

(D) Electric utilities shall not contract with a check-cashing business or licensee to be an authorized payment agent. Check-cashing business means any person who engages in the business of cashing checks for a fee, as defined in section 1315.21 of the Revised Code. Licensee means any person to whom one or more licenses have been issued as defined in sections 1321.01 to 1321.19 of the Revised Code.

In its initial comments, OCEA proposes modifications to 4901:1-10-22(D), O.A.C., which require Ohio electric utilities "to ensure that bill payment locations are in close proximity to areas where customers tend to pay in person." DE-Ohio requests that the Commission deny OCEA's request, as the effect of this modification will likely lengthen the amount of time necessary for Ohio electric companies to replace present check-cashing vendors with suitable pay agents.

In choosing payment agents, many electric utilities, including DE-Ohio, consider businesses that are local and convenient for customers, as well as cost-effective for the electric utility. Oftentimes, check-cashing payment agents are the only local, accessible "store" in many urban and suburban areas. Moving forward, the proximity of new payment agents will be wholly dependent on the willingness of local, convenient

⁹ See OCEA initial comments at 76.

businesses to become payment agents. In order to replace current payment agents, Ohio electric utilities must fulfill the terms of present contractual obligations as well as secure suitable replacements. This process will take time to achieve. During that time, proximity limitations will undoubtedly delay the replacement of current check-cashing payment agents and inconvenience customers further. As such, DE-Ohio requests that the Commission deny OCEA's request.

OCEA also proposes that the customers be afforded the ability to make payment "by cash, check, *credit card*, or money order" without being charged a fee at businesses that are authorized to accept payments for the electric utility. DE-Ohio opposes OCEA's request. Currently, offering customers the ability to make payments at authorized payment agents is one of DE-Ohio's most expensive payment channels. With the exception of credit card payments, which DE-Ohio does not offer, DE-Ohio does not presently assess a fee for customers to utilize the aforementioned payment options. However, ratepayers subsidize the cost of these offerings. As DE-Ohio anticipates expanding its payment channels by offering conveniently-located kiosks at some locations, with extended hours, DE-Ohio contends that it is impractical for OCEA to expect such conveniences to continue without a fee assessment to the customers who utilize them. Therefore, DE-Ohio requests that the Commission exclude the OCEA's proposed modifications from the final rule.

Similarly, DE-Ohio does not take issue with OCEA's proposal to allow customers the ability to make in-person payments using major credit cards at authorized payment agents. DE-Ohio simply requests that the Commission afford Ohio electric utilities a

¹⁰ Id at 76.

cost recovery mechanism for this convenience, if the cost is not borne by the customers who utilize it. DE-Ohio has found that its customers want the convenience, and DE-Ohio would like to offer it. The primary reason that DE-Ohio does not presently offer customers the ability to make payment at an authorized pay agent by major credit card is the option is accompanied by steep interchange rates. The interchange rates are dictated by the credit card companies, not by Ohio electric utilities. DE-Ohio does not believe that Ohio electric utilities should be required to absorb the cost of offering this service without cost recovery. The cost of this convenience should either be passed on to those who utilize the service or uniformly assessed to all customers. DE-Ohio requests that the Commission deny the OCEA's request to allow customers to pay by major credit card without being assessed a fee at authorized payment agents. If the Commission approves OCEA's request, DE-Ohio requests that the Commission afford Ohio electric utilities cost recovery in rates.

D. 4901:1-10-24: Customer Safeguards and Information.

In its initial comments, OCEA proposes requiring that Ohio electric utilities provide non-customer specific informational, promotional, and educational materials "in English and other languages that represent other nationalities represented in the electric utilities' service territories." The Ohio Consumer Groups made similar proposals related to customer bills in its initial comments, dated June 8, 2007. The Ohio Consumer Groups reasoned that, "requiring alternative bill formats demonstrates Ohio's commitment towards...proving cultural diversity." The OCEA now reasons that its

¹¹ See OCEA's initial comments at 79.

¹² See Ohio Consumer Groups initial comments at 55.

proposed modification will "assist the large number of Hispanic and other nationalities that now make up the demographic composition of the state." 13

DE-Ohio reiterates its position related to this issue. As previously stated, DE-Ohio acknowledges that its service territory is rich with cultural diversity. DE-Ohio appreciates such diversity. However, DE-Ohio opposes OCEA's proposed modification. Whether the information is generic, customer-specific, promotional, informational, or educational, such an undertaking is both costly and overly burdensome. Providing customer information that is translated to reach every nationality represented in the state of Ohio is an issue that has been addressed during workshops and rule review proceedings over the past several years, without definite resolution. The rapid increase in diversity in the state of Ohio makes it virtually impossible to provide and maintain materials that are all-inclusive. Alternatively, providing information to one or two nationalities, while excluding others, is discriminatory. An Ohio electric utility should neither be required to discriminate in favor of one or two nationalities nor incur the costs associated with an impractical attempt to remain abreast of every nationality represented in its service territory. DE-Ohio recommends that the Commission deny OCEA's request. With the ever increasing number of cultures and/or nationalities represented within the state, such an endeavor is not feasible for Ohio electric utilities.

E. <u>4901:1-10-28: Net Metering.</u>

In light of the comments received associated with 4901:1-10-28(B), O.A.C., DE-Ohio requests that the Commission provide specific clarification. First, 4901:1-10-28(B)(6)(b), O.A.C., refers to credits at "market value." DE-Ohio requests that the

¹³ See OCEA's initial comments at 78.

Commission clarify the meaning of "market value" in the final rule, as it is presently ambiguous.

Further, there are references to "electricity generated by the hospital" in regard to metering in 4901:1-10-28(B)(4), O.A.C., and in regard to credits at market values in 4901:1-10-28(B)(6)(b), O.A.C. DE-Ohio suggests these references are not intended to refer to the total generator output, but rather to the amount in excess of hospital load, as it would be impossible to meter hospital load and total generator output separately with a single meter. DE-Ohio proposes clarifying the references in the final rule to state, "electricity generated by the hospital in excess of hospital load."

F. 4901:1-10-29: Coordination with Competitive Retail Electric Service (CRES) Providers.

Constellation NewEnergy, Direct Energy Services, and Integrys Energy Services ("Competitive Suppliers") request that CRES provider referral programs be utilized by Ohio electric utilities. DE-Ohio is concerned with the liability it would assume making such referrals, as well as the issues associated with the discriminatory nature of recommending a single CRES provider to a given customer. As this subject has not been addressed in Ohio since the inception of electric customer choice, DE-Ohio suggests reviewing this suggestion in a working group environment to address the advantages and disadvantages of such a program prior to any consideration of implementation.

Competitive Suppliers also request that CRES providers be permitted to enroll customers by meter number rather than account number. DE-Ohio urges the Commission to deny this request. Ohio EDI Guidelines have been established to enroll

¹⁵ *ld* at 8.

¹⁴ See Competitive Suppliers' initial comments at 8.

customers by account number, which results in all metered and unmetered services on an account being served by the enrolling CRES provider. Further, enrolling customers by account number is a fundamental information system requirement. To allow partial enrollments with a meter number would result in unnecessarily substantial information system modification costs that are clearly not outweighed by any benefits that customers and CRES providers may realize from such a modification.

G. 4901:1-10-32: Cooperation with Certified Governmental Aggregators

NOPEC requests that electric utilities provide governmental aggregation lists at the individual customer level as well as the aggregate level. ¹⁶ Electric utilities currently provide these lists at the customer level showing the load profile segment for each customer account. The governmental aggregator or CRES provider can use this information to establish an aggregate profile. DE-Ohio believes that the expense of such an analysis rests with the governmental aggregator and not with Ohio electric utilities.

NOPEC requests that the wording, "on a best effort basis" be removed from the 4901:1-10-32(A)(3), which requires electric utilities to provide mercantile customers on a governmental aggregation list.¹⁷ DE-Ohio opposes this request. The "on a best effort basis" language is necessary when addressing the "national accounts" portion of the mercantile customer definition. Electric utilities undertake a "best efforts" approach to identify such accounts on the list, but the multiple facilities in one or more states can be difficult to maintain. Therefore, DE-Ohio requests that the "on a best effort basis" language remain. NOPEC also requests that electric utilities be required to purchase

'' *ld* at 8.

¹⁶ See NOPEC's initial comments at 6-7.

100% of the receivables of governmental aggregators. 18 DE-Ohio addresses this issue further in its comments provided under 4901:1-21-18(H), O.A.C.

Lastly, NOPEC proposes adding rule 4901:1-10-32(I), O.A.C., whereby electric utilities would administer a governmental aggregation credit ("GAGC") and a combined deferral pool ("CDP"). 19 The administration of these credits and debits, respectively, would place an unfair burden on Ohio electric utilities, requiring them to have special billing provisions for certain communities. This proposal also assumes that the customer base in a community remains static over time and that customers who originally received the credit will be in this area to receive the debit on their bill at a later date. DE-Ohio believes this proposal is unworkable and should not be adopted by the Commission.

III. 4901:1-21 et seq.: COMPETITIVE RETAIL ELECTRIC SERVICE PROVIDERS

4901:1-21-06: Customer Enrollment Α.

OCEA proposes that PIPP arrearage crediting program customers be permitted to enroll in customer choice.²⁰ DE-Ohio disagrees with OCEA's proposal. Presently, the current requirements preclude these customers from enrollment in electric customer choice because their payment asking amount is the same as a regular PIPP customer. as the requirements for the PIPP arrearage crediting program customers are identical to regular PIPP customers. PIPP arrearage crediting program customers and regular PIPP customers should be treated the same with regard to customer choice. If this rule were to be changed per OCEA's suggestion, extensive information system capability would need to be installed to enroll such customers into customer choice and to account

¹⁸ *Id* at 9. ¹⁹ *Id* at 14.

²⁰ See OCEA's initial comments at 129.

for dollars paid by the customer toward the PIPP asking amount and the allocation of such dollars to the electric utility and to the CRES provider.

In addition, the Ohio Department of Development ("ODOD") would be severely burdened, as both the CRES provider and Ohio electric utility would be requesting PIPP funds from ODOD to fully pay the amounts billed to PIPP customers. Undoubtedly, the expense to implement this suggestion far outweighs the benefits of this change. No more than 100 DE-Ohio customers are participating in the PIPP arrearage crediting program, as compared to over 15,000 regular PIPP customers (*i.e.*, a little over a half of a percent are PIPP arrearage crediting program customers). Notwithstanding the possible increase of customers participating in the PIPP Arrearage Crediting Program resulting from the Commission Staff's proposed modifications to the gas PIPP Arrearage Crediting Program in Case No. 08-723-AU-ORD,²¹ the limited number of customers involved in DE-Ohio's PIPP arrearage crediting program does not warrant the adoption of this requirement. Therefore, DE-Ohio requests that the Commission exclude OCEA's proposed changes from the final rule.

B. 4901:1-21-14(C): Customer Billing and Payments

OCEA suggests that bills should be "rendered at monthly intervals" rather than "regular intervals". OCEA proposes that monthly intervals should be further defined as every 28 to 32 days. DE-Ohio believes that "monthly intervals" serves the purpose of this rule. Electric utilities bill 21 cycles per month, and the number of days per billing cycle will vary based on meter reading dates in relation to holidays. DE-Ohio's longest

²¹ See Case No. 08-723-AU-ORD, In the Matter of the Commission's Review of Chapters 4901:1-17 and 4901:1-18 and Rules 4901:1-5-07, 4901:1-10-22, 4901:1-13-11, 4901:1-15-17, 4901:1-21-14, and 4901:1-29-12 of the Ohio Administrative Code.

²² See OCEA's initial comments at 145.

²³ Id at 145.

billing cycle in 2008 is 35 days, and it occurs around the Christmas seasons. DE-Ohio contends that OCEA's suggestion serves no purpose, as "monthly intervals" satisfies the intent of the rule.

C. 4901:1-21-17(E): Opt-out Disclosure Requirements

Competitive Suppliers request that Ohio electric utilities be responsible for "scrubbing out" "Do Not Aggregate" customers from the governmental aggregation lists they provide.²⁴ DE-Ohio contends that House Bill 85 ("HB 85") provides that the Commission maintains the "Do Not Aggregate" list. Further, DE-Ohio maintains that governmental aggregators are required to ensure that they do not enroll such customers into their governmental aggregation.

In addition, Competitive Suppliers request a change in this rule whereby customers currently under contract with CRES providers, customers in a special contract with the electric utility, or mercantile commercial customers be "scrubbed out" of the governmental aggregation list rather than being marked on the list showing their status as is currently the requirement. DE-Ohio believes that governmental aggregation lists as currently provided serve the needs of governmental aggregators and that no additional effort or expense should be incurred by Ohio electric utilities in providing such lists. Governmental aggregators have ultimate responsibility for the act of enrolling a given customer into their governmental aggregation. Governmental aggregators must be certain that a customer account is within their boundaries, is not a mercantile commercial customer (unless such a customer has opted into the aggregation), and does not appear on the "Do Not Aggregate" list. To require Ohio electric utilities to be responsible for scrubbing out certain customers incorrectly shifts

²⁴ See Competitive Suppliers' initial comments at 15.

²⁵ Id at 15.

the responsibility of the governmental aggregators to Ohio electric utilities. Therefore, DE-Ohio requests that the Commission exclude Competitive Suppliers proposed modifications from the final rule.

D. 4901:1-21-18(H): Consolidated Billing Requirements

Under 4901:1-21-18(H), O.A.C., Competitive Suppliers recommend that the Commission consider adopting the practice of Ohio electric utilities purchasing electric supplier receivables at a zero percent discount.²⁶ They reason that the structure for this approach would be similar to that employed for the purchase of receivables by the four Ohio gas utilities that offer gas choice programs.²⁷ Further, Competitive Suppliers suggest that the Commission defer discussion of this matter to a Commissionsponsored electric industry discussion group composed of the relevant stakeholders for further discussion and development.²⁸ DE-Ohio is generally in favor of this proposal. DE-Ohio agrees that the logistics are better addressed in a Commission-sponsored working group related to development of this process. DE-Ohio would request the ability to collect resulting bad debts in an Uncollectible Expense Rider (Rider UE-E), similar to the arrangement it has under its gas rider, Rider UE-G.

IV. 4901-1-22 et seq.: INTERCONNECTION SERVICE

DE-Ohio believes that additional modifications are needed to ensure that issues surrounding interconnection service are adequately addressed. The Commission Staff previously indicated the need for workshops to address the implications of interconnection service rules and interconnection agreements. To date, there has not

²⁶ *Id* at 16. ²⁷ *Id* at 16.

been a proposed workshop to address these issues. DE-Ohio is in favor of scheduling workshops to adequately address logistical implications of the interconnection rules.

CONCLUSION:

DE-Ohio appreciates the opportunity to provide reply comments in this proceeding. DE-Ohio respectfully requests that the Commission revise the rules in accordance with DE-Ohio's suggestions herein and clarify each of the provisions identified by DE-Ohio as ambiguous.

Respectfully submitted,

Paul A. Colbert (0058582)

Associate General Counsel

Tamara R. Reid-McIntosh (0077499)

Regulatory Legal Liaison

Duke Energy Ohio, Inc.

139 E. Fourth Street

P.O. Box 960

Cincinnati, Ohio 45201-0960

Telephone: 614/221-7551

Telephone: 513/419-1856