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Public Utilities Commission of Ohio  
Docketing Division  
180 E Broad St.  
Columbus, OH 43215

**PUCO****2008 OCT 17 PM 1:07****RECEIVED-DOCKETING DIV****RE: Case No. 08-920-EL-SSO****Duke Energy Electric Security Plan & Regulatory Comments**

I am dividing my comments into three parts. Part 1 will deal with general views of how electric rates should be determined. Part 2 will deal with the proposed Duke Energy Electric Security Plan. Part 3 will deal with local and individual economic and income considerations.

**Part 1. General Views**

**Rates charged consumers should be based on actual cost of service provided and should be reviewed and set by PUCO annually.** Utilities should be allowed compensation for the following;

The actual cost of generating or buying electric. This does not include the cost of building new plants or upgrades of existing plants until they are producing power. Then the utility should be able to recover cost including reasonable financing cost at rates approved by PUCO.

The actual cost to deliver electric. This should include all reasonable maintenance, infrastructure modernization, Smart Grid development, and other necessary cost approved by PUCO in advance.

The actual cost of energy efficiency programs plus incentives for achieving demand reduction goals set by PUCO. The incentives are important because energy efficiency is the most cost effective way to keep down demand and protect our environment. Incentives should only be paid if proof of demand reduction, economic benefits and job creation is provided.

A subsidy for low income customers. Standards for good customer service should be mandated and incentives should be paid for exceptional service.

A reasonable return on investment for share holders. Upper management pay should be based on performance.

**Rates should be the same for ALL consumers.** This will encourage large consumers to find ways to reduce their need for electric. If a community wants a lower rate to encourage development, they can pay the difference. If utilities are allowed to subsidize development, it amounts to a hidden cost.

**Part 2. Duke Energy Electric Security Plan**

All comments in Part 1 should apply to the Duke Energy Electric Security Plan. The plan should include estimates of ALL cost for all services provided. Riders to the plan should not be allowed. More specific comments are;

Adjustments for cost of inflation would be reflected in the annual actual cost of service review. They should not be allowed a set rate of adjustments for inflation.

Funding for the Save-a-Watt program should be based on actual cost of complying with the new energy law's energy new efficiency requirements including incentives for exceeding requirements.

The SmartGrid program is a good idea, but seems limited. The utility should also provide support for voluntary programs that allow customers to control their usage and lower their bills.

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### **Part 3. Economic and Income Considerations.**

With many people in Ohio struggling economically and an unemployment rate over 7%, some consideration needs to be given to help people in need pay their bills.

While I am not yet to the point where I need assistance, I may need it in soon if things don't improve. I am 60 years old, with a Masters degree and unemployed (reorganized). I have unemployment, and some savings, which are slowly being depleted. My home and car are paid for and I have no debt. I have quite a bit in the stock market and an IRA. I don't know what they are worth now. All I can do is hope the stock market recovers. At my age I don't expect to find another job, except maybe a government job, so I plan on doing some consulting if the economy improves.

Right now my cost of living (no frills) is about \$200-\$300 a month more than I am taking in. I am on even billing and my home is very energy efficient. Approximately \$90 goes for gas and electric each month.

As stated above, electric rates charged customers should reflect the actual cost of providing electric plus incentives for demand reduction and a reasonable return on investment. If this is done, I believe almost everyone should be able to pay. **The subsidy for low income should be base on minimum usage. Anyone exceeding the minimum usage should be required to pay the difference.**

I have not had to deal with Duke Energy yet, but I hear their customer service is terrible.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rob Milton".

Rob Milton