

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Rates.)	Case No. 08-709-EL-AIR
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.)	Case No. 08-710-EL-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.)	Case No. 08-711-EL-AAM
)	
In the Matter of the Application of the Cincinnati Gas & Electric Company for Approval of its Rider BDP, Backup Delivery Point.)	Case No. 06-718-EL-ATA
)	

ENTRY

The attorney examiner finds:

- (1) Duke Energy Ohio, Inc. (Duke), formerly known as the Cincinnati Gas & Electric Company, is an electric light company as defined in Section 4905.03(A)(4), Revised Code, and a public utility as defined in Section 4905.02, Revised Code. As such, Duke is subject to the jurisdiction of the Commission.
- (2) On July 25, 2008, Duke filed applications in Case Nos. 08-709-EL-AIR, 08-710-EL-ATA, and 08-711-EL-AAM (collectively, rate cases) for approval of an increase in electric rates and related applications for tariff approval and approval of a change in accounting methods.
- (3) The Commission has caused an investigation to be made of the facts set forth in the applications in these cases, the exhibits attached thereto, and the matters connected with the applications. A written report of the staff's investigation was filed on January 27, 2009.
- (4) Objections to the staff report were filed on February 26, 2009, by Duke; Ohio Partners for Affordable Energy; the Greater Cincinnati Health Council; the Kroger Company; People

Working Cooperatively, Inc.; Ohio Cable Telecommunications Association; the Ohio Consumers' Counsel; and Albert E. Lane.

- (5) Section 4903.083, Revised Code, requires that the Commission hold at least one session of the public hearing within the applicant utility's service territory and, further, requires that at least one session of the hearing be held after 5:00 p.m.
- (6) The attorney examiner finds that three local public hearings should be scheduled in these proceedings.
- (7) Accordingly, the following local public hearings will be conducted:

Monday, March 16 2009, at 6:00 p.m., at the Union Township Civic Center Hall, 4350 Aicholtz Road, Cincinnati, Ohio 45245.

Thursday, March 19, 2009, at 12:30 p.m., at Cincinnati City Hall, Council Chambers, 801 Plum Street, 8th and Plum Streets, Cincinnati, Ohio 45202.

Tuesday, March 24, 2009, at 6:00 p.m., at the Lakota East High School, Freshman Campus, Auditorium, 7630 Bethany Road, Liberty Township, Ohio 45044.

- (8) The applicant should publish notice of the local public hearings in newspapers of general circulation in the affected service territory once each week for two consecutive weeks prior to the scheduled date of the first local hearing. The notice should not appear in the legal notices section of the newspaper. The notice should read as follows:

LEGAL NOTICE

The Public Utilities Commission of Ohio has scheduled local public hearings in Case Nos. 08-709-EL-AIR, 08-710-EL-ATA, and 08-711-EL-AAM, *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Rates, Tariff Approval, and Approval to Change Accounting Methods*. The hearings are scheduled for the purpose of providing an opportunity for interested members of the public to testify in these proceedings. The local hearings will be held as follows:

Monday, March 16 2009, at 6:00 p.m., at the Union Township Civic Center Hall, 4350 Aicholtz Road, Cincinnati, Ohio 45245.

Thursday, March 19, 2009, at 12:30 p.m., at Cincinnati City Hall, Council Chambers, 801 Plum Street, 8th and Plum Streets, Cincinnati, Ohio 45202.

Tuesday, March 24, 2009, at 6:00 p.m., at the Lakota East High School, Freshman Campus, Auditorium, 7630 Bethany Road, Liberty Township, Ohio 45044.

By its application, Duke Energy Ohio, Inc., seeks a rate increase which would generate approximately \$85,604,451 of additional revenue, or an increase of 27.43 percent over current distribution revenue. Under the company's application, a typical residential customer, using 1,000 kilowatt hours per month, would be subject to a total bill increase of \$4.78 (including both the customer charge and usage-based energy charges).

After its review of the company's records and application, the staff of the Commission recommends an increase in distribution revenue of between \$53,944,677 and \$62,043,974.

The major issues in the cases, raised by the parties to the cases, are as follows:

- (a) The appropriate rate base, rate of return, level of test-year revenue, operating income, and operating and maintenance expenses.
- (b) The return on equity to be used in determining the company's allowable rate of return.
- (c) Cost of service and the appropriate rate design and customer charge for certain customer classes.
- (d) The appropriate rates and amount of revenue increase to which the company is entitled and the impact of such rate increase on different customer classes.
- (e) Measures of system reliability and their impact on customers.

- (f) Expenses for ratemaking purposes and the calculation of appropriate amounts of taxes.
- (g) The recovery of storm restoration expenses by the company.

Further information regarding the cases or the local public hearings may be obtained by contacting the Public Utilities Commission of Ohio, 180 East Broad Street, Columbus, Ohio 43215-3793, viewing the Commission's web page at <http://www.puc.state.oh.us> or contacting the Commission's hotline at 1-800-686-7826. The hearing impaired can reach the Commission via TTY at 1-800-686-1570 or, in Columbus, at 466-8180. Participants in the proceeding may request a sign language interpreter by calling the Commission's Service Monitoring and Enforcement Department at any of the numbers listed above at least 48 hours before the hearing.

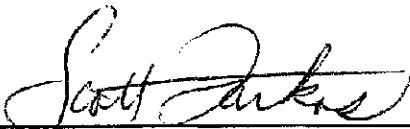
It is, therefore,

ORDERED, That local public hearings in these proceedings be held as set forth in finding 7. It is, further,

ORDERED, That notice of the local public hearings be published as set forth in finding 8. It is, further,

ORDERED, That a copy of this entry be served upon all parties of record.

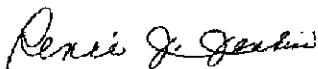
THE PUBLIC UTILITIES COMMISSION OF OHIO



By: Scott Farkas
Attorney Examiner

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MAR 02 2009



Renee J. Jenkins
Secretary