

FILE

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Staff Proposal)
For An Economic Development) Case No. 11-4304-EL-UNC
Tariff Template.)

PUCO

RECEIVED-DOCKETING DIV
2011 AUG 15 PM 1:06

REPLY COMMENTS OF DUKE ENERGY OHIO, INC.

I. INTRODUCTION

Now comes Duke Energy Ohio, Inc., (Duke Energy Ohio) and submits reply comments in response to the Public Utilities Commission of Ohio (Commission) Entry, issued on July 15, 2011, inviting comments regarding a proposed economic development tariff template. Duke Energy Ohio has reviewed the comments submitted by others and offers the below additional comments in response.

II. COMMENTS

1. Duke Energy Ohio agrees with the comment offered by Ohio Edison Company, the Cleveland Electric Illuminating Company and The Toledo Edison Company (FirstEnergy Companies) wherein it was noted that the economic development tariff proposal has the potential, as presently constructed, to inadvertently create an incentive for customers to move from the service territory of one utility to another in order to obtain incentives tied to "new" employees and "new" investment. Duke Energy Ohio agrees that the tariff should not be used to

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 business.
Technician IN Date Processed AUG 15 2011

subsidize the move of a customer from one location within Ohio to another location within Ohio.

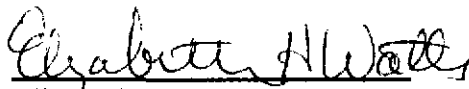
Also consistent with the comments of the FirstEnergy Companies, Duke Energy Ohio agrees that the tariff should be initially focused on customers that can provide the most economic benefit. Getting the greatest value for Duke Energy Ohio ratepayers' investment is of paramount importance.

2. Duke Energy Ohio agrees with the comments of several of the parties that calculation of delta revenue should not be influenced by whether or not the utility owns generation. If the economic development discount is a total rate discount that impacts the suppliers of transmission, distribution and generation services, the suppliers of those services should receive the delta revenue in proportion to what their rate would have been absent the economic development tariff.
3. Duke Energy Ohio agrees with the AEP Ohio that references to customer class "mercantile" are too broad. This term must be defined for purposes of the tariff and should be constructed to attract industrial investment in Ohio. It is logical to expect that retail and service industry customers would naturally follow population growth.

III. CONCLUSION

Duke Energy Ohio appreciates this opportunity to provide comments and looks forward to working with the Commission Staff and other stakeholders to develop an economic development tariff that will produce jobs and prosperity for the state.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Elizabeth H. Watts", with a horizontal line drawn underneath it.

Elizabeth H. Watts (0031092)

Associate General Counsel

Amy B. Spiller (0047277)

Deputy General Counsel

Duke Energy Shared Services, Inc.

155 East Broad Street, 21st Floor

Columbus, Ohio 43215

Phone: 614-222-1330

Fax: 614-222-1337

Elizabeth.Watts@duke-energy.com

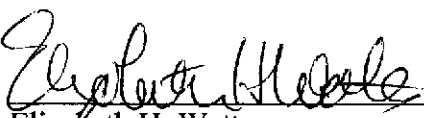
Amy.Spiller@duke-energy.com

Certificate of Service

I hereby certify that a copy of the foregoing Reply Comments of Duke Energy Ohio, Inc. was served upon the parties of record this 15th day of August 2011 via electronic transmission, hand-delivery, or ordinary U.S. mail, postage prepaid.

Mark A. Hayden Managing Counsel FirstEnergy Service Company 76 South Main Street Akron, Ohio 44308	Colleen M. O'Neil Kevin P. Shannon Calfee, Halter & Griswold, LLP 1400 Key Bank Center 800 Superior Ave. Cleveland, Ohio 44114
James W. Burk Counsel of Record FirstEnergy Service Company 76 South Main Street Akron, Ohio 44308	James F. Lang Calfee, Halter & Griswold 1400 Key Bank Center 800 Superior Ave. Cleveland, Ohio 44114
Judi L. Sobecki Randall V. Griffith The Dayton Power and Light Company 1065 Woodman Drive Dayton, Ohio 45432	Steven T. Nourse Anne M. Vogel American Electric Power Service Corp. 1 Riverside Plaza, 29 th Floor Columbus, Ohio 43215
Richard L. Sites General Counsel and Senior Director of Health Policy Ohio Hospital Association 155 East Broad Street, 15 th Floor Columbus, Ohio 43215	Thomas J. O'Brien Bricker & Eckler LLP 100 South Third Street Columbus, Ohio 43215
Janine L. Migden Ostrander Consumers' Counsel Melissa R. Yost Assistant Consumers' Counsel 10 West Broad Street, 18 th Floor Columbus, Ohio 43215	Zach Schiller Research Director Policy Matters Ohio 3631 Perkins Avenue, Suite 4C-East Cleveland, Ohio 44114
M. Howard Petricoff Stephen M. Howard Vorys, Sater, Seymour and Pease, LLP 52 East Gay Street Columbus, Ohio 43215	Colleen L. Mooney Ohio Partners for Affordable Energy 231 West Lima Street Findlay, Ohio 45839

David F. Boehm Michael L. Kurtz Boehm, Kurtz & Lowry 36 East Seventh Street, Suite 1510 Cincinnati, Ohio 45202	William Wright Assistant Attorney General Chief, Public Utilities Section 180 East Broad Street, 6 th floor Columbus, Ohio 43215
Samuel C. Randazzo Frank P. Darr Joseph E. Olier McNees Wallace & Nurick LLC 21 East State Street, 17 th Floor Columbus, Ohio 43215	


Elizabeth H. Watts