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December 12, 2012

PUCO

Case Numbers: 12-1682-EL-AIR & 12-1685-GA-AIR

Attention: Docketing Division

180 East Broad Street

Columbus, Ohio 43215

PUCO

2012 DEC 17 PM 2:54

RECEIVED-DOCKETING DIV

Dear PUCO:

I oppose the proposed distribution rate increases and additional riders for Duke Energy (Duke) for the following reasons:

1. I believe that Duke makes too many "mistakes." In 2006, I filed with the PUCO a formal complaint making that statement. The PUCO dismissed my complaint as irrelevant (Case number: 06-940-GE-CSS); however, "mistakes," many of them *costly*, continue; for example:
 - (a) In 2011, Duke Energy notified me that it was sending surveyors to my property. Mark Sendelbach, the surveyor and Duke's land survey project manager, was not licensed with the Ohio State Board of Registration for Professional Engineers and Surveyors. At the time, no one from Duke was licensed to survey in Ohio. Further, I believe the survey was inaccurate.
 - (b) Duke's "trims" do not follow Duke's tree trimming standards as stated on its notification cards. First, the cards for distribution lines state that Duke will use directional pruning methods as recommended by the National Arborist Association. However, the National Arborist Association states, "Generally, not more than one-third of the total leaf surface area should be removed at any one time." *Duke routinely removes 50 to 70 percent of the total leaf surface area of individual branches and even entire trees, leaving those trees weakened and vulnerable to disease and weather damage.* Second, the notification card states that Duke is maintaining its right of way; however, the card goes on to say that Duke will clear a minimum of 10 feet from primary wires. In my case, Duke's distribution lines are outside Duke's right of way (see PUCO case number 06-940-GE-CSS). When Duke cleared its wires, it exceeded its right of way by 10 to 20 feet.
 - (c) In January 2012, Duke discovered a leak in some of its recently installed gas meters. As a result, it replaced nearly 20,000 gas meters in Greater Cincinnati.
 - (d) In February 2012, the local media reported \$25 million in copper thefts from Duke Energy. According to one report, "a select group of Duke Energy employees" were responsible.
 - (e) In March 2012, two explosions and a fire (related to Duke's electrical equipment in underground vaults) at Fourth and Main streets in Cincinnati closed two lanes of traffic in each direction.
 - (f) Even the PR people make mistakes. In reference to the lane closures above, Sally Thelen, a Duke spokeswoman, commented, "It's not impeding traffic, but it's slowing it down." (My *Webster's Collegiate Dictionary* says that *impede* means "to interfere with or slow the progress of.")
 - (g) Indiana regulators charged Duke Energy with *fraud and gross mismanagement* in connection with massive cost overruns for the Edwardsport power plant.
 - (h) In July 2012, Duke Energy agreed to pay William Johnson, formerly of Progress Energy, a \$44.4 million severance package. That action might cause a logical person to conclude that Duke already has more money than it needs!

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2. While Duke is good at articulating its costs, it seems to overlook the costs it transfers to its customers. Those costs exceed immediately obvious utility costs; for example:
- (a) Christopher Rhodes, a staff attorney for the PUCO stated: "...tree trimming on property outside of the utility's easement is a matter between the utility and the property owner." As I understand the statement, the PUCO has no authority if Duke violates its Ohio tariff with regard to right of way. Instead, individual homeowners who cannot work out an agreement with Duke must hire attorneys and take their cases to court!
 - (b) Duke calls itself a "green" company. However, Duke's "trimming" to clear its lines has environmental costs. I believe that Duke should multiply 10 to 15 feet (line clearance) times the number of miles (at 5,280 feet per mile) of its distribution lines and convert the area to acres (43,560 square feet per acre) as a factor in distribution line environmental costs. I believe that Duke should multiply 150 to 160 feet (clearing and trimming area) times the number of miles (at 5,280 feet per mile) of its transmission lines and convert the area to acres (43,560 square feet per acre) as a factor in transmission line environmental costs. If Duke includes these costs in its environmental impact statements, I have not found them.
 - (c) According to a June 7, 2012, press release from Duke, Duke Energy has approximately 690,000 electric service customers in Ohio. I have three mature trees adversely affected by distribution line "trimming" outside Duke's distribution right of way. I have a hundred or more mature trees that have been adversely affected by transmission line "trimming" outside Duke's transmission right of way. I realize that some people don't have any trees affected or just don't have any trees. However, if you assume an average of one mature tree per customer adversely affected by Duke's Ohio electric operations and you place an average of \$500 per tree as damage, then Ohio residents may have suffered an uncompensated loss of about **\$345 million** at the hands of Duke Energy. If you assume an average of two trees at \$500 each, the uncompensated loss is about \$690 million. If you assume an average of three trees, the uncompensated loss is more than \$1.035 billion. It is possible that actual losses are even higher!

I believe that the citizens of Ohio deserve an efficient Duke Energy, and that, therefore, distribution rate increases and additional riders are not justified at this time. If anything, I think Duke should reduce its distribution rates and riders. According to my November 2012 gas and electric bill, Duke's electric distribution charge (\$24.33) was greater than the electric cost (\$21.47). Duke's gas distribution charge (\$39.69) was greater than the gas cost (\$33.43).

Sincerely,



Charlene Rundo

cc: FTC