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Joint Exhibit 1

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BEFORE

~~PUBLIC~~
THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE ELECTRIC)
LONG -TERM FORECAST REPORT OF)
THE CINCINNATI GAS & ELECTRIC) CASE NO.02-503-EL-FOR
COMPANY AND RELATED MATTERS)

STIPULATION AND RECOMMENDATION

Pursuant to Ohio Administrative Code (O.A.C.) Rule 4901-1-30,
The Cincinnati Gas & Electric Company (CG&E) and the Commission
Staff (Staff)¹(collectively the Parties), do hereby stipulate and agree to
resolve all issues in the instant proceeding.

While the Parties hereto recognize that this Stipulation and
Recommendation (Stipulation) is not binding upon the Public Utilities
Commission of Ohio (Commission), it is the position of the Parties hereto
that the Stipulation is an agreement among the Parties to this
proceeding; that the Stipulation is supported by adequate data and
information; that it represents a just and reasonable resolution of all
issues in this proceeding; that it violates no regulatory principle or
precedent; and that, accordingly, the Stipulation is entitled to careful
consideration and should be adopted in its entirety by the Commission.
This Stipulation shall not be cited as precedent for or against any
signatory, or the Commission itself, if it approves the Stipulation and

¹ Staff will be considered a party for the purpose of entering into this Stipulation by virtue of O.A.C. Rule 4901-1-10(C).

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Recommendation, in any future proceeding. This Stipulation and Recommendation is a compromise involving a balancing of competing positions, and it does not necessarily reflect the position which one or more of the Parties would have taken if these issues had been fully litigated.

The Parties believe that this Stipulation represents a reasonable compromise of varying interests. Should the Commission reject or modify all or any part of this Stipulation or impose additional conditions or requirements upon the Parties, the Parties shall have the right, within 30 days of issuance of the Commission's order, to either file an application for rehearing or terminate and withdraw the Stipulation by filing a notice with the Commission. Upon rehearing, any Party may terminate and withdraw the Stipulation by filing a notice with the Commission within 30 days of the Commission's order on rehearing. Upon notice of termination or withdrawal by any Party, pursuant to the above provisions, the Stipulation shall immediately become null and void. In such event, a hearing shall go forward and the Parties shall be afforded the opportunity to present evidence through witnesses, to cross-examine all witnesses, to present rebuttal testimony, and to brief all issues which shall be decided based upon the record and briefs as if this Stipulation had never been executed.

Subject to the terms and conditions set forth in this Stipulation, the Parties hereto agree, stipulate and recommend that the Commission find as follows:

1. The Company filed its 2002 Electric Long-Term Forecast Report on October 31, 2002, (on November 18, 2002 corrected pages 2-23 and 2-24 were filed) and the assumptions made therein are reasonable and meet the requirements of Section 4935.04(F) of the Revised Code and O.A.C. Chapter 4901:5-5.

2. In satisfaction of the requirements of Section 4935.04(D)(3) of the Revised Code, the Company caused notice to be published in various newspapers of general circulation throughout the Company's service territory for Case No. 02-503-EL-FOR. The proofs of publications and affidavits have been docketed.

3. This Stipulation and Recommendation shall be admitted into the record in this proceeding and identified as Joint Exhibit 1.

The undersigned hereby stipulate and agree and each represents that he or she is authorized to enter into this Stipulation and Recommendation this 23rd day of January, 2003.

THE CINCINNATI GAS & ELECTRIC COMPANY

By: John J. Finnigan / per telephone authorization
John J. Finnigan, Jr.
Senior Counsel
its Attorney

STAFF OF THE PUBLIC UTILITIES
COMMISSION OF OHIO

By: [Signature]
Thomas W. McNamee, Assistant Attorney General
its Attorney