MC GINNIS & ASSOCIATES, INC. COLUMBUS, OHIO (614) 431-1344

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	DOCKETING DIVISION
1	PUCO BEFORE THE PUBLIC UTILITIES COMMISSION STATE OF OHIO
2	In the Matter of the Application)
3	of The Cincinnati Gas & Electric) Company for Approval of its) Case No. 99-1658-EL-ETP
4	Electric Transition Plan and) for Authorization to Collect)
5	Transition Revenues.)
6	In the Matter of the Application) of The Cincinnati Gas & Electric) Company for Approval of Tariff) Case No. 99-1659-EL-ATA
7	Changes Required to Implement) Retail Electric Competition.)
8	In the Matter of the Application) of The Cincinnati Gas & Electric)
9	Company for Approval of its New) Tariffs.)
10	In the Matter of the Application) of The Cincinnati Gas & Electric)
11	Company for Authority to Modify) Case No. 99-1661-EL-ATA Current Accounting Procedures to)
12	Defer Costs Incurred Arising) From the Implementation of its)
13	Electric Transition Plan.) In the Matter of the Application)
14	of The Cincinnati Gas & Electric) Company for Authority to Modify) Case No. 99-1662-EL-AAM
15	Current Accounting Procedures to) Defer Transition Costs and
16	Continue to Defer the Unrecovered) Balance of Regulatory Assets.)
17	In the Matter of the Application) of The Cincinnati Gas & Electric)
18	Company for Approval to Transfer) Case No. 99-1663-EL-AAM Its Generating Assets to an)
19	Exempt Wholesale Generator.)
20	Deposition of Randall J. Falkenberg, a witness herein, called by the Cincinnati Gas and Electric Company for
21	examination under the statute, taken before us, Candace M. Hammond, Registered Professional Reporter, and Rose Marie
22	Prater, Registered Professional Reporter, and Notaries Public in and for the State of Ohio, pursuant to notice and stipulations
23	of counsel hereinafter set forth, at the offices of The
24	Cincinnati Gas and Electric Company, 221 East Fourth Street, 25th Floor, Cincinnati, Ohio, on Friday, May 26, 2000, beginning
25	at 1:39 o'clock p.m. and concluding on the same day.

SUPPLEMENTAL FILING EXHIBIT C G & E A

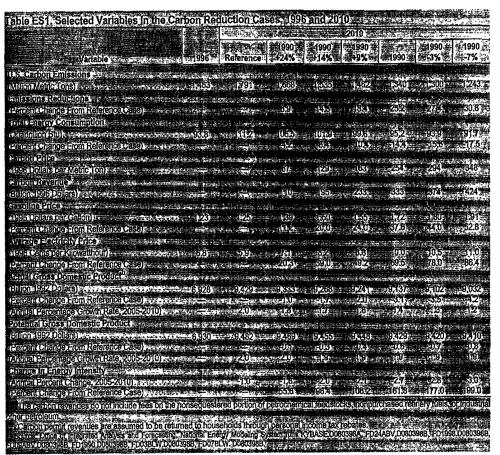
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domestic product (GDP), declines (i.e., improves) at an average annual rate of 1 percent between 2005 and 2010 in the reference case due to the availability and adoption of more efficient equipment. In the carbon reduction cases, higher rates of improvement are projected—from 1.6 percent a year in the 1990+24% case to triple the reference case rate at 3.0 percent a year in the 1990-7% case.

In 2010, reductions in carbon emissions from electricity generation account for between 68 and 75 percent of the total carbon reductions across the cases. Electricity consumption is projected to be lower than in the reference case, with more efficient, less carbon-intensive technologies used for electricity generation. In all the carbon reduction cases except the 1990+24% case, carbon emissions from electricity generation in 2010 are lower than the actual 1990 level of 477 million metric tons of carbon emissions from the electricity supply sector. Electricity generators are expected to respond more strongly than end-use consumers to higher prices because this industry has traditionally been cost-minimizing, factoring future energy price increases into investment decisions. In contrast, the end-use consumers are assumed to consider only current prices in making their investment

decisions and to consider additional factors, not only price, in their decisions. In addition, there are a number of more efficient and lower-carbon technologies for electricity generation that become economically available as the cost of generating electricity from fossil fuels increases.

Total electricity generation is lower in the carbon reduction cases because electricity sales range from 4 to 17 percent below the reference case in 2010 (Figure ES4). Reduction in electricity demand in response to higher electricity prices is somewhat mitigated by the change in relative prices. In 2010, electricity prices are between 20 and 86 percent above the reference case across the carbon reduction cases; however, delivered natural gas prices are higher by between 25 and 147 percent. With a smaller percentage price increase, electricity becomes more attractive in those end uses where it competes with natural gas, such as home heating.

Although reduced demand for electricity and efficiency improvements in the generation of electricity contribute to the total reductions in carbon emissions from electricity generation, fuel switching accounts for most