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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

RECEIVED-DOCKETING DIV

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PUCO

In the Matter of the Application)
Of Duke Energy Ohio, Inc.)
To Adjust and Set the Annually Adjusted) Case No. 06-1085-EL-UNC
Component of its Market Based)
Standard Service Offer)

PREPARED TESTIMONY
OF
TRISHA J. SMITH
PUBLIC UTILITIES COMMISSION OF OHIO
ACCOUNTING AND ELECTRICITY DIVISION

STAFF EX. _____

Submitted November 28, 2006

This is to certify that the images appearing are an
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Technician SL Date Processed 11/29/06

1. Q. Please state your name and business address.

A. My name is Trisha J. Smith. My business address is 180 East Broad Street, Columbus, Ohio 43215.

2. Q. What is your current position with the Public Utilities Commission of Ohio and what are your duties?

A. My current position with the Public Utilities Commission of Ohio is Utility Specialist 2 in the Accounting and Electric Division of the Utilities Department. I am responsible for investigating various cases filed before the Commission related to electric, as well as investigating operating income issues as part of rate base applications.

3. Q. Please outline your educational background and work experience.

A. I received a Bachelor of Science in Business Administration degree from the Ohio State University in June 1992, with a major in Accounting. I began my current employment with the Public Utilities commission of Ohio in April 1993.

4. Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to address the issues of verification, incomplete data and Applicant's proposed adjustment to the rate of return.

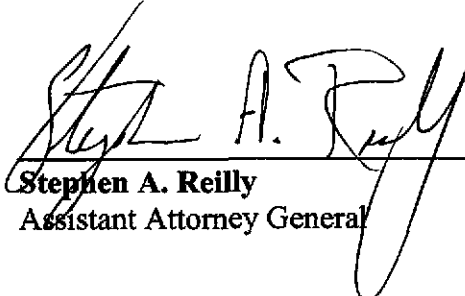
5. Q. Have you received all information requested from the Applicant?

- A. No. Staff is still waiting to receive several requests for information. The Applicant is currently working on providing the remaining information requested by Staff.
6. Q. Were you able to trace data provided by the Applicant to the related source documents?
- A. The Staff requested source documentation for the numbers reflected in the Applicant's filing. Several spreadsheets were provided by the Applicant that were created for the filing but do not constitute source documents. Several spreadsheets reflected incorrect data and must be updated to correct the errors. My proposed corrections, based on the information that I have to date, are attached.
7. Q. Do you agree with Applicant's proposed rate of return?
- A. No. Staff has been unable to determine the appropriate rate of return. The Applicant grossed up the most recent rate of return from its last rate case, 05-059-EL-AIR, and reflected a higher rate of return in its schedules. The Staff has requested more information from the applicant in order to make a determination of the appropriateness of the updated rate of return. Because I do not have this information, my attached schedules do not reflect any additional adjustments that may be necessary.
8. Q. Does this conclude your testimony?

A. Yes it does.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing **TESTIMONY** submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, or hand-delivered, upon the following parties of record, this 28th day of November, 2006.



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ATTACHMENT

DUKE ENERGY OHIO
Summary of Rider AAC Revenue Requirement
For Recovery in 2007

| Revenue Requirement From: | <u>Amount</u> |
|----------------------------------|----------------------------|
| Environmental Compliance | \$79,001,379 |
| Homeland Security | \$128,001 |
| Tax Changes | <u>(\$4,389,290)</u> |
| Total Revenue Requirement | <u><u>\$74,740,090</u></u> |