

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Joint Petition of Duke)
Energy Ohio and Ohio Valley Electric)
Corporation for Approval of an Agreement) Case No. 06-1189-EL-ATR
Regarding the Transfer of Utility Assets.)

FINDING AND ORDER

The Commission finds:

- (1) On October 2, 2006, Duke Energy Ohio (DE-Ohio) and Ohio Valley Electric Corporation (OVEC) (collectively referred to as Petitioners) jointly filed an application for approval of an Asset Purchase Agreement concerning the transfer of ownership of certain electric transformers and related transmission facilities, easements, and rights-of-way.
- (2) According to the application, Petitioners are electric light companies and public utilities subject to the jurisdiction of this Commission by virtue of Sections 4905.02, 4905.03(A)(4), and 4905.04, Revised Code.
- (3) Petitioners state that OVEC wishes to sell and DE-Ohio wishes to purchase certain electric transformers and related transmission facilities, easements, and rights-of-way located at or near OVEC's Pierce substation (facilities). DE-Ohio is experiencing load growth in its certified territory and is planning to add certain transmission facilities within its system near the OVEC/DE-Ohio interconnection set forth in the application. DE-Ohio's acquisition of the facilities at this interconnection will permit DE-Ohio to control future changes to these facilities that could affect its certified territory. DE-Ohio will be purchasing the facilities in ten annual payments of \$300,000 each.
- (4) Petitioners confirm that the proposed transfer will not impede their ability to provide adequate transmission service to their retail customers and will have no material adverse impact on retail rates because the costs of the transfer are, relative to De-Ohio's and OVEC's respective investment in transmission facilities, *de minimus*.

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 Jo Date Processed 12-13-06

- (5) The Commission has jurisdiction under Section 4905.48, Revised Code, to review and approve agreements between public utilities which enable them to operate their lines in connection with each other and which provide for the purchase or lease of property to or from the other utility. The Commission shall approve such agreements where it is satisfied that the public will thereby be furnished adequate service for a reasonable and just rate.
- (6) The Commission finds, upon review of the application, that no hearing is required.
- (7) With regard to the substance of the application, the Commission is satisfied that DE-Ohio's operation of the facilities being transferred will help maintain reliable service and not impede the Petitioners' abilities to provide adequate transmission service to their retail customers. Accordingly, the Commission should approve this application. DE-Ohio should file notice in this docket, within 30 days after the closing date of the transfer, informing the Commission that the transaction has been completed.

It is, therefore,

ORDERED, That the application for approval of the proposed transfer of the facilities be granted. It is, further,

ORDERED, That De-Ohio file notice in this docket, within 30 days after the closing date of the transfer, informing the Commission that the transaction has been completed. It is, further,

ORDERED, That the proposed transaction be recorded in accordance with the Uniform System of Accounts for Electric Companies which the Commission has proscribed for the use by electric companies in Ohio. It is, further,

ORDERED, That a copy of this finding and order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Alan R. Schriber, Chairman

Ronda Hartman Fergus

Valerie A. Lemmie

Judith A. Jones

Donald L. Mason

RRG:ct

Entered in the Journal

DEC 13 2006

Reneé J. Jenkins
Secretary