

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the 2005 Long-Term Forecast)
Report of The Cincinnati Gas and Electric)
Company d/b/a Duke Energy Ohio, Inc., and) Case No. 06-503-EL-FOR
Related Matters.)

FINDING AND ORDER

The Commission finds:

- (1) On January 12, 2006, the Commission initiated this long-term forecast report (LTFR) case for the Cincinnati Gas and Electric Company d/b/a Duke Energy Ohio, Inc. (Duke). On March 1, 2006, Duke filed a letter informing the Commission that its LTFR would reflect a substantial change. On April 17, 2006, Duke filed its LTFR. The LTFR discusses the methodology and assumptions made in developing Duke's transmission and distribution energy and demand forecasts and its distribution system development plans.
- (2) Staff of the Commission filed a motion for a hearing and a memorandum in support, on April 19, 2006. As noted in the memorandum, Section 4935.04(D)(3)(c), Revised Code, requires that the Commission conduct a hearing where an LTFR reflects a substantial change.
- (3) By entry of May 25, 2006, a hearing was scheduled for July 6, 2006, and Duke was ordered to publish notice of the hearing in newspapers of general circulation in each county in which it has or intends to locate a major utility facility and will provide service during the period covered by the LTFR, not less than 15 days or more than 30 days before July 6, 2006. On July 24, 2006, Duke filed proof of its publication of the hearing notice.
- (4) A motion to intervene was filed by the office of the Ohio Consumers' Counsel on June 2, 2006. That motion was granted at the hearing in this proceeding.
- (5) On July 6, 2006, the hearing was held. No customers of Duke appeared at the hearing. Staff and counsel for Duke agreed to continue the hearing, in order to allow staff time to further examine the LTFR.
- (6) On November 20, 2006, Duke filed a stipulation and recommendation (stipulation), signed by staff and Duke and resolving all issues in the case. The stipulation recites that it has been reviewed by OCC and that OCC has agreed not to support or oppose the stipulation.

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- (7) The parties to the stipulation agree that it is supported by adequate data and information, represents a just and reasonable resolution of all issues in this proceeding, violates no regulatory principles or precedents, and is a compromise involving a balance of competing positions. Therefore, the parties propose that the stipulation is entitled to careful consideration and should be adopted in its entirety by the Commission. The stipulation also includes the following provisions:
- (a) The substantial change reflected in the LTFR results from a change in the calculation under rule 4901:5-3-03(B), using form FE4-D2, when calculated using electric energy delivery. The change is a reduction in the rate of change. The new forecast projects slower growth due to expectations of a slowing economy and higher energy prices.
 - (b) The parties agree that Duke's LTFR filing is just and reasonable and meets the statutory requirements of Section 4935.04(F), Revised Code.
 - (c) The publication of notice of the hearing, as shown in Company Exhibit 1, meets the requirements of Section 4935.04(D)(3), Revised Code.¹
 - (d) The stipulation shall be admitted into the record in this matter as Joint Exhibit 1.
- (8) The Commission has considered the record and the stipulation. The Commission concludes that the LTFR information in this docket meets the requirements of Section 4935.04(F), Revised Code, and that the stipulation is reasonable and should be approved. We are not, by this conclusion, making any determination as to the prudence or reasonableness of Duke's electric procurement policies and practices.

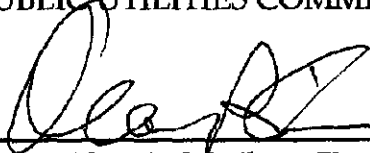
It is, therefore,

ORDERED, That the stipulation be approved. It is, further,


¹ The stipulation actually referred to Section 4935.03(D)(3), Revised Code. However, as the notice requirements are set forth in Section 4935.04, Revised Code, and the section stated in the stipulation does not exist, the Commission has assumed that the reference was a typographical error.

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

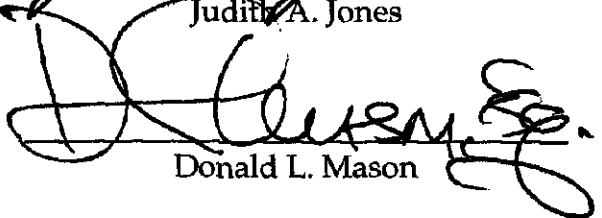
THE PUBLIC UTILITIES COMMISSION OF OHIO


Alan R. Schriber, Chairman


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Renee J. Jenkins
Secretary