



January 16, 2007

Public Utilities Commission of Ohio
Attn: Ms Renee Jenkins, Director Docketing Division
13th Floor
180 East Broad Street
Columbus, OH 43215-3793

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PUCO

Re: Joint Application of Duke Energy Holding Corp. and Cinergy Corp. on behalf of The Cincinnati Gas & Electric Company for Consent and Approval of a Transfer and Acquisition of Control, Case No. 05-732-EL-MER, 05-733-EL-AAM, 05-974-GA-AAM.

Dear Ms. Jenkins:

On or about December 21, 2005, this Commission issued its Finding and Order (Order), approving the merger between Cinergy Corp. and Duke Energy Corporation pursuant to its statutory authority under R.C. 4905.402. Specifically, the Commission found that the "merger will result in significant benefits to CG&E's customers."¹ In approving the merger, the Commission also approved approximately \$35,785,700 in rate credits to the consumers of Duke Energy Ohio, Inc., (DE-Ohio).² These rate credits totaled approx. \$16,376,500 in electric distribution, approx. \$4,167,700 in gas service and an additional \$15,241,500 as a voluntary rate stabilization surcredit to facilitate economic development.³ In its Order, the Commission directed that DE-Ohio "submit to staff an accounting of all rate credits actually distributed to customers, by no later than January 16, 2007."⁴

Currently, DE-Ohio is diligently working to supply the Commission with the required accounting of the rate credits as required by this Commission. Due to DE-Ohio's normal internal accounting procedures and timetables, DE-Ohio is unable to provide the data to Staff by the January 16, 2007 deadline. Accordingly, DE-Ohio anticipates completing the compilation of the necessary data and accounting within the next ten days, and will provide Staff with the information as soon as possible, but no later than January 31, 2007. DE-Ohio will also file the information in the above referenced dockets. Staff will be able to conduct its review of the data immediately following its submission. Additionally, following Staff's review of the data, DE-Ohio will implement a one-month true up to actual savings, of all merger related credits due to its consumers beginning with the first billing cycle of March 2007.

DE-Ohio has discussed the supplying of the accounting data by no later than January 31, 2007 with both Staff and with the OCC. Staff was agreeable to this extension

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¹ *In re merger of Cinergy Corp and Duke Energy*, Case No. 05-732-EL-Mer et al., (Finding and Order) (December 21, 2005) at 19.

² *Id.* at 6-7

³ *Id.*

⁴ *Id.* at 8.

request. OCC neither agreed with nor opposed the requested extension. DE-Ohio notes that there will be no impact to consumers in that they will still receive the entire credit in which they are entitled.

Very Truly Yours,



Paul A. Colbert

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Counsel

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