

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
 Energy Ohio for Approval of a) Case No. 06-1398-EL-UNC
 Competitive Retail Electric Service)
 Pilot Green Power Rider.)

FINDING AND ORDER

The Commission finds:

- (1) The Applicant, Duke Energy Ohio (Duke), is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) On November 29, 2006, Duke filed in this docket an application seeking approval of a green tariff rider (Rider GP) allowing Duke to implement a green tariff pilot program. The green tariff program is a pilot program ending December 31, 2008. If Duke wishes to continue the pilot program beyond 2008, Commission approval is needed to extend the program.
- (3) On November 29, 2006, the Office of the Ohio Consumers' Counsel (OCC) filed a motion to intervene. OCC has stated it has worked cooperatively with Duke in the development of the pilot program and supports Duke's efforts to increase green energy power in Ohio. OCC's motion to intervene states reasonable grounds for intervention and should be granted.
- (4) All customers located in Duke's certified territory shall be eligible to participate. The program is voluntary and requires that participating customers enter into a service agreement with Duke. Rider GP for rate codes RS (Residential Service), ORH (Optional Residential Service with Electric Space Heating), and TD (Optional Time-of-Day Rate for Residential Service) includes the purchase of Renewable Energy Certificates (RECs). For the purpose of this program, a REC is a premium product which represents the bundle of attributes associated with the generation of a one megawatt-hour [MWh] of electricity at a qualified renewable energy facility where green resources have been brought into service on or after January 1, 1997. Purchased RECs must be certified by an

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independent third-party organization and shall be retired by Duke immediately upon purchasing them for program participants.

- (5) Duke customers who elect to participate in the pilot program and are currently taking service from rate codes RS, ORH, and TD will be charged a \$0.025 premium per kWh under Rider GP. Customers may elect per the service agreement to purchase a minimum of two blocks per month (100 kWh per block). Any additional purchases can be made in 100 kWh block increments. If Duke wishes to terminate Rider GP or revise the rider price of \$0.025 per kWh, a revised tariff filing shall be docketed and submitted for Commission consideration. All customers under other rate codes shall enter into a service agreement with Duke that specifies the price and amount in kWh of green product the customer would like to purchase (which may include RECs and/or carbon credits). All customers who elect to participate under Rider GP also will be billed all of the same service rates and riders applicable to non-participants.
- (6) Duke shall provide all customers information on the green tariff through bill inserts, its website, press releases, and existing public outreach. Customers who elect to participate shall enter into a service agreement either by mail, telephone, or the internet. Duke shall provide all promotional materials including an amended service agreement to Staff for its review and approval prior to sending to customers. Duke shall work with Staff to provide a consistent message about the green tariff filing.
- (7) Annual reports shall be submitted to participating customers, Staff, and OCC regarding program activities and results. Program information shall be made available to Staff and OCC upon request. Duke shall work with Staff regarding the specific type of information required for reporting in those annual reports and meet with Staff to review program performance at least on an annual basis.
- (8) This application has been filed pursuant to Section 4909.18, Revised Code, and the Commission finds, as the applicant alleges, that it is not for an increase in any rate, joint rate, toll, classification, charge, or rental and does not appear to be unjust or unreasonable and should be approved. Therefore, the Commission finds it unnecessary to hold a hearing in this matter.

It is, therefore,

ORDERED, That OCC'S motion to intervene is granted. It is, further,

ORDERED, That the application of tariff Rider GP is approved consistent with Findings 4 through 7. It is, further,

ORDERED, That the Applicant is authorized to file in final form four complete copies of the tariff consistent with this Finding and Order. Applicant shall file one copy in its TRF docket (or may make such filing electronically as directed in Case No. 06-900-AU-WVR) and one copy in this case docket. The remaining two copies shall be designated for distribution to the Rates and Tariffs, Energy and Water Division of the Commission's Utilities Department. It is, further,

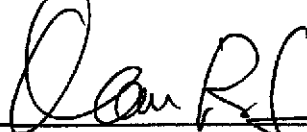
ORDERED, That the new tariff shall be effective for service rendered after the final tariff is docketed. It is, further,

ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule or regulation. It is, further,

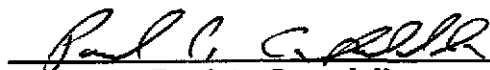
ORDERED, That a copy of this Finding and Order be served upon the Applicants and all parties of record. It is, further,

ORDERED, That the case be closed as a matter of record.

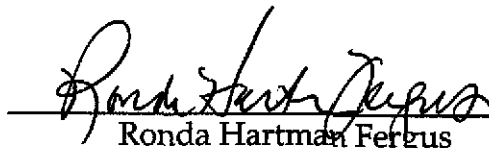
THE PUBLIC UTILITIES COMMISSION OF OHIO



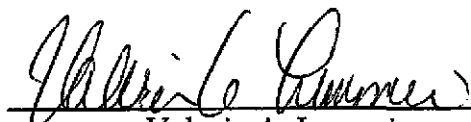
Alan R. Schriber, Chairman



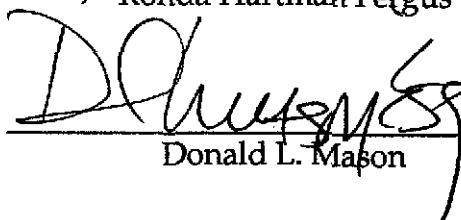
Paul A. Centolella



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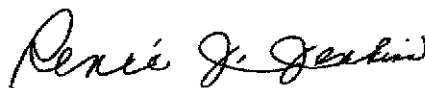


Donald L. Mason

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Renee J. Jenkins
Secretary