

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio, Inc. for Authority to Issue and)
Sell First Mortgage Bonds, Unsecured Debt,)
Long-Term Notes, and Preferred Securities,) Case No. 07-313- GE-AIS
To Execute and Deliver Long-Term Loan)
Agreements, to Enter into Capital Lease)
Obligations and to Enter into Interest Rate)
Management Agreements.)

SUPPLEMENTAL FINDING AND ORDER

The Commission finds:

- (1) By Commission Order dated May 16, 2007, Applicant was authorized from time to time through April 30, 2008, to: (a) issue and sell up to \$500 million principal amount of first mortgage bonds, senior and junior unsecured indebtedness or any combination thereof; (b) issue and sell, up to \$200 million of preferred securities; (c) borrow from the Ohio Air Quality Development Authority ("OAQDA") the proceeds of up to \$250 million aggregate principal amount of its tax exempt revenue bonds, pursuant to one or more loan agreements; (d) enter in to additional capital lease obligations of up to \$100 million principal amount; and (e) enter into interest rate management agreements, all consistent with the terms and conditions as set forth in the Application and Exhibits.
- (2) Applicant now requests the Commission to amend its May 16, 2007 Order to facilitate the Applicant to borrow from OAQDA and/or the Ohio Water Development Authority the proceeds of up to \$250 million aggregate principal amount of their tax exempt revenue bonds pursuant to one or more loan agreements, all consistent with the terms and conditions as set forth in the Application and Exhibits.
- (3) Applicant's request appears reasonable and the Commission is satisfied that the Commission Order in this Case should be modified.
- (4) In all other respects, the Commission Order dated May 16, 2007, should remain unchanged.

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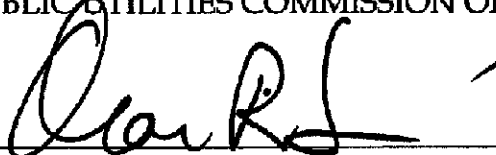
It is, therefore,

ORDERED, That the Commission Order dated May 16, 2007 is hereby amended and modified to facilitate Applicant to borrow from the Ohio Air Quality Development Authority and/or the Ohio Water Development Authority the proceeds of up to \$250 million aggregate principal amount of their tax exempt revenue bonds pursuant to one or more loan agreements, all consistent with the terms and conditions as set forth in the Application and Exhibits. It is, further,

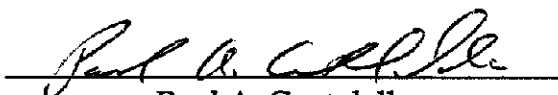
ORDERED, That in all other respects, the Commission Order dated May 16, 2007, in this matter shall remain in full force and effect. It is, further,

ORDERED, That a copy of this Supplemental Order be served upon all parties of record.

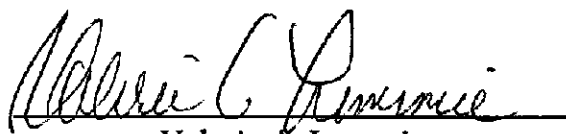
THE PUBLIC UTILITIES COMMISSION OF OHIO



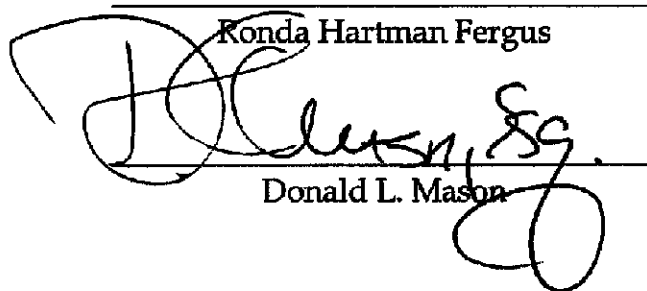
Alan R. Schriber, Chairman



Paul A. Centolella



Valerie A. Lemmie



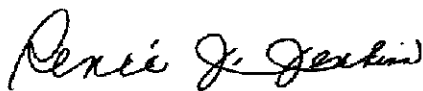
Ronda Hartman Fergus

Donald L. Mason

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Renee J. Jenkins
Secretary