

FILE

February 14, 2008

Public Utilities Commission of Ohio
Attn: Docketing Department
180 E. Broad Street
Columbus, OH 43215

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2008 FEB 15 PM 2:56
PUCO

Re: Case Number 07-589-GA-AIR

I oppose Duke Energy's request for a rate increase for the following reasons.

Duke's proposal calls for its base rate to climb by as much as 33%. The base rate pays for the maintenance of distribution pipes and other equipment. Duke requests over \$34 million in additional revenue through an increase in its base rate. The company should receive no more than a \$6.5 million increase in its base rate.

Duke has proposed raising its customer charge – which is part of its base rate – from \$6 per month (\$72 annually) to \$15 per month (\$180 annually). The customer charge is a flat fee that is not impacted by how much or how little natural gas the customer may use. This dramatic increase and customers' inability to offset the increase by conservation measures is outrageous and counterproductive.

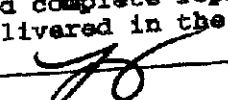
Under the proposed rate hike, customers could pay up to \$13.77 per month or \$165 annually by the ninth year of the continuation of the Accelerated Main Replacement Program. This program was hailed as a way to cut costs and improve efficiencies by replacing customers' steel pipe infrastructure with plastic pipes. However, after six years, Duke's customers have paid \$137 million for the program and only \$8.5 million has been saved in maintenance costs.

Too many people will go without heat while Duke Energy's profits increase if this request for higher rates is approved. Heating assistance programs cannot begin to meet the need for all that will need help.

Sincerely,



Kathleen Hebbeler
916 York Street
Cincinnati, OH 45214

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Technician  Date Processed 2-15-08