



139 East Fourth Street, R. 25 At II
P.O. Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-419-1856
Fax: 513-419-1826
Tamara.McIntosh@duke-energy.com
Tamara R. Reid-McIntosh, Esq.
Regulatory Legal Liaison
Enterprise Customer Services

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August 28, 2008

PUCO

Ms. Renee J. Jenkins
Docketing Department
Public Utilities Commission of Ohio
180 East Broad Street, 13th Floor
Columbus, Ohio 43215

89-6002-EL-TRF

Re: Case No. 05-1500-EL-COI: In the Matter of the Commission's Review to Provision of the Federal Energy Policy Act of 2005 Regarding Net Metering, Smart Metering, Demand Response, Cogeneration, and Power Production

Dear Ms. Jenkins:

Pursuant to the findings in the Commission's March 28, 2007, Finding and Order (Order) in Case No. 05-1500-EL-COI, Duke Energy Ohio (DE-Ohio) resubmits the following information:

1. Copies of DE-Ohio's revised tariffs to comport with the requirements and rules set for in the aforementioned Order.
2. Designation of an employee or office from which information on the requirements for EDU's application review process can be obtained through an informal request (OAC 4901:1-22-09 (A)). DE Ohio designates:

Cindy Hebel
Executive Administrative Assistant
Asset Management Department
Duke Energy Ohio
315 Main Street
Cincinnati, OH 45202
PH: 513/287-3334

3. The name and telephone number of a contact person to assist the Commission staff with the resolution of informal complaints regarding provisions in Chapter 4901:1-22 of the Administrative Code (OAC 4901:1-22-12). DE-Ohio designates:

Tamara R. Reid-McIntosh, Esq.
Regulatory Legal Liaison
Duke Energy Ohio
139 East 4th Street
Atrium II, 25th Floor
Cincinnati, Ohio 45202
PH: 513/419-1856

James Lemke
Consulting Engineer
Midwest Distribution Planning
Duke Energy Ohio
1619 Deffenbaugh
Kokomo, IN 46902
765/454-6196

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Technician SM Date Processed 8/29/08

In Case No. 05-1500-EL-COI, DE-Ohio filed an Application for Rehearing. In its Application, DE-Ohio raised issue with the Commission's handling of application fees. Specifically, DE-Ohio pointed out that the Commission did not allow for electric utilities to forego charging an application fee for some or all applications.

In its Finding and Order, the Commission states, "Rule 4901:1-22-05(E)(3), O.A.C., provides that exceptions to the EDU's fee schedule may be determined by the EDU, if the EDU invokes a fee-free feature at no cost to other Ohio ratepayers. Therefore, we find that this existing rule should satisfy the concern of Duke related to its not charging a fee. Notwithstanding our finding, any EDU may request a waiver of this rule for a specific application or class or category of applications that present special circumstances or benefits. Such a waiver could be requested either prior to or subsequent to the filing of the application with the EDU." Pursuant to Commission Staff's direction, DE-Ohio requests a waiver from compliance with the requirement to assess application fees when customers submit applications for interconnection. Revised tariffs submitted with this filing now reflect DE-Ohio's plans to forego assessing application fees for interconnection service.

Lastly, please find the original and 5 copies of DE-Ohio's revised tariffs that comport with the requirements and rules set forth in the aforementioned Order. Please file the original. DE-Ohio will go to the Commission's website to obtain a date-stamped copy after it has been filed. Should you have any questions, please contact me at 513-419-1856 or Paul Colbert at 614-221-7551.

Kind Regards,



Tamara R. R. McIntosh, Esq.
Regulatory Legal Liaison
DE-Ohio

cc: Paul Colbert, Associate General Counsel, DE-Ohio
Mike Gribler, General Manager, State Regulatory Affairs, DE-Ohio
Jim Lemke, Consulting Engineer, Midwest Distribution Planning, DE-Ohio
Don Storck, Director, Rates Services, DE-Ohio

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

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RATE IS
INTERCONNECTION SERVICE

APPLICABILITY

Any Customer that operates or seeks to operate a generating device in parallel with the Company's distribution system is subject to the provisions and Special Terms and Conditions of this Tariff and the requirements of Chapter 4901:1-22, Ohio Administrative Code Uniform Electric Interconnection Standards.

Any Customer that operates or seeks to operate a generating device in parallel with the Company's transmission system, and such installation is not subject to the interconnection rules of the Midwest Independent System Operator and Federal Energy Regulatory Commission, is subject to the provisions and Special Terms and Conditions of this Tariff. Requests for such interconnections to the Company's transmission system are subject to the same fees and review procedures as Level 3 Standard Procedure as described in Chapter 4901:1-22, Ohio Administrative Code Uniform Electric Interconnection Standards.

A generating device is any device that produces electricity and includes, but is not limited to, any type of synchronous generator, induction generator, or inverter based system such as solar photovoltaic, wind turbine, fuel cell, or microturbine.

APPLICATION AND APPROVAL PROCEDURES

Any Customer seeking new Interconnection Service under this tariff shall follow the process and conform with the requirements as specified in Chapter 4901:1-22, Ohio Administrative Code Uniform Electric Interconnection Standards using the appropriate "Application for Interconnection" and "Interconnection Agreement".

APPLICATION FEES AND STUDY COSTS

No application fee is required to submit an "Application for Interconnection."

For Level 1, 1.1, and 1.2 applications, no additional fees will be charged for studies. For Level 2 applications, the Company may determine the need for a system impact study or facility study. For Level 3 applications, the Company may determine the need for a feasibility study, system impact study, or facility study. Fees for such feasibility studies, system impact studies, and facilities studies will be based on the Company's actual loaded labor rate.

Level 1, 1.1, 1.2, 2, and 3 are as described in Chapter 4901:1-22, Ohio Administrative Code Uniform Electric Interconnection Standards.

TECHNICAL INTERCONNECTION REQUIREMENTS

Customer must comply with all technical interconnection requirements specified by the Company. Such requirements by the Company shall not be in conflict with any requirements in Chapter 4901:1-22, Ohio Administrative Code Uniform Electric Interconnection Standards. The Company's technical requirements are based on *IEEE 1547-2003 "IEEE Standard for Interconnecting Distributed Resources with Electric Power Systems."* (IEEE 1547) The intent is to utilize IEEE 1547 requirements and to supplement those with a minimal number of additional requirements where appropriate. The purpose of a minimal number of Company requirements not included in IEEE

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1547 is to add clarity to some IEEE 1547 sections and to specify requirements for issues that were not addressed in IEEE 1547. Most Customer generator installations that meet IEEE 1547 will also satisfy the Company's technical requirements.

SPECIAL TERMS AND CONDITIONS

Any Customer operating a generating device in parallel with the Company's system shall comply with the following Terms and Conditions:

1. Customer shall install, operate, and maintain, at Customer's sole cost and expense, any control, protective, or other equipment on the Customer's system required by the Company's technical interconnection requirements.
2. Any changes or additions to the Company's system required for interconnection service shall be considered excess facilities. Customer shall agree to pay Company for actual costs incurred for all such excess facilities prior to construction.
3. By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generation equipment, controls, and protective relays and equipment (hereinafter called the "Generation Facilities"). The Generation Facilities installed and operated by or for Customer shall comply with, and Customer shall represent and warrant their compliance with: (a) the National Electrical Code and the National Electrical Safety Code, as each may be revised from time to time; (b) Company's rules and regulations, and Company's Service Regulations, each as contained in Company's Retail Electric Tariff and each as may be revised from time to time with the approval of the Public Utilities Commission of Ohio ("Commission"); (c) the rules and regulations of the Commission, including the provisions of Chapter 4901:1-22, Ohio Administrative Code Uniform Electric Interconnection Standards, as such rules and regulations may be revised from time to time by the Commission; and (d) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time.
4. Customer shall operate the Generation Facilities in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. At all times when the Generation Facilities are being operated in parallel with Company's electric system, Customer shall so operate the Generation Facilities in such a manner that no disturbance will be produced thereby to the service rendered by Company to any of its other customers or to any electric system interconnected with Company's electric system. Customer shall agree that the interconnection and operation of the Generation Facilities is secondary to, and shall not interfere with, Company's ability to meet its primary responsibility of furnishing reasonably adequate service to its customers.
5. Customer's control equipment for the Generation Facilities shall immediately, completely, and automatically disconnect and isolate the Generation Facilities from Company's electric system in the event of a fault on Company's electric system, a fault on Customer's electric system, or loss of a source or sources on Company's electric system. The automatic disconnecting device included in such control equipment shall not be capable of reclosing until after service is restored on Company's electric system. Additionally, if the fault is on Customer's electric system, such automatic disconnecting device shall not be reclosed until after the fault is isolated from

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SPECIAL TERMS AND CONDITIONS (cont'd)

Customer's electric system. Upon Company's request, Customer shall promptly notify Company whenever such automatic disconnecting devices operate.

6. Customer shall install, operate, and maintain, at Customer's sole cost and expense, the Generation Facilities in accordance with IEEE 1547 and the manufacturer's suggested practices for safe, efficient and reliable operation of the Generation Facilities in parallel with Company's electric system. Customer shall bear full responsibility for the installation, maintenance and safe operation of the Generation Facilities. Upon request from the Company, Customer shall supply copies of periodic test reports or inspection logs.
7. Customer shall be responsible for protecting, at Customer's sole cost and expense, the Generation Facilities from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges.
8. Customer must provide the Company reasonable opportunity to inspect the Generation Facilities prior to initial operation and witness the initial testing and commissioning of the Generation Facilities. Company may witness any commissioning tests required by IEEE 1547. Following the initial testing and inspection of the Generation Facilities and upon reasonable advance notice to Customer, Company shall have access at reasonable times to the Generation Facilities to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the Generation Facilities comply with the requirements of this Agreement. The Company's cost of such inspection(s) shall be at Company's expense; however, Company shall not be responsible for any other cost Customer may incur as a result of such inspection(s). Upon written request, Customer shall inform Company of the next scheduled maintenance and allow Company to witness the maintenance program and any associated testing. Company shall also have at all times immediate access to breakers or any other equipment that will isolate the Generation Facilities from Company's electric system.
9. Company shall have the right and authority to isolate the Generation Facilities at Company's sole discretion if Company believes that: (a) continued interconnection and parallel operation of the Generation Facilities with Company's electric system creates or contributes (or will create or contribute) to a system emergency on either Company's or Customer's electric system; (b) the Generation Facilities are not in compliance with the requirements of this Tariff, and the non-compliance adversely affects the safety, reliability or power quality of Company's electric system; or (c) the Generation Facilities interfere with the operation of Company's electric system. In non-emergency situations, Company shall give Customer notice of noncompliance including a description of the specific noncompliance condition and allow Customer a reasonable time to cure the noncompliance prior to isolating the Generating Facilities.
10. Customer shall agree that, without the prior written permission from Company, no changes shall be made to the configuration of the Generation Facilities, as that configuration is described in the Interconnection Agreement, and no relay or other control or protection settings specified in the Interconnection Agreement shall be set, reset, adjusted or tampered with, except to the extent necessary to verify that the Generation Facilities comply with Company approved settings.
11. Each Party (the "Indemnifying Party") to the extent permitted by law shall indemnify and hold harmless the other Party from and against all claims, liability, damages and expenses, including attorney's fees, based on any injury to any person, including the loss of life, or damage to any

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SPECIAL TERMS AND CONDITIONS (cont'd)

property, including the loss of use thereof, arising out of, resulting from, or connected with, or that may be alleged to have arisen out of, resulted from, or connected with, an act or omission by the Indemnifying Party, its employees, agents, representatives, successors or assigns in the construction, ownership, operation or maintenance of the Indemnifying Party's facilities used in connection with this Agreement.

12. Customer shall agree to maintain reasonable amounts of insurance coverage against risks related to the Generation Facilities for which there is a reasonable likelihood of occurrence. Customer shall agree to provide Company from time to time with proof of such insurance upon Company's request.

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