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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of Duke)	
Energy Ohio, Inc. for an Increase in)	Case No. 08-709-EL-AIR
Electric Distribution Rates)	
 In the Matter of the Application of Duke)	
Energy Ohio, Inc. for Tariff Approval)	Case No. 08-710-EL-ATA
 In the Matter of the Application of Duke)	
Energy Ohio, Inc. for Approval to)	Case No. 08-710-EL-AAM
Change Accounting Methods)	
 In the Matter of the Application of Duke)	Case No. 06-718-EL-ATA
Energy Ohio, Inc for Approval of its)	
Rider BDP, Backup Delivery Point Rider)	

STIPULATION AND RECOMMENDATION

Rule 4901-1-30, Ohio Administrative Code (O.A.C.) provides that any two or more parties to a proceeding may enter into a written stipulation covering the issues presented in such a proceeding. The purpose of this document is to set forth the understanding and agreement of the Parties who have signed below (Parties) and to recommend that the Public Utilities Commission of Ohio (Commission) approve and adopt this Stipulation and Recommendation (Stipulation), which resolves all of the issues raised by Duke Energy Ohio (DE-Ohio) in

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these cases relative to the Application to Increase Electric Distribution Rates (Application).

This Stipulation is supported by adequate data and information, represents a just and reasonable resolution of the issues raised in these proceedings, violates no regulatory principle or precedent, and is the product of lengthy, serious bargaining among knowledgeable and capable Parties in a cooperative process, encouraged by this Commission and undertaken by the Parties representing a wide range of interests, including the Commission's Staff,¹ to resolve the aforementioned issues. Although this Stipulation is not binding on the Commission, it is entitled to careful consideration by the Commission. For purposes of resolving all issues raised by these proceedings, the Parties stipulate, agree and recommend as set forth below.

Except for purposes of dispute resolution and enforcement of this Stipulation, neither this Stipulation, nor the information and data contained therein or attached, shall be cited as precedent in any future proceeding for or against any Party or the Commission. This Stipulation is a reasonable compromise involving a balancing of competing positions, and it does not necessarily reflect the position that one or more of the Parties would have taken if these issues had been fully litigated.

This Stipulation is expressly conditioned upon adoption of the Stipulation by the Commission in its entirety and without material

¹ Staff will be considered a party for the purpose of entering into this Stipulation by virtue of O.A.C. Rule 4901-1-10(c).

modification. Should the Commission reject or modify all or any part of this Stipulation, the Parties shall have the right within thirty (30) days of the issuance of the Commission's order, to file an application for rehearing. The parties agree that they will not oppose or argue against any other Party's application for rehearing that seeks to uphold the original, unmodified Stipulation. If the Commission does not adopt the Stipulation without material modification, any Party may terminate and withdraw from the Stipulation by filing a notice with the Commission, including service to all Parties, in the docket within thirty (30) days of the Commission's Entry on Rehearing. Upon the filing of such notice, the Stipulation shall immediately become null and void.

Prior to the filing of this notice, the Party wishing to terminate agrees to work in good faith with the other Parties to achieve an outcome that substantially satisfies the intent of the Stipulation and, if a new agreement is reached, to file the new agreement for Commission review and approval. If the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are unsuccessful, the Commission shall convene an evidentiary hearing such that the Parties will be afforded the opportunity to present evidence through witnesses, to cross-examine witnesses, to present rebuttal testimony, and to brief all issues that the Commission shall decide based upon the record and briefs as if this Stipulation had never been executed. If the discussions to achieve an outcome that substantially satisfies the intent of the

Stipulation are successful, some, or all, of the Parties shall submit the amended Stipulation to the Commission for approval.

All the Signatory Parties fully support this Stipulation and urge the Commission to accept and approve the terms herein.

WHEREAS, all of the related issues and concerns raised by the Parties have been addressed in the substantive provisions of this Stipulation, and reflect, as a result of such discussions and compromises by the Parties, an overall reasonable resolution of all such issues. This Stipulation is the product of the discussions and negotiations of the Parties and is not intended to reflect the views or proposals that any individual Party may have advanced acting unilaterally. Accordingly, this Stipulation represents an accommodation of the diverse interests represented by the Parties and is entitled to careful consideration by the Commission;

WHEREAS, this Stipulation represents a serious compromise of complex issues and involves substantial benefits that would not otherwise have been achievable; and

WHEREAS, the Parties believe that the agreements herein represent a fair and reasonable solution to the issues raised in the cases set forth above concerning DE-Ohio's Application to Increase Electric Distribution Rates;

NOW, THEREFORE, the Parties stipulate, agree and recommend that the Commission make the following findings and issue its Opinion

and Order in these proceedings approving this Stipulation in accordance with the following:

1. REVENUE REQUIREMENT

The Parties agree that DE-Ohio shall receive a retail electric distribution revenue increase of \$55.3 million. The Parties further agree that DE-Ohio's actual adjusted capital structure and the mid-point of the Staff's recommended return on equity (10.63%) shall be used for purposes of any riders that require a rate of return.

2. REVENUE DISTRIBUTION, BILLING DETERMINANTS AND RATE DESIGN

- a. The Parties agree to the retail electric distribution revenue increase distribution as shown on Stipulation Attachment 1.
- b. The Parties agree to establish DE-Ohio's monthly residential service customer charge at \$5.50 per bill for rates RS, ORH and CUR .
- c. DE-Ohio shall make its three-phase residential rate (Rate RS3P) available throughout its service territory to residential customers where: (1) building demand load exceeds standard single-phase DE-Ohio equipment or the building is a multi-use building requiring three-phase service for the commercial space; (2) distribution lines are adjacent to the premises to be served; (3) the building demand load requires three-phase service; and (4) additional distribution line

extensions are not required as DE-Ohio's existing distribution facilities are capable of supporting three-phase distribution service. In all other instances, DE-Ohio will make three-phase service available to residential customers at the customer's sole expense and pursuant to a three-year service agreement.

- d. The Parties agree that DE-Ohio's proposed rate design for non-residential rates shall be implemented as set forth in Stipulation Attachment 2.

3. DEPRECIATION RATES

The Parties agree that DE-Ohio will implement new depreciation rates consistent with The Staff Report of Investigation and as outlined by The Office of Ohio Consumers' Counsel (OCC) in its objections to the Staff Report of Investigation.

4. POLE ATTACHMENT RATES

The Parties agree that DE-Ohio's Pole Attachment Rate shall be \$6.40 per wireline attachment. DE-Ohio's Conduit Occupancy rate shall be \$1.26 per linear foot as defined in the PA Tariff appended to Stipulation Attachment 3. The Parties further agree to the provisions as set forth in Stipulation Attachment 3. DE-Ohio agrees to the system inventory as recommended in the Staff Report of Investigation. DE-Ohio further agrees to file a letter in this docket, upon completion of the

inventory and shall affirmatively indicate that the baseline contemplated in Stipulation Attachment 3 has been established.

5. RIDER DR (DISTRIBUTION RELIABILITY RIDER)

The Parties agree that Rider DR shall be approved as a mechanism to recover reasonable and prudently incurred storm restoration costs relative to the September 2008 wind storm associated with Hurricane Ike only. Recovery is limited to the Operating Costs identified in paragraph 16 of the Company's December 22, 2008, Motion for Approval of a Change to Accounting Methods which was approved by the Public Utilities Commission on January 14, 2009 in this docket. The Rider shall be set at zero in this proceeding. Upon approval of this Stipulation, DE-Ohio may file a separate application to establish the initial level of Rider DR and shall docket with its Rider DR application all supporting documentation. DE-Ohio will bear the burden of proof of demonstrating that the costs were prudently incurred and reasonable. Staff and any other interested parties may file comments on the Company's application within sixty days after the company docket its application. If Staff or any other interested party files an objection that is not resolved in the opinion of the interested party who has the objection within thirty days thereafter, a hearing process, including an opportunity for discovery and the presentation of testimony, will be established in order to allow the parties to present evidence to the Commission.

6. CUSTOMER OWNED STREET LIGHTING

The Parties agree not to oppose DE-Ohio's request to eliminate its Street Lighting Rate SC tariff.

7. BACK UP DELIVERY POINT CAPACITY RIDER (RIDER BDP)

The Parties agree to recommend to the Commission that Rider BDP (Back-Up Delivery Point Capacity) shall be approved in accordance with the recommendations contained in The Staff Report of Investigation, except that Rider BDP capacity reservation charges shall not apply to the Greater Cincinnati Health Council member hospitals' existing load through 2011, consistent with the Stipulation reached in DE-Ohio's Application for a Standard Service Offer, Case No. 08-920-EL-SSO, *et al.*

8. SHOPPING CREDIT (RIDER SC)

The Parties agree to support the withdrawal from this case of DE-Ohio's request to eliminate Rider SC and agree to the continuation of Rider SC as effective pursuant to the Stipulation reached in Case No. 08-920-EL-SSO, *et al.*

9. BROWNFIELD TARIFF RIDER (RIDER DIR)

The Parties agree to support the recommendation of the Commission Staff in The Staff Report of Investigation wherein Staff recommended exclusion of the minimum load requirement in DE-Ohio's proposed changes to its Brownfield Development Program. Customer credits applied pursuant to this tariff shall not be recoverable from customers by DE-Ohio.

10. IMPLEMENTATION OF RATES

The Parties agree that DE-Ohio shall implement rates on a service rendered basis effective upon Commission approval of this Stipulation.

11. UNCOLLECTIBLE DISTRIBUTION ACCOUNTS (RIDER UE-ED)

The Parties agree to the creation of an electric distribution uncollectible expense rider (Rider UE-ED). Rider UE-ED shall recover incremental net uncollectible expense (above the baseline amount established in the test period as reflected on Stipulation Attachment 4) related to DE-Ohio's provision of electric distribution service and all Percentage of Income Payment Plan (PIPP) installment payments not recovered through the USR or from the customer net of any unused low-income credit funds as described in paragraph 14. The amounts in the Rider, exclusive of PIPP, will only be collected from the class, (residential or non-residential), that created the bad debt expense. Bad debt expense associated with PIPP uncollectibles will be allocated in the manner of the Universal Service Fund Rider. DE-Ohio shall be permitted to recover PIPP installment payment amounts not recovered through the USR or from the customer through Rider UE-ED where DE-Ohio demonstrates that it has made reasonable attempts to collect said amounts. Rider UE-ED shall be set at zero in this proceeding. DE-Ohio's initial application to set the Rider UE-ED shall be filed in the second quarter of 2010, and shall include incremental net uncollectible expenses and eligible PIPP amounts above the baseline incurred after the effective date of the rate increase granted in this proceeding. DE-Ohio

agrees to not accrue carrying charges on the monthly unrecovered balance of incremental net uncollectible expense and PIPP installment payments for which recovery is sought through Rider UE-ED. The Parties further agree that DE-Ohio shall make annual filings for Rider UE-ED which shall be subject to a review and true-up proceeding before the Commission. All interested parties shall have the right to due process, including an opportunity for discovery, hearing and Commission approval. If the Commission orders an independent audit of the uncollectible expense, an audit shall be conducted under the direction of the Staff, the cost of which shall be recoverable through Rider UE-ED.

As part of the consideration for establishing the uncollectible rider, DE-Ohio shall include within the competitive retail electric service provider tariff the formula it uses to determine the discount at which it purchases receivables from competitive retail electric service providers.

12. EXTENSION OF KROGER AGREEMENT

The Parties agree that the agreement reached with Kroger, Inc. in the ESP case which is set forth in Attachment 7 to the Stipulation in Case No. 08-920-EL-SSO, *et al.*, shall be extended for an additional 90 days from the date the Commission approves this Stipulation.

13. CITY OF CINCINNATI AGREEMENT

DE-Ohio and the City of Cincinnati agree to enter into a pole attachment agreement that clarifies that the City of Cincinnati shall not be responsible for paying pole attachment fees for existing or new

attachments made in accordance with the processes set forth in this paragraph. In addition, all other Ohio political subdivisions shall be exempt from paying attachment fees provided that those municipalities timely remove life safety signs, equipment, and lights from DE-Ohio's utility poles, enter into pole attachment agreements or otherwise submit to an application and permit process for any future pole attachments, submit any existing, non-permitted (*i.e.*, unauthorized) attachments to an application and permit process, and timely correct any attachments that violate NESC or other applicable regulation. The foregone revenue from these exemptions from this Stipulation shall not be recoverable from other customers.

14. LOW INCOME CREDIT – ELECTRIC RATE RSLI

The Parties agree that up to 10,000 electric customers who are at or below 200% of the federal poverty level and who do not participate in the PIPP program, shall be entitled to receive electric service under Rate RSLI (Residential Low Income) and receive a \$4.00 per month credit. Upon the Commission's approval of this Stipulation, the Company will move all customers entitled to this discount, into this Tariff. All gas customers who are currently eligible for DE-Ohio's low-income credit gas program will be automatically enrolled in DE-Ohio's low income electric program and credited the \$4.00 per month on their electric bill. To the extent less than \$40,000 is credited to customers during each month, the excess of the monthly proceeds shall be used to fund the payment of

the amounts that would otherwise be collected through the uncollectible rider (Rider UE-ED).

15. LOW INCOME WEATHERIZATION MEASUREMENT PROGRAM

The Parties agree that DE-Ohio shall provide \$200,000 per year for four years towards a study that People Working Cooperatively, Inc. (PWC) will design and manage, employing its proprietary tools. It will test a range of home energy improvements, focusing on critical home repairs and energy efficiency, for eligible low-income residential consumers in the DE-Ohio service territory. PWC will report to DE-Ohio and other interested Parties on recorded and measured data from the project funded by DE-Ohio. DE-Ohio agrees that PWC may allocate the funding as it deems appropriate among the costs associated with the study. And PWC agrees to provide an annual reporting of expenditures to DE-Ohio, with copies to other interested Parties.

16. OHIO PARTNERS FOR AFFORDABLE ENERGY

To assist with the implementation, administration costs, staffing and outreach of this new low income credit program, DE-Ohio shall contribute a total of \$50,000 a year for four years. The contribution shall be made directly to the Cincinnati/Hamilton County Community Action Agency, Clermont County Community Services, Supports to Encourage Low-Income Families in Butler County, Community Action Partnership of the Greater Dayton Area in Warren County, and Adams-Brown Counties Economic

Opportunities, Inc. DE-Ohio, OP&E and the aforementioned agencies shall agree to the amount of distribution to each agency. At the discretion of OP&E and their member agencies, the funding may also be used for the purchase or development of a market research data base to more effectively target participants for low-income programs in the Duke Energy Ohio service area.

17. REMAINING ELEMENTS SUBJECT TO STAFF REPORT

The Parties agree that all other elements of DE-Ohio's Application to Increase Electric Distribution Rates shall be resolved as set forth in The Staff Report of Investigation in this case dated January 27, 2009.

18. PAYMENT OF RESIDENTIAL CUSTOMER DEPOSITS

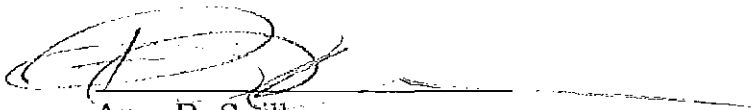
Payment of Deposits: The Parties agree that DE-Ohio shall allow the payment of electric account deposits by residential customers in installments over three consecutive months and DE-Ohio will not seek to recover from customers the billing and/or IT costs associated with the change. DE-Ohio will make its best efforts to effectuate this change but will complete the process no later than December 31, 2009.

19. OCC PHONE NUMBER

DE-Ohio will correct the phone number for OCC's call center on both electric and gas disconnect notices immediately.

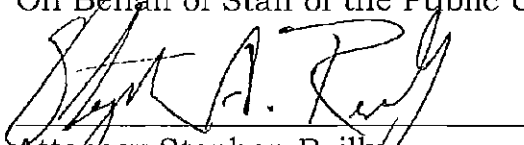
THE UNDERSIGNED PARTIES hereby stipulate and agree and each represents that it is authorized to enter into this Stipulation and Recommendation this 31st day of March 2009.

On Behalf of Duke Energy Ohio, Inc.



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On Behalf of Staff of the Public Utilities Commission of Ohio



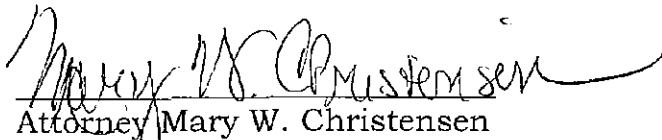
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On Behalf of People Working Cooperatively, Inc.



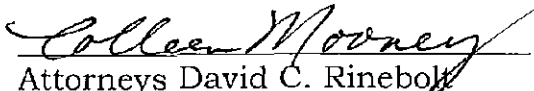
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On Behalf of the Greater Cincinnati Health Council



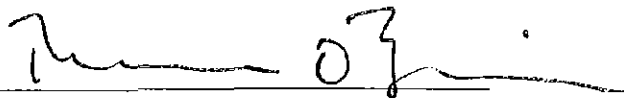
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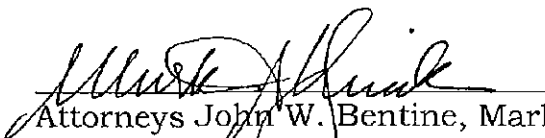
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On Behalf of The Kroger Company



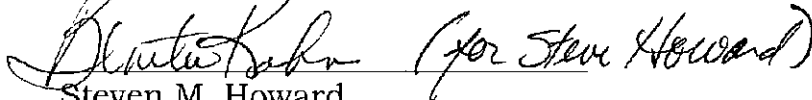
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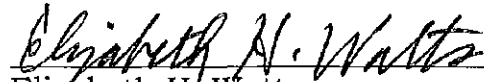
On Behalf of tw telecom of ohio LLC

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On Behalf of Himself:

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served via hand delivery, ordinary mail or overnight delivery on the following parties this 31st day of March 2009.


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STIPULATION ATTACHMENT 1

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
ELECTRIC REVENUE DISTRIBUTION PER STIPULATION
BASED ON BILLING DETERMINENTS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

LINE NO.	RATE CLASSIFICATION (A)	DISTRIBUTION REVENUE AT PRESENT RATES (B)	TOTAL REVENUE AT PRESENT RATES (C)	REVENUE CHANGE (AMOUNT) (D)	DISTRIBUTION REVENUE AT PROPOSED RATES (E=B+D)	TOTAL REVENUE AT PROPOSED RATES (F=C+D)	% OF DISTRIBUTION REVENUE CHANGE (G=D / B)	% OF TOTAL REVENUE CHANGE (H=D/ C)
1	RESIDENTIAL SERVICE (RS)	181,221,282	782,477,856	23,534,174	204,755,456	806,012,030	12.99%	3.01%
2	OPTIONAL HEATING SERVICE (ORH)	144,816	651,414	17,050	161,866	668,464	11.77%	2.62%
3	OPTIONAL TIME OF DAY SERVICE (TD)	8,001	33,900	779	8,780	34,679	9.74%	2.30%
4	COMMON USE RESIDENTIAL SERVICE (CUR)	2,487,265	9,683,391	351,854	2,839,119	10,035,245	14.15%	3.63%
5	RESIDENTIAL THREE-PHASE SERVICE (RS3P)	19,218	80,926	2,248	21,466	83,174	11.70%	2.78%
6	TOTAL RESIDENTIAL	183,880,582	792,927,467	23,906,105	207,786,687	816,833,592	13.00%	3.01%
7	SECONDARY DISTRIBUTION (DS & RTP)	82,512,029	659,165,889	24,358,165	106,870,194	683,524,054	29.52%	3.70%
8	UNMETERED SMALL FIXED LOADS (GSFL)	463,026	3,738,205	88,293	551,319	3,826,498	19.07%	2.36%
9	ELEC SPACE HEATING (EH)	1,063,549	6,763,328	362,013	1,425,562	7,125,341	34.04%	5.35%
10	SEC DISTRIBUTION SERVICE-SMALL (DM)	18,263,896	67,565,644	1,345,059	19,608,955	68,910,703	7.36%	1.99%
11	PRIMARY DISTRIBUTION VOLTAGE (DP & RTP)	16,417,391	195,275,198	5,776,950	22,194,341	201,052,148	35.19%	2.96%
12	TOTAL DISTRIBUTION	118,719,891	932,508,264	31,930,480	150,650,371	964,438,744	25.90%	3.42%
13	TRANSMISSION VOLTAGE (TS & RTP)	1,186,721	193,375,190	(1,066,921)	119,800	192,308,269	-89.90%	(0.55%)
14	STREET LIGHTING (SL)	4,229,825	6,435,683	313,913	4,543,738	6,749,596	7.42%	4.88%
15	TRAFFIC LIGHTING (TL)	160,748	1,066,159	11,913	172,661	1,078,072	7.41%	1.12%
16	OUTDOOR LIGHTING (OL)	1,679,104	3,026,280	124,475	1,803,579	3,150,755	7.41%	4.11%
17	NON STD STREET LIGHTING (NSU)	125,751	207,466	9,329	135,080	216,795	7.42%	4.50%
18	NON STD POL'S (NSP)	240,606	328,663	17,844	258,450	346,507	7.42%	5.43%
19	S L - CUST OWNED (SC)	365,699	1,919,274	27,105	392,804	1,946,379	7.41%	1.41%
20	S L - OVERHEAD EQUIV (SE)	337,195	619,978	24,997	362,192	644,975	7.41%	4.03%
21	UNMETERED OUTDOOR LIGHTING (UOLS)	1,293	12,378	95	1,388	12,473	7.35%	0.77%
22	TOTAL LIGHTING	7,140,221	13,615,881	529,671	7,669,892	14,145,552	7.42%	3.89%
23	TOTAL RETAIL	310,927,415	1,932,426,822	55,299,335	366,226,750	1,987,726,157	17.79%	2.86%

STIPULATION ATTACHMENT 2

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
CUSTOMER CHARGES PER STIPULATION

LINE NO.	RATE CLASSIFICATION (A)	CUSTOMER CHARGE (B)
1	RESIDENTIAL SERVICE (RS)	5.50
2	RESIDENTIAL SERVICE LOW INCOME (RSLI)	1.50
3	OPTIONAL HEATING SERVICE (ORH)	5.50
4	OPTIONAL TIME OF DAY SERVICE (TD)	16.00
5	COMMON USE RESIDENTIAL SERVICE (CUR)	5.50
6	RESIDENTIAL THREE-PHASE SERVICE (RS3P)	8.00
	SECONDARY DISTRIBUTION (DS & RTP)	
7	SINGLE PHASE	20.00
8	RIDER LM (NO INTERVAL METER)	7.50
9	THREE PHASE	40.00
10	RIDER LM (NO INTERVAL METER)	150.00
11	Rider RTP	325.00
12	UNMETERED SMALL FIXED LOADS (GSFL)	5.00
	ELEC SPACE HEATING (EH)	
13	SINGLE PHASE	20.00
14	THREE PHASE	40.00
15	PRIMARY	200.00
	SEC DISTRIBUTION SERVICE-SMALL (DM)	
16	SINGLE PHASE	7.50
17	THREE PHASE	15.00
	PRIMARY DISTRIBUTION VOLTAGE (DP & RTP)	
18	STANDARD BILLS	200.00
19	RIDER LM	150.00
20	Rider RTP	325.00
	TRANSMISSION VOLTAGE (TS & RTP)	
21	STANDARD BILLS	200.00
22	RIDER LM	150.00
23	Rider RTP	325.00
24	LIGHTING	SEE TARIFF

*In the Matter of DE-Ohio, Inc.'s
Application for an Increase in Electric Rates
Case No. 08-709-EL-AIR, et al.*

**Stipulation Attachment 3
Addendum to Stipulation and Recommendation
Resolution of PA Tariff Issues**

Tariff Revisions

A revised copy of DE-Ohio's (DE-Ohio) PA tariff is attached hereto.

Rates

DE-Ohio, the Ohio Cable Telecommunications Association (OCTA), (jointly the Parties) and the Staff of the Public Utilities Commission of Ohio (Staff) and agree to an annual rate of \$6.40 for each pole attachment, which is defined as an attachment that occupies one (1) foot of vertical space on a distribution pole. Attachments shall be made pursuant to a pole attachment agreement.

The Parties agree to a conduit occupancy rate of \$1.26 per linear foot. Occupancy shall be pursuant to a conduit occupancy agreement.

Voice over Internet Protocol (VoIP) services provided through a wireline attachment shall be subject to the pole attachment rate set forth above (\$6.40 per attachment as defined in the proposed tariff). Notwithstanding the provision below on future tariff revisions, should the FCC or State of Ohio determine VoIP to constitute a telecommunications service, Duke will be permitted to apply for a tariff amendment to obtain a higher rate for attachments used to provide VoIP. OCTA reserves the right to oppose such an effort by Duke to amend its tariff.

Inventory for Purposes of Counting Attachments

DE-Ohio will initiate efforts for an inventory of its system within eighteen months of the approval of the Stipulation in this case. The purpose of this inventory is to count the number of attachments to DE-Ohio's poles and the ownership of each attachment.

Time Warner Cable may participate in the contractor selection by identifying one or more qualified contractors for consideration by DE-Ohio. DE-Ohio will

consider any bid submitted by such contractor and will select from among all contractors solicited giving due consideration to price, but has the sole right to select the contractor unless otherwise stated herein. Any contractor selected that bids more than \$1.50 for each pole surveyed that contains a Time Warner Cable attachment shall be subject to Time Warner Cable's approval if a contractor identified by Time Warner Cable has submitted a lower bid. The costs of the inventory will be paid by Time Warner Cable.

The inventory process will be subject to random sampling, with a quality assurance rate of 95%. The cost of the sampling will be considered part of the overall inventory costs to be paid by Time Warner Cable.

DE-Ohio shall docket and provide notice to Staff upon the completion of the baseline inventory described herein. The Parties agree to accept the results of the inventory.

Time Warner Cable shall cooperate with the inventory by providing mapping and other information relating to the location of all of its attachments, including any and all overlying by Time Warner Cable or any party authorized by Time Warner Cable. Time Warner Cable shall also provide contact information for any such overlying entities.

Time Warner Cable shall also cooperate in the inventory process by providing DE-Ohio with a comprehensive listing of all attachments currently used by a public utility as defined by Ohio Revised Code §4905.03, to provide telecommunications services via Time Warner Cable's attachments to DE-Ohio's poles. Such listing shall include the total number and location of all such attachments. Such information shall be provided by Time Warner Cable prior to the commencement of the inventory.

If the contractor identifies any safety violations during the course of the inventory that could reasonably be expected to endanger life or property, the contractor will report such violations to DE-Ohio. If the violation was caused by the third party attacher, it will repair or cure the violation, at its cost, within five days of notice. If the violation is not cured in that period, DE-Ohio may cure the violation and the third party attacher shall timely remit payment, within ten days of invoice, to DE-Ohio for all such costs.

On or before the completion of the inventory, Time Warner Cable shall execute a new pole attachment agreement. DE-Ohio and Time Warner Cable shall begin good faith negotiations upon the approval of the Stipulation in this case.

DE-Ohio will be authorized to impose penalties for any unauthorized attachments after a baseline is established by the inventory. The penalty amount shall be equal to five years back rental, regardless of when the unauthorized attachment was installed.

If the initial inventory is one in which the location of pole attachments is recorded, then DE-Ohio may impose unauthorized attachment penalties at any time after the completion of the initial inventory described above. DE-Ohio will perform subsequent inventories at five-year intervals and at the cost of the entity whose attachments are being counted in the inventory. Any unauthorized attachment identified during each such subsequent inventory shall be subject to penalties as defined herein.

DE-Ohio will subsequently initiate an audit of its system, the purpose of which is to identify safety violations. DE-Ohio will have the sole right to determine whether it will perform the audit or engage a contractor and the period of time over which the audit will be performed. If the audit is part of a routine inspection performed by DE-Ohio, it agrees to assume the cost of the audit. Otherwise, Time Warner Cable will share in the cost of the audit in proportion to the number of violations of the National Electrical Safety Code (NESC) caused by Time Warner Cable compared to the total number of violations of the NESC identified during the audit.

Placement of Pole Attachments Pursuant to PA Tariff

Existing Attachments

Attachments placed at a height in excess of 23'8" from the bottom of the pole and before the date on which the Stipulation in this case is approved are not subject to displacement, but may be relocated at or below the height of 23'8" from the bottom of the pole, where such relocation is consistent with the NESC, at the cost of the entity requiring the relocation.

Future Attachments

Any pole attachments made after the date on which this Stipulation is approved shall be placed at a location approved by DE-Ohio. Said attachments shall be made consistent with the National Electric Safety Code. The highest attachment in the communications zone shall be placed at a height of no more than 23'8" from the bottom of the pole. If DE-Ohio approves the placement of an attachment at a height in excess of 23'8" from the bottom of the pole, the attachment shall be considered to be in borrowed space and subject to displacement by DE-Ohio and at the attacher's cost if DE-Ohio requires the space for its electric business. In the case of any relocation of an attachment under this paragraph, the cost of relocation shall be borne by the attacher.

It is expressly acknowledged that unique circumstances may necessitate a deviation from this general standard. Such circumstances shall be addressed on a case by case basis.

Correction of Violations

Third party attachers, including OCTA members, shall repair or cure any NESC violation that they created at their cost. If the violation is one that could reasonably be expected to endanger life or property, it must be cured within five days of notice. If such a violation is not cured in that period, DE-Ohio may cure the violation and the third party attacher will timely remit payment, within ten days of invoice, to DE-Ohio for all such costs.

DE-Ohio may elect to move its attachments to cure a violation caused by a third party attacher, but it is not required to do so. If DE-Ohio elects, in its sole discretion and in its sole judgment, to address such a violation by moving its lowest attachment higher on the pole, any associated relocation of the third party's attachment shall be temporary in nature and subject to DE-Ohio's express prior consent. The third party attacher shall not assume any superior right to occupy the space resulting from DE-Ohio's relocation of its lowest attachment higher on the pole. The third party attacher must immediately, and at its cost, relocate any attachments from this space should DE-Ohio determine that it needs the space in the performance and/or maintenance of its electric business.

Relocation of Attachments

If an authorized attachment needs to be relocated to accommodate the attachments of another entity, including DE-Ohio, then the entity responsible for

causing the relocation shall reimburse the entity making that authorized attachment for such relocation costs. Reimbursement costs may include the costs necessary to install a taller utility pole. An authorized attachment is one placed in the location approved by DE-Ohio pursuant to a request to attach.

Drop Poles

Attachments may be made to drop poles without prior notice to DE-Ohio if no make ready work is required. An attachment to a drop pole shall be defined as an attachment from the main line to customer premises.

Time Warner Cable agrees to provide notice of attachment by the tenth of the following month of such attachment being made. If Time Warner Cable fails to provide notice, such attachment shall be subject to the unauthorized attachment penalty (five years' back rental).

Attachments to drop poles shall be subject to the tariffed rate and the pole attachment agreement.

Overlashing

Time Warner Cable shall provide DE-Ohio with prior notice before overlashing on existing attachments.

The notice shall provide a description of the proposed attachment and whether there has been a change in the classification of the attachment. Notice shall also identify whether any existing facilities will be removed and whether any loading issues are created by the overlashing.

Power Supplies

Power supplies shall be subject to a single attachment rate and the application process.

Power supplies must meet DE-Ohio requirements with respect to size and weight.

Risers

Risers shall not be deemed to be attachments subject to the tariffed rate.

Term Sheet

The Ohio Cable Telecommunications Association shall agree to all other provisions set forth in the Stipulation and Recommendation.

Relationship of Addendum to Tariff

The Parties expressly agree that between themselves the terms of this Addendum shall be treated as a valid interpretation of the Tariff and shall control and take precedence over the Tariff. The Parties agree that this agreement is not intended to affect and the Parties recognize it does not affect the Commission's jurisdiction or authority over the Tariff or any Commission interpretation of the Tariff.

Future Tariff Revisions

DE-Ohio agrees not to request a change in its tariffed rate for cable or wireline pole attachments before January 1, 2012, unless the FCC or State of Ohio determines that cable attachments shall be charged pursuant to a different rate or formula. DE-Ohio may file to amend its tariffed rate at anytime after such a determination. OCTA reserves the right to oppose any such filing.

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. No. 1
Sheet No. 1.6
Cancels and Supersedes
Sheet No. 1.5
Page 1 of 8

RATE PA

POLE ATTACHMENT/OCCUPANCY TARIFF

APPLICABILITY

Applicable to any person or entity other than a public utility (hereinafter "Licensee") authorized to complete a "wireline attachment" or an "occupancy", as defined herein, to any distribution pole or in any conduit in the service territory of Duke Energy Ohio, Inc., (hereinafter the "Company"). As used in this Tariff, a "wireline attachment" is the attachment of wire or cable and associated facilities or apparatus within one (1) foot of vertical space to any distribution pole owned by the Company and "occupancy" is the placement of wire or cable and associated facilities or apparatus in conduit space owned by the Company.

AGREEMENT

Before any wireline attachment or occupancy is made, Licensee shall enter into and be bound by a Pole Attachment and/or Conduit Occupancy License Agreement (hereinafter the "Agreement").

ATTACHMENT CHARGES

An annual rental of \$6.40 per wireline attachment shall be charged for the use of the Company's poles. Any attachments outside the one (1) foot of vertical space will be considered another attachment and a separate annual rental charge will apply. The charge will apply if any portion of a pole is occupied or reserved at the Licensee's request.

For conduit occupancy, the occupancy fee shall be \$1.26 per linear foot.

PAYMENT

All payments due from Licensee shall be invoiced by Company and payments shall be made by Licensee within twenty-one (21) days from the date of invoice. When any payments due from Licensee are not timely made, the amount due shall be adjusted to include interest equal to one and one-half percent (1.5%) of the unpaid amount which will accrue monthly until paid.

The annual rental amount shall be paid in advance by Licensee.

As new attachments/occupancies are made after the initial rental year, rentals for such attachments/occupancies shall be paid for the entire year if made within the six-month period after any anniversary date, and for one-half year if made during the following six-month period. For any attachments/occupancies removed by Licensee and for which the Company shall have received written notice from Licensee, the yearly rental shall be adjusted on the same basis.

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TERMS AND CONDITIONS

1. APPLICATION

Before any wireline attachment to any pole other than a drop pole, is made by Licensee, or any occupancy is made on Licensee's behalf, Licensee shall make written application for permission to install such wireline attachments on any pole of the Company or occupy any conduit of the Company. The written application shall specify the location of each pole/conduit in question, the character of its proposed attachments/occupancies and the amount and location of space desired. Within thirty (30) days after receipt of such written application, the Company shall notify Licensee in writing whether or not it is willing to permit the attachments or occupancies and, if so, under what conditions. If the application requires the use of special equipment beyond the cable attachment, the Company shall notify Licensee in writing within forty-five (45) days whether it is willing to permit the attachment or occupancy and, if so, under what conditions. If such permission is granted, Licensee shall have the right to occupy the space allotted by the Company under the conditions specified in such permit and in accordance with the terms of the Agreement but Company shall not be required to set a pole/conduit for the sole use by Licensee. The Company shall not unreasonably or discriminatorily deny occupancy or attachments. Permission to occupy the conduit, if granted, shall not authorize Licensee to access the Company's conduit. Such access shall be limited to the Company or its designated representative.

2. TECHNICAL MANUALS

Upon the execution of the Agreement and before any attachments/occupancies are made by Licensee, Licensee shall send the Company all manufacturer's technical manuals and information, and construction standards and manuals regarding the equipment Licensee proposes to use pursuant to the provisions of the Agreement.

3. TECHNICAL SPECIFICATIONS

All wireline attachments or occupancies are to be placed on poles or in conduits of the Company in a manner satisfactory to the Company and so as not to interfere with the present or any future use that the Company may desire to make of such poles, wires, conduits, or other facilities. All wireline attachments or occupancies shall be installed and maintained by Licensee or on Licensee's behalf and at its expense so as to comply at least with the minimum requirements of the National Electrical Safety Code and any other applicable regulations or codes promulgated by federal, state, local or other governmental authority having jurisdiction. Licensee shall take any necessary precautions, by the installation of protective equipment or other means, to protect all persons and property of all kinds against injury or damage occurring by reason of Licensee's attachments/occupancies on the Company's poles/conduits. The Company shall determine in a fair, reasonable and non discriminatory manner, the requirements for the present and future use of its poles, conduits and equipment and of any interference therewith.

4. REPLACEMENT COSTS

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P.U.C.O. No. 1
Sheet No. 1.6
Cancels and Supersedes
Sheet No. 1.5
Page 3 of 8

In any case where it is necessary for the Company to replace a pole or conduit because of the necessity of providing adequate space or strength to accommodate the wireline attachments or occupancies of Licensee thereon, either at the request of Licensee or to comply with the above codes and regulations, the Licensee shall pay the Company the total cost of this replacement. Such cost shall be the total estimated cost of the new pole/conduit including material, labor, and applicable overheads, plus the cost of transferring existing electric facilities to the new pole or conduit, plus the cost of removal of the existing pole or conduit and any other incremental cost required to provide for the attachments or occupancies of the Licensee, including any applicable taxes the Company may be required to pay because of this change in plant, minus salvage value of any facilities removed.

Licensee shall also pay to the Company and other owners thereof the cost of removing all existing attachments/occupancies from the existing pole or conduit and re-establishing the same or like attachments/occupancies on the newly installed pole/conduit. The new pole or conduit shall be the property of the Company regardless of any payments by Licensee towards its cost and Licensee shall acquire no right, title or interest in such pole or conduit.

5. REARRANGING COSTS

If Licensee's proposed wireline attachments or occupancies can be accommodated on existing poles or conduits of the Company by rearranging facilities of the Company and of other Licensees thereon and if the Company and other Licensees are able to make such rearrangement consistent with the NESC, such rearrangement shall be made by the Company and such other Licensees, and Licensee shall on demand reimburse the Company and such other Licensees for any expense incurred by them in transferring or rearranging such facilities. Any additional guying required by reason of the attachments or occupancies of Licensee shall be made by Licensee at its expense, and to the satisfaction of the Company. The Company shall not be responsible for coordinating the relocation of third party attachments.

6. INSPECTIONS

The Company reserves the right to inspect each new installation of Licensee on its poles and in its conduits and to make periodic inspections every five (5) years or more often if conditions warrant such inspection, and Licensee shall reimburse the Company for the expense of such inspection. The Company's right to make such inspections and any inspection made pursuant to such right shall not relieve Licensee of any responsibility, obligation, or liability imposed by law or assumed under the Agreement. Subsequent to the completion of a baseline inventory by the Company when an unauthorized attachment or occupancy is found during an inspection, the Licensee will pay the Company an unauthorized attachment or occupancy sanction in the following amounts: Annual rental for the prior five years. For purposes of this penalty, an unauthorized attachment shall be any attachment for which the Company does not have a record and which was not identified on the Company's inventory of attachments.

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P.U.C.O. No. 1
Sheet No. 1.6
Cancels and Supersedes
Sheet No. 1.5
Page 4 of 8

7. SAFETY VIOLATIONS

Whenever the Company notifies Licensee in writing that the wireline attachments or occupancies of Licensee interfere with the operation of properly installed existing facilities of the Company or other Licensee, or constitute a hazard to the service rendered by the Company or other Licensee, or fail to comply with codes or regulations above-mentioned, Licensee shall remove, rearrange, or change its wireline attachments or ensure that, at its expense, its occupancy is removed, rearranged, or changed as directed by the Company. In case of emergency, the Company reserves the right to remove or relocate the attachments/occupancies of Licensee at Licensee's expense and without notice, and no liability therefor shall be incurred by the Company because of such action.

8. INDEMNIFICATION

Licensee agrees to indemnify and save harmless the Company from and against any and all liability, loss, damage, costs, attorney fees, or expense, of whatsoever nature or character, arising out of or occasioned by any claim or any suit for damages, injunction or other relief, on account of injury to or death of any person, or damage to any property including the loss of use thereof, or on account of interruption of Licensee's service to its subscribers or others, or for public charges and penalties for failure to comply with Federal, state or local laws or regulations, growing out of or in connection with any act or omission, negligent or otherwise, of Licensee or its servants, agents or subcontractors in the attachment/occupancy, operation and maintenance of facilities of Licensee on the poles/conduits of the Company, and in the performance of work hereunder, whether or not due in whole or in part to any act, omission or negligence of the Company or any of its representatives or employees (except insofar as such indemnity arising out of such injury or damage caused by the sole negligence of the Company or such representatives or employees may be judicially found to be contrary to law, in which case this Agreement of indemnity shall in all other respects be and remain effective and binding). The Company may require Licensee to defend any suits concerning the foregoing, whether such suits are justified or not.

9. INSURANCE REQUIREMENTS

Licensee agrees to obtain and maintain at all times during the period Licensee has attachments or occupancies on the Company's pole/conduits, policies of insurance as follows:

- (a) Public liability and automobile liability insurance for itself in an amount as specified by the Company for bodily injury to or death of any one person, and, subject to the same limit for any one person, in an aggregate amount as specified by the Agreement for any one occurrence.
- (b) Property damage liability insurance for itself in an amount as specified by the Company for any one occurrence.
- (c) Contractual liability insurance in amounts as specified by the Company to cover the liability

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P.U.C.O. No. 1
Sheet No. 1.6
Cancels and Supersedes
Sheet No. 1.5
Page 5 of 8

assumed by the Licensee under the agreements of indemnity set forth in the Agreement.

10. CERTIFICATE OF INSURANCE

Prior to making wireline attachments to the Company's poles or occupancy in the Company's conduits, Licensee shall furnish to the Company two copies of a certificate, from an insurance carrier acceptable to the Company, stating that policies of insurance have been issued by it to Licensee providing for the insurance listed above and that such policies are in force. Such certificate shall state that the insurance carrier will give the Company thirty (30) days prior written notice of any cancellation of or material change in such policies. The certificate shall also quote in full the agreements of indemnity set forth in the Agreement as evidence of the type of contractual liability coverage furnished. If such certificate recites that it is subject to any exceptions or exclusions contained in the policy or policies of insurance, such exceptions or exclusions shall be stated in full in such certificate, and the Company may, at its discretion, require Licensee before starting work, to obtain policies of insurance which are not subject to any exceptions or exclusions which the Company finds objectionable.

11. DISCONTINUATION OF COMPANY FACILITIES

The Company reserves the right, without liability to Licensee or its subscribers, to discontinue the use of, remove, replace or change the location of any or all of the Company's poles/conduits, attachments/occupancies or facilities regardless of any occupancy of the Company's poles/conduits by Licensee, and Licensee shall, at its sole cost and within 10 days after written notice by the Company make such changes in, including removal or transfer of, its attachments/occupancies as shall be required by such action of the Company.

12. ABANDONMENT

Licensee may at any time abandon the use of a pole or conduit under the Agreement hereunder by removing therefrom all of its wireline attachments or by requesting the Company to remove, at Licensee's expense, all of its occupancies and by giving written notice thereof to the Company.

13. PERMITS, EASEMENTS, AND RIGHTS OF WAY

Licensee shall secure any right, license or permit from any governmental body, authority, or other person or persons that may be required for the construction or maintenance of attachments or occupancies of Licensee, at its expense. The Company does not guarantee any easements, rights-of-way or franchises for the construction and maintenance of such attachments/occupancies. Licensee hereby agrees to indemnify and save harmless the Company from any and all claims, including the expenses incurred by the Company to defend itself against such claims, resulting from or arising out of the failure of Licensee to secure such right, license, permit or easement for the construction or maintenance of such attachment on the Company's pole or occupancy in the Company's conduit.

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14. SUPPLY OF ELECTRIC SERVICE

Electric service for power supplies of a Licensee shall be supplied from the lines of the Company in a manner specified by the Company.

15. USE BY THIRD PARTIES

The Company shall have the right, from time to time during the term of the Agreement, to grant, by contract or otherwise, to others not parties to the Agreement, rights or privileges to use any pole/conduits covered by the Agreement, and the Company shall have the right to continue and extend any such rights or privileges heretofore granted,. The attachment/occupancy privileges granted hereunder shall at all times be subject thereto.

16. BOND

Licensee shall furnish bond, as specified by the Company, to guarantee the performance of the obligations assumed by Licensee under the terms of the Agreement not otherwise covered by the insurance required by paragraph 9. Such bond shall be submitted to the Company prior to Licensee's making attachment/occupancy to the Company's poles/conduits.

17. REIMBURSEMENT FOR WORK PERFORMED

In case one party is obligated to perform certain work at its own expense and the parties mutually agree in writing that it is desirable for the other party to do such work, then such other party shall promptly do the work at the sole expense of the party originally obligated to perform the same. Bills for expense so incurred shall be due and payable within 21 days after presentation.

18. DEFAULT

If Licensee fails to comply with any of the provisions of the Agreement or defaults in the performance of any of its obligations under the Agreement and fails within 60 days after written notice from the Company to correct such default or non-compliance, the Company may, at its option, forthwith terminate the Agreement, or the specific permit or permits covering the poles/conduits and Licensee's attachments/occupancies to which such default or non-compliance is applicable, and remove attachments/occupancies of Licensee at Licensee's expense, and no liability therefor shall be incurred by the Company because of such action.

19. MAPS

The area covered by the Agreement shall be set forth on a map, attached to, and made a part of the Agreement. Such area may be extended or otherwise modified by a supplemental agreement mutually agreed

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P.U.C.O. No. 1
Sheet No. 1.6
Cancels and Supersedes
Sheet No. 1.5
Page 7 of 8

upon and signed by the Parties to an Agreement with a new map attached thereto showing the changed area to be thereafter covered by the Agreement. Such supplement shall be effective as of the date of final execution thereof and shall be attached to all executed copies of the Agreement.

20. EXPIRATION OF AGREEMENT

If Licensee does not exercise the rights herein granted within six (6) months from the execution date of the Agreement, the Agreement shall be void. The Agreement shall start as of the execution date thereof and shall continue for a period of one year and shall be self-renewing from year to year thereafter unless terminated by either Party's giving to the other Party written notice at least sixty (60) days prior to the end of any yearly term. Licensee shall completely remove its wireline attachments from the Company's poles or direct the Company to remove, at Licensee's expense, its occupancy in the conduit on or prior to the termination date, unless a new Agreement covering such poles or conduit has been executed by the Parties hereto.

21. BINDING EFFECT

The Agreement shall be binding upon and inure to the benefit of the Parties thereto, their respective successors, and/or assigns, but Licensee shall not assign, transfer or sublet any of the rights hereby granted or obligations hereby assumed without the prior written consent of the Company.

22. DEPOSITS

The Licensee may be required to pay a cash deposit to the Company in order to establish or re-establish credit in an amount not in excess of the total annual rental fees. After the Licensee has established a reasonable credit record by paying the rental fees for two consecutive years within the time specified in the Agreement, the Company shall apply the deposit plus an accrued interest to the next annual rental fee amount which is due and payable with the next subsequent anniversary date. The Company shall pay interest thereon in accordance with Rule 4901:1-17-05 of the Ohio Administrative Code.

23. FORCE MAJEURE

Except as may be expressly provided otherwise, neither Party shall be liable to the other for any failure of performance under the Tariff or Agreement due to causes beyond its reasonable control, including: (a) acts of nature, fire, explosion, vandalism, storm, or other similar occurrences; (b) national emergencies, insurrections, riots, acts of terrorism, or wars; (c) strikes, lockouts, work stoppages, or other labor difficulties. To the extent practicable, the Parties shall be prompt in restoring normal conditions, establishing new schedules and resuming operations as soon as the force majeure event causing the failure or delay has ceased. Each Party shall promptly notify the other Party of any delay in performance under this paragraph and its effect on performance required under the Tariff or Agreement.

If any pole or conduit of the Company is damaged or destroyed by a force majeure event so that the pole or

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P.U.C.O. No. 1
Sheet No. 1.6
Cancels and Supersedes
Sheet No. 1.5
Page 8 of 8

conduit is rendered materially unfit for the purposes described in the Tariff or Agreement and the Company elects not to repair or replace the pole or conduit, then permission to attach to such pole or occupancy shall terminate as of the date of such damage or destruction.

24. SERVICE REGULATIONS

The supplying and billing for service, and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

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Duke Energy Ohio

Calculation of Uncollectible Expense Recovery in Electric Distribution Base Rates

Stipulation Attachment 4

Line	Description	Case No. 08-709-EL-AIR		Total	Source
		Residential	Non-Residential		
1	Annualized Test Year Revenue (Before Increase)	\$183,880,582	\$127,046,833	\$310,927,415	Per Schedule E-4, page 1
2	Charge Off Percent	0.8598%	0.0725%	0.5380%	Per Schedule C-10, WPC-10a
3	Uncollectible Expense in Base Rates	\$1,580,549	\$92,167	\$1,672,715	Calculated (Line 1 * Line 2)
4	Increase (per Settlement)	\$23,906,105	\$31,393,895	\$55,300,000	Per Stipulation Attachment 1
5	Increase in Uncollectible Expense	\$205,485	\$22,775	\$228,260	Line 2 * Line 4
6	Total Uncollectible Expense in Base Rates	\$1,786,034	\$114,941	\$1,900,975	Line 3 + Line 5
7	PIPP Uncollectible in Base Rates	\$0	\$0	\$0	None in test year
8	Total Uncollectible Expense in Base Revenue	\$1,786,034	\$114,941	\$1,900,975	Line 7 + Line 8
9	Billing Determinants	7,516,461,855 kWh	2,296,488 bills		Per Schedule E-4, page 1
10	Base Rate for Rider UE-ED	0.02376 ¢/kWh	0.050 \$/bill		

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served via hand delivery, ordinary mail or overnight delivery on the following parties this 31st day of March 2009.

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