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PUCO

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08-723-AU-ORD 2

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Re: Electric PIPP/Home Energy Level Payment Program (HELPP)

Dear Ms. Stoneking:

Thank you for asking the electric distribution utilities for comments and concerns regarding the implementation of the new rules concerning the Ohio Department of Development's (ODOD) new Percentage of Income Payment Plan (PIPP) nka Home Energy Level Payment Program (HELPP). Duke Energy Ohio, Inc. (DE-Ohio) is keenly interested in ensuring that the HELPP program continues to be of benefit to DE-Ohio's customers and that the program is managed and implemented in a coherent and effective manner.

As DE-Ohio noted often during the rulemaking process and has stated frequently in additional meetings at the ODOD, DE-Ohio will not be ready to implement the new provisions of the ODOD's rules within the November timeframe dictated by the rules. Since DE-Ohio provides both gas and electric service to its customers, it is required to comply with the ODOD's new rules in addition to new natural gas PIPP rules recently promulgated by the Public Utilities Commission of Ohio (PUCO). DE-Ohio's predicament with respect to the overhaul of the HELPP program at the ODOD and the PIPP program at the PUCO was specifically recognized by the Commission in its rulemaking docket, Case No. 08-723-AU-ORD, Opinion and Order at p. 41-42.

In many instances, provisions of the rules promulgated by the ODOD and the PUCO are at odds with one another. Also, the billing issues caused by the disparities in the rules will create unusually difficult programming requirements for DE-Ohio. Indeed, DE-Ohio estimates that the preparations for these programming and system changes could cost as much as \$5 million dollars. As a consequence of these significant changes, DE-Ohio will not be prepared to implement these changes prior to the next winter season and perhaps not even prior to the 2010 heating season.

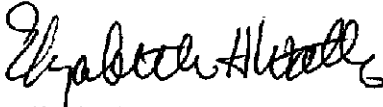
It is anticipated that the electric distribution utilities will be compensated for these significant investments in making the required changes out of the USF Rider fund. It would be appropriate for ODOD to support such a request.

DE-Ohio has been actively working to make program and system changes in recent weeks in order to maintain compliance with the law and the regulations as soon as

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possible. Notwithstanding these efforts, DE-Ohio will most certainly not meet the deadline that the ODOD seeks to impose. DE-Ohio respectfully requests that the ODOD recognize the efforts underway and work with the electric distribution utilities cooperatively so that all stakeholders can move forward in this new direction together.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Elizabeth H. Watts", with a stylized flourish at the end.

Elizabeth H. Watts
Assistant General Counsel