

FILE

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

3
RECEIVED-DOCKETING DIV
2009 DEC -1 PM 3:48
PUCO

In the Matter of the Application of Duke)
Energy Ohio to Adjust and Set Its Gas and)
Electric Recovery Rate for SmartGrid) Case No. 09-543-GE-UNC
Deployment Under Riders AU and)
Rider DR-IM)

In the Matter of the Application of) Case No. 09-544-GE-ATA
Duke Energy Ohio for Tariff Approval)

In the Matter of the Application of)
Duke Energy Ohio to Change its) Case No. 09-545-GE-AAM
Accounting Methods)

DUKE ENERGY OHIO, INC. EXHIBIT 8

Now comes Duke Energy Ohio, Inc. (Duke Energy Ohio or Company) and pursuant to the Attorney Examiner's Request at hearing on the Stipulation of the Parties on November 20, 2009, submits Duke Energy Ohio Exhibit 8, which provides updated information about Duke Energy Corp.'s award of Stimulus Funds for SmartGrid implementation. At hearing, Attorney Examiner Hussey requested that Duke Energy Ohio provide additional detail about the status of Duke Energy Corp.'s discussions and negotiations with the United States Department of Energy (DOE) regarding the award of these funds. In response to that request, the Company provides the following information.

Duke Energy Corp. is very pleased to have been awarded a \$200 million grant for SmartGrid infrastructure by the federal government as part of President Obama's Stimulus Fund efforts. Representatives for Duke Energy Corp. are presently engaged in discussions with the

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician SM Date Processed DEC 01 2009

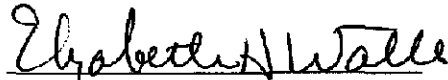
301812

DOE to discuss the receipt of funds awarded. The grant parameters are significantly detailed and restrictive and it is extremely important that the Company understand the commitment it will make in exchange for receipt of these funds.

The Stimulus Funds grant contains numerous restrictions on the use of the funds that have implications for Duke Energy's existing SmartGrid implementation. For example, receipt of stimulus funds requires compliance with certain provisions of the Davis Bacon Act concerning the payment of prevailing wages and weekly payroll, which will add costs to the project. Duke Energy Corp. also has questions about whether Buy American provisions will apply to its project, and whether the funds received will be taxable. Additionally, the government may retain ownership in assets funded by the DOE and also has the right to certain intellectual property rights used for the first time on the project. Receipt of the funds will also require incremental reporting and compliance activity. It is Duke Energy Corp.'s understanding that the DOE intends to be as flexible as possible on these issues in order to timely finalize the Cooperative Agreements and begin delivering the funds to smart grid projects. All of these issues and more are the subject of ongoing discussions with counsel for the DOE so that should the funds be received, Duke Energy Corp. is not undertaking any undue business or regulatory risk.

Duke Energy Corp. is pleased to be selected as a recipient of these funds and will most certainly make every effort to work with the representatives of the DOE to benefit Ohio ratepayers to the greatest extent possible. It is presently DOE's goal to conclude discussions prior to the end of the calendar year, but timing is also dependent upon resolution of issues at the DOE and is therefore, admittedly beyond the Company's control.

On Behalf of Duke Energy Ohio, Inc.



Amy B. Spiller

Rocco O. D'Ascenzo

Elizabeth H. Watts

2500 Atrium II, 139 East Fourth Street

P. O. Box 960

Cincinnati, Ohio 45201-0960

(513) 419-1827 (telephone)

(513) 419-1844 (facsimile)

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 1st day of December, 2009.



Elizabeth H. Watts

Ohio Consumers' Counsel

Ann M. Hotz

10 West Broad Street

Suite 1800

Columbus, Ohio 43215

Chester, Wilcox & Saxbe, LLP

Matthew White

65 East State Street

Suite 1000

Columbus, Ohio 43215

Ohio Partners for Affordable Energy

Colleen C. Mooney

231 West Lima Street

Findlay, Ohio 45840

Thomas G. Lindgren

Assistant Attorney General

Office of Attorney General Richard Cordray

180 East Broad Street, 9th Floor

Columbus, OH 43215