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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF)
DUKE ENERGY OHIO, INC. FOR APPROVAL)
OF AN ALTERNATE SUPPLIER FOR THE)
PERCENTAGE OF INCOME PAYMENT PLAN)
CUSTOMER CLASS)

CASE NO. 10-301 -GA-UNC

APPLICATION OF DUKE ENERGY OHIO, INC.

Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) is an Ohio corporation engaged in the business of supplying electricity and natural gas to consumers in southwestern Ohio and is a public utility as defined by Sections 4905.03 of the Ohio Revised Code (O.R.C.). Duke Energy Ohio now requests Commission authority to enter into an agreement with NJR Energy Services to provide competitive natural gas to Percentage of Income Payment Plan (PIPP) customers.

As a component of its gas choice program for residential and small commercial gas service customers, Duke Energy Ohio has developed a process to include PIPP customers who might otherwise be excluded from experiencing the benefits of a competitive natural gas market. The Commission approved this process for the year ending September 1, 2002 in an Order dated September 13, 2001 in *In the Matter of the Application of The Cincinnati Gas & Electric Company for Approval of an Alternative Supplier for the Percentage of Income Payment Plan Customer Class*, Case No. 01-2202-GA-UNC. Duke Energy Ohio's current process includes the following:

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- On January 28, 2010 notifications were sent by e-mail to thirty-three suppliers active in its transportation service programs. The e-mail included a cover letter, an operational overview, and a bid form.
- Duke Energy Ohio requested proposals to deliver natural gas volumes to Duke Energy Ohio on behalf of the PIPP customer class for a one-year period beginning April 1, 2010. Suppliers were asked to submit a Supplier Bid Credit which would be passed through to the PIPP customers as a discount to the Expected Gas Cost ("EGC"). Proposals were to be submitted to the Company no later than 2:00 P.M., eastern clock time, on February 18, 2010.

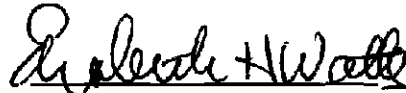
Duke Energy Ohio received three bids: one each from BP Energy Co and Total Gas & Power, both with a Supplier Bid Credit of $-\$0.021/\text{Dkt}$ and the other from NJR Energy Services with a Supplier Bid Credit of $-\$0.0025/\text{Dkt}$. Duke Energy Ohio recommends that the Commission approve the NJR Energy Services bid.

Though Duke Energy Ohio will appropriately record the gas costs and revenues resulting from this customer class, as it does for all GCR transactions, Duke Energy Ohio requests waiver of any of the current provisions of O.A.C. § 4901:1-14, which may not have anticipated purchases that are specifically allocated for use by specific customer classes.

Therefore, Duke Energy Ohio respectfully requests the Commission to approve the selection of NJREnergy Services as the bidder to supply gas to Duke Energy Ohio for the PIPP customer class, and authorize

Duke Energy Ohio to treat the associated gas costs and revenues as consistent with O.A.C. §
4901:1-14, O.A.C.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Elizabeth H. Watts", written over a horizontal line.

~~Ann~~ B. Spiller
Associate General Counsel
Elizabeth H. Watts
Associate General Counsel

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