

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Duke Energy Ohio, Inc. to Adjust its) Case No. 10-1289-EL-RDR
Economic Competitiveness Fund Rider.)

In the Matter of the Application of)
Duke Energy Ohio, Inc. and the City of) Case No. 10-1317-EL-AEC
Cincinnati for Approval of an)
Economic Development Contract.)

FINDING AND ORDER

The Commission finds:

- (1) Duke Energy Ohio, Inc., (Duke) is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) Section 4905.31, Revised Code, provides that a public utility may enter into a reasonable arrangement with one of its customers and that a public utility electric light company may request recovery of costs incurred in conjunction with any economic development and job retention program of the utility. Rule 4901:1-38-03, Ohio Administrative Code (O.A.C.), sets forth the requirements pertaining to the filing of economic development arrangements, affords affected parties the opportunity to file motions to intervene and comments within 20 days of the filing of an application, and provides that the Commission may schedule a hearing if the application appears to be unjust or unreasonable.
- (3) On September 3, 2010, as amended on October 4, 2010, in Case No. 10-1317-EL-AEC (10-1317), Duke filed a joint application with the city of Cincinnati (city) for approval of an economic development arrangement pursuant to Section 4905.31(E), Revised Code, and Rule 4901:1-38-03, O.A.C. Duke states that this application is filed in accordance with paragraph 15 of the stipulation and recommendation (stipulation) approved by the Commission on December 17, 2008, in *In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of an Electric*

Security Plan, Case No. 08-920-EL-SSO, et al. (*ESP Case*). The terms and conditions of the contract provide, *inter alia*:

- (a) The city agrees to create a minimum of 25 jobs, through direct or indirect employment, through the development of a streetcar system in downtown Cincinnati (project).
 - (b) The city shall maintain the increased level of employment for at least three years after the date of the initial operation of the project, with said date to coincide with the commencement of construction activities related to the project.
 - (c) The city and Duke will report to the Commission annually on the number of jobs created and the forecast of incremental jobs.
 - (d) Duke will provide the city with funds totaling \$2 million in 2010 and \$1 million in 2011 for the project. Half of the funds provided by Duke will be recovered through Duke's Rider Distribution Reliability - Economic Competitiveness Fund (Rider DR-ECF).
- (4) Initially, the Commission notes that no one filed a motion to intervene in 10-1317. Upon review of the economic development arrangement, as filed on September 3, 2010, the Commission finds that it conforms to the terms and conditions set forth in the stipulation approved in the *ESP Case*, and complies with Section 4905.31(E), Revised Code, and Rule 4901:1-38-03, O.A.C. Therefore, the Commission concludes that the contract appears to be just and reasonable and should be approved.
- (5) On September 3, 2010, as amended on October 4, 2010, in Case No. 10-1289-EL-RDR (10-1289), Duke filed an application for approval to adjust its Rider DR-ECF, in accordance with the *ESP Case* and pursuant to Section 4905.31, Revised Code, and Rule 4901:1-38-03, O.A.C. In its application, Duke proposes to adjust the rates for Rider DR-ECF to include \$1.5 million of the funds provided to the city for the project set forth in 10-1317, pursuant

to the terms of the stipulation approved in the *ESP Case*. The proposed rate is \$.000075/kilowatt hour. Duke requests that the new rate be effective for the January 2011 billing month and collected over a 12-month period ending December 31, 2011.

- (6) The Commission finds that the proposed adjustment to Rider DR-ECF in 10-1289 appears to be just and reasonable, is consistent with the stipulation approved in the *ESP Case*, and should be approved.

It is, therefore,

ORDERED, That the joint application for approval of an economic development contract be approved. It is, further,

ORDERED, That Duke's application to adjust its Rider DR-ECF be approved. It is further,

ORDERED, That Duke file, in final form, four complete copies of tariffs consistent with this finding and order. One copy shall be filed with this case docket, one shall be filed with the Duke's TRF docket, and the remaining two copies shall be designated for distribution to the Rates and Tariffs Division of the Commission's Utilities Department. Duke shall also update its tariff previously filed electronically with the Commission's Docketing Division. It is, further,

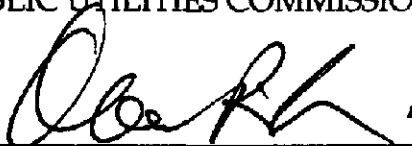
ORDERED, That the effective date of the new tariffs shall be the later of the date upon which four complete printed copies of final tariffs are filed with the Commission or the date bills are rendered for the first billing cycle of 2011. It is, further,

ORDERED, That Duke shall notify all affected customers via a bill message or via a bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least 10 days prior to its distribution to customers. It is, further,

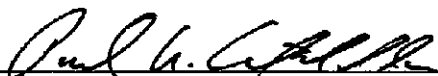
ORDERED, That nothing in this finding and order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this finding and order be served upon all parties of record.

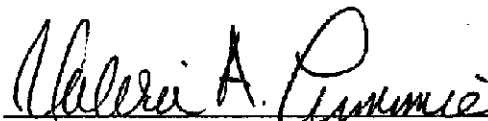
THE PUBLIC UTILITIES COMMISSION OF OHIO



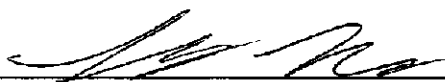
Alan R. Schriber, Chairman



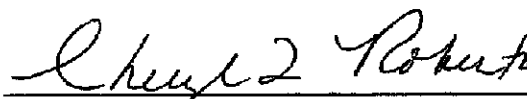
Paul A. Centolella



Valerie A. Lemmie



Steven D. Lesser

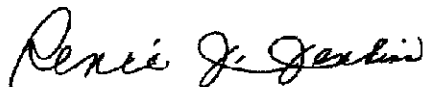


Cheryl L. Roberto

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Entered in the Journal

OCT 22 2010



Renee J. Jenkins
Secretary