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Subject: 61347

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Related Case Number:

TYPE: comment

NAME: Mr. Frederick Heyse

CONTACT SENDER? Yes

MAILING ADDRESS:

- 8524 St. Ives Place
- Cincinnati , Ohio 45255
- USA

PHONE INFORMATION:

• Home: 513-474-1514

• Alternative: (no alternative phone provided?)

• Fax: 513-474-1514

E-MAIL: HeyseFH@earthlink.net

INDUSTRY: Electric

ACCOUNT INFORMATION:

Company: Duke Energy

• Name on account: Frederick H. Heyse

Service address: 8524 St. Ives PlService phone: 513-474-15174

• (no account number provided?)

COMMENT DESCRIPTION:

Regarding Case # 11-3549-El-SSO, I would like to ask PUCO to consider the following in their deliberations. I had planned to attend the public hearing at Cincinnati City Hall on 9/9/2011 and give this testimony live, but I was detained elsewhere.

1) Many years ago (10 or more) PUCO set a course on deregulation - they should not stop now

just because Duke has shown themselves to be poor business managers of Electric Generating;

- 2) A basic principle of business is to NEVER subisdize one product line from another line's profits except in brief periods of stress this confuses consumers and causes distortions in the market. Covering Duke's generating costs with fees to all users amounts to subsidies for a weak product line (generation) by effectively allowing them to overcharge for distribution fees (the only other reasonable cost a rate-payer expects to incur)! Please, keep generating costs shown as generation, and delivery costs as delivery and do not blur the lines. If Duke needs help on generating, let them raise their generating rates even though this will accelerate the move to other providers, and,
- 3) PLEASE keep your decision simple for rate-payers to understand in the future! The current charges are so complex that it takes a deeply committed accountant to decifer the various charges/fees making comparisons of other providers very difficult. Just one simple example is that I am now charged a State Sales Tax on electric generation by IGS when Duke is not charging that tax even if I bought electricity from them! Other rate "riders" are even more confusing when they apply and when they do not, again making comparisons far more difficult than they should be or need to be..

There are probably political issues tied up in this debate - higher costs of cleaning up the burning of our coal is likely the excuse given by Duke for needing higher rates. They have not kept up with cleaner technology and now they want to pass on very large investments. I am all for cleaner air - but Duke should be able to do this as well as competing providers; if they cannot do so, they need to get out of the business.

Respectfully,

Frederick H. Heyse