

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke Energy Ohio, Inc. for an Increase in Gas Rates.)	Case No. 12-1685-GA-AIR
)	
In the Matter of the Application of Duke Energy, Ohio, Inc. for Tariff Approval.)	Case No. 12-1686-GA-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of an Alternative Rate Plan for Gas Distribution Service.)	Case No. 12-1687-GA-ALT
)	
In the Matter of the Application of Duke Energy Ohio, Inc. for Approval to Change Accounting Methods.)	Case No. 12-1688-GA-AAM
)	

**OBJECTIONS TO THE STAFF REPORT AND SUMMARY OF ISSUES
BY
PEOPLE WORKING COOPERATIVELY, INC.**

Pursuant to Section 4909.19, Ohio Revised Code and Ohio Admin. Code (“O.A.C.”) Rule 4901-1-28, People Working Cooperatively, Inc. (“PWC”) respectfully submits its Objection to the Staff Report of Investigation issued in the above-named proceedings on January 4, 2013. PWC filed its Motion to Intervene in these proceedings on September 25, 2012.

PWC’s objections and its primary issues regarding the Staff Report are:

1. Staff recommends that the Commission approve the rate structure proposed by Duke Energy Ohio, Inc. (“Duke Energy Ohio” or “Company”) primarily based on a fixed distribution service charge. (Staff Report, p. 26). However, Staff acknowledges that the impact of adoption of this recommendation will be greatest for low use customers, including low income residential consumers. The proposed rate design for residential customers served under the Residential

Service, specifically the increase in the customer charge, appears to discriminate unfairly against low-income customers.

2. The Staff Report is silent with respect to the Company's intention to allow its alternative regulation commitments for low-income residential weatherization assistance to expire. In Case No. 07-589-GA-AIR, the Commission approved a stipulation pursuant to which the Company committed to maintain its gas weatherization funding until the effective date of the Commission's order in its next base rate case at \$2,000,000 in shareholder-provided funding, and \$1,000,000 collected through base rates for a total commitment of \$3,000,000.

These weatherization services give low-income customers, especially elderly low-income customers in the Company's gas service territory a significant opportunity to reduce their energy consumption that is more effective than their efforts at conservation to reduce their energy bills when they are living in poorly insulated, drafty homes.

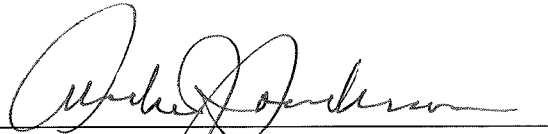
The elimination of shareholder and ratepayer funding for these essential programs is inconsistent with the Commission's rationale in adopting a rate design in Case No. 07-589-GA-AIR that "decoupled" Duke Energy Ohio's recovery of cost of delivering gas from the amount of gas customers consume. The Commission noted that the Company's commitment to provide that \$3,000,000 for weatherization funding was critical to its decision to accept the rate design in that proceeding. The Commission in its Opinion and Order on May 28, 2008 encouraged the Company to "review and enhance its weatherization and conservation program offerings", including the "objective to make cost-effective

weatherization and conservation programs available to all low-income consumers and to ramp up such programs as rapidly as reasonably practicable.” (Case No. 07-589-GA-AIR, Opinion and Order, p. 18).

This omission of low-income weatherization and conservation programs funding from the Company’s proposal, and from the Staff’s analysis of that proposal in its Report, should be corrected. PWC has more low-income and especially elderly low income customers today as a result of the difficult economic conditions recently experienced. The call for our services is ever-expanding, and weatherization and conservation programs should be funded and enhanced to ameliorate the impact of the proposed rate design on low-income, low use customers.

Should the Staff modify its position on any of the matters addressed in the Report of its investigation, or should there be any issues newly raised by Staff or any other party to the case as the case proceeds from the objections to the closing of the record, PWC reserves the right to file testimony, cross-examine witnesses and address such issues as if they were raised in this Report and to which PWC has objected.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Andrew J. Sonderman", is written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Objections To The Staff Report and Summary of Issues By People Working Cooperatively, Inc., was served this 4th day of February, 2013, via electronic mail on the parties below:

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Case No(s). 12-1685-GA-AIR, 12-1686-GA-ATA, 12-1687-GA-ALT, 12-1688-GA-AAM

Summary: Objection Objections to Staff Report & Summary of Issues electronically filed by Mr. Andrew J Sonderman on behalf of People Working Cooperatively, inc.