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PUCO

FAX

**CINERGY.**  
SERVICES

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Anita M. Schafer  
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VIA FAX DELIVERY

December 14, 2005

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, Ohio 43215

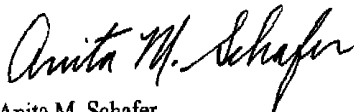
Re: Case No. 05-59-EL-AIR

Dear Docketing Division:

Enclosed please find the language for the Bill Insert for the above-captioned case. The original filing with the twenty-one copies will be sent overnight to be received tomorrow in docketing.

Should you have any questions, please contact me at (513) 287-3842.

Very truly yours,



Anita M. Schafer  
Senior Paralegal

Enclosure

This is to certify that the images appearing are an accurate and complete reproduction of the file document delivered in the regular course of business.  
Technician      Date Processed 12-14-05

**IMPORTANT NOTICE ABOUT YOUR ELECTRIC RATES****To Our Residential Customers:**

In December 2005, Cinergy/CG&E reached an agreement with the Public Utilities Commission of Ohio (PUCO) on its first increase in rates for Ohio electric distribution service in more than 10 years. The distribution increase is about five percent, which is reflected in your current bill.

The increase is needed for the investments Cinergy/CG&E has made over the last 12 years to improve the reliability of its electric delivery system. Since distribution rates were last established, Cinergy/CG&E has invested about \$734 million in its electric distribution system.

A typical residential customer using 1,000 kilowatt-hours a month would see an increase in the total bill in January 2006 from the current \$79.64 per month to \$85.39. The new amount also reflects increases in electric transmission costs as approved by the Federal Energy Regulatory Commission and the PUCO.

**Other Items That Affect Your Electric Bill**

In addition to the increase in the base electric distribution rate, Cinergy/CG&E has revised the market price for providing electric power to its customers. This was authorized by the PUCO in December 2004 to apply to residential customers beginning January 2006. This increase is implemented through riders—or charges for various expenses incurred by Cinergy/CG&E. Like the increase in the base distribution rate, this is the first increase in these rates in over 10 years.

Rider FPP\* (Fuel and Purchased Power), allows the Company to recover the cost of coal, oil, and natural gas used to generate electricity. Rider SRT (System Reliability Tracker) recovers the cost of power that must be purchased from other power producers during times of high usage in the summer, in order to have sufficient electric capacity to provide power for air conditioning and other weather-related uses. Riders FPP and SRT are adjusted on a quarterly basis.

Other riders are designed to compensate Cinergy/CG&E for dedicating generation to serve its standard, non-shopping customers (Rider IMF—Infrastructure Maintenance Fund), and to recover costs associated with homeland security, taxes, and environmental compliance (Rider AAC—Annually Adjusted Component\*\*).

Overall, the distribution rate increase and the new riders described above will increase electric bills for a typical residential user by about 30 percent.

Cinergy/CG&E pledges to continue to provide electric service to you at the lowest price consistent with maintaining the level of service that you, our valued customer, expect and deserve. For information on ways to manage your energy bill and save money, visit [CinergyComfort.com](http://CinergyComfort.com) or call 1.888.BEWARM2 (1.888.239.2762).

\* Note: Customers switching to other electric generation suppliers do not pay Rider FPP charges. Also, the first 25% of residential customers that switch to other generation suppliers do not pay Rider ACC charges. For detailed information on electric choice, visit [cinergy.com/customerchoice](http://cinergy.com/customerchoice).

**CINERGY.**  
CG&E

**IMPORTANT NOTICE ABOUT YOUR ELECTRIC RATES**

**To Our Business Customers:**

In December 2005, Cinergy/CG&E reached an agreement with the Public Utilities Commission of Ohio (PUCO) on its first increase in rates for Ohio electric distribution service in more than 10 years. The proposed increase of about \$51 million, or about 4 percent, in annual revenues took effect in January and is reflected in your current bill.

The increase is needed for the investments Cinergy/CG&E has made over the last 12 years to improve the reliability of its electric delivery system. Since distribution rates were last established, Cinergy/CG&E has invested about \$734 million in its electric distribution system. The new amount also reflects increases in electric transmission costs as approved by the Federal Energy Regulatory Commission and the PUCO.

Cinergy/CG&E pledges to continue to provide electric service to you at the lowest price consistent with maintaining the level of service that you, our valued customer, expect and deserve. For helpful energy-saving tips and ways to reduce costs, visit [myBusinessEnergy Management](#) at [Cinergy.com](#).