

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The)
Cincinnati Gas & Electric Company for an) Case No. 05-59-EL-AIR
Increase in Electric Distribution Rates.)

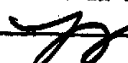
In the Matter of the Application of The)
Cincinnati Gas & Electric Company for) Case No. 05-60-EL-AAM
Approval to Change Accounting Methods.)

ENTRY

The attorney examiner finds:

- (1) On January 18, 2005, the Cincinnati Gas & Electric Company (CG&E) filed both a notice of intent to file an application for an increase in its electric distribution rates and, also, an application for approval to change accounting methods. On February 9, 2005, the Commission issued an entry establishing the date certain and test period for CG&E's application. On February 17, 2005, CG&E filed its application to increase its electric distribution rates.
- (2) The Commission has caused an investigation to be made of the facts set forth in the applications in these cases, the exhibits attached thereto, and the matters connected with the applications. A written report of the staff's investigation was filed on September 9, 2005.
- (3) Objections to the staff report have been filed by several parties to these proceedings.
- (4) Section 4903.083, Revised Code, requires that the Commission hold at least one session of the public hearing within the applicant utility's service territory and, further, requires that at least one session of the hearing be held after 5:00 p.m.
- (5) Accordingly, the local public hearing will be conducted on Tuesday, December 6, 2005, at 6:30 p.m., in the Cincinnati City Council Chambers, 801 Plum Street, Cincinnati, Ohio 45202.

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- (6) The evidentiary hearing shall commence on Monday, December 12, 2005, at 10:00 a.m., in Hearing Room 11-C, on the 11th floor, at the office of the Commission, 180 East Broad St., Columbus, Ohio 43215.
- (7) The applicant should publish notice of the local public hearing in a newspaper of general circulation in the affected service territory once each week for two consecutive weeks prior to the scheduled date of the local hearing. The notice should not appear in the legal notices section of the newspaper. The notice should read as follows:

LEGAL NOTICE

The Public Utilities Commission of Ohio has scheduled a local public hearing in Case Nos. 05-59-EL-AIR and 05-60-EL-AAM, In the Matter of the Application of Cincinnati Gas & Electric Company for an Increase in Electric Distribution Rates and for Approval to Change Accounting Methods. The hearing is scheduled for the purpose of providing an opportunity for interested members of the public to testify in these proceedings. The local hearing will be held on Tuesday, December 6, 2005, at 6:30 p.m., in the Cincinnati City Council Chambers, 801 Plum Street, Cincinnati, Ohio 45202. By its application, the Cincinnati Gas & Electric Company seeks a rate increase which would generate approximately \$77,944,814 of additional revenue, or an increase of 29.87 percent over current revenue. After its review of the company's records and application, the staff of the Commission recommends an increase in revenue of between \$42,764,382 and \$49,598,594, or an increase of between 16.47 percent and 19.10 percent over current revenue.

The major issues in this case, raised by the staff report, are as follows:

- (a) Revenue requirements, as impacted by rate base, operating income, and rate of return
- (b) Rate base, including analysis of working capital, depreciation, and unfunded post retirements benefits

- (c) Determination of operating income, including revenues, expenses, allocation of costs, and impact of taxes
- (d) Rate of return, including consolidated capital structure, cost of long-term debt and preferred stock, cost of equity, and debt/equity ratios
- (e) Rates and tariffs, including cost of service, allocation of rate increase, rate design, approval and reconciliation of riders, distribution reliability investments, customer charges, residential customer rates, and low-income customer assistance programs
- (f) Other matters, such as service reliability, demand-side management programs, and pension-liability funding

Further information may be obtained by contacting the Public Utilities Commission of Ohio, 180 East Broad Street, Columbus, Ohio 43215-3793, viewing the Commission's web page at <http://www.puc.state.oh.us> or contacting the Commission's hotline at 1-800-686-7826. The hearing impaired can reach the Commission via TTY-TDD at 1-800-686-1570 or, in Columbus, at 466-8180. Participants in the proceeding may request a sign language interpreter by calling the Commission's Consumer Services Department at any of the numbers listed above at least 48 hours before the hearing.

It is, therefore,

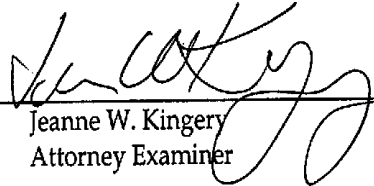
ORDERED, That a local public hearing in these proceedings be held on Tuesday, December 6, 2005, at 6:30 p.m., in the Cincinnati City Council Chambers, 801 Plum Street, Cincinnati, Ohio. It is, further,

ORDERED, That the evidentiary hearing in these proceedings commence on Monday, December 12, 2005, at 10:00 a.m., Hearing Room 11-C, 11th floor, at the office of the Commission, 180 East Broad Street, Columbus, Ohio. It is, further,

ORDERED, That notice of the local public hearing be published as set forth in finding (7). It is, further,

ORDERED, That a copy of this entry be served upon all parties of record.

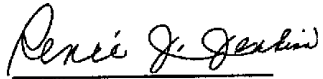
THE PUBLIC UTILITIES COMMISSION OF OHIO


By: Jeanne W. Kingery
Attorney Examiner

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Entered in the Journal

OCT 14 2005


Renee J. Jenkins

Renee J. Jenkins
Secretary