

file

15

BOEHM, KURTZ & LOWRY

ATTORNEYS AT LAW
2110 CBD CENTER
36 EAST SEVENTH STREET
CINCINNATI, OHIO 45202
TELEPHONE (513) 421-2255
TELECOPIER (513) 421-2764

RECEIVED-DOCKETING DIV

00 FEB 11 AM 9:50

PUCO

VIA OVERNIGHT MAIL

February 10, 2000

Public Utilities Commission of Ohio
PUCO Docketing
180 E. Broad Street, 10th Floor
Columbus, Ohio 43266-0573

Re: In the Matter of the Application of Cincinnati Gas & Electric for Approval of its Transition Plan and for Authorization to Collect Transition Revenues, Case No. 99-1658-EL-ETP

In the Matter of the Application of Cincinnati Gas & Electric for Approval of Tariff Changes Required to Implement Retail Electric Competition, Case No. 99-1659-EL-ATA

In the Matter of the Application of Cincinnati Gas & Electric for Approval of Its New Tariffs, Case No. 99-1660-EL-ATA

In the Matter of the Application of Cincinnati Gas & Electric for Authority to Modify Current Accounting Procedures to Defer Costs Incurred Arising from the Implementation of its Electric Transition Plan, Case No. 99-1661-EL-AAM

In the Matter of the Application of Cincinnati Gas & Electric for Authority to Modify Current Accounting Procedures to Continue to Defer the Unrecovered Balance of Regulatory Assets, Case No. 99-1662-EL-AAM

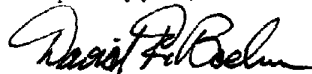
In the Matter of the Application of Cincinnati Gas & Electric for Approval to Transfer Its Generating Assets to an Exempt Wholesale Generator, Case No. 99-1663-EL-UNC

Dear Sir/Madam:

Please find enclosed an original and twenty (20) copies of the Preliminary Objections of the AK Steel Company in the above-referenced cases.

Copies have been served on all parties on the attached certificate of service. Please place this document of file.

Respectfully yours,



David F. Boehm, Esq.
BOEHM, KURTZ & LOWRY

DFB:kev
Encl.

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician Andrea Smith Date Processed 2/10/00

CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by regular U.S. mail, postage prepaid, this 10th day of February, 1999 to the following:

William L. Wright
Assistant Attorney General
180 E. Broad Street
Columbus, Ohio 43266-0573

Evelyn R. Robinson-McGriff
Associate Consumers' Council
77 South High St., 15 FL
Columbus, Ohio 43266-0550

Langdon D. Bell
Bell, Royer & Sanders
33 South Grant Ave.
Columbus, Ohio 43215-3927

Janine L. Migden
Hahn Loeser-Parks
431 E. Broad St., Suite 200
Columbus, Ohio 43215-3820

John W. Bentine
Chester, Hoffman, Willcox & Saxbe
17 S. High Street, Suite 900
Columbus, Ohio 43215

Richard Ganulin
Assistant City Solicitor
Room 214 City Hall
801 Plum Street
Cincinnati, Ohio 45202

Jennifer L. Branch
Legal Aid Society of Cincinnati
901 Elm Street
Cincinnati, Ohio 45202

James B. Gainer, Esq.
Associate General Counsel
Cinergy Corp.
139 East Fourth Street
Cincinnati, Ohio 45202

Stephen M. Howard
Vorys, Sater, Seymour & Pease
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43216-10082

Samuel C. Randazzo, Esq.
Attorneys for Industrial Energy Users-Ohio
McNees, Wallace & Nurick
21 E. State Street, Suite 1700 West
Columbus, Ohio 43215

Gretchen J. Hummel, Esq.
Attorneys for Industrial Energy Users-Ohio
McNees, Wallace & Nurick
21 East State Street, Suite 1700 West
Columbus, Ohio 43215

Kimberly J. Wile, Esq.
Attorneys for Industrial Energy Users
McNees, Wallace & Nurick
21 East State Street, Suite 1700 West
Columbus, Ohio 43215

Mr. Kevin Higgins
Energy Strategies, Inc.
39 West Market Street
Suite 200
Salt Lake City, Utah 84101

Mr. Denis George
Energy Manager
The Kroger Company
1014 Vine Street
Cincinnati, Ohio 45202-1100

Tony Ahern
Buckeye Power
6677 Busch Blvd.
Columbus, Ohio 43266-0036

Darrell L. Anderson
General Motors Corp.
Room A-250
485 West Milwaukee
Detroit, MI 48202

Brady Bancroft
10270 Sylvania-Hetamore Road
Berkey, Ohio 43504

Robert Burns
NRRRI
1080 Carmack Road
Columbus, Ohio 43210

Cassie Bain-Stopar
Centerior Energy
6200 Oak Tree Blvd.
Independence, Ohio 44131

Berry Cohen
Assistant Legal Director
Office of the Consumers' Council
77 South High Street, 15FL
Columbus, Ohio 43266-0550

Bruce Holtz
Reduced Energy Specialists
7095 B East Market Street
Warren, Ohio 44484

Leila Vespoli
Centerior Energy
6200 Oak Tree Blvd.
Independence, Ohio 44131

Barbara Hueter
Ohio Council of Retail Merchants
50 West Broad Street
Columbus, Ohio 43215

Marvin I. Resnick
AEP Service Corporation
1 Riverside Plaza
Columbus, Ohio 43215

Catherine Morris
415 Woodbine Avenue
Baltimore, MD 21204-4245

Pete Mehra
Ford Motor Company
15201 Century Dr., Suite 602
Dearborn, MI 48120

Jon Prendergrast
LTV Steel Company
LTV Steel Building
P.O. Box 5159
Cleveland, Ohio 44101

Dick Reid
Dayton Power & Light Company
P.O. Box 8825
Dayton, Ohio 45401

Jeffrey L. Small
Chester, Willcox & Saxbe
17 South High Street
Columbus, Ohio 43215

Michael Sommers
Honda
Utilities Management & procurement
Company Facilities
Honda Parkway
Marysville, Ohio 43040

Sheldon A. Taft
Vorys, Sater, Seymour & Pease
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43215

Omar Farouq
Ohio Department of Development
77 South High Street
Columbus, Ohio 43266-0101

Robert Winter
Monongahela Power Company
1310 Fairmont Avenue
Fairmont, WV 26555-1392

Robert Reilly
Enron
6105 Twin Ledge Cove
Austin, TX 78731

Steve Talecki
Manager, Electric Supply
BP Oil Company
200 Public Square 14-5256-C
Cleveland, Ohio 44114-2375

Rick Hill
Dayton Power & Light Company
P.O. Box 8825
Dayton, Ohio 45401

M. Howard Petricoff
Vorys, Sater, Seymour & Pease
52 E. Gay Street
P.O. Box 1008
Columbus, Ohio 43216

Robert P. Mone
Thompson, Hine & Flory
100 East Broad Street
Columbus, Ohio 42315

Sierra Club
145 East High Street
Columbus, Ohio 42315

James O'Neil
Whirlpool Corporation
1300 Marion-Agosta Road
Marion, Ohio 43302

William M. Ondrey Gruber
Assistant Director of Law
Room 106-City Hall
601 Lakeside Avenue
Cleveland, Ohio 44114

Gary A. Jack
Monongahela Power Company
1310 Fairmont Avenue
Fairmont, WV 26554

Leila Vespoli
Ohio Edison
76 South Main Street
Akron, Ohio 44308

Joseph Kohanik
80 Park Plaza
T-21
Newark, NJ 07102

Karen Sinclair
1617 Cole Boulevard
Golden, CO 80401

John M. Dosker
Stand Energy Corporation
Rookwood Bldg., Suite 110
1077 Celestial Street
Cincinnati, Ohio 45202


David F. Boehm, Esq.

RECEIVED-DOCKETING DIV
00 FEB 11 AM 9:50

**BEFORE THE
PUBLIC UTILITY COMMISSION OF OHIO**

PUCO

In The Matter of the Application of Cincinnati Gas & Electric for Approval of its Transition Plan and for Authorization to Collect Transition Revenues	:	Case No. 99-1658-EL-ETP
In The Matter of the Application of Cincinnati Gas & Electric for Approval of Tariff Changes Required to Implement Retail Electric Competition	:	Case No. 99-1659-EL-ATA
In The Matter of the Application of Cincinnati Gas & Electric for Approval of Its New Tariffs	:	Case No. 99-1660-EL-ATA
In The Matter of the Application of Cincinnati Gas & Electric for Authority to Modify Current Accounting Procedures to Defer Costs Incurred Arising from the Implementation of its Electric Transition Plan:	:	Case No. 99-1661-EL-AAM
In The Matter of the Application of Cincinnati Gas & Electric for Authority to Modify Current Accounting Procedures to Continue to Defer the Unrecovered Balance of Regulatory Assets	:	Case No. 99-1662-EL-AAM
In The Matter of the Application of Cincinnati Gas & Electric for Approval to Transfer Its Generating Assets to an Exempt Wholesale Generator	:	Case No. 99-1663-EL-UNC

**AK STEEL CORPORATION'S
PRELIMINARY OBJECTIONS**

All of the issues addressed herein will be discussed in greater detail in the AK Steel Corporation ("AK Steel") direct testimony and post-hearing briefs. AK Steel reserves the right to address additional issues as appropriate.

1. Cincinnati Gas & Electric Company's ("CG&E") proposal for establishing stranded costs and the corresponding GTC and RTC rates is unjust and unreasonable. CG&E's fundamental principle of disregarding the regulatory concept of "netting," for the purposes of recovering stranded costs, is unreasonable and will result in CG&E recovering excessive transition revenues. This problem with

the Company's filing is in addition to any specific objections to CG&E's calculations of market value of generating assets and the revenue requirements associated with regulatory assets.

The concept of "netting," as generally used in stranded costs analysis, refers to calculating the net stranded costs among all of the Company's generating units and the Company's regulatory assets. This concept requires that the stranded costs or stranded benefits that are associated with each of the Company's generating units be combined to produce a "net generation stranded cost" (or benefit) and that this value should then be netted against "net regulatory assets and liabilities." This overall "net" stranded cost or benefit is the appropriate amount for recovery by CG&E.

CG&E's proposal is unjust and unreasonable because it does not consider the "windfall" that will inure to CG&E as a result of the potential stranded benefits that are associated with generating units other than the Zimmer Unit and the Woodsdale Units that the Company has claimed for stranded cost recovery. In addition, the Company's methodology fails to "net" generation stranded costs with regulatory assets. CG&E's proposed methodology, everything else being equal, will produce a windfall to CG&E and an unjust cost imposition on ratepayers. This occurs because the Company is proposing to charge ratepayers for its above-market costs, but not credit to ratepayers the benefits of generation costs that are below market. At the same time, however, ratepayers will pay full market prices for all of their kWh purchases that occur after 2005, and perhaps earlier. This creates an unjust and unreasonable result and should be rejected.

2. CG&E has functionalized property taxes in its unbundling analysis using a new study that is based on a different cost-causation framework than used in the 1992 cost of service study that forms the basis for current rates. To the extent that property taxes are assigned to production, transmission and distribution functions in a manner that is different from the underlying 1992 cost of service study (and current rates), it may produce unreasonable results.
3. CG&E is proposing to charge for franchise taxes in rates in the year 2001, even though these franchise taxes will not be effective (and paid) until the year 2002. Although the Company has cited

a GAAP requirement to record these 2002 taxes in 2001, this does not control the appropriate ratemaking treatment of these taxes. As a result, the Company's proposal for developing 2001 rate levels may be unjust and unreasonable. If, the Company's position regarding GAAP accounting requirements will lead to an earnings shortfall, it may be appropriate to permit the Company to defer this cost for ratemaking purposes and thus preserve its earnings. However, it is not reasonable to impose this cost on ratepayers in 2001 rates, simply due to an accounting requirement.

4. CG&E is proposing to "spread" rate group revenue requirements to rate schedules on the basis of kWh. This proposal may not result in just and reasonable unbundled rates. The consequences of the Company's proposal should be carefully examined to determine whether the proposed methodology is reasonable.
5. The Company is proposing to separately account for all ancillary services and not to include these FERC OATT ancillary services costs in its analysis of transmission and distribution revenue requirements. The Company has calculated the distribution revenue requirement by subtracting the FERC OATT revenue requirements for transmission (not including ancillary services) from the combined retail transmission and distribution revenue requirements. This methodology is required by the legislation. However, to the extent that some of the ancillary services are already included in retail transmission and distribution revenue requirements, these ancillary services should be added to the FERC OATT cost used to calculate the residual distribution revenue requirement in the Company's analysis. Everything else being equal, if some of the ancillary services revenue requirements should have been considered as part of transmission, the Company's proposed distribution rates are excessive. In addition, by failing to properly functionalize ancillary services revenue requirements, the Company may have unreasonably reduced the unbundled generation component in its rates (since the unbundled generation component is a residual after removing transmission, distribution and ancillary services costs).

6. CG&E has requested a regulatory deferral associated with the cost to establish an Exempt Wholesale Generation company ("EWG") for its generating units. The costs to establish the EWG are associated with the Company's desired approach to participate in the wholesale generation market. Since the wholesale generation market is a deregulated market, the costs to establish the EWG may not be an appropriate cost that ratepayers should bear.
7. In the testimony of CG&E witness Pefley, at page 9, CG&E suggests that "GAAP" requires certain stranded costs recovery positions to be taken by the Company. GAAP should not control the amount or methodology used to recover stranded costs. The Ohio Legislation establishes a procedure for quantifying and recovering transition costs in this proceeding and it is the legislation that should govern the amount of recovery from ratepayers.
8. CG&E's proposal to periodically adjust the GTC for changes in actual market prices may not be reasonable. In particular, the Company's specific methodology to make such adjustments is not supported by reasonable evidence in the Company's filing. Whether or not the Company's methodology is appropriate, the basic concept of adjusting the GTC transition charges and costs on a periodic basis may lead to an unreasonable level of uncertainty in the rates that CG&E ratepayers will pay during the market development period, and therefore may not be appropriate for ratemaking.
9. CG&E's proposed "asset sale" adjustment is unreasonable since it is capped at book value and not the actual level of net proceeds obtained from the sale. To the extent that a generating unit is sold at above book value (net proceeds above book value), the full net proceeds should be used to offset any stranded generation costs.
10. CG&E's proposed "market price formula" as illustrated in Exhibit LJP-2 may be unreasonable because it results in industrial market prices that are unreasonably low relative to the assumed wholesale market prices. Although the Company claims that the "numbers" in Exhibit LJP-2 are for illustration purposes only, the load factor and loss factor adjustments to the wholesale market price appear to produce results that are not reasonable. In particular, the load factor adjustment does not

properly consider the mix of on-peak and off-peak prices for the industrial class and the loss factor adjustment has the effect of reducing the market price for industrial customers from the level assumed to be a wholesale price at the point of delivery into CG&E.

11. CG&E's proposed discount rates for the development of stranded costs of 9.25% and 9.17% (on an after-tax basis) may be unreasonable since these discount rates are greater than the regulated, after-tax cost of capital of CG&E. As a result, the Company's stranded costs will be overstated.
12. The regulatory asset "amounts due from customers - income taxes" is excessive, unreasonable, and incorrectly quantified because it includes SFAS 109 amounts for generation assets that have not been included by the Company in generation stranded costs. The Company has included in this regulatory asset SFAS 109 amounts on the generation assets that were excluded from generation stranded costs by the Company because the Company determined that their market value exceeded the net book value. The SFAS 109 amounts do not exist in a vacuum; they exist as the result of the insufficiency of the accumulated deferred income tax amounts associated with specific generating assets.
13. The Company has overstated its net regulatory assets by failing to reflect certain offsetting regulatory liabilities, including but not necessarily limited to, balance sheet operating reserves, and excess pension funding compared to pension obligations.
14. The Company has overstated its net regulatory assets by failing to properly reflect the net present value economic effect of assets that are not included in rate base, including, but not limited to, the SFAS 109 regulatory asset. The Company has attempted to create an additional stranded cost revenue requirement that does not currently exist by including a rate of return on the SFAS 109 and other regulatory asset balances. The SFAS 109 regulatory asset represents the nominal dollar value of future tax payments that will be paid and collected from ratepayers over the remaining lives of the underlying generation assets. The SFAS 109 regulatory asset is not included in rate base because there is no carrying cost. Thus, the stranded cost associated with the SFAS 109 regulatory asset is the net present value of the future year amortizations.

15. The Company has incorrectly represented GAAP requirements in its allegations regarding writedowns and writeoffs if the Commission nets stranded generation benefits against stranded generation costs and regulatory assets.
16. The Company has incorrectly described the manner in which proceeds from sales of generating assets to third parties should be offset against stranded costs determined in this proceeding. Regulatory assets may be affected, contrary to the Company's assertions. For example, to the extent that net sales proceeds are measured on an after tax basis, then the related SFAS 109 regulatory asset will no longer exist and should be removed from the regulatory asset stranded cost.
17. The Company's retail rates are not frozen during the market development period because there exists a preexisting obligation to reduce rates during the market development period upon the expiration of the Zimmer phase-in plan. To the extent that rates are not reduced upon the expiration of the phase-in plan, then the recovery of regulatory asset and generation stranded costs should be accelerated by an equivalent amount.
18. The regulatory asset for the estimated transition costs incurred in the T&D business (i.e., upgrade of customer service system) is excessive, unreasonable, and unsupported by the evidence. By definition, T&D costs are not generation-related.
19. The regulatory asset for the estimated costs of establishing an exempt wholesale generator are excessive, unreasonable, and unsupported by the evidence. Such costs properly are the responsibility of the Company's competitive activities, just as those costs would be incurred by other competitive suppliers. Further, if any such costs are allowed, the Company should not be allowed whatever amount it deigns to spend on this undertaking.
20. The regulatory asset for the estimated Midwest ISO costs are excessive, unreasonable, and unsupported by the evidence.

21. Cash working capital included in net production plant investment is excessive, unreasonable, and unsupported by the evidence. Such costs properly are the responsibility of the Company's T&D business.
22. Unamortized costs of reacquiring debt impermissibly are double counted by the Company both as a regulatory asset and in the weighted cost of capital utilized to discount the income stream for the fossil generation assets sought as stranded costs.
23. The regulatory asset "amount due from customers-income taxes" is excessive, unreasonable, and unsupported by the evidence because it should not include additional amounts for temporary differences projected for 2001 due to state tax changes.
24. The regulatory asset "amount due from customers-income taxes" is excessive, unreasonable, and unsupported by the evidence because the Company improperly reduced the deferred tax balances by the excess deferred taxes related to accelerated depreciation. Contrary to the unsupported allegations of the Company, this reduction is not required by the "normalization requirements" of the Internal Revenue Code.
25. The dollar reduction in cost of service due to the repeal of the gross receipts tax is incorrectly quantified and understated because it is based improperly on the revenue dollars from Case No. 92-1464-EL-AIR.
26. The dollar reduction in the cost of service due to changes in the calculation of the personal property tax is incorrectly quantified and understated because it is based on the property subject to tax dollars from Case No. 92-1464-EL-AIR, it also is internally inconsistent because it utilizes the 1992 property amounts but updates for the higher current property tax rate and Woodsdale investment.

27. **Stranded Generation Costs**

CG&E's stranded generation cost analysis suffers from a variety of problems that result in upwards biases in stranded generation costs. In general, CG&E accepts as facts circumstances that have not yet occurred (such as a possible carbon tax, the retirement of CG&E generators, and the addition of thousands of mW of capacity in ECAR), while ignoring things that have actually happened (such as the recent high market prices in ECAR). Specific problems with the Company's analysis include:

1. **Incorrect Discount Rate:** CG&E uses a conventional asset valuation or "DCF" method for determining stranded costs. However, the discount rate used for present value purposes ignores the utility's historical cost of capital, and instead, uses a discount rate for a hypothetical buyer of the plant in a competitive market. This is a unique and highly questionable feature of the analysis, relative to that used by other utilities. This approach ignores the actual financing cost of the utility, and may compensate for risks that exceed those it actually incurred to obtain these resource. CG&E should employ either its own cost-of-capital or a market rate with a stranded benefit adjustment to reflect the lower cost of capital actually incurred by the utility.

If a market based discount rate is used, the analysis should also reflect the tax benefits of the hypothetical buyer. Such a buyer would obtain a stepped up basis for the plants in question and obtain accelerated depreciation based on the purchase price. In the end, the CG&E analysis is neither correct as a proxy for a market valuation, nor is it correct from the perspective of the CG&E shareholder. CG&E has selected the most "unfavorable" aspects of a market valuation (a high discount rate) and the most unfavorable aspect of the utility valuation (lack of additional tax depreciation). Thus, CG&E has biased downwards the asset valuation and this results in higher stranded costs.

2. **Ignores Life Extension:** Another problem with the CG&E analysis is that it ignores any possibility of life extension of existing plants beyond the end of their book life. This is

"justified" on a variety of grounds, such as uncertainty of the future and possible new environmental requirements. Once again this may be overly conservative in estimation of asset values.

3. **Biased Market Price Forecast:** To develop market values for the CG&E assets, the Company uses a market price forecast developed by witness Dr. Howard W. Pifer III. This forecast suffers from a variety of defects that are discussed in the following section.

28. **Market Price Forecast**

CG&E presents Dr. Howard W. Pifer III as its market price forecast witness. His forecast suffers from a variety of defects which bias market prices downwards:


1. **Ad-Hoc Fuel Price Forecast:** In the case at hand, Dr. Pifer relies on a "consensus" fuel price forecast developed by witness Speyer. This forecast uses an average of four sources to develop the gas and oil prices, and a PHB-Hagler Bailly internal forecast for coal prices. Thus, different sources are used for gas, oil and coal and there is no assurance of consistency among any of the forecasts. There is substantial danger that the coal forecast is biased by a desire to project higher running costs for the CG&E generators, while the gas price forecast sources selected by Mr. Speyer were used only because they project low gas prices. The Commission should reject the ad-hoc "consensus" fuel price forecast prepared by witness Speyer. The proper technique for consideration of multiple fuel price forecasts is to perform a scenario analysis, not to simply average these critical inputs. Alternatively, a single forecast from a reputable source, such as the Energy Information Agency, for all fuel prices, should be used.
2. **Inclusion of Speculative Environmental Costs:** CG&E's estimate of stranded costs is overstated due to inclusion of costs associated with CO₂ taxes and other environmental costs that are not required under current law. These costs are speculative, and not modeled properly in the CG&E study.

3. **Uneconomic Capacity Additions:** Dr. Pifer assumes that 3000 mW of generators will be built in ECAR in the next two years. This assumption drives down the market price for power, because excess capacity is added without any apparent consideration of its need or profitability. This, in turn, depresses market prices.
4. **Energy Only Market Modeling:** Dr. Pifer uses the "Energy only" market structure. This approach assumes the market will offer no firm power, and instead provide only interruptible power. This method biases market prices downward. A key variable in this analysis is the price of power during shortages. Dr. Pifer assumes that large amounts of load management (which he call dispatchable demand) is available at a price of only \$50-\$75/mWh, a price lower than many peaking plants. Dr. Pifer makes these assumptions, despite the fact that recent price spikes have exceeded \$5000/mWh in ECAR and elsewhere. This understates the market price for power in the analysis and biases the Pifer forecast.
5. **Questionable Model and Model Inputs:** Dr. Pifer uses GE MAPS, a fairly conventional model for his studies. Many inputs are included in such models, including heat rates, fuel costs, availability factors, unit capacities, variable O&M, loads, hydro levels, transmission data, and operational data of various kinds. All of these items are at issue in this proceeding. In fact, all model inputs are issues in the case, as sometimes even the most minor item can have a substantial outcome on the estimate of stranded costs.

In addition, it is an open question as to whether the GE MAPS model used by Dr. Pifer is an appropriate model for this case. In particular, in an "energy only" market, the model used must properly compute the probability of capacity shortages. Because MAPS uses a simplistic deterministic modeling of plant outages, it lacks the necessary probabilistic capabilities to properly perform a calculation of the risk of outages. This defect will bias market prices downward since it does not realistically model price spikes.

6. **Other Data and Assumptions Questionable:** Other significant model inputs are the costs of ownership for new generators, including capital costs, O&M, financing data, heat rates, availabilities and gas costs. Once again, all such data items should be examined in this proceeding. Witness Pifer appears to have selected input values that bias the market price forecasts downward.
7. **Ignores Recent High Market Prices:** Dr. Pifer ignores recent market prices. Thus, he biases downwards the starting point for market price forecasts. Indeed, his forecast for 2001 is actually lower than recent actual prices. This ignorance of the actual facts, depresses prices and increases stranded generation costs.

Respectfully submitted,


David F. Boehm, Esq.
BOEHM, KURTZ & LOWRY
2110 CBLD Center, 36 East Seventh Street
Cincinnati, Ohio 45202
Ph: (513) 421-2255 Fax: (513) 421-2764
E-Mail: dboehmlaw@aol.com

**COUNSEL FOR AK STEEL
CORPORATION**

February 10, 2000

CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by regular U.S. mail, postage prepaid, unless otherwise noted, this 4th day of January, 2000 to the following:

Langdon D. Bell
Bell, Royer & Sanders
33 South Grant Ave.
Columbus, Ohio 43215-3927

John W. Bentine
Chester, Hoffman, Willcox & Saxbe
17 S. High Street, Suite 900
Columbus, Ohio 43215

Richard Ganulin
Assistant City Solicitor
Room 214 City Hall
801 Plum Street
Cincinnati, Ohio 45202

William L. Wright
Assistant Attorney General
180 E. Broad Street
Columbus, Ohio 43266-0573

James B. Gainer, Esq.
Associate General Counsel
Cinergy Corp.
139 East Fourth Street
Cincinnati, Ohio 45202
(VIA OVERNIGHT MAIL)

Stephen M. Howard
Vorys, Sater, Seymour & Pease
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43216-10082

Samuel C. Randazzo, Esq.
Attorneys for Industrial Energy Users-Ohio
McNees, Wallace & Nurick
21 E. State Street, Suite 1700 West
Columbus, Ohio 43215

Gretchen J. Hummel, Esq.
Attorneys for Industrial Energy Users-Ohio
McNees, Wallace & Nurick
21 East State Street, Suite 1700 West
Columbus, Ohio 43215

Kimberly J. Wile, Esq.
Attorneys for Industrial Energy Users
McNees, Wallace & Nurick
21 East State Street, Suite 1700 West
Columbus, Ohio 43215

Mr. Kevin Higgins
Energy Strategies, Inc.
39 West Market Street
Suite 200
Salt Lake City, Utah 84101

Mr. Denis George
Energy Manager
The Kroger Company
1014 Vine Street
Cincinnati, Ohio 45202-1100

Tony Ahern
Buckeye Power
6677 Busch Blvd.
Columbus, Ohio 43266-0036

Darrell L. Anderson
General Motors Corp.
Room A-250
485 West Milwaukee
Detroit, MI 48202

Brady Bancroft
10270 Sylvania-Hetamore Road
Berkey, Ohio 43504

Robert Burns
NRRI
1080 Carmack Road
Columbus, Ohio 43210

Evelyn R. Robinson-McGriff
Associate Consumers' Council
77 South High St., 15 FL
Columbus, Ohio 43266-0550

Berry Cohen
Assistant Legal Director
Office of the Consumers' Council
77 South High Street, 15FL
Columbus, Ohio 43266-0550

Bruce Holtz
Reduced Energy Specialists
7095 B East Market Street
Warren, Ohio 44484

Leila Vespoli
Centor Energy
6200 Oak Tree Blvd.
Independence, Ohio 44131

Barbara Hueter
Ohio Council of Retail Merchants
50 West Broad Street
Columbus, Ohio 43215

Marvin I. Resnick
AEP Service Corporation
1 Riverside Plaza
Columbus, Ohio 43215

Catherine Morris
415 Woodbine Avenue
Baltimore, MD 21204-4245

Jon Prendergrast
LTV Steel Company
LTV Steel Building
P.O. Box 5159
Cleveland, Ohio 44101