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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The Cincinnati)
Gas & Electric Company to Modify its Non-)
Residential Generation Rates To Provide For)
Market-Based Standard Service Offer Pricing and) Case No. 03-93-EL-ATA
To Establish an Alternative Competitively-Bid)
Service Rate Option Subsequent to the Market)
Development Period.)

In the Matter of the Application of The Cincinnati)
Gas & Electric Company for Authority to Modify)
Current Accounting Procedures for Certain Costs) Case No. 03-2079-EL-AAM
Associated with the Midwest Independent)
Transmission System Operator.)

In the Matter of the Application of The Cincinnati)
Gas & Electric Company for Authority to Modify)
Current Accounting Procedures for Capital)
Investment in its Electric Transmission and Distri-) Case No. 03-2081-EL-AAM
bution System and to Establish a Capital) Case No. 03-2080-EL-ATA
Investment Reliability Rider to be Effective after)
The Market Development Period.)

**MEMORANDUM IN SUPPORT OF ALTERNATIVE PROPOSAL OF CINCINNATI
GAS & ELECTRIC COMPANY BY
PEOPLE WORKING COOPERATIVELY, INC.**

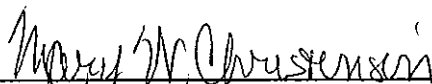
People Working Cooperatively, Inc. ("PWC"), a party to these proceedings,
submits to the Public Utilities Commission of Ohio ("Commission") this memorandum
in support of the position of applicant, Cincinnati Gas & Electric Company, as stated in
its application for rehearing of October 29, 2004 in the above-named matters for the
reasons set forth in the attached Memorandum in Support.

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Respectfully submitted on behalf of
PEOPLE WORKING COOPERATIVELY, INC.



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**MEMORANDUM IN SUPPORT OF
ALTERNATIVE PROPOSAL OF CINCINNATI GAS & ELECTRIC COMPANY**

PWC is a small, non-profit organization that has served consumers in the Cincinnati Gas & Electric Company ("CG&E") service territory by providing weatherization and energy management services to consumers of services provided by CG&E. While a small organization, it is the largest provider of these services in CG&E's service territory. PWC's mission is to provide essential repairs and services so that homeowners can remain in their homes, living independently in a safe and sound environment—and with the benefits of electric service. The Commission, by Examiner Entry, granted PWC intervention in these proceedings on March 25, 2004. In a Stipulation in CG&E's ETP proceedings, which was approved by the Commission, CG&E committed to continued annual funding for weatherization services through the end of 2005, the benefits of which is and were demonstrable. In this case, CG&E proposed in its application the continued funding of these services through the end of 2008, the anticipated end of the market development period.

PWC is a more recent participant in Commission matters, having previously been a party in only CG&E's ETP proceeding.

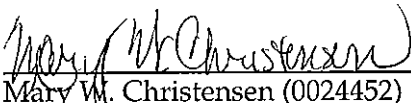
PWC was a signatory to the Stipulation and Recommendation ("Stipulation") that CG&E filed with the Commission on May 19, 2004 in these proceedings. The Stipulation appeared to be the optimum result in response to the questions and complicated circumstances surrounding this case, which have been amply discussed in CG&E's and the other parties' pleadings. It was the product of intense negotiations for several months. And, although some parties did not sign, the Stipulation carried the support of most parties and of a cross section of all customer classes whose interests were represented in the cases. It was a delicate balance.

The Commission, however, so materially changed the Stipulation by its rejection of its various parts in its Opinion and Order of September 29, 2004 that it nullified the

Stipulation. While PWC is one of many party interests, the Order, for example, appears to have eliminated CG&E's financial ability to continue support for the weatherization and DSM programs beyond the end of 2005.

On October 29, CG&E filed its application for rehearing and a second proposal for agreement by the parties ("Alternative Proposal"). PWC has reviewed that proposal and respectfully requests that the Commission approve the Alternative Proposal, which it understands preserves those provisions of the Stipulation that were not rejected by the Commission. This Alternative Proposal again answers the questions and deals with the extremely complicated issues of this case in a different way, a way that, while also not perfect, PWC believes is preferable to the result of the Commission's Opinion and Order. The parties to this case have been negotiating again regarding the acceptability of the Alternative Proposal in an effort to bring back a better balance to the result of this case. PWC respectfully urges the Commission to approve CG&E's Alternative Proposal.


Respectfully submitted on behalf of
PEOPLE WORKING TOGETHER, INC.



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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Memorandum in Support by People Working Cooperatively, Inc. has been served on the parties of record on the attached list for this proceeding by e-mail and by first-class, postage prepaid U.S. mail on this 8th day of November, 2004.



Mary W. Christensen

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