

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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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 to)
Establish an Alternative Competitively-Bid)
Service Rate Option Subsequent to the)
Market Development Period.)

Case No. 03-93-EL-ATA

In the Matter of the Application of)
The Cincinnati Gas & Electric Company for)
Authority to Modify Current Accounting)
Procedures for Certain Costs Associated)
With The Midwest Independent)
Transmission System Operator.)

Case No. 03-2079-EL-AAM

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 Distribution)
System and to Establish a Capital)
Investment Reliability Rider to be Effective)
After The Market Development Period.)

Case No. 03-2080-EL-AAM
Case No. 03-2081-EL-ATA

**INDUSTRIAL ENERGY USERS-OHIO'S
MEMORANDUM IN RESPONSE TO
THE CINCINNATI GAS & ELECTRIC COMPANY'S
APPLICATION FOR REHEARING AND ALTERNATIVE PROPOSAL**

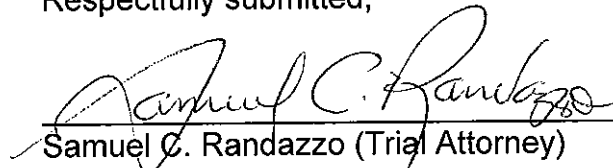
The Industrial Energy Users-Ohio ("IEU-Ohio"), an intervenor in these proceedings, files this Memorandum in Response to the Application for Rehearing and Alternative Proposal filed October 29, 2004 by The Cincinnati Gas & Electric Company ("CG&E"). In this context, IEU-Ohio continues to believe that Ohio is best served by

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developing and implementing balanced rate stabilization plans encouraged by the Commission. IEU-Ohio was a signatory to the Stipulation and Recommendation modified by the Opinion and Order of the Commission issued September 29, 2004. CG&E, in its Application for Rehearing, has formally presented an Alternative Proposal for resolution of these cases which modifies the earlier Stipulation in several respects.

As a signatory to the earlier Stipulation, IEU-Ohio continues to believe that it presented an appropriate recommendation for resolving the issues in this case. The Alternative Proposal advanced by CG&E in its Application for Rehearing is a good faith effort by CG&E to respect the Commission's guidance. IEU-Ohio believes that CG&E's Alternative Proposal provides an appropriate resolution of this case and urges the Commission to respond favorably.

Respectfully submitted,



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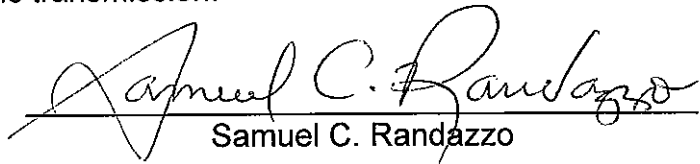
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Industrial Energy Users-Ohio's Memorandum in Response to The Cincinnati Gas & Electric Company's Application for Rehearing and Alternative Proposal* was served upon the following parties of record this 8th day of November 2004, via electronic transmission.


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