

PUCO Public Hearing on Duke Energy's Ohio Electric Security Plan

Testimony of Hamilton County Commissioner Todd Portune

October 7, 2008

Mr. Chairman and Madame Commissioner. Welcome to Cincinnati and Hamilton County and thank you for offering us the privilege and opportunity to testify before you. A special welcome to you, Commissioner Lemmie, and welcome back to Cincinnati. It is great to have you here again where you served so capably and well as City Manager for the City of Cincinnati.

I stand before you as President of the Hamilton County Board of Commissioners and also as a citizen of this community for my entire life. My testimony comes both in my official capacity and as a citizen. And I am here today to listen to what the citizens of our community have to offer and to provide commentary by the county on the matter of the requested rate increase in favor of Duke Energy.

The people of our community were already bracing for a tough winter – unsure whether they would be able to make ends meet and pay their bills, An increase in their gas and electric will make it difficult for them to pay. People are very concerned and scared about their future. The economy is in the tank. Many people here lost a lot during the unprecedented windstorm that we just suffered and that hit all of Ohio.

We have seen only too well over the past two weeks how much the people need regulatory bodies to regulate and oversee in the areas of their regulatory authority and oversight. The People of our region need you to fulfill your duties as Regulators now, more than ever. I urge you to listen to what the people of our region have to say. Open your hearts and your minds to their testimony and their stories and base your decisions on what will work to their best interest.

Make certain that the rates in place are affordable to the people who have to pay. Too many people are concerned about their ability to pay. Do not make it more difficult for them to the point that people are forced to do without. Our Seniors, the poor, the infirm. Those who have faced recent personal tragedy –are all concerned and worried about their ability to pay. Make sure that you assess the requested rates and that they are affordable based upon the income levels of the people of our region.

I need to emphasize this to you. One of my most vivid memories as a child involves doing without heat. My Father died when I was 14 and my Mother was not working at the time outside of the home. I and my two brothers, along with Mom, survived by doing without a lot of those things. One of them was heat at night. When we went to bed Mom would virtually turn off the heat. When I would wake up in the morning I had the

privilege of being able to turn the heat back on. I would sit in the dark huddled in front of the register in our bathroom feeling the warm air blow over me trying to warm up. There are tens of thousands if not hundreds of thousands in our service area who will be doing the same thing this winter. Whatever you do, I urge you to not compound the harm of their situations.

The windstorm we just endured was unprecedented, and I pause to publicly thank and commend Duke energy – especially their field employees – for their heroic efforts at restoring power. We have heard, however, that the cost of responding to this disaster may be passed along in the form of increased rates. Do not add insult to injury to our citizens who all suffered financially by requiring them to pick up the cost of Duke's response as well.

Rates are designed to support improvements to the infrastructure. During the storm it exposed many deficiencies in the local infrastructure – especially in the areas of communications; alternatives or backups of power for critical infrastructure; and the integrity of the system itself to withstand such a storm. The county, along with the City of Cincinnati and many other jurisdictions, is in the process of scheduling meetings with Duke officials to discuss the infrastructure and integrity of the system for repairs and improvements. I urge you to delay approving any rate increases until the time has passed for the conclusion of these meetings so that we all can determine that the funds will support improvements and enhancements to the system that are needed and so we can provide the requisite accountability that prior rate increases for the same purpose were in fact spent to improve and enhance the system as envisioned and as necessary.

And last, Duke's request may also result in smaller users, including residential customers, paying the difference between full rates and the discounted rates that larger customers received from Duke through their system of discounted rates that were in special contracts. Hamilton County has not yet concluded its review of that practice and the legality or propriety of it. At a minimum however people who can barely afford their own bills should not have to subsidize larger users who received special discounted rates. The aged, the infirm; the poor and those who have sustained recent personal tragedy should not be put in the position of doing without because large users have the clout to demand discounted rates. It is unfair and inequitable.

In closing, I urge you to be regulators of this industry and make the right decisions guided by what is the right thing to do for the People of Ohio. I thank you again for being here and look forward to working with you to construct a process and to enforce a rate structure that is fair and that accommodates the interests of the People of our county and of our Great State of Ohio.

Respectfully submitted,

Todd Portune, President of the Board
Hamilton County Commission