

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the Ohio)
Department of Development for an Order)
Approving Adjustments to the Universal) Case No. 11-3223-EL-USF
Service Fund Riders of Jurisdictional Ohio)
Electric Distribution Utilities.)

ENTRY

The Attorney Examiner finds:

- (1) On May 31, 2011, the Ohio Department of Development (ODOD) filed a notice of intent to file an application to adjust the Universal Service Fund (USF) riders of all Ohio jurisdictional electric distribution utilities, namely, Cleveland Electric Illuminating Company, Columbus Southern Power Company, Dayton Power and Light Company, Duke Energy Ohio Inc., Ohio Edison Company, Ohio Power Company, and Toledo Edison Company (collectively electric utilities or EDUs), in accordance with Section 4928.52, Revised Code. The current USF riders for the EDUs are the result of the 2011 rider adjustments approved by the Commission. Rider adjustments for all of the EDUs took effect on a bills-rendered basis with the January 2011 billing cycle, in accordance with the Order issued on December 15, 2010 in *In the Matter of the Application of the Ohio Department of Development for an Order Approving Adjustments to the Universal Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities*, Case No. 10-725-EL-USF (10-725).
- (2) Section 4928.52(B), Revised Code, provides that if, during or after the five-year market development period, ODOD, after consultation with the Public Benefits Advisory Board, determines that revenues in the USF and revenues from federal or other sources of funding for those programs will be insufficient to cover the administrative costs of the low-income customer assistance programs and the consumer education program and provide adequate funding for those programs, ODOD shall file a petition with the Commission for an increase in the USF riders. The Commission, after reasonable notice and opportunity for hearing, may adjust the USF riders by the minimum amount necessary to provide additional revenues.

- (3) In 10-725, the Commission approved the December 7, 2010 Stipulation (December 2010 Stipulation) signed by all the parties to the proceeding except the Office of the Ohio Consumers' Counsel (OCC). Although OCC did not sign the December 2010 Stipulation, on December 13, 2010, OCC submitted a letter stating that while OCC did not contest the Stipulation, OCC believes the rate design inappropriately shifted the cost of funding low-income customer assistance programs among the customer classes. The December 2010 Stipulation provided, among other things, that ODOD would file a notice of its intent to apply for the annual USF rider adjustment by no later than May 31, 2011, in order to allow parties the opportunity to pursue issues that they may wish to raise.
- (4) In accordance with the terms of the December 2010 Stipulation approved in 10-725, ODOD filed the above-captioned notice of intent (NOI) to file an application requesting that each of the USF riders be adjusted to more accurately reflect current costs of operating the Percentage of Income Payment Plans-Plus (PIPP), the Electric Partnership Program (including consumer education), and associated administrative costs.
- (5) According to its NOI, ODOD plans to conduct a review of the USF riders of all Ohio jurisdictional EDUs and to employ a USF rider revenue requirement and rate design methodologies significantly similar to that approved by the Commission in 10-725, with one exception. In this USF adjustment, the cost of PIPP component will not include the total PIPP installment payments due from the PIPP customer. As in previous USF applications, ODOD proposes to incorporate a two-step declining block rate design of the type that has been approved by the Commission in all prior ODOD applications. The specific 2011 USF rider rates approved by the Commission in its December 15, 2010 Order were:

<u>EDU</u>	<u>First 833,000 kWh</u>	<u>Above 833,000 kWh</u>
CEI	\$0.0022667	\$0.0005680
CSP	\$0.0022828	\$0.0001830
DP&L	\$0.0031756	\$0.0005700
Duke	\$0.0015022	\$0.0004690
OE	\$0.0016964	\$0.0010461
OP	\$0.0025750	\$0.0001681
TE	\$0.0026327	\$0.0005610

- (6) The December 2010 Stipulation approved in 10-725 provides that the Commission will, following ODOD's filing of the NOI, establish a schedule for the filing of objections or comments, responses to the objections or comments, a schedule for discovery, the filing of testimony, and the date to commence the hearing. Accordingly, the following procedural schedule is established in this case:

File objections or comments	August 2, 2011
File motions to intervene	August 2, 2011
Prehearing conference	Upon request of parties
File responses to objections and comments	August 9, 2011
Discovery completion	August 15, 2011
File Direct Testimony	August 22, 2011
File Reply Testimony	August 26, 2011
Evidentiary Hearing	September 7, 2011
File Post-Hearing Briefs	September 16, 2011
File Reply Briefs	September 27, 2011

Further, to facilitate the efficient processing of this matter the parties are strongly encouraged to file any objections or comments and responses thereto, as well as all other pleadings, electronically in accordance with the procedures established in Case No. 06-900-AU-WVR.

- (7) Any interested person wishing to intervene in this proceeding shall file a motion to intervene on or before August 2, 2011. All Ohio jurisdictional electric distribution utilities shall be joined as indispensable parties to this proceeding. Further, any

interested party wishing to file objections/comments concerning the proposed rate design methodology is directed to file the objections/comments on or before August 2, 2011. Any reply comments must be filed on or before August 9, 2011.

- (8) This matter will be set for a prehearing conference, upon the request of one or more of the parties to the case. The purpose of a prehearing conference would be to permit the parties to discuss any issues they may have concerning this application.
- (9) This matter should be set for an evidentiary hearing on September 7, 2011, at 10:00 a.m., in Hearing Room 11-D, 11th floor, at the offices of the Commission, 180 East Broad Street, Columbus, Ohio 43215.

It is, therefore,

ORDERED, That all Ohio jurisdictional electric distribution utilities be joined as indispensable parties to this proceeding. It is, further,

ORDERED, That any interested party wishing to file objections/comments concerning the proposed rate design methodology file the objections/comments on or before August 2, 2011, and file reply comments on or before August 9, 2011. It is, further,

ORDERED, That interested persons wishing to intervene in this proceeding file a motion to intervene on or before August 2, 2011. It is, further,

ORDERED, That the parties adhere to the case schedule as set forth in Finding (6). It is, further,


ORDERED, That the evidentiary hearing commence as set forth in Finding (9). It is, further,

ORDERED, That a copy of this Entry be served on all parties of record in this case, as well as all parties of record in Case No. 10-725-EL-USF.

THE PUBLIC UTILITIES COMMISSION OF OHIO

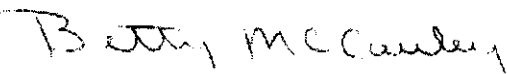


By: Greta See
Attorney Examiner


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Entered in the Journal

JUN 21 2011



Betty McCauley
Secretary