

HC
FILE

Ohio

**Public Utilities
Commission**

12-0659-El

Case Number

Public Utilities Commission of Ohio
Attn: Docketing
180 E. Broad St.
Columbus, OH 43215

Formal Complaint Form

The Chris Erhart Foundry & Machine Co 1240 Mehring Way
Customer Name (Please Print) Customer Address

Cincinnati OH 45203
City State Zip

Against

3230-0736-01-6
Account Number

Customer Service Address (if different from above)

Duke Energy Ohio
Utility Company Name

City State Zip

Please describe your complaint. (Attach additional sheets if necessary)

See attached statement
A spread-sheet is also enclosed

Daniel J. Erhart
Signature DANIEL J. ERHART

513-421-6550
Customer Telephone Number

This is to certify that the images appearing are an
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document delivered in the regular course of business.
Technician SM Date Processed FEB 14 2012

THE CHRIS ERHART FOUNDRY & MACHINE CO.

Statement of Chris Erhart Foundry

The nature of the complaint is a huge increase in the demand/delivery portion of our electric bill. The average charge for that portion compared with the average from 2011 has increased 67%. Previously it was 42.7% of the total bill and now is 71.3% of the total bill. If one expresses the demand/delivery charge as cents per kWh, it raised from 5.6 cents per kWh to 14.88 cents per kWh, a 167 % increase. Therefore, the entire bill (including generation charge) expressed as cents per kWh, increases from the 2011 average of 13.35 cents per kWh to 20.9 cents per kWh, a 56.24% increase.

This is the result of four new riders which became effective 1/3/12, with no warning nor "phase in" period and again, will increase our bill 56.24%. Specifically, the three with the greatest impact are riders ESSC, BTR and LFA. We also are concerned that there are eight (8) other new riders (also effective 1/3/12) which currently carry no values, and will surely "kick in" later entailing further increases.

It has come to our attention that a group of twenty four of the largest companies in Ohio, known as the Ohio Energy Group, retained legal council and helped to enable these riders. The net effect being that the largest commercial customers of Duke Energy Ohio (and others) will experience large decreases and the difference will be born by the smaller and mid-size companies, who have no representation in rate matters that come before the PUCO.

It is our position, that this type of non-publicized large increase is unreasonable and needs to be further reviewed by the PUCO. The impact of this on the smaller business will be devastating from the standpoint of competitiveness and employment by being forced to attempt to pass on large cost increases during a recession. It also seems that the effect will make shopping for energy savings a moot point, since the increase in cost is in the demand/delivery portion and hence will be charged whether you purchase the kWh from Duke or another provider. In our case, the energy (generation) section of the bill went from being 57.3% of the total to just 28.7% of the total. Any small savings in that part of the bill would be almost useless.

We have calculated, using the new rate and riders, what would be required to get close to the average cost per kWh from 2011. One way would be to lower our demand by 50.3%, but we cannot effectively melt iron at that demand. Conversely, if we kept the demand the same, we would need to raise our kWh usage by 91%, effectively doubling output, which is not possible.

We find it hard to believe that the PUCO intended for a majority of small and mid-size energy consuming businesses in the DEO marketing sector to experience huge increases so that a few very large companies would save. We have checked with other companies (just 20 miles from our location) who use Duke of Indiana for energy. Their average total cost per kWh is approximately 8 to 9 cents versus our 20.9 cents average, or 140% less. This is the sort of thing that could put this 158 year old business out of business.



The largest impact of these increases will be to a small single daytime shift operation. In addition, if that company, for example, spent \$10,000. To affect a 5% energy reduction (keeping the same demand), their demand charge would increase, as would their average price per kWh necessitating a eighty nine month payback on investment. In effect, their average cost per kWh would increase 3.8 %, and savings per month only 1.16% making energy savings nearly impossible.

In summation, we respectfully request a review of the implementation of these riders in the hope that some relief might be promulgated.

	KWH Av 2011 46378	KW Av 2011 492.9	\$ TOT Bill 6194.25	Diff av 2011 6194.25	\$/KWH Tot Bill 0.13356	Diff 2011 0.13356	Annualized	\$ Diff vs 2011 Total 74331	Demand Portion (DEO)	% of Tot Bill	% Diff Dem Port vs 2011 42.70%	Dem as \$/KWH 0.0557	% Diff vs Av 2011 0.0557	\$ per Lb Prod Based on 2011 1,227,902	Diff vs 2011 Av 0.061
2011 Average/Mo	46378	492.9	6194.25		0.13356		74311.00		2644.94	42.70%		0.0557		0.061	
2012 New Rates	46378	492.9	9677.99	56.2%	0.209	56.24%	\$116,135.88	\$41,804.88	6899.95	71.3%	67.0%	0.1488	167.1%	\$0.095	55.1%
Lower Dem by 50.30%	46378	248	6167.37	-0.4%	0.133	-0.43%	\$74,008.44	-\$322.56	3389.33	55.0%	28.7%	0.0731	31.2%	\$0.0603	-1.2%
Raise Useage by 91.00%	88500	492.9	11657.2	88.2%	0.132	-1.38%	\$139,885.92	\$65,554.92	6435.56	55.2%	29.3%	0.0727	30.6%	\$0.0596	-2.2%