



Public Utilities Commission

12-1302-EL-CSS
Case Number

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

Formal Complaint Form

ELEGANT AUTOWASH, INC
Customer Name (Please Print)

53 GRANDIN ROAD EAST
Customer Address

MAINEVILLE, OH 45039
City State Zip

Against

3600-3533-01-2
Account Number

Customer Service Address (if different from above)

DUKE ENERGY
Utility Company Name

City State Zip

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

SEE ATTACHED

RECEIVED-DOCKETING DIV
2012 APR 20 AM 11:42
PUCO

[Signature]
Signature

513-697-8990
Customer Telephone Number

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician JE Date Processed APR 20 2012

Effective January 1, 2012, a new Generation Rider began appearing on my electric bill from Duke Energy. I currently purchase my electric from Constellation New Energy, and pay Duke for Delivery and Destination Charges. The Generation Rider was a new charge that began with the billing period that included January 1, 2012.

The effect of this Rider on my Duke bill is a more than doubling of the total charges from Duke Energy. The Generation Rider totaled \$353.73 on my February 2012 Duke bill. My Distribution Charge was \$40.00, and my Destination charges were \$297.91, a total of \$337.91. The Generation Rider was 104.7% of what my normal Duke Energy bill would have been under the previous rate structure.

My charges from Constellation New Energy for the same period were \$261.77. This Generation Rider was 35% greater than my actual electricity usage bill.

On my next Duke bill, the Generation charges were \$365.21 versus Distribution and Delivery Charges that totaled \$325.57. Again, more than doubling my normal Duke Energy bill. My actual electric charges from Constellation New Energy were \$325. Again, the Generation Rider is greater than my actual consumption.

In my initial discussion with Duke Energy, the Generation Rider was explained as a means of recovering unpaid generation services. I visited the PUCO website and found the explanation for this new rider in the Duke documents. The explanation for the rider states "this rider enables the recovery of uncollectible accounts expense related to generation service..." The description further states "the amounts in the rider...will only be collected from the class (residential or non-residential) that created the uncollectible accounts expense." I questioned the correctness of charging a customer who does not purchase their electric from Duke for uncollected generation charges for Duke. I did not receive an answer, other than Duke could have actually generated the electric that Constellation billed me for.

I believe it very unfair to charge me for unpaid Generation charges for Duke when Duke is not my electric supplier, and hasn't been for over 6 years. This would be similar to an Ohio carwash equipment manufacturer who was not paid for a particular order being able to get approval to require every carwash in the State of Ohio to pay a charge per car washed to recover their unpaid order, even though I do not use their equipment in my carwash.

It very well may be deemed that the fairness of this new Rider has already been debated and approved and will not be changed. There is another problem with how this Rider is currently being calculated. In a second conversation with Duke Energy, the actual calculation was explained to me. There are two components to the calculation; a Load Factor Adjustment Rider and an Electric Security Stabilization Rider. The Load Factor is applied to Actual kW, and the Electric Security is applied to kWh Usage as a credit to the Load Factor.

I'll lay out my latest bill, a page from a Duke Webinar held on February 12, 2012, and my personal residence.

	Elegant Autowash	Duke Webinar	Home
kWh Usage	3,662	19,200	4,291
Actual kW	46.60	44.80	N/A
Generation Charges	\$353.73	\$157.05	\$12.31

As you can see, the Actual kW, or peak demand is very comparable between Elegant Autowash and the Webinar. The kWh usage is more than 5 times greater for the Duke webinar customer than for Elegant Autowash. However, the Generation Charge for Elegant is 125% greater than the Duke customer. Why? The credits generated under the Electric Security Stabilization Rider offset much of the Load Factor. When I questioned the person at Duke Energy, I was informed that very large customers could actually see a decrease in their bill from Duke. The credits from the Electric Security Stabilization Rider will more than offset the Load Factor charge.

I called Duke energy to clarify the fact that large customers could actually see a decrease on their bill because of a negative Generation Rider. I was told in that conversation that is not the case. However, as the example used in Duke's webinar, a customer that used more than 5 times the amount of electric I used, with a comparable Load Factor, paid 56% less in Generation charges.

My personal residence is an all-electric house. As you can see, we used more kWh at my house than I did at the carwash. However, the carwash Generation charge is 29 times greater.

This represents a huge, disproportionate distribution of these Generation Charges. The larger users are seeing a much lower amount, and a very much lower percentage increase in their Duke bill than I do. Residential usage is even more disproportionate. As stated before, the effect on my carwash bill is a more than 200% increase. The Generation Rider is 176% higher than the actual charge for the electric consumed.

The factor driving the disproportional Generation Rider is my Load Factor. The wiring, transformers, etc. do not vary from Duke. Duke has not made any changes to the wiring or transformer for my business, yet is charging this Generation Charge based on my peak usage. My peak usage has nothing to do with Duke. Constellation New Energy is my electric generator.

Part of what must be included in a formal complaint is a statement about what I would like to see done about my complaint. I don't believe it was ever the intent with the approval of this new rate structure that some, smaller customers would see their Duke Energy bill more than double. It also is very unfair for a new rate structure to pay for any item in a manner that disproportionately distributes the charges in a much lower percentage increase to large to very large customers.

A fairer, more proportional method of spreading this new charge must be developed.