

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the	:	
Ohio Development Services Agency for	:	
an Order Approving Adjustments to the	:	Case No. 13-1296-EL-USF
Universal Service Fund Riders of	:	
Jurisdictional Ohio Electric Distribution	:	
Utilities.	:	

TESTIMONY

OF

SUSAN M. MOSER

ON BEHALF OF
THE OHIO DEVELOPMENT SERVICES AGENCY

November 8, 2013

TESTIMONY OF SUSAN MOSER
On Behalf of The Ohio Development Services Agency

I. INTRODUCTION

1 **Q. Please state your name and business address.**

2 A. My name is Susan M. Moser. My business address is Ohio Development Services
3 Agency ("ODSA"), 77 South High Street, 26th Floor, Columbus, Ohio 43216-1001.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by ODSA in its Office of Community Assistance ("OCA") as Section
6 Supervisor of the EPP/PIPP Plus section.

7 **Q. Please briefly describe your educational background and employment experience.**

8 A. I have a Bachelor of Science degree from Indiana University of Pennsylvania and a
9 Masters of Education in Counselor Education from the University of Pittsburgh. I
10 worked for six years at the Pennsylvania Public Utility Commission as a Utility
11 Compliant Investigator and for eleven years for Duquesne Light Company ("Duquesne"),
12 an electric utility headquartered in Pittsburgh. I held several different positions while
13 with Duquesne, with responsibilities that included designing, implementing, and
14 managing the Customer Assistance Program, a low-income customer assistance program
15 similar to the percentage of income payment plan ("PIPP") program administered by
16 ODSA. I also managed Duquesne's Smart Comfort Program, which was similar to
17 OSDA's Electric Partnership Program ("EPP"). I have worked for the Ohio Department
18 of Development ("ODOD"), now known as ODSA for approximately ten years. (To
19 avoid confusion in this proceeding, I will refer to ODSA throughout my testimony even

1 though it was actually known as ODOD during relevant periods of time.) In that time, I
2 held the positions of Consumer Education Specialist and Outreach Manager prior to
3 being appointed EPP/PIPP Plus Section Supervisor. All of these positions required that I
4 analyze large data bases to ensure the efficiency and effectiveness of the programs for
5 which I was responsible.

6 **Q. What are your duties and responsibilities as Section Supervisor of OCA's EPP/PIPP**
7 **Plus section?**

8 A. As EPP/PIPP Plus Section Supervisor, I am responsible for the management of the
9 electric PIPP program, now known as PIPP Plus, and the EPP.

10 **Q. What is your role with respect to the electric PIPP Plus program?**

11 A. My role is to ensure that the program is efficient and effective and that our clients receive
12 the benefits to which they are qualified. I provide clarity and guidance on the PIPP Plus
13 rules to staff, provider agencies and electric distribution utilities ("EDUs"). I work with
14 our Information Technology office to eliminate errors in the system and to improve the
15 data system that is used to manage the program. I led the team to redesign aspects of the
16 program to eliminate steps that do not add value to the process in order to reduce
17 processing time for client re-verifications and to make the processes easier for the clients
18 to navigate and understand. I supervise a team that resolves client complaints and helps
19 clients receive benefits. I am the point person in ODSA to test the timeliness and
20 accuracy of the EDU's PIPP Plus-related accounting and reporting, including drafting the
21 request for proposal to find an accounting firm to test the EDU's performance in certain
22 PIPP-related areas through the application of agreed-upon procedures (commonly

1 referred to as an “audit”), selecting the winning bidder and managing the audit contract.
2 I am also the lead on the current endeavor to revise the electric PIPP Plus rules. I ensure
3 that agencies and clients receive information on the program and changes to the program
4 in order for them to be successful. This role also includes managing the Electric
5 Partnership Program, which was developed to help reduce the cost of the PIPP program.
6 In addition, I led the team that developed and implemented the 2009 PIPP Plus rule
7 revisions.

8 **Q. Have you previously testified before this Commission?**

9 A. Yes, I testified in the prior USF rider adjustment proceeding, Case No. 12-1719-EL-USF.
10 My direct testimony in support of ODSA’s application was filed in that docket on
11 November 7, 2012.

12 **Q. What is the purpose of your testimony in this proceeding?**

13 A. The purpose of my testimony is to explain how the USF rider rates proposed in ODSA’s
14 application were developed.

15 **Q. Why is it necessary for ODSA to seek adjustments to the USF riders at this time?**

16 A. The stipulation that resolved Case No. 12-1719-EL-USF required ODSA to file an
17 application for approval of such adjustments to the riders as are necessary to assure, to
18 the extent possible, that each EDU’s rider will generate its associated revenue
19 requirement – but not more than its associated revenue requirement – during 2014
20 collection period. As indicated in the application filed contemporaneously with this
21 testimony, ODSA has determined that, on an aggregated basis, the total pro forma annual
22 revenue that the current USF riders would generate will over collect funding for the low-

1 income customer assistance and consumer education programs and their associated
2 administrative costs during the 2014 collection period. Although ODSA has determined
3 that the pro forma revenues that would be generated by the current USF riders of Ohio
4 Power Company ("OP"), and Duke Energy Ohio ("Duke") would fall short of their
5 respective 2014 USF rider revenue targets, ODSA's analysis indicates that the current
6 USF riders of The Cleveland Electric Illuminating Company ("CEI"), The Columbus
7 Southern Power Company ("CSP"), The Dayton Power and Light Company ("DPL"),
8 Ohio Edison Company ("OE"), and Toledo Edison Company ("TE") and would over-
9 recover their respective indicated revenue responsibility during the collection year. By
10 its application, ODSA seeks an order from the Commission directing each EDU to adjust
11 its USF rider rate accordingly.

12 **Q. In your previous answer, you characterize CSP as an EDU, notwithstanding that**
13 **there has been a merger of CSP and OP that left OP as the surviving entity. Why**
14 **do you continue to identify CSP as an EDU?**

15 A. Although the two AEP Ohio operating subsidiaries have merged, OP continues to
16 maintain a separate set of rate schedules – including a separate USF rider – for the former
17 CSP customers, which means that ODSA must still perform the same analysis to establish
18 the USF rider rate for the CSP Rate Zone that was required when CSP existed as an EDU.
19 Thus, references to CSP in the application, my testimony, and the various schedules I
20 sponsor should be construed as references to the AEP Ohio CSP Rate Zone, just as
21 references to OP should be construed as references to the AEP Ohio OP Rate Zone.

1 **Q. What factors contribute to the need to adjust the USF riders?**

2 A. Generally speaking, the need to adjust the riders is primarily attributable to two separate
3 factors. First, because the current riders are based on historical Kwh sales, they will not,
4 in actual practice, generate the level of revenue they were designed to produce on a pro
5 forma basis. Although one would never expect test-period sales to be identical to sales in
6 the collection period, updating the sales volumes to reflect the more recent experience of
7 each company should, all else being equal, produce a more representative result. Second,
8 the USF rider revenue requirement for each company has also changed from the revenue
9 requirements the Commission found to be reasonable in Case No. 12-1719-EL-USF.
10 These changes are due to a number of factors, including, among other things, increases in
11 the cost of PIPP resulting from increases in PIPP enrollment, Commission-approved
12 changes in the EDUs' underlying tariff rates, and changes in the EDUs' collection
13 experience. Thus, the current USF rider rates must be adjusted if they are to recover their
14 related revenue requirements, but not more than their related revenue requirements, over
15 the 2014 collection period.

16 17 **II. USF RIDER REVENUE REQUIREMENT ANALYSIS**

18 **A. Methodology**

19 **Q. How was the USF rider revenue requirement target for each EDU determined?**

20 A. As described in the application, the annual revenue requirement the proposed USF rider
21 rates are designed to generate is comprised of six elements: (1) the cost of PIPP Plus, (2)
22 the cost of targeted energy efficiency programs and the consumer education programs,

1 referred to, collectively, as EPP, (3) an allowance for ODSA's PIPP-related
2 administrative costs, (4) an allowance to account for projected EDU December 31, 2013
3 USF PIPP account balance deficits or surpluses, (5) an allowance to fund a reserve, and
4 (6) an allowance for undercollection. In this proceeding, ODSA also is requesting a one-
5 time allowance to fund an evaluation, or "audit," related to the effectiveness of the PIPP
6 Plus Program, adopted November 1, 2010. As indicated in the application, ODSA has
7 used a calendar 2013 test period for purposes of its USF rider revenue requirements
8 analysis.

9 **Q. If ODSA has used a calendar 2013 test period for purposes of its analysis, what is**
10 **the source of the data for the final months of the test period for which actual data is**
11 **not yet available?**

12 A. ODSA projects the results for those months of the test period for which actual
13 information was not available at the time the application was prepared by substituting the
14 data from the corresponding months of the previous year. Although this is simply
15 another way of saying that ODSA has utilized the most recent twelve months of actual
16 data available at the time the application was prepared for purposes of the test-period
17 analysis, it is conceptually appropriate to consider calendar 2013 as the test period for
18 reasons discussed below.

19 **Q. For which months of 2013 did ODSA have actual data available when it prepared its**
20 **application?**

21 In all USF rider rate adjustment applications prior to the 2012 application, ODSA utilized
22 actual data through August of the test period, and used the data from September through

1 December of the previous year as a surrogate for the results for the remaining months of
2 the test period. Once the September data became available, ODSA filed an amended
3 application to substitute the actual data for September for the projected data for
4 September that had been utilized in preparing the initial application. However, in 2012,
5 and again in this 2013 proceeding, ODSA was able to include actual September data in its
6 original analysis. Thus, although ODSA reserves the right to file an amended
7 application, at this time, ODSA does not anticipate that it will do so in view of the fact
8 that we now have the same nine months of actual data in this application that has been
9 reflected in the amended applications in prior cases.

10 **Q. Is ODSA's methodology for determining the USF rider revenue requirement**
11 **proposed in the application in this case generally consistent with the methodology**
12 **previously approved by the Commission in prior USF rider adjustment cases?**

13 A. Yes. The revenue requirement methodology used in preparing this application is
14 generally consistent with that approved in prior USF rider rate adjustment proceedings.
15 Moreover, it is identical to the methodology approved by the Commission in its
16 October 2, 2013 opinion and order in the NOI phase of this proceeding (the "*NOI*
17 *Order*"), with the exception that ODSA is seeking a one-time allowance in this
18 proceeding for an audit related to the effectiveness of the PIPP Plus Program.

B. Cost of PIPP

Q. How was the cost of PIPP component of the USF rider revenue requirement calculated for purposes of this case?

A. The cost of PIPP under the PIPP Plus rules adopted November 1, 2010, represents the total cost of electricity consumed by each EDU's PIPP customers during the test period, plus their pre-PIPP balances, less the monthly installment payments billed to PIPP customers, less payments made by or on behalf of PIPP customers, including agency payments, to the extent that these payments exceed the amount of the installment payments billed over the same period. This same formula was used in Case Nos. 11-3223-EL-USF and 12-1719-EL-USF.

Q. What is the source of the information ODSA used in the cost of PIPP calculation?

A. The information necessary to perform this calculation comes from the USF Monthly Report and Remittance forms (USF-301) and the USF Monthly Reimbursement Request forms (USF-302), the documents the EDUs use to report the USF rider collections remitted to ODSA for deposit in the USF and to request reimbursement from the USF for the cost of electricity delivered to PIPP customers. As in prior cases, ODSA used the unadjusted actual data for the most recent twelve months for which information was available at the time the application was prepared to calculate the test-period cost of PIPP. The workpapers showing the calculation for each EDU are attached as Exhibits SMM-1 through SMM-7 to my testimony. The resulting test-period cost of PIPP components for each EDU are shown in Exhibit A to the application. However, the use

1 of the unadjusted test-period cost of PIPP numbers will not produce the appropriate
2 allowance for this component of the USF rider revenue requirement.

3 **Q. Please explain.**

4 A. Pursuant to various orders of this Commission, certain elements of the tariffed rates for
5 electric service to residential customers of each of the EDUs changed during 2013.

6 Because we are using the data from October through December of 2012 as a surrogate for
7 the corresponding months of the 2013 test period to determine the cost of electricity
8 delivered to PIPP customers, this data must be restated to capture the net impact of these
9 rate changes as must the data for the months of 2013 that predated the rate changes. In
10 addition, certain elements of each of CSP's, OP's and Duke's tariffed rates applicable to
11 the service provided to PIPP customers will cause a net increase in rates during 2014.

12 These 2014 rate adjustments will change the cost of electricity delivered to PIPP
13 customers during the 2014 collection period, but there will be no change in the monthly
14 installment payments billed to PIPP customers because those payments are based on
15 fixed, specified percentages of customer income and are not tied to the rates charged.

16 Thus, a net increase in an EDU rate element will increase the cost of PIPP by widening
17 the gap between the cost of electricity delivered to PIPP customers and the installment
18 payment amounts billed to PIPP customers. Accordingly, it is necessary to adjust the
19 test-period cost of PIPP to recognize these post-test period rate changes so that the new
20 USF rider rates will reflect the impact of these changes on the cost of PIPP during the
21 collection period.

1 **Q. What adjustments to the test-period cost of PIPP has ODSA proposed to recognize**
2 **the impact of these underlying EDU rate changes?**

3 A. The respective adjustments for each of the EDUs are shown in Exhibits A.1.a through
4 A.1.d to the application. The normalization adjustments for the 2013 rate changes were
5 calculated by applying the net percentage of the rate change to the cost of electricity
6 delivered by the EDU to PIPP customers during the months that predated the rate change,
7 including October-December 2012, which are used as surrogates for October-December
8 2013. The adjustments to annualize the impact of the CSP, OP and Duke 2014 net rate
9 changes were calculated by applying the net percentage of the rate increase to the
10 normalized test-period cost of electricity delivered to PIPP customers. The adjustments
11 shown in Exhibits A.1.a through A.1.d are carried forward and summarized on Exhibit
12 A.1 to the application, which shows the overall impact of the Commission-approved rate
13 changes on the test-period cost of PIPP for the EDUs in question.

14 **Q. Has the Commission approved adjustments of this type in past USF rider rate**
15 **adjustment proceedings?**

16 A. Yes. The Commission has consistently approved such adjustments to recognize known
17 changes in EDU rates for residential service.

18 **Q. Does ODSA have a proposal to address any increases in EDU residential rates that**
19 **may take effect during the 2014 collection period?**

20 A. ODSA proposes that the Commission allow this docket to remain open to permit the
21 filing of a supplemental application after the information necessary to annualize the
22 impact of any such rate increases on the cost of PIPP becomes available. This is the same

1 procedure that was utilized in Case No. 05-717-EL-UNC to address anticipated EDU rate
2 increases during the collection period in that case where the amount of the increases were
3 unknown at the time of the hearing in the USF rider rate adjustment case. I should add
4 that ODSA will not necessarily file a supplemental application as result of an EDU 2014
5 rate change. This is a decision that will be made based on the status of the EDU's USF
6 PIPP account balance at the time.

7 **Q. Has ODSA proposed any other adjustments to the test-period cost of PIPP?**

8 A. Yes. In Case Nos. 09-463-EL-UNC, 10-725-EL-USF, 11-3223-EL-USF, and 12-1719-
9 EL-USF, the Commission approved adjustments to capture the impact of the anticipated
10 increase in PIPP enrollment on the cost of PIPP during the collection period. As ODSA
11 noted in testimony submitted in those cases, PIPP enrollment has increased dramatically
12 over the period since ODSA assumed responsibility for the administration of the electric
13 PIPP program. In 2001, there were 131,330 PIPP customers in the month of the highest
14 PIPP enrollment. In 2011 and 2012 there were 360,099 and 367,873 PIPP customers,
15 respectively, in the month with the highest PIPP customer count. These year-over-year
16 increases in PIPP enrollment have continued to accelerate, as evidenced by the fact that
17 in April of 2013, the test-period month with the highest PIPP customer count, there were
18 375,083 customers enrolled in PIPP. In view of current economic conditions, it is
19 reasonable to assume that PIPP enrollments will continue to increase in 2014. This
20 expected post-test period increase in enrollments will mean that, in the absence of an
21 adjustment, the USF will continue to experience revenue shortfalls because the test-
22 period cost of PIPP built into the USF rider rates will not reflect the actual number of

1 PIPP customers during the collection period. Accordingly, in the NOI in this case,
2 ODSA again proposed to recognize the impact of the ever-increasing PIPP enrollment by
3 adjusting the test-period cost of PIPP based on a forecast of the number of PIPP
4 customers during the 2014 collection period. ODSA proposed to utilize the same forecast
5 methodology used in the 2009, 2010, 2011, and 2012 cases, with the projected 2014 PIPP
6 enrollment to be based on an analysis of the year-over-year increases in PIPP enrollment
7 over an appropriate historical period. The Commission again approved this
8 methodology in the *NOI Order* in this case.

9 **Q. How did you calculate this adjustment to the cost of PIPP for each EDU?**

10 A. Using data from the period 2009 through year-to-date 2013, I determined the average
11 annual PIPP enrollment for each EDU for each of those years. These average annual
12 enrollment figures are shown on the second schedule in Exhibit A.2 to the application. I
13 then used the EXCEL trend function to project the next number in the series, and utilized
14 that number as my forecast of the average PIPP enrollment for each EDU during 2014.
15 As shown in the first schedule in Exhibit A.2, I then identified the average test-period
16 cost of PIPP for each PIPP customer and multiplied that average cost per customer by the
17 projected increase in the number of PIPP customers in 2014 to produce the adjustment to
18 the test-period cost of PIPP for each EDU.

19 **Q. In your opinion, does this methodology produce a reasonable result?**

20 A. Yes. Although there may be more sophisticated methods available to forecast 2014 PIPP
21 enrollment, I believe this straightforward methodology produces an estimate that is
22 reasonable for the purpose at hand. One should also bear in mind that, to the extent the

1 forecast misses the mark, the year-end USF PIPP account balance element of the USF
2 rider revenue requirement in the 2014 case will serve to true-up the difference.

3 **Q. After performing the adjustments for underlying EDU rate changes and the**
4 **projected 2014 PIPP enrollment, what allowance for the cost of PIPP do you**
5 **recommend for inclusion in the USF rider revenue requirement of each of the**
6 **EDUs?**

7 A. The proposed cost of PIPP components of the respective EDU revenue requirements are
8 shown in the Total Adjusted Test-Period Cost of PIPP column (Column F) on Exhibit
9 A.2 to the application.

10
11 **C. EPP Costs**

12 **Q. How was the proposed allowance for the cost of the Electric Partnership Program**
13 **determined?**

14 A. This USF rider revenue requirement component is intended to recognize the cost of the
15 low-income customer energy efficiency and consumer education programs that are
16 funded through the USF. In all previous USF rider adjustment cases, the Commission
17 has accepted the \$14,946,196 EPP allowance first proposed by ODSA when the initial
18 USF riders were established in the ETP proceedings. However, as a part of a settlement
19 agreement entered into with the Office of the Ohio Consumers' Counsel ("OCC") in the
20 NOI phase of Case No. 05-717-EL-UNC, ODSA agreed that, in future USF rider rate
21 adjustment proceedings, ODSA would base its proposed allowance for EPP costs on its

1 projection of payments to EPP providers and the administrative costs associated with
2 ODSA's oversight of the EPP program during the collection period.

3 **Q. What has ODSA projected these costs to be for the 2014 collection period during**
4 **which the USF rider rates set in this case will be in effect?**

5 A. As shown in Exhibit A to the NOI submitted in this proceeding, the analysis for 2014
6 supported the use of the same \$14,946,196 annual allowance for these costs that the
7 Commission has accepted in all prior USF rider rate adjustment proceedings.

8 **Q. Did the Commission approve the proposed \$14,946,196 allowance for EPP costs in**
9 **the NOI phase of this case?**

10 A. Yes. However, the stipulation adopted by the Commission in the *NOI Order* provided
11 that, as indicated in the NOI, ODSA would adjust the proposed allowance for EPP costs
12 if updated projections suggested that \$14,946,196 allowance was no longer appropriate.

13 **Q. Has ODSA's projection of EPP costs during the 2014 collection period changed**
14 **since it proposed the \$14,946,196 allowance in the NOI phase of this case?**

15 A. No. ODSA continues to believe this allowance to be appropriate.

16 **Q. How has ODSA allocated the EPP costs among the EDUs?**

17 A. As in all prior USF rider rate adjustment applications, ODSA allocated this component of
18 the revenue requirement among the EDUs based on the ratio of their respective adjusted
19 costs of PIPP to the total adjusted cost of PIPP. The development of the allocation
20 factors and the results of the allocation are shown in Exhibit B to the application.

D. Administrative Costs

Q. What allowance for PIPP-related administrative costs has ODSA proposed for inclusion in the USF rider revenue requirement in this case?

A. ODSA has proposed an allowance for PIPP-related administrative costs of \$4,426,794. The basis for the proposed allowance is explained in the testimony of ODSA witness Randall Hunt.

Q. How has ODSA allocated the administrative cost component of USF rider revenue requirement among the EDUs?

A. As in all previous USF rider rate adjustment applications, ODSA allocated responsibility for the administrative costs to the EDUs based on the relative number of PIPP customers. Specifically, as shown in Exhibit C to the application, this revenue requirement component is allocated among the EDUs based on the number of PIPP accounts in April 2013, the test-period month exhibiting the highest PIPP customer account total.

E. Projected Year-End USF PIPP Account Balances

Q. You have identified the projected December 31, 2013 USF PIPP account balance as an element of the EDU's USF rider revenue requirement. Why is this component included?

A. The USF rider rate is calculated with reference to historical annual Kwh sales. Because actual sales will vary from sales during the test period, and because other factors bearing on the cost of PIPP also change, the EDU's rider rate will, in actual practice, either over-recover or under-recover its associated revenue requirement during the collection period. All else being equal, over-recovery will result in a positive year-end USF account balance

1 for the EDU in question, while under-recovery will create a negative balance. A positive
2 USF account balance reduces the amount needed to satisfy the USF rider revenue
3 requirement on a going-forward basis, while a negative balance means that there will be
4 insufficient cash available for ODSA to make the monthly PIPP reimbursement payments
5 due the EDU in question if the revenue requirement does not recognize the existing
6 deficit. To synchronize the new USF rider with each EDU's existing USF PIPP account
7 cash position, the revenue target must be adjusted by the amount of the USF account
8 balance as of the rider's effective date. Thus, a positive balance must be deducted from
9 the revenue requirement, while a negative balance must be added to the revenue target
10 the rider is designed to generate. Because ODSA is requesting that the proposed USF
11 riders be made effective January 1, 2014 on a bills-rendered basis, I have adjusted each
12 EDU's rider revenue target by the amount of the EDU's projected December 31, 2013
13 USF PIPP account balance. The projected balance amounts are displayed in Exhibit D of
14 the application. The workpapers showing the calculation of the projected December 31,
15 2013 balances are attached to my testimony as Exhibits SMM-8 through SMM-14.

16 **Q. Has the Commission previously approved the inclusion of this element in**
17 **determining the target revenues the proposed USF rider rates must be designed to**
18 **generate?**

19 A. Yes. The Commission has approved this synchronizing adjustment in establishing the
20 USF riders in all previous USF rider adjustment cases, and has again accepted this
21 methodology in its *NOI Order* in this case.

1 **Q. If this component of the USF rider rate remains in effect for longer than one year,**
2 **would not an EDU with a projected December 31, 2013 USF PIPP account balance**
3 **deficit begin to over-recover its USF rider revenue requirement?**

4 A. Because a December 31, 2013 balance deficit will be recovered on an annual basis, the
5 recovery will, in theory, be complete after the new USF rider has been in place for one
6 year. On the other hand, an EDU with a positive projected December 31, 2013 balance
7 will, in theory, have exhausted this surplus by the end of the collection year. This means
8 that, all else being equal, this component of the revenue requirement element should
9 come out of their USF riders at that time.

10 **Q. Is ODSA proposing that the USF riders be automatically adjusted on January 1,**
11 **2015 to recognize that the amortization of the December 31, 2013 balance surplus or**
12 **deficit will have been completed at that time?**

13 A. No. Although ODSA will be monitoring the monthly EDU USF balances very closely,
14 ODSA will also continue to examine all the other elements of the USF rider revenue
15 requirement, and will keep a watchful eye on whether, in practice, riders are generating
16 the necessary level of revenue. Rather than proposing an automatic adjustment for one
17 component of the USF riders on the anniversary date, ODSA believes the better approach
18 is to revisit all elements of the rider before January 1, 2015, so that, if it reasonably
19 appears that additional adjustments are required, all proposed adjustments can be
20 incorporated in a single filing with the Commission. Thus, while ODSA agrees that the
21 component reflecting the December 31, 2013 USF PIPP account balance, whether
22 negative or positive, should be eliminated once the balance has been fully amortized, that

1 adjustment should be made in the context of this broader evaluation. Indeed, the parties
2 to the stipulations in all previous USF rider adjustment cases have recognized that this
3 annual review process is necessary by requiring that ODSA file a new application on or
4 before October 31 of each year. ODSA continues to support this approach.

5 **Q. In your testimony in Case No. 12-1719-EL-USF you indicated that an issue**
6 **regarding the refund of OCC's assessment reduction had not been resolved. Does**
7 **that issue remain outstanding in this proceeding?**

8 A. No. By entry of December 12, 2012, the Commission approved ODSA's Motion for
9 Approval of an Alternative Refund Methodology in Case No. 11-5384-AU-UNC. The
10 alternative methodology enabled ODSA to effectuate the refund by adding the allocated
11 OCC assessment reduction amount to the respective EDU projected December 31, 2012
12 account balances in Case No. 12-1719-EL-USF. This eliminated the need for any
13 additional adjustment in this proceeding.

14 15 **F. Reserve Allowance**

16 **Q. What is the purpose of including an allowance to create a reserve as a USF rider**
17 **revenue requirement component?**

18 A. As explained in the application, PIPP-related cash flows fluctuate significantly
19 throughout the year, due in large measure to the weather-sensitive nature of electricity
20 sales and PIPP enrollment behavior. The graph attached to the application as Exhibit E
21 plots the historical consolidated net USF PIPP account balance. As the graph shows, the
22 month-to-month cash flow fluctuations will, from time-to-time, result in negative USF

1 PIPP account balances, which means that, in those months, ODSA will have insufficient
2 cash to satisfy its reimbursement obligations to the EDUs on a timely basis. To address
3 this problem, ODSA has included an allowance to create a cash reserve as an element of
4 the USF rider revenue requirement.

5 **Q. Does this reserve component of the USF rider revenue target serve a different**
6 **purpose than the component that recognizes projected EDU December 31, 2013 USF**
7 **PIPP account balances?**

8 A. Yes. A deficit EDU December 31, 2013 account balance represents an existing shortfall
9 that must be remedied if the USF fund is to have the cash necessary to satisfy the new
10 revenue requirement on a going-forward basis, while a positive EDU December 31, 2013
11 account balance represents an amount that must be credited to ratepayers. Thus, the
12 December 31, 2013 USF PIPP account balance element is, in essence, a true-up
13 mechanism. The reserve, on the other hand, is intended to assure that ODSA will have
14 cash on hand to meet its ongoing obligation to reimburse EDUs on a timely basis for the
15 cost of electricity furnished to PIPP customers. Thus, revenues that have been generated
16 and retained for the purpose of establishing the reserve are not deducted as a part of the
17 synchronizing adjustment for those EDUs with a positive projected December 31, 2013
18 USF account balance.

19 **Q. Was an allowance to create a cash reserve included in developing the revenue target**
20 **for the USF riders approved in previous USF rider rate adjustment cases?**

21 A. Yes. However, as ODSA explained in testimony in previous cases, the methodology
22 used to fund the reserve has changed over time, as the more conservative methods for

1 calculating the allowance previously employed proved to be ineffective to fund the
2 reserve. In Case No. 06-751-EL-UNC, ODSA calculated the reserve component based
3 on the highest monthly deficit for each EDU during the test period. The Commission
4 approved this approach in that proceeding and in all subsequent USF rider rate
5 adjustment cases. As shown in Exhibit F to the application, CSP and OP each had
6 deficits during the calendar 2013 test period.

7 **Q. Has ODSA utilized this same method for funding the reserve in this case?**

8 A. Yes. In the NOI, ODSA again proposed basing the allowance for this element of the USF
9 rider revenue requirement on the highest projected monthly deficit for the EDU in
10 question during the test period. The Commission approved this methodology in the *NOI*
11 *Order* in this case.

12 **Q. Does the adjustment to the cost of PIPP to recognize the projected increase in PIPP**
13 **enrollment during the collection period affect the need for the reserve?**

14 A. No. Although the adjustment for the projected increase in PIPP enrollment is intended to
15 reduce the pressure on the USF during the collection period, the allowance for the reserve
16 is still a necessary element of the USF rider revenue requirement. The reserve
17 component addresses the cash-flow problem created by the fact that the recovery of the
18 annual revenue requirement is not fully completed until the end of the collection period.
19 As shown by the graph presented in Exhibit E to the application, even with this
20 adjustment to the cost of PIPP, there are still months where the USF runs in the red.
21 Thus, a reserve based on the highest monthly deficit of each EDU is still a necessary
22 element of the USF rider revenue requirement.

G. Allowance for Undercollection

Q. Another USF rider revenue requirement element you have identified is an allowance for undercollection. What is the purpose of this component?

A. An allowance for undercollection is necessary to recognize that there is a difference between the amount billed through the USF rider and the amount actually collected from ratepayers. If this element is not included in determining the USF rider revenue requirement, the riders will not generate the target revenue.

Q. Was an allowance for undercollection built into the current USF riders?

A. Yes. The Commission has authorized this allowance in all prior USF rider adjustment cases and again approved the inclusion of this element in its *NOI Order* in this case. This allowance is identical in concept to the allowance for uncollectibles routinely recognized in utility ratemaking. Because the EDU is merely a conduit for USF rider revenues, the allowance must be incorporated in the USF rider itself if the USF rider rates are to produce the required revenues.

Q. How was the proposed allowance for undercollection calculated?

A. As in all prior cases, the allowance was calculated on a company-specific basis so as to reflect the test-period undercollection experience of each EDU. For each reported month, an undercollection percentage was determined by dividing the amount of USF rider revenues actually collected by the EDU by the pro forma revenues as determined by multiplying the Kwh sales for that month by USF rider rate. The resulting average rate of collection was then applied to the pro forma annual rider revenue. The difference between that result and the pro forma annual rider revenue represents the amount the

1 allowance for undercollection is intended to recover on an annual basis. The proposed
2 allowance for undercollection for each EDU is shown in Exhibit G of the application.
3 The workpapers supporting this analysis are attached to my testimony as Exhibits SMM-
4 15 through SMM-21.

5
6 **J. PIPP Plus Program Audit Costs**

7 **Q. You stated that ODSA is requesting an allowance to perform an evaluation, or**
8 **audit, of the PIPP Plus Program since its adoption in 2010. Did ODSA request this**
9 **allowance in the NOI?**

10 **A.** Not specifically. In the NOI, ODSA stated that it did not intend at that time to request an
11 allowance for audit costs in its application, but reserved the right to do so if it
12 subsequently determined that an additional audit of PIPP-related accounting and
13 reporting should be conducted in 2014. ODSA believes that an audit related to the
14 effectiveness of the PIPP Plus Program is timely, considering that it has been in effect for
15 three years.

16 **Q. What is the focus of the audit?**

17 **A.** The audit will focus on the 2010 changes to the PIPP rules and if the changes are meeting
18 the objective of the PIPP Plus Program. The evaluation will include a review of whether
19 the data the EDUs report to ODSA is consistent with the data reported to the
20 Commission, customer payments, payment incentives, effectiveness of customer
21 education, affordability of payments, and the rule changes effect on the Universal Service
22 fund.

1 **Q. How will the audit be conducted?**

2 A. As with past audits, for example Case No. 07-661-EL-UNC, ODSA will issue a request
3 for proposals to qualified independent third parties to bid on the project, select a winning
4 bidder, and monitor the audit contract.

5 **Q. What is the amount requested for the audit and how will it be allocated among the**
6 **EDUs?**

7 A. ODSA is seeking an allowance of \$60,000 to fund the audit related to all EDUs. The cost
8 of the audit will be allocated to each EDU based on its cost of PIPP Plus as detailed in
9 Exhibit H to the Application. Any difference between the allowance and the actual costs
10 of the audit will be trued up in next year's application by virtue of the projected year-end
11 balance component of the revenue requirement.

12
13 **K. Revenue Requirements Summary**

14 **Q. What are the results of your USF rider revenue requirements analysis?**

15 A. The USF rider revenue requirement analysis for each EDU is summarized in Exhibit I to
16 the application.

17 **Q. How does the total USF rider revenue requirement proposed in this case compare to**
18 **total USF rider revenue requirement approved in Case No. 12-1719-EL-USF?**

19 A. The aggregated revenue requirement of \$319,022,079 proposed in this proceeding is
20 below the \$336,718,920 total revenue requirement approved in last year's case. On an
21 individual EDU basis, the USF rider revenue requirements of the EDU are well below the

1 revenue requirements approved in Case No. 12-1719-EL-USF. However, the revenue
2 requirements of OP and Duke have increased substantially.

3 **Q. What accounts for this increase in the OP and Duke USF rider revenue**
4 **requirements?**

5 A. Obviously, the level of the USF rider revenue requirement of a particular EDU is simply
6 a function of the sum of all the revenue requirement components and the manner in
7 which certain components are allocated among the EDUs. OP's increased rider revenue
8 requirements are the result of increases in enrollment, rates, electric usage, the adjustment
9 for under collection in addition to a larger reserve requirement. These costs have
10 increased significantly over 2013. The major factor in Duke's rider revenue increase was
11 the reduction in its account balance from (\$8,810,780) in the 2012 USF rider rate
12 adjustment case to (\$5,072,047) in the current case.

14 III. USF RIDER RATE DESIGN

15 **Q. How does ODSA propose to recover the annual USF rider revenue requirement for**
16 **each EDU?**

17 A. ODSA proposes to recover the annual USF rider revenue requirement for each company
18 through a USF rider that incorporates the same two-step declining block rate design
19 approved by the Commission in all prior USF rider adjustment proceedings. The
20 Commission again approved this rate design methodology in *NOI Order* in this case.

21 **Q. How did you calculate the proposed rider for each EDU?**

1 As shown in Exhibit J to the application, I began by dividing the respective revenue
2 requirements by the EDU's test-period Kwh sales to determine the per Kwh rate which
3 would apply if the EDU's annual USF rider revenue requirement were to be recovered
4 through a uniform per Kwh rate. The sales information came from each EDU and is
5 attached to my testimony as Exhibits SMM-22 through SMM-28. Under the
6 Commission-approved USF rider rate design methodology, the first block of the rate
7 applies to all monthly consumption up to and including 833,000 Kwh (*i.e.*, one-twelfth of
8 an annual consumption of 10,000,000 Kwh). The second block applies to all
9 consumption above 833,000 Kwh per month. The rate per Kwh for the second block is
10 set at the lower of the PIPP rider rate in effect in October 1999 or the per-Kwh rate that
11 would apply if the EDU's annual USF rider revenue requirement were to be recovered
12 through a single block per-Kwh rate, with the first block rate set at the level necessary to
13 produce the remainder of the EDU's annual USF rider revenue requirement. In this case,
14 this cap is in play for all the EDUs, so all the proposed rider rates have this declining
15 block feature as shown in the table on page 10 of the application. The workpapers
16 supporting the rate calculations are attached to my testimony as Exhibits SMM-29
17 through SMM-35.

18 **Q. What do the final three line items (lines 19, 20, and 21) on each of these workpapers**
19 **represent?**

20 **A.** Line 19 shows the dollar difference per-Kwh between the first block rate under the
21 approved two-tier rate design and a uniform per-Kwh rate. Line 20 expresses this
22 difference as a percentage. Line 21 shows the annual cost impact on the average

1 residential customer of the EDU in question resulting from the use of the declining block
2 rate structure as opposed to a uniform rate per Kwh. As in prior cases, this analysis is
3 being presented purely for informational purposes.

4 **Q. How do the proposed USF riders compare to the current USF riders?**

5 A. The table on page 10 of the application compares the current and proposed rider rates.

6 As indicated in the table on pages 4-5 of the application, the revenues produced by the
7 current USF riders of OP and Duke fall short of their respective indicated revenue targets,
8 while the revenues produced the current CEI, CSP, DPL, OE, and TE riders exceed their
9 indicated revenue targets. Thus, the OP and Duke USF rider rates will increase, and the
10 CSP, CEI, DPL, OE and TE USF rider rates will decrease.

11 **Q. Does this conclude your testimony?**

12 A. Yes. However, I reserve the right to supplement my testimony if, contrary to my
13 expectation, ODSA submits an amended application in this case.

Universal Service Fund
Current Rider Mechanism
Cost of PIPP

	1/2013	2/2013	3/2013	4/2013	5/2013	6/2013	7/2013	8/2013	9/2013	10/2012	11/2012	12/2012	Total
American Electric Power - A.													
Columbus Southern Power													
1. USF Rider Collected on All Customers	\$7,202,179.93	\$6,749,723.96	\$6,365,479.67	\$6,023,514.02	\$5,346,016.03	\$6,007,641.35	\$6,895,957.49	\$6,749,775.43	\$6,681,192.63	\$3,277,547.98	\$3,230,860.28	\$3,942,873.03	\$68,492,761.80
2. Non-USF Rider Funds													
a. Customer Payments	\$3,093,447.99	\$3,535,411.72	\$3,292,254.76	\$3,389,953.14	\$3,348,323.82	\$3,125,614.59	\$3,393,027.79	\$3,332,565.12	\$3,259,438.74	\$3,333,674.74	\$2,848,496.62	\$2,813,574.40	\$38,765,823.43
b. Other Customer Payments	\$293,178.93	\$331,823.69	\$327,036.36	\$379,985.74	\$339,340.54	\$281,768.69	\$279,654.32	\$279,836.79	\$282,048.93	\$422,585.41	\$322,622.38	\$274,247.03	\$3,814,128.81
c. Agency Payments	\$859,668.86	\$539,717.15	\$436,028.38	\$677,157.72	\$195,579.93	\$355,467.00	\$362,256.11	\$400,472.46	\$195,905.48	\$314,992.25	\$604,827.34	\$1,109,435.01	\$6,051,707.69
3. Total Payments	\$4,246,495.78	\$4,406,952.56	\$4,055,359.50	\$4,447,096.60	\$3,883,244.29	\$3,762,850.28	\$4,034,938.22	\$4,012,874.37	\$3,737,393.15	\$4,071,252.40	\$3,775,946.34	\$4,197,256.44	\$48,631,659.93
4. Payments Applied to Arranges	\$1,310,758.60	\$733,583.86	\$493,566.50	\$762,257.84	\$440,386.10	\$374,582.78	\$256,283.19	\$257,631.86	\$265,572.88	\$385,454.44	\$1,336,495.70	\$1,614,458.04	\$8,231,031.79
5. Total Amount of Remittance	\$8,512,838.53	\$7,463,307.82	\$6,879,046.17	\$6,785,771.86	\$5,786,402.13	\$6,382,224.13	\$7,152,240.68	\$7,007,407.29	\$6,946,765.51	\$3,663,002.42	\$4,567,355.98	\$5,557,331.07	\$76,723,793.59
B. CCS Admin	\$67,214.52	\$62,991.96	\$59,592.64	\$56,214.59	\$49,891.82	\$56,066.46	\$64,356.69	\$62,992.44	\$62,352.39	\$48,566.05	\$47,874.24	\$58,424.70	\$696,538.51
C. EPP/TEE Program	\$280,419.18	\$262,802.66	\$248,620.69	\$234,527.45	\$208,148.84	\$233,909.44	\$268,496.31	\$262,804.67	\$260,134.37	\$157,213.49	\$154,974.03	\$189,127.00	\$2,761,178.14
D. Available Balance (A4-B-C)	\$8,165,304.83	\$7,157,513.20	\$6,570,832.83	\$6,495,029.82	\$5,528,361.46	\$6,092,248.23	\$6,819,387.68	\$6,681,610.18	\$6,624,278.75	\$3,457,222.88	\$4,364,507.71	\$5,309,779.36	\$73,266,076.95
E. Total Costs	\$10,596,200.35	\$10,220,813.64	\$9,910,854.80	\$9,161,876.16	\$7,074,871.06	\$8,670,557.25	\$10,161,814.87	\$9,729,684.34	\$9,810,449.12	\$6,232,341.69	\$7,218,423.94	\$9,018,487.68	\$107,806,374.90
F. Active PIPP and Grad PIPP Bill	\$3,733,869.24	\$3,679,815.38	\$3,682,796.67	\$3,678,389.16	\$3,624,796.39	\$3,641,738.18	\$3,694,088.40	\$3,677,695.62	\$3,669,038.68	\$3,388,969.04	\$3,479,516.78	\$3,621,051.34	\$43,571,724.88
G. Reimbursement Due	\$6,862,331.11	\$6,540,998.26	\$6,228,058.13	\$5,483,487.00	\$3,450,074.67	\$5,028,819.07	\$6,467,726.47	\$6,052,028.72	\$6,141,410.44	\$2,843,372.65	\$3,738,907.16	\$5,397,436.34	\$64,234,650.02
H. Surplus/Deficit (D-G)	\$1,302,973.72	\$616,514.94	\$342,774.70	\$1,011,542.82	\$2,078,286.79	\$1,063,429.16	\$351,661.21	\$629,581.46	\$482,868.31	\$613,850.23	\$625,600.55	(\$87,656.98)	\$9,031,428.93
I. Cost to USF	\$5,551,572.51	\$5,807,414.40	\$5,734,491.63	\$4,721,229.16	\$3,009,688.57	\$4,654,236.29	\$6,211,443.28	\$5,794,396.86	\$5,875,837.56	\$2,457,918.21	\$2,402,411.46	\$3,782,978.30	\$56,003,618.23

Cost to PIPP: \$ 56,003,618
Adjustment Test Period Cost of PIPP: \$ 4,534,011
Enrollment Adjustment Test Period Cost of PIPP: \$ 7,616,637

Total Adjusted Cost of PIPP: \$ 68,154,266

SSM - 1

Universal Service Fund
Current Rider Mechanism
Cost of PIPP

	1/2013	2/2013	3/2013	4/2013	5/2013	6/2013	7/2013	8/2013	9/2013	10/2012	11/2012	12/2012	Total
American Electric Power - A. Ohio Power													
1. USF Rider Collected on All Customers	\$9,010,042.66	\$6,636,082.72	\$8,138,958.49	\$7,837,550.05	\$6,860,247.85	\$7,276,155.39	\$8,287,810.51	\$7,642,448.01	\$7,728,813.44	\$2,925,252.87	\$2,862,065.13	\$3,944,797.07	\$80,648,224.19
2. Non-USF Rider Funds													
a. Customer Payments	\$3,886,218.07	\$4,362,440.21	\$3,886,559.62	\$4,175,888.10	\$4,137,924.28	\$3,834,121.92	\$4,098,895.38	\$4,084,780.88	\$3,863,799.97	\$4,016,892.85	\$3,395,413.52	\$3,347,622.02	\$46,988,656.82
b. Other Customer Payments	\$341,841.52	\$417,553.24	\$376,263.59	\$459,002.66	\$421,103.25	\$335,329.53	\$309,739.43	\$310,055.97	\$295,348.13	\$447,142.38	\$345,096.78	\$323,574.92	\$4,382,751.28
c. Agency Payments	\$1,150,576.08	\$682,147.32	\$431,138.37	\$671,694.10	\$144,723.10	\$242,521.00	\$232,272.03	\$305,895.40	\$177,622.46	\$182,076.77	\$886,221.45	\$1,309,333.45	\$6,416,221.51
3. Total Payments	\$5,178,435.65	\$5,462,140.77	\$4,693,961.58	\$5,306,584.76	\$4,703,750.63	\$4,411,972.45	\$4,638,906.84	\$4,700,732.25	\$4,438,770.56	\$4,648,111.98	\$4,627,631.75	\$4,980,530.39	\$57,787,829.61
4. Payments Applied to Amalgams	\$1,638,784.77	\$992,309.79	\$572,287.93	\$936,568.09	\$501,958.96	\$416,772.77	\$253,782.35	\$269,674.36	\$260,871.53	\$367,552.08	\$1,788,044.40	\$1,940,040.19	\$9,936,657.22
5. Total Amount of Remittance	\$10,846,827.43	\$9,628,392.51	\$8,709,258.42	\$8,774,118.14	\$7,162,206.81	\$7,692,928.16	\$8,541,592.86	\$7,912,122.37	\$7,989,684.97	\$3,292,804.95	\$4,650,108.53	\$5,584,837.26	\$90,584,881.41
B. OCS Admin	\$75,457.34	\$72,325.50	\$68,145.43	\$85,637.95	\$55,778.27	\$60,936.38	\$69,408.79	\$64,004.00	\$64,727.30	\$51,813.25	\$50,604.04	\$64,558.10	\$763,486.35
C. EPP/TEE Program	\$309,085.78	\$296,257.24	\$279,134.99	\$268,863.91	\$228,477.05	\$249,605.50	\$284,309.91	\$262,171.02	\$265,133.75	\$152,078.05	\$148,793.04	\$189,485.71	\$2,933,395.94
D. Available Balance (A4-B-C)	\$10,262,284.31	\$9,259,809.77	\$8,361,976.00	\$8,438,616.28	\$6,877,951.49	\$7,382,386.29	\$8,187,874.16	\$7,585,947.35	\$7,659,823.93	\$3,088,913.65	\$4,450,822.45	\$5,330,793.45	\$86,887,999.12
E. Total Costs	\$15,184,214.72	\$14,921,660.34	\$14,282,651.27	\$12,568,992.27	\$8,613,536.04	\$9,163,075.68	\$10,424,358.21	\$9,585,226.54	\$9,741,388.72	\$7,225,924.81	\$9,209,971.57	\$12,341,659.46	\$133,272,639.63
F. Active PIPP and Grad PIPP Bill	\$4,571,401.23	\$4,514,316.68	\$4,447,187.06	\$4,503,529.60	\$4,414,724.23	\$4,387,200.12	\$4,419,968.40	\$4,417,151.31	\$4,403,237.30	\$4,054,319.60	\$4,213,891.72	\$4,393,174.11	\$52,739,901.36
G. Reimbursement Due	\$10,612,813.49	\$10,407,343.66	\$9,845,464.21	\$8,065,462.67	\$4,188,811.81	\$4,775,875.56	\$6,004,386.81	\$5,168,075.23	\$5,338,131.42	\$3,171,605.21	\$4,996,279.85	\$7,948,485.35	\$80,532,736.27
H. Surplus/Deficit (D-G)	(\$350,529.18)	(\$1,147,533.89)	(\$1,483,488.21)	\$374,153.61	\$2,679,139.68	\$2,606,510.73	\$2,183,484.35	\$2,417,872.12	\$2,321,692.51	(\$82,691.56)	(\$545,657.40)	(\$2,617,891.90)	\$6,355,260.85
I. Cost to USF	\$8,976,028.72	\$9,415,033.87	\$9,273,166.28	\$7,128,894.58	\$3,696,852.85	\$4,359,102.79	\$5,750,607.46	\$4,888,400.87	\$5,077,259.89	\$2,804,053.13	\$3,208,235.45	\$6,008,445.16	\$70,596,081.05

Cost to PIPP: \$ 70,596,081
Adjustment Test-Period Cost of PIPP: \$ 5,682,276
Enrollment Adjustment Test-Period Cost of PIPP: \$ 11,030,837
Total Adjusted Cost of PIPP: \$ 87,309,196.05

SSM - 2

Universal Service Fund
Current Rider Mechanism
Cost of PIPP

	1/2013	2/2013	3/2013	4/2013	5/2013	6/2013	7/2013	8/2013	9/2013	10/2012	11/2012	12/2012	Total
Duke Energy A.													
1. USF Rider Collected on All	\$1,339,512.91	\$1,279,693.84	\$1,225,555.81	\$1,178,601.06	\$1,095,800.43	\$1,218,556.09	\$2,210,587.61	\$1,342,930.88	\$1,342,185.18	\$1,494,143.15	\$1,590,042.85	\$1,730,862.79	\$17,048,472.60
2. Non-USF Rider Funds													
a. Customer Payments	\$1,406,328.76	\$2,253,586.71	\$1,470,008.36	\$1,614,489.02	\$1,519,543.05	\$1,390,244.33	\$1,672,597.20	\$1,535,971.77	\$1,502,472.50	\$1,605,018.52	\$1,344,252.84	\$1,272,830.76	\$18,587,343.82
b. Other Customer Payments	\$141,775.74	\$509,303.46	\$159,435.49	\$195,401.63	\$162,988.52	\$153,704.29	\$162,235.27	\$164,181.24	\$171,392.22	\$175,743.98	\$160,524.70	\$160,255.72	\$2,316,952.26
c. Agency Payments	\$578,498.98	\$233,333.73	\$220,004.26	\$112,557.52	\$79,944.99	\$77,852.87	\$41,950.12	\$42,572.68	\$14,057.76	\$7,704.96	\$877,345.21	\$421,502.29	\$2,707,325.37
3. Total Payments	\$2,126,603.48	\$2,996,223.90	\$1,849,448.11	\$1,922,448.17	\$1,762,486.56	\$1,621,801.49	\$1,876,782.59	\$1,742,725.69	\$1,687,922.48	\$1,788,467.46	\$2,382,122.75	\$1,854,588.77	\$23,611,621.45
4. Payments Applied to Annuities	\$643,285.80	\$1,389,775.73	\$425,105.23	\$449,759.90	\$402,894.45	\$513,023.30	\$462,054.17	\$312,097.26	\$256,148.70	\$181,829.06	\$938,231.28	\$506,236.31	\$6,480,441.19
5. Total Amount of Remittance	\$1,982,798.71	\$2,669,469.57	\$1,650,861.04	\$1,628,360.96	\$1,498,694.88	\$1,731,579.39	\$2,672,641.78	\$1,655,028.14	\$1,598,333.88	\$1,675,972.21	\$2,528,274.13	\$2,237,099.10	\$23,528,313.79
B. OCS Admin	\$34,575.10	\$33,031.07	\$31,633.67	\$30,421.69	\$28,284.47	\$31,453.00	\$57,059.01	\$34,663.32	\$34,644.07	\$24,221.41	\$25,776.03	\$28,058.84	\$393,821.67
C. EPP/TEE Program	\$96,669.46	\$92,352.46	\$88,445.45	\$85,056.83	\$79,081.31	\$87,940.29	\$159,532.85	\$96,916.13	\$96,862.31	\$101,163.95	\$107,657.03	\$117,191.53	\$1,208,869.60
D. Available Balance (A4-B-C)	\$1,851,554.15	\$2,544,086.04	\$1,530,581.92	\$1,512,882.44	\$1,391,329.10	\$1,612,186.10	\$2,456,049.92	\$1,523,448.69	\$1,466,827.50	\$1,550,586.85	\$2,394,841.07	\$2,091,848.73	\$21,926,222.52
E. Total Costs	\$4,070,849.69	\$5,140,790.08	\$3,830,104.13	\$3,438,217.11	\$3,215,302.52	\$5,726,137.00	\$4,279,397.44	\$4,008,501.91	\$4,303,922.89	\$2,698,013.14	\$2,866,119.17	\$3,419,984.48	\$46,997,339.76
F. Active PIPP and Grad PIPP Bill	\$1,740,569.80	\$1,653,570.54	\$1,776,873.00	\$1,761,794.68	\$1,742,671.72	\$1,723,252.96	\$1,683,871.88	\$1,661,156.35	\$1,641,852.43	\$1,742,195.84	\$1,736,692.91	\$1,715,797.96	\$20,580,300.07
G. Reimbursement Due	\$2,330,280.09	\$3,487,219.54	\$2,053,231.13	\$1,676,422.43	\$1,472,630.80	\$4,002,884.04	\$2,595,525.56	\$2,347,345.56	\$2,662,070.46	\$955,817.30	\$1,129,426.26	\$1,704,186.52	\$26,417,039.69
H. Surplus/Deficit (D-G)	(\$478,725.94)	(\$843,133.50)	(\$522,649.21)	(\$163,539.99)	(\$81,301.70)	(\$2,380,697.94)	(\$139,475.64)	(\$823,696.87)	(\$1,195,242.96)	\$594,769.55	\$1,265,414.81	\$387,662.21	(\$4,490,817.17)
I. Cost to USF	\$1,686,994.29	\$2,097,443.81	\$1,628,125.90	\$1,226,662.53	\$1,069,796.35	\$3,489,860.74	\$2,133,471.39	\$2,035,248.30	\$2,405,921.76	\$773,988.24	\$191,194.98	\$1,197,950.21	\$19,936,698.50

Cost to PIPP: \$ 19,936,599
Adjustment Test-Period Cost of PIPP: \$ 563,367
Enrollment Adjustment Test-Period Cost of PIPP: \$ 2,235,068

Total Adjusted Cost of PIPP: \$ 22,735,033.50

SSM - 3

Universal Service Fund

Current Rider Mechanism
Cost of PIPP

	1/2013	2/2013	3/2013	4/2013	5/2013	6/2013	7/2013	8/2013	9/2013	10/2012	11/2012	12/2012	Total
A.													
Dayton Power and Light Company													
1. USF Rider Collected on All	\$5,059,030.91	\$5,010,884.32	\$4,450,417.72	\$4,341,488.28	\$3,903,303.81	\$4,131,510.73	\$4,867,060.60	\$4,806,614.24	\$4,647,962.04	\$3,935,927.89	\$4,294,829.85	\$4,336,048.68	\$53,825,089.07
2. Non-USF Rider Funds													
a. Customer Payments	\$2,244,083.28	\$2,328,875.65	\$2,169,955.55	\$2,248,761.41	\$2,182,297.16	\$2,076,112.16	\$2,272,688.02	\$2,140,561.39	\$2,219,961.80	\$2,370,101.10	\$1,928,353.42	\$1,821,672.75	\$26,003,423.69
b. Other Customer Payments	\$305,459.90	\$374,306.69	\$271,050.49	\$245,646.10	\$256,005.32	\$200,617.96	\$198,942.33	\$167,257.25	\$174,881.70	\$376,095.20	\$280,384.72	\$219,355.77	\$3,070,003.43
c. Agency Payments	\$590,562.60	\$398,176.13	\$235,538.14	\$224,496.40	\$266,884.02	\$92,905.16	\$129,270.83	\$96,575.99	\$42,255.69	\$43,921.33	\$151,241.38	\$917,264.19	\$3,189,091.86
3. Total Payments	\$3,140,105.78	\$3,101,358.47	\$2,676,544.18	\$2,718,903.91	\$2,705,186.50	\$2,369,635.28	\$2,600,901.18	\$2,404,394.63	\$2,437,099.19	\$2,790,117.63	\$2,359,979.52	\$2,958,292.71	\$32,262,518.98
4. Payments Applied to Arrearages	\$753,055.20	\$334,850.95	\$255,355.69	\$508,726.83	\$536,250.33	\$195,115.93	\$228,980.76	\$192,043.66	\$131,719.00	\$192,848.02	\$151,232.52	\$176,387.22	\$3,656,566.11
5. Total Amount of Remittance	\$5,852,086.11	\$5,345,735.27	\$4,705,773.41	\$4,850,225.11	\$4,439,554.14	\$4,326,626.66	\$5,096,041.36	\$4,998,657.90	\$4,779,681.04	\$4,128,775.91	\$4,446,062.37	\$4,512,435.90	\$57,481,655.18
B. OCS Admin	\$41,682.69	\$40,962.12	\$36,380.51	\$35,490.14	\$31,908.06	\$33,773.57	\$39,786.41	\$39,292.29	\$37,995.37	\$30,378.28	\$33,148.36	\$33,466.49	\$434,264.28
C. EPP/TEE Program	\$197,481.38	\$194,067.54	\$172,361.11	\$168,142.75	\$151,171.83	\$160,010.10	\$188,497.36	\$186,156.32	\$180,011.85	\$149,152.38	\$162,753.01	\$164,315.00	\$2,074,120.63
D. Available Balance (A4-B-C)	\$5,612,922.04	\$5,110,705.61	\$4,497,031.78	\$4,646,592.22	\$4,256,474.25	\$4,132,842.99	\$4,867,757.59	\$4,773,209.29	\$4,561,673.83	\$3,949,245.25	\$4,250,161.01	\$4,314,654.41	\$54,973,270.28
E. Total Costs	\$7,131,356.89	\$7,211,574.41	\$6,552,316.92	\$6,121,394.43	\$5,001,367.64	\$4,833,291.59	\$6,097,494.37	\$5,903,546.43	\$5,596,040.26	\$4,397,393.44	\$5,687,271.89	\$5,473,907.24	\$70,006,955.51
F. Active PIPP and Grad PIPP Bill	\$2,233,481.29	\$2,266,673.17	\$2,299,729.08	\$2,329,895.99	\$2,344,007.08	\$2,328,003.54	\$2,333,470.68	\$2,333,191.23	\$2,324,477.62	\$2,244,875.79	\$2,226,824.87	\$2,209,061.95	\$27,473,692.19
G. Reimbursement Due	\$4,897,875.60	\$4,944,901.24	\$4,252,587.84	\$3,791,498.44	\$2,657,360.56	\$2,505,288.05	\$3,764,023.79	\$3,570,355.20	\$3,271,562.64	\$2,152,517.65	\$3,460,447.02	\$3,264,845.29	\$42,533,263.32
H. Surplus/Deficit (D-G)	\$715,046.44	\$165,804.37	\$244,443.94	\$855,093.78	\$1,599,113.69	\$1,627,554.94	\$1,103,733.80	\$1,202,854.09	\$1,290,111.19	\$1,796,727.60	\$789,713.99	\$1,049,809.12	\$12,440,006.96
I. Cost to USF	\$4,144,820.40	\$4,610,050.29	\$3,997,232.15	\$3,282,771.61	\$2,121,110.23	\$2,310,172.12	\$3,535,043.03	\$3,378,311.54	\$3,139,843.64	\$1,959,669.63	\$3,309,214.50	\$3,088,458.07	\$38,876,697.21

Cost to PIPP: \$ 38,876,697
Adjustment Test-Period Cost of PIPP: \$ 51,137
Enrollment Adjustment Test-Period Cost of PIPP: \$ 5,126,973

Total Adjusted Cost of PIPP: \$ 44,054,807.21

SSM - 4

Universal Service Fund
Current Rider Mechanism
Cost of PIPP

	1/2013	2/2013	3/2013	4/2013	5/2013	6/2013	7/2013	8/2013	9/2013	10/2012	11/2012	12/2012	Total
A. Cleveland Electric Illuminating Company													
1. USF Rider Collected on All	\$2,574,267.18	\$2,257,218.10	\$2,156,260.54	\$2,039,469.25	\$1,937,205.18	\$2,077,756.05	\$2,329,013.43	\$2,264,482.29	\$2,181,928.87	\$4,083,952.23	\$3,845,414.01	\$4,105,808.61	\$31,862,775.74
2. Non-USF Rider Funds													
a. Customer Payments	\$2,085,613.18	\$2,514,958.12	\$2,439,192.77	\$2,422,463.81	\$2,395,634.18	\$2,279,717.74	\$2,456,605.87	\$2,344,137.88	\$2,333,652.57	\$2,319,156.09	\$2,038,584.77	\$1,979,904.37	\$27,609,621.35
b. Other Customer Payments	\$538,710.17	\$688,099.12	\$699,006.61	\$686,501.00	\$680,204.41	\$618,822.60	\$739,121.10	\$723,740.32	\$665,272.29	\$667,264.27	\$498,729.07	\$508,037.43	\$7,693,508.39
c. Agency Payments	\$975,288.48	\$293,662.13	\$409,565.61	\$88,386.75	\$44,098.51	\$29,308.76	\$137,865.08	\$154,181.83	\$58,342.04	\$3,916.36	\$214,108.59	\$207,154.14	\$2,615,878.28
3. Total Payments	\$3,599,611.83	\$3,476,719.37	\$3,547,764.99	\$3,197,351.56	\$3,119,937.10	\$2,927,849.10	\$3,333,592.05	\$3,222,060.03	\$3,057,266.90	\$2,990,336.72	\$2,751,422.43	\$2,695,095.94	\$37,919,008.02
4. Payments Applied to Arrearages	\$508,613.72	\$210,400.95	\$193,100.50	\$167,214.90	\$157,366.30	\$141,393.91	\$143,294.37	\$136,971.37	\$125,448.00	\$43,093.99	\$90,549.02	\$86,254.65	\$2,003,701.68
5. Total Amount of Remittance	\$3,087,880.90	\$2,467,619.05	\$2,349,361.04	\$2,206,684.15	\$2,094,571.48	\$2,219,149.96	\$2,472,307.80	\$2,401,453.66	\$2,307,376.87	\$4,137,046.22	\$3,935,963.03	\$4,192,063.26	\$33,866,477.42
B. OCS Admin	\$67,073.41	\$58,812.59	\$66,182.11	\$53,139.07	\$50,474.54	\$54,136.64	\$60,683.24	\$59,001.86	\$56,850.90	\$54,820.48	\$51,492.40	\$54,979.24	\$677,646.49
C. EPP/TIE Program	\$166,469.87	\$145,967.29	\$139,438.68	\$131,886.15	\$125,273.05	\$134,362.03	\$150,610.07	\$146,437.04	\$141,098.57	\$155,898.93	\$146,434.52	\$156,350.42	\$1,740,226.61
D. Available Balance (A4-B-C)	\$2,849,337.62	\$2,262,839.17	\$2,153,740.26	\$2,021,658.94	\$1,918,823.89	\$2,030,651.28	\$2,261,014.49	\$2,196,014.76	\$2,109,427.40	\$3,926,326.81	\$3,738,036.11	\$3,980,733.60	\$31,448,604.33
E. Total Costs	\$6,254,916.82	\$5,968,176.71	\$5,961,583.80	\$5,314,851.16	\$4,631,081.36	\$4,754,366.75	\$5,882,749.98	\$5,723,496.55	\$5,496,233.63	\$4,324,541.70	\$4,689,182.26	\$5,072,094.34	\$64,073,275.06
F. Active PIPP and Grad PIPP Bill	\$2,643,354.79	\$2,668,043.12	\$2,658,800.24	\$2,694,341.68	\$2,702,080.64	\$2,654,968.66	\$2,639,416.82	\$2,614,123.95	\$2,613,565.15	\$2,651,836.93	\$2,588,496.72	\$2,627,520.20	\$31,762,546.90
G. Reimbursement Due	\$3,605,562.03	\$3,300,133.59	\$3,302,783.56	\$2,620,509.48	\$1,929,000.72	\$2,099,398.09	\$3,243,333.16	\$3,109,372.60	\$2,882,668.48	\$1,672,704.77	\$2,100,685.54	\$2,444,574.14	\$32,310,726.16
H. Surplus/Deficit (D-G)	(\$756,224.41)	(\$1,037,294.42)	(\$1,149,043.30)	(\$598,850.54)	(\$10,176.83)	(\$68,746.81)	(\$982,318.67)	(\$913,357.84)	(\$773,241.08)	\$2,253,622.04	\$1,637,350.57	\$1,536,159.46	(\$862,121.83)
I. Cost to USF	\$3,096,948.31	\$3,089,732.64	\$3,109,683.06	\$2,453,294.58	\$1,771,634.42	\$1,958,004.18	\$3,100,088.79	\$2,972,401.23	\$2,757,220.48	\$1,629,610.76	\$2,010,136.52	\$2,358,319.49	\$30,307,024.48

Cost to PIPP: \$ 30,307,024
Adjustment Test-Period Cost of PIPP: \$ 2,101,848
Enrollment Adjustment Test-Period Cost of PIPP: \$ 2,356,103
Total Adjusted Cost of PIPP: \$ 34,764,975.48

SSM - 5

Universal Service Fund

Current Rider Mechanism

Cost of PIPP

Ohio Edison A.		1/2013	2/2013	3/2013	4/2013	5/2013	6/2013	7/2013	8/2013	9/2013	10/2012	11/2012	12/2012	Total
1. USF Rider Collected on All		\$5,592,727.15	\$5,029,384.75	\$4,834,658.78	\$4,701,130.92	\$4,266,107.39	\$4,597,019.85	\$5,083,235.41	\$5,012,749.70	\$4,920,011.67	\$6,633,421.27	\$6,422,222.74	\$7,072,057.84	\$64,164,727.47
2. Non-USF Rider Funds														
	a. Customer Payments	\$3,536,258.85	\$4,199,941.57	\$3,908,882.49	\$4,000,384.30	\$3,959,608.83	\$3,710,891.59	\$4,024,640.47	\$3,888,263.04	\$3,812,165.40	\$4,088,586.69	\$3,418,521.49	\$3,287,845.58	\$45,835,990.30
	b. Other Customer Payments	\$1,023,317.38	\$1,264,171.53	\$1,278,411.99	\$1,279,438.04	\$1,267,337.70	\$1,152,440.25	\$1,340,118.20	\$1,319,304.91	\$1,236,594.29	\$1,232,473.48	\$912,759.08	\$953,940.29	\$14,260,307.14
	c. Agency Payments	\$1,820,498.78	\$514,232.74	\$618,732.93	\$199,427.22	\$61,599.41	\$31,880.61	\$171,817.08	\$185,163.37	\$36,263.27	\$4,271.44	\$347,063.44	\$369,252.10	\$4,360,193.39
3. Total Payments		\$5,380,076.01	\$5,978,345.84	\$5,806,027.41	\$5,479,249.56	\$5,288,545.94	\$4,895,212.45	\$5,536,575.75	\$5,392,731.32	\$5,085,022.96	\$5,325,331.61	\$4,678,334.01	\$4,611,037.97	\$64,456,490.83
4. Payments Applied to Arrangements		\$1,129,827.42	\$417,440.02	\$300,398.92	\$337,148.28	\$269,835.83	\$234,877.97	\$255,628.23	\$236,980.22	\$196,767.72	\$107,717.10	\$163,950.25	\$163,382.69	\$3,813,954.65
5. Total Amount of Remittance		\$6,722,554.57	\$5,446,824.77	\$5,135,057.70	\$5,038,279.20	\$4,535,943.22	\$4,831,897.82	\$5,338,863.64	\$5,249,729.92	\$5,116,779.39	\$6,741,138.37	\$6,586,172.99	\$7,235,440.53	\$67,978,682.12
B. OCS Admin		\$97,041.70	\$87,266.92	\$83,888.15	\$81,571.25	\$74,022.98	\$79,764.78	\$88,201.30	\$86,978.28	\$85,369.14	\$81,167.87	\$78,563.60	\$86,535.11	\$1,010,391.07
C. EPP/TEE Program		\$287,255.73	\$258,321.13	\$248,319.54	\$241,461.24	\$219,117.39	\$236,113.84	\$261,087.03	\$257,466.71	\$252,703.47	\$263,100.06	\$254,723.34	\$280,497.62	\$3,060,167.10
D. Available Balance (A4-B-C)		\$6,338,257.14	\$5,101,236.72	\$4,802,850.01	\$4,715,246.71	\$4,242,802.85	\$4,516,019.20	\$4,989,575.31	\$4,905,284.93	\$4,778,706.78	\$6,396,870.44	\$6,252,866.05	\$6,868,407.80	\$63,908,123.94
E. Total Costs		\$10,204,077.00	\$9,715,073.18	\$9,352,842.60	\$8,817,939.52	\$7,323,584.84	\$7,650,214.43	\$9,552,874.93	\$9,423,189.00	\$8,886,154.67	\$7,104,077.59	\$7,532,175.63	\$8,597,976.98	\$104,160,190.37
F. Active PIPP and Grad PIPP Bill		\$4,150,142.53	\$4,172,739.80	\$4,187,045.65	\$4,236,167.26	\$4,254,927.26	\$4,191,910.25	\$4,143,201.04	\$4,102,366.51	\$4,084,464.68	\$4,177,355.07	\$4,092,504.22	\$4,102,706.86	\$49,895,531.13
G. Reimbursement Due		\$6,063,934.47	\$5,542,333.38	\$5,165,796.95	\$4,581,772.26	\$3,068,657.58	\$3,458,304.18	\$5,409,673.89	\$5,320,832.49	\$4,801,689.99	\$2,926,722.52	\$3,439,671.41	\$4,495,270.12	\$54,264,659.24
H. Surplus/Deficit (D-G)		\$284,322.67	(\$441,096.66)	(\$362,946.94)	\$133,474.45	\$1,174,145.27	\$1,057,715.02	(\$420,098.58)	(\$415,547.56)	(\$22,983.21)	\$3,470,147.92	\$2,813,194.64	\$2,373,137.68	\$9,643,464.70
I. Cost to USF		\$4,924,107.05	\$5,124,893.36	\$4,865,398.03	\$4,244,623.98	\$2,798,821.75	\$3,223,426.21	\$5,154,045.66	\$5,083,852.27	\$4,604,922.27	\$2,819,005.42	\$3,275,721.16	\$4,331,987.43	\$50,450,704.59

Cost to PIPP: \$ 50,450,705

Adjustment Test-Period Cost of PIPP: \$ 8,304,086

Enrollment Adjustment Test-Period Cost of PIPP: \$ 4,394,159

Total Adjusted Cost of PIPP: \$ 63,148,949.59

SSM - 6

Universal Service Fund
Current Rider Mechanism
Cost of PIPP

	1/2013	2/2013	3/2013	4/2013	5/2013	6/2013	7/2013	8/2013	9/2013	10/2013	11/2013	12/2013	Total
A. Toledo Edison/First Energy													
1. USF Rider Collected on All	\$1,715,502.89	\$1,349,719.65	\$1,289,933.45	\$1,255,078.46	\$1,196,728.86	\$1,257,582.54	\$1,399,454.57	\$1,393,924.07	\$1,386,721.84	\$2,889,584.03	\$2,810,343.27	\$3,045,839.46	\$20,979,513.09
2. Non-USF Rider Funds													
a. Customer Payments	\$1,079,803.68	\$1,291,422.82	\$1,232,930.42	\$1,261,511.59	\$1,268,268.56	\$1,189,754.99	\$1,266,403.49	\$1,243,817.00	\$1,229,532.34	\$1,284,277.86	\$1,078,667.97	\$1,012,609.59	\$14,439,000.31
b. Other Customer Payments	\$276,005.96	\$355,921.43	\$361,925.73	\$363,852.45	\$337,363.88	\$347,225.69	\$357,478.48	\$369,083.86	\$339,636.23	\$312,905.42	\$236,447.05	\$252,208.51	\$3,909,954.70
c. Agency Payments	\$727,810.63	\$206,640.09	\$227,203.46	\$70,722.78	\$26,051.54	\$15,653.38	\$61,654.10	\$66,779.99	\$11,787.53	\$933.92	\$124,515.27	\$131,107.21	\$1,670,859.90
3. Total Payments	\$2,083,620.27	\$1,853,984.34	\$1,821,959.61	\$1,696,086.82	\$1,631,683.98	\$1,552,634.06	\$1,685,536.08	\$1,679,680.85	\$1,580,956.10	\$1,598,117.20	\$1,439,630.29	\$1,395,925.31	\$20,019,814.91
4. Payments Applied to Arrearages	\$424,199.89	\$147,815.59	\$112,687.37	\$105,260.76	\$75,713.55	\$78,525.73	\$62,001.38	\$64,326.33	\$58,423.25	\$30,317.76	\$44,228.49	\$47,981.35	\$1,251,481.45
5. Total Amount of Remittance	\$2,139,702.78	\$1,497,535.24	\$1,401,620.82	\$1,360,339.22	\$1,262,442.41	\$1,336,108.27	\$1,461,455.95	\$1,458,250.40	\$1,445,145.09	\$2,920,001.79	\$2,854,571.76	\$3,093,820.81	\$22,230,994.54
B. OCS Admin	\$39,229.71	\$30,865.07	\$29,475.02	\$28,700.84	\$27,137.83	\$28,758.10	\$32,002.40	\$31,875.93	\$31,711.23	\$27,502.86	\$26,747.72	\$28,989.08	\$362,995.79
C. EPP/TEE Program	\$119,523.59	\$94,038.51	\$89,803.38	\$87,444.61	\$82,682.51	\$87,619.08	\$97,503.67	\$97,118.35	\$96,616.55	\$111,568.83	\$108,506.51	\$117,598.95	\$1,190,025.53
D. Available Balance (A4-B-C)	\$1,980,949.48	\$1,372,631.66	\$1,282,342.42	\$1,244,193.77	\$1,152,622.06	\$1,219,731.10	\$1,331,949.68	\$1,329,256.13	\$1,316,817.31	\$2,780,929.10	\$2,719,317.53	\$2,947,232.78	\$20,677,973.22
E. Total Costs	\$3,449,886.35	\$3,352,801.82	\$3,276,113.93	\$3,003,356.23	\$2,573,979.09	\$2,533,497.92	\$3,117,810.38	\$3,107,548.02	\$2,951,237.15	\$2,266,655.93	\$2,544,835.90	\$2,868,175.04	\$35,045,897.76
F. Active PIPP and Grad PIPP Bill	\$1,357,622.98	\$1,365,995.99	\$1,376,324.82	\$1,398,921.71	\$1,398,034.00	\$1,387,616.53	\$1,367,667.90	\$1,355,904.55	\$1,348,773.99	\$1,391,515.40	\$1,364,259.11	\$1,357,767.67	\$16,470,404.65
G. Reimbursement Due	\$2,092,263.37	\$1,986,805.83	\$1,899,789.11	\$1,804,434.52	\$1,175,945.09	\$1,145,881.39	\$1,750,142.48	\$1,751,643.47	\$1,602,463.16	\$875,140.53	\$1,180,576.79	\$1,510,407.37	\$18,575,493.11
H. Surplus/Deficit (D-G)	(\$111,313.89)	(\$614,174.17)	(\$617,446.69)	(\$360,240.75)	(\$23,323.03)	\$73,849.71	(\$418,192.60)	(\$422,387.34)	(\$285,645.85)	\$1,905,788.57	\$1,538,740.74	\$1,436,825.41	\$2,102,480.11
I. Cost to USF	\$1,669,063.48	\$1,838,990.24	\$1,787,101.74	\$1,499,173.76	\$1,100,231.54	\$1,067,355.66	\$1,688,141.10	\$1,687,317.14	\$1,544,039.91	\$844,822.77	\$1,136,348.30	\$1,462,426.02	\$17,324,011.66

Cost to PIPP: \$ 17,324,012
Adjustment Test-Period Cost of PIPP: \$ 4,007,738
Enrollment Adjustment Test-Period Cost of PIPP: \$ 2,156,753
Total Adjusted Cost of PIPP: \$ 23,488,502.66

**Universal Service Fund
Projection of December 31, 2013 Balance
Jan 2013 - Dec 2013**

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total
A. Remittance (Form USF-301-00)													
1. USF Rider Collected on All Customers	\$7,202,179.93	\$6,749,723.96	\$6,385,479.67	\$6,023,514.02	\$5,346,016.03	\$6,007,641.35	\$6,895,957.44	\$6,748,775.13	\$6,881,192.03	\$3,277,547.88	\$3,230,860.28	\$3,942,873.03	\$257,534,899.20
2. Non-USF Rider Funds													
a. Customer Payments	\$1,093,447.90	\$1,535,411.72	\$3,202,294.76	\$3,389,953.14	\$3,348,223.82	\$1,125,614.59	\$3,393,027.19	\$3,332,565.12	\$3,259,438.74	\$3,333,674.74	\$2,848,466.62	\$2,813,574.40	\$250,210,322.42
b. Other Customer Payments	\$293,178.93	\$331,823.09	\$327,036.36	\$379,985.74	\$339,340.54	\$291,768.69	\$779,654.32	\$219,836.16	\$262,048.93	\$422,585.41	\$322,622.38	\$274,247.03	\$63,437,127.31
c. Agency Payments	\$859,868.86	\$539,717.15	\$438,028.38	\$67,157.72	\$195,578.93	\$355,467.00	\$362,256.11	\$400,472.46	\$195,905.46	\$314,992.26	\$504,827.34	\$1,109,435.01	\$47,320,365.86
3. Total Payments	\$4,248,485.78	\$4,405,952.56	\$4,055,359.50	\$4,447,096.62	\$3,883,244.29	\$3,762,850.24	\$4,034,938.22	\$4,012,874.37	\$3,737,393.19	\$4,071,252.40	\$3,775,940.34	\$4,187,256.44	\$360,967,809.59
4. Payments Applied to Annuities													
5. Total Amount of Remittance	\$1,310,758.60	\$733,589.86	\$483,566.58	\$762,257.84	\$440,386.10	\$374,582.78	\$256,283.19	\$257,631.86	\$765,572.88	\$385,454.44	\$1,336,493.70	\$1,614,459.04	\$18,267,662.08
B. OCS Admin	\$8,512,938.53	\$7,483,301.82	\$6,873,045.17	\$6,785,771.86	\$5,786,602.13	\$6,382,224.13	\$7,152,240.68	\$7,007,407.29	\$6,946,765.51	\$3,063,002.42	\$4,567,355.98	\$6,557,331.07	\$549,521,546.25
C. EPP Program	\$67,214.52	\$62,981.96	\$59,582.64	\$56,214.58	\$49,891.82	\$56,066.46	\$64,356.09	\$62,982.44	\$62,352.39	\$48,566.05	\$47,874.24	\$58,724.70	\$4,377,699.06
D. Available Balance (A4-B-C)	\$280,419.18	\$282,802.66	\$248,620.69	\$234,527.45	\$208,448.61	\$233,509.44	\$268,416.31	\$262,804.67	\$260,134.37	\$157,213.49	\$154,074.03	\$188,127.00	\$28,901,227.83
E. Total Costs (Form USF-302-00, Line VI +line VII)	\$8,165,304.83	\$7,157,513.20	\$6,570,832.63	\$6,495,029.52	\$5,528,381.46	\$6,092,246.23	\$6,019,387.68	\$6,881,610.18	\$6,324,278.75	\$3,457,222.88	\$4,364,507.71	\$5,309,779.36	\$516,242,619.36
F. Active PIPP and G and PIPP Bill	\$10,596,200.35	\$10,220,813.64	\$9,910,854.80	\$9,161,876.16	\$7,074,871.06	\$8,670,557.25	\$10,161,814.87	\$9,726,864.34	\$9,810,749.12	\$6,232,341.69	\$7,218,423.94	\$9,018,487.68	\$605,681,046.48
G. Reimbursement Due:	\$3,733,869.24	\$3,679,815.38	\$3,682,796.67	\$3,678,389.16	\$4,674,796.39	\$3,641,736.18	\$3,694,068.40	\$3,677,655.62	\$3,698,038.68	\$3,368,969.04	\$3,479,516.78	\$3,621,051.34	\$85,016,314.55
H. Surplus/Deficit (D-E)	\$6,862,331.11	\$6,540,998.26	\$6,228,056.13	\$5,483,487.00	\$3,450,074.67	\$5,028,819.07	\$6,467,726.47	\$6,052,026.72	\$6,141,410.44	\$2,843,372.85	\$3,738,907.16	\$5,397,436.34	\$109,996,361.62
I. Cumulative Deficit	\$1,302,973.72	\$616,514.94	\$342,774.70	\$1,011,542.82	\$2,078,266.79	\$1,063,439.16	\$151,861.21	\$629,581.46	\$432,863.31	\$613,850.23	\$625,640.55	\$87,656.99	(\$4,422,114.57)
	(\$3,119,140.85)	(\$2,502,625.91)	(\$2,159,851.21)	(\$1,148,308.38)	\$929,978.41	\$1,993,407.57	\$2,345,068.78	\$2,974,550.24	\$3,457,518.55	\$4,071,368.78	\$4,696,969.33	\$4,609,312.36	

Universal Service Fund
Projection of December 31, 2013 Balance
Jan 2013 - Dec 2013

For Monthly Billing Cycle Ending:													
Remittance (Form USF-301-00)													
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total
A. 1. USF Rider Collected on All Customers	\$9,010,042.66	\$8,636,082.72	\$8,136,869.49	\$7,837,550.05	\$6,690,247.85	\$7,278,155.39	\$8,287,810.51	\$7,642,448.01	\$7,728,813.44	\$2,525,252.07	\$2,862,085.13	\$3,644,797.07	\$239,861,926.45
2. Non-USF Rider Funds													
a. Customer Payments	\$3,086,218.07	\$4,262,440.21	\$3,695,559.62	\$4,175,888.10	\$4,137,824.28	\$3,854,121.92	\$4,066,895.38	\$4,084,780.88	\$3,903,750.07	\$4,016,882.85	\$3,785,413.52	\$3,347,622.02	\$179,890,865.13
b. Other Customer Payments	\$341,641.52	\$417,563.24	\$376,263.56	\$459,002.96	\$421,103.25	\$335,330.53	\$300,786.43	\$310,068.97	\$295,486.13	\$417,142.39	\$345,996.78	\$323,574.62	\$72,326,278.34
c. Agency Payments	\$1,150,578.88	\$692,147.32	\$431,138.37	\$671,894.10	\$144,723.10	\$242,521.00	\$232,272.03	\$358,686.40	\$177,822.48	\$182,018.77	\$869,221.45	\$1,356,333.45	\$52,771,760.47
3. Total Payments	\$5,178,436.65	\$5,462,140.77	\$4,483,961.56	\$5,306,947.06	\$4,703,750.03	\$4,411,972.45	\$4,600,968.84	\$4,750,722.25	\$4,438,770.56	\$4,646,111.98	\$4,827,631.75	\$4,980,530.30	\$244,987,943.08
4. Payments Applied to Arrearages	\$1,636,784.77	\$892,309.79	\$572,297.85	\$639,598.09	\$501,958.95	\$416,772.77	\$253,702.35	\$268,674.36	\$280,871.53	\$367,552.08	\$1,785,044.40	\$1,940,040.19	\$22,156,403.80
5. Total Amount of Remittance	\$10,646,827.43	\$9,628,392.51	\$8,709,256.42	\$9,774,118.14	\$7,162,205.81	\$7,692,268.16	\$8,541,592.66	\$7,912,122.37	\$7,969,884.97	\$3,264,834.85	\$4,850,139.53	\$5,584,837.76	\$562,070,475.17
B. OCS Admin 2.99%	\$75,457.34	\$72,325.50	\$68,145.43	\$85,637.85	\$55,778.27	\$60,936.38	\$69,408.79	\$64,004.10	\$64,727.30	\$51,813.25	\$50,884.04	\$64,559.10	\$4,207,409.59
C. EPP Program 23.14% 16.90%	\$300,065.78	\$286,257.24	\$279,134.99	\$269,863.91	\$228,477.05	\$249,605.50	\$284,309.81	\$262,171.02	\$265,133.75	\$152,078.05	\$148,793.04	\$189,485.71	\$25,802,763.12
D. Available Balance (A4-B-C)	\$10,262,284.31	\$9,259,809.77	\$8,361,976.00	\$9,439,616.28	\$6,877,951.49	\$7,382,388.29	\$8,187,874.18	\$7,585,947.35	\$7,639,823.93	\$3,068,913.65	\$4,450,622.45	\$5,330,783.45	\$512,570,302.46
E. Total Costs	\$15,184,214.72	\$14,921,659.68	\$14,292,851.27	\$12,568,992.27	\$8,613,536.04	\$9,163,075.88	\$10,424,358.21	\$9,585,226.54	\$9,741,368.72	\$7,225,924.81	\$9,209,971.57	\$12,341,659.46	\$648,197,554.67
F. Active PIPP and Grad PIPP Bill	\$4,571,401.23	\$4,514,318.89	\$4,447,187.06	\$4,503,559.80	\$4,414,724.23	\$4,387,200.12	\$4,419,968.40	\$4,417,151.31	\$4,403,237.30	\$4,054,318.60	\$4,213,691.72	\$4,383,174.11	\$106,712,068.70
G. Reimbursement Due	\$10,612,813.49	\$10,407,343.00	\$9,845,464.21	\$8,065,462.67	\$4,198,811.81	\$4,775,875.56	\$6,004,389.81	\$5,168,075.23	\$5,338,131.42	\$3,171,616.21	\$4,966,279.85	\$7,948,485.35	\$117,924,241.34
H. Surplus/Shortfall (D-E)	(\$350,529.16)	(\$1,447,533.23)	(\$1,463,888.21)	\$374,153.61	\$2,079,139.68	\$2,606,510.73	\$2,183,484.35	\$2,417,872.12	\$2,321,692.51	(\$42,691.56)	(\$545,657.40)	(\$2,617,691.90)	(\$14,365,818.19)
Cumulative Monthly Deficit	(\$14,616,347.37)	(\$15,763,860.60)	(\$17,247,369.82)	(\$18,873,215.20)	(\$14,164,075.52)	(\$11,567,564.79)	(\$9,404,080.44)	(\$6,986,208.32)	(\$4,664,515.81)	(\$4,747,207.37)	(\$5,292,864.77)	(\$7,910,556.68)	

**Universal Service Fund
Projection of December 31, 2013 Balance
Jan 2013 - Dec 2013**

For Monthly Billing Cycle Ending:

A. Remittance (Form USF-301-00)

1. USF Rider Collected on All Customers

2. Non-USF Rider Funds

a. Customer Payments

b. Other Customer Payments

c. Agency Payments

3. Total Payments

4. Payments Applied to Arrearages

5. Total Amount of Remittance

B. OCS Admin

C. EPP Program

D. Available Balance (A+B-C)

E. Total Costs

F. Active PIPP and Grad PIPP Bill

G. Reimbursement Due:

H. Surplus/Deficit (D-E)

I. Monthly Cumulative Deficit

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total
1. USF Rider Collected on All Customers	\$1,339,512.91	\$1,279,693.84	\$1,225,555.81	\$1,178,601.06	\$1,095,800.43	\$1,218,556.09	\$2,210,587.61	\$1,342,930.88	\$1,342,165.18	\$1,494,143.15	\$1,590,042.63	\$1,730,862.79	\$119,218,350.46
2. Non-USF Rider Funds													
a. Customer Payments	\$1,406,328.76	\$2,253,586.71	\$1,470,006.38	\$1,614,489.02	\$1,519,543.05	\$1,390,244.33	\$1,672,597.20	\$1,535,971.77	\$1,502,472.50	\$1,605,018.52	\$1,344,252.84	\$1,272,830.76	\$113,458,625.18
b. Other Customer Payments	\$141,775.74	\$509,303.46	\$159,435.49	\$195,401.63	\$162,998.52	\$153,704.29	\$162,235.27	\$164,181.24	\$171,392.22	\$175,743.98	\$160,524.70	\$160,235.72	\$25,184,568.59
c. Agency Payments	\$578,498.98	\$233,333.73	\$220,004.26	\$112,557.52	\$79,944.99	\$77,852.87	\$41,950.12	\$42,572.88	\$14,057.76	\$7,704.96	\$97,345.21	\$421,502.29	\$30,796,735.62
3. Total Payments	\$2,126,603.48	\$2,996,273.98	\$1,849,448.11	\$1,922,448.17	\$1,762,486.56	\$1,621,801.49	\$1,876,782.59	\$1,742,725.69	\$1,687,922.48	\$1,788,467.46	\$2,382,122.75	\$1,854,568.77	\$169,441,630.49
4. Payments Applied to Arrearages	\$643,285.80	\$1,389,775.79	\$425,105.23	\$449,759.90	\$402,894.45	\$513,023.30	\$462,054.17	\$312,097.26	\$256,148.70	\$181,829.06	\$938,231.28	\$506,236.31	\$10,703,953.92
5. Total Amount of Remittance	\$1,982,798.71	\$2,669,469.57	\$1,650,661.04	\$1,628,360.98	\$1,498,694.88	\$1,731,579.39	\$2,672,641.78	\$1,655,028.14	\$1,598,333.88	\$1,675,972.21	\$2,528,274.13	\$2,237,099.10	\$330,278,506.04
B. OCS Admin	\$34,575.10	\$33,031.07	\$31,633.67	\$30,421.89	\$28,284.47	\$31,453.00	\$57,059.01	\$34,663.32	\$34,644.07	\$24,221.41	\$25,776.03	\$28,558.84	\$2,506,325.78
C. EPP Program	\$96,669.46	\$92,352.46	\$88,445.45	\$85,066.83	\$79,081.31	\$87,940.29	\$159,532.85	\$96,916.13	\$96,862.31	\$101,163.95	\$107,657.03	\$117,191.53	\$22,395,385.81
D. Available Balance (A+B-C)	\$1,851,554.15	\$2,544,086.04	\$1,530,581.92	\$1,512,882.44	\$1,391,329.10	\$1,612,186.10	\$2,456,049.92	\$1,523,448.69	\$1,466,827.50	\$1,550,586.85	\$2,394,841.07	\$2,091,848.73	\$305,240,324.75
E. Total Costs	\$4,070,849.89	\$5,140,790.08	\$3,830,104.13	\$3,438,217.11	\$3,215,302.52	\$5,726,137.00	\$4,279,397.44	\$4,038,501.91	\$4,303,422.88	\$2,698,013.14	\$2,866,119.17	\$3,419,994.48	\$341,087,376.30
F. Active PIPP and Grad PIPP Bill	\$1,740,569.80	\$1,653,570.54	\$1,776,873.00	\$1,761,784.68	\$1,742,671.72	\$1,723,252.96	\$1,683,871.88	\$1,661,156.35	\$1,641,852.43	\$1,742,195.84	\$1,736,692.91	\$1,715,797.96	\$45,320,794.30
G. Reimbursement Due:	\$2,330,280.09	\$3,487,219.54	\$2,053,231.13	\$1,676,422.43	\$1,472,630.80	\$4,002,884.04	\$2,595,525.56	\$2,347,345.56	\$2,662,070.46	\$955,817.30	\$1,129,426.26	\$1,704,186.52	\$56,755,197.50
H. Surplus/Deficit (D-E)	(\$478,725.94)	(\$943,133.50)	(\$522,649.21)	(\$163,539.99)	(\$81,301.70)	(\$2,390,697.94)	(\$139,475.64)	(\$823,896.87)	(\$1,195,242.96)	\$594,769.65	\$1,265,414.81	\$387,662.21	\$9,562,845.65
I. Monthly Cumulative Deficit	\$9,084,137.83	\$8,141,004.33	\$7,618,355.13	\$7,454,815.13	\$7,373,513.44	\$4,982,815.49	\$4,843,339.85	\$4,019,442.99	\$2,824,200.02	\$3,418,969.58	\$4,684,384.39	\$5,072,046.60	

SSM-10

Universal Service Fund
Projection of December 31, 2013 Balance
Jan 2013 - Dec 2013

For Monthly Billing Cycle Ending:													Total	
Remittance (Form USF-301-00)														
1. USF Rider Collected on All Customers														
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13		
	\$5,089,030.91	\$5,010,884.32	\$4,450,417.72	\$4,341,498.28	\$3,803,303.81	\$4,131,510.73	\$4,867,660.00	\$4,826,614.24	\$4,881,862.04	\$3,935,927.89	\$4,294,828.85	\$4,336,048.68	\$308,299,193.65	
2. Non-USF Rider Funds														
a. Customer Payments	\$2,244,083.28	\$2,326,875.65	\$2,169,955.55	\$2,248,761.41	\$2,182,337.16	\$2,076,112.16	\$2,272,688.02	\$2,140,561.39	\$2,219,961.80	\$2,370,161.10	\$1,978,353.42	\$1,821,872.75	\$165,853,451.30	
b. Other Customer Payments	\$305,450.90	\$374,306.88	\$271,050.49	\$245,646.10	\$250,005.32	\$200,617.96	\$198,942.33	\$187,257.25	\$174,881.70	\$376,095.20	\$250,384.72	\$219,353.77	\$31,733,740.85	
c. Agency Payments	\$580,597.60	\$388,176.13	\$235,538.14	\$224,498.40	\$286,884.02	\$82,805.16	\$179,270.83	\$66,575.99	\$42,255.68	\$43,921.39	\$151,241.36	\$87,264.19	\$26,609,216.53	
3. Total Payments	\$3,140,105.78	\$3,101,358.47	\$2,676,544.18	\$2,718,903.91	\$2,705,186.50	\$2,369,635.28	\$2,600,901.18	\$2,404,394.63	\$2,437,099.18	\$2,790,117.63	\$2,359,879.59	\$2,958,292.71	\$224,196,406.78	
4. Payments Applied to Arrearages														
	\$753,055.20	\$334,850.85	\$255,335.69	\$508,726.83	\$536,250.33	\$195,115.93	\$228,980.76	\$192,043.66	\$131,719.00	\$192,848.02	\$151,222.52	\$178,387.22	\$9,001,324.91	
5. Total Amount of Remittance	\$5,852,086.11	\$5,345,735.27	\$4,705,773.41	\$4,850,225.11	\$4,439,554.14	\$4,326,626.66	\$5,096,041.36	\$4,598,657.80	\$4,779,681.04	\$4,128,775.91	\$4,446,062.37	\$4,512,435.90	\$371,726,842.66	
OCS Admin	\$41,662.69	\$40,962.12	\$36,360.51	\$35,490.14	\$31,508.05	\$33,773.57	\$39,786.41	\$39,292.29	\$37,995.37	\$30,378.28	\$33,148.36	\$33,466.49	\$2,631,100.99	
TEE Program	\$197,461.38	\$194,067.54	\$172,901.11	\$168,142.74	\$151,171.63	\$160,010.10	\$188,497.36	\$186,156.32	\$180,011.85	\$149,152.38	\$162,753.01	\$164,315.00	\$19,954,335.39	
Available Balance (A4-B-C)	\$5,612,922.04	\$5,110,705.61	\$4,497,031.78	\$4,646,592.22	\$4,256,474.25	\$4,132,842.99	\$4,867,757.59	\$4,773,209.29	\$4,561,673.83	\$3,949,245.25	\$4,250,161.01	\$4,314,654.41	\$349,141,406.29	
Total Costs	\$7,131,356.88	\$7,211,574.41	\$6,552,316.92	\$6,121,394.43	\$5,001,387.64	\$4,633,281.59	\$5,057,484.37	\$5,903,546.43	\$5,596,040.26	\$4,387,363.44	\$5,687,271.88	\$5,473,807.24	\$398,394,679.77	
Active PIPP and Grad PIPP Bill	\$2,233,481.29	\$2,265,673.17	\$2,289,729.08	\$2,329,895.98	\$2,344,807.08	\$2,328,003.54	\$2,333,470.58	\$2,333,191.23	\$2,324,477.02	\$2,244,875.79	\$2,226,824.87	\$2,209,051.92	\$55,611,944.98	
Reimbursement Due	\$4,897,875.60	\$4,944,901.24	\$4,252,587.84	\$3,791,498.44	\$2,657,360.56	\$2,305,288.05	\$3,764,023.79	\$3,570,355.20	\$3,271,562.64	\$2,152,517.65	\$3,460,447.02	\$3,264,845.29	\$92,212,844.62	
Surplus/Deficit (D-E)	\$715,046.44	\$165,804.37	\$244,443.94	\$555,093.78	\$1,599,113.69	\$1,627,554.94	\$1,103,333.88	\$1,202,554.09	\$1,290,111.19	\$1,796,727.60	\$789,713.99	\$1,049,809.12	\$5,388,871.50	
	\$3,981,251.11	\$4,110,215.94	\$3,875,772.74	\$3,402,490.52	\$2,266,181.14	\$2,463,656.31	\$3,486,583.18	\$3,469,151.88	\$3,373,781.79	\$1,607,275.81	\$3,327,292.37	\$2,515,614.53		

Universal Service Fund
Projected December 31, 2013 Balance
Jan 2013-Dec 2013

For Monthly Billing Cycle Ending:													
Remittance (Form USF-301-00)													
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total
A.													
1. USF Rider Collected on All Customers													
	\$2,574,287.16	\$2,257,218.10	\$2,156,260.54	\$2,039,469.25	\$1,937,205.18	\$2,077,756.05	\$2,329,013.43	\$2,264,462.29	\$2,181,928.87	\$4,093,952.23	\$3,845,114.01	\$4,105,808.61	\$236,111,130.90
2. Non-USF Rider Funds													
a. Customer Payments													
	\$2,085,613.18	\$2,514,958.12	\$2,438,182.77	\$2,422,483.81	\$2,395,634.18	\$2,276,717.74	\$2,456,605.67	\$2,344,137.88	\$2,333,652.57	\$2,319,166.09	\$2,038,584.77	\$1,979,904.37	\$246,344,208.53
b. Other Customer Payments													
	\$336,710.17	\$658,699.12	\$699,006.61	\$696,501.00	\$680,204.41	\$618,822.60	\$739,121.10	\$723,740.32	\$665,272.29	\$667,264.27	\$498,729.07	\$508,037.43	\$25,305,532.75
c. Agency Payments													
	\$975,288.48	\$293,692.13	\$409,565.61	\$68,386.76	\$44,068.51	\$29,308.76	\$137,865.08	\$154,181.83	\$58,342.04	\$3,916.36	\$214,108.59	\$207,154.14	\$20,437,427.65
3. Total Payments													
	\$3,599,611.83	\$3,476,719.37	\$3,547,764.99	\$3,197,351.56	\$3,119,937.10	\$2,927,849.10	\$3,333,592.05	\$3,222,060.03	\$3,057,266.90	\$2,990,336.72	\$2,751,422.43	\$2,695,095.94	\$292,087,168.93
4. Payments Applied to Arrearages													
	\$508,613.72	\$210,400.95	\$193,100.50	\$167,214.90	\$157,366.30	\$141,383.91	\$143,294.37	\$136,971.37	\$125,448.00	\$43,003.99	\$90,548.02	\$86,254.65	\$4,495,067.03
5. Total Amount of Remittance													
	\$3,082,880.90	\$2,467,619.05	\$2,349,361.04	\$2,066,684.15	\$2,094,571.48	\$2,719,149.96	\$2,472,307.80	\$2,401,453.66	\$2,307,376.87	\$4,137,046.22	\$3,935,963.03	\$4,192,063.26	\$452,892,004.08
B.													
OCS Admin	\$67,073.41	\$58,812.59	\$56,182.11	\$53,139.07	\$50,474.54	\$54,136.64	\$60,683.24	\$59,001.96	\$56,650.90	\$54,820.48	\$51,492.40	\$54,979.24	
REFI	\$166,469.87	\$145,967.29	\$139,438.68	\$131,886.15	\$125,273.05	\$134,362.03	\$150,610.07	\$146,437.04	\$141,098.57	\$155,898.93	\$146,434.52	\$156,350.42	
TEE Program													
REFI													
C.													
Available Balance (A-B-C)	\$2,849,337.62	\$2,262,839.17	\$2,153,740.26	\$2,021,658.94	\$1,919,823.89	\$2,030,651.28	\$2,261,014.49	\$2,196,014.76	\$2,109,427.40	\$3,926,326.81	\$3,738,036.11	\$3,980,733.60	\$424,049,970.65
Total Cost:	\$6,254,916.62	\$5,968,176.71	\$5,981,583.80	\$5,314,851.16	\$4,831,081.36	\$4,754,366.75	\$5,882,749.98	\$5,723,406.55	\$5,496,233.63	\$4,324,541.70	\$4,689,182.26	\$5,072,094.34	\$476,549,532.28
Active PIPP and Grad PIPP Bill	\$2,649,354.79	\$2,668,043.12	\$2,668,800.24	\$2,694,341.68	\$2,702,080.64	\$2,654,968.06	\$2,639,416.82	\$2,614,123.95	\$2,613,565.15	\$2,651,836.93	\$2,588,496.72	\$2,697,520.20	\$67,921,553.06
Reimbursement Due	\$3,605,562.03	\$3,300,133.59	\$3,302,783.56	\$2,620,509.48	\$1,929,000.72	\$2,099,398.09	\$3,243,333.16	\$3,109,372.60	\$2,882,668.48	\$1,672,704.77	\$2,100,685.54	\$2,444,574.14	\$73,981,718.73
Surplus/Shortfall (D-E)	\$766,224.41	\$1,037,294.42	\$1,149,043.30	\$1,598,850.54	\$1,070,402.73	\$1,001,655.92	\$10,819,337.25	\$9,905,979.41	\$9,132,738.33	\$2,253,622.04	\$1,637,350.57	\$1,538,159.46	\$15,421,992.23
Cumulative Monthly Deficit	\$14,655,767.82	\$13,628,473.40	\$12,479,430.10	\$11,880,579.56	\$11,870,402.73	\$11,801,655.92	\$10,819,337.25	\$9,905,979.41	\$9,132,738.33	\$11,386,360.37	\$13,023,710.94	\$14,559,870.39	

**Universal Service Fund
Projection of December 31, 2013 Balance
Jan 2013 - Dec 2013**

For Monthly Billing Cycle Ending:												
Remittance (Form USF-301-00)												
1. USF Rider Collected on All Customers												
Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total
\$5,592,727.15	\$5,029,384.75	\$4,834,658.78	\$4,701,130.92	\$4,266,107.39	\$4,597,019.85	\$5,083,235.41	\$5,012,749.70	\$4,920,011.67	\$6,633,421.27	\$6,422,222.74	\$7,072,057.84	\$426,193,975.56
2. Non-USF Rider Funds												
a. Customer Payments												
\$3,536,258.65	\$4,199,941.57	\$3,908,862.49	\$4,000,384.30	\$3,959,606.03	\$3,710,891.59	\$4,024,640.47	\$3,889,263.04	\$3,812,165.40	\$4,088,566.69	\$3,418,521.49	\$3,287,845.58	\$428,344,536.62
\$1,023,317.38	\$1,264,171.53	\$1,276,411.98	\$1,279,438.04	\$1,267,337.70	\$1,152,440.25	\$1,340,119.20	\$1,319,304.91	\$1,236,594.29	\$1,232,473.48	\$912,759.08	\$953,940.29	\$48,900,288.57
\$1,820,499.78	\$514,232.74	\$618,732.93	\$199,427.22	\$61,599.41	\$31,860.61	\$171,817.08	\$185,163.37	\$36,263.27	\$4,271.44	\$347,053.44	\$369,252.10	\$43,975,946.64
c. Agency Payments												
\$6,380,076.01	\$5,978,345.84	\$5,806,027.41	\$5,479,249.56	\$5,288,545.84	\$4,895,212.45	\$5,536,575.75	\$5,392,731.32	\$5,085,022.96	\$5,325,331.61	\$4,678,334.01	\$4,611,037.97	\$521,120,771.83
3. Total Payments												
\$1,129,827.42	\$417,440.02	\$300,398.92	\$337,148.28	\$269,835.83	\$234,877.97	\$255,628.23	\$236,980.22	\$196,767.72	\$107,717.10	\$163,960.25	\$163,382.69	\$8,872,436.73
4. Payments Applied to Arrearages												
5. Total Amount of Remittance												
\$6,772,554.57	\$5,446,824.77	\$5,135,057.70	\$5,038,279.20	\$4,535,943.22	\$4,831,897.82	\$5,338,863.64	\$5,249,729.92	\$5,116,779.39	\$6,741,138.37	\$6,586,172.99	\$7,235,440.53	\$821,232,442.24
B. OCS Admin 2.99% #REF!												
\$97,041.70	\$87,265.92	\$83,888.15	\$81,571.25	\$74,022.88	\$79,764.78	\$88,201.30	\$85,978.28	\$85,369.14	\$81,167.87	\$78,583.60	\$86,535.11	\$7,445,853.64
C. EPP Program 23.14% #REF!												
\$287,265.73	\$258,321.13	\$248,319.54	\$241,461.24	\$219,117.38	\$236,113.84	\$261,087.03	\$257,466.71	\$252,703.47	\$263,100.08	\$254,723.34	\$280,497.62	\$47,686,753.66
D. Available Balance (A5-B-C)												
\$6,338,257.14	\$5,101,236.72	\$4,802,850.01	\$4,715,246.71	\$4,242,802.85	\$4,516,019.20	\$4,989,575.31	\$4,905,284.93	\$4,778,706.78	\$6,396,970.44	\$6,252,866.05	\$6,868,407.80	\$761,908,848.01
E. Active PIPP and Grad PIPP Bill												
\$4,150,142.53	\$4,172,739.80	\$4,187,045.65	\$4,236,187.26	\$4,254,927.26	\$4,191,910.25	\$4,143,201.04	\$4,102,366.51	\$4,084,464.68	\$4,177,355.07	\$4,092,504.22	\$4,102,706.86	\$108,723,420.04
F. Reimbursement Due												
\$6,053,934.47	\$5,542,333.38	\$5,165,796.95	\$4,581,772.26	\$3,856,657.38	\$3,458,304.18	\$5,409,673.89	\$5,320,832.49	\$4,801,689.99	\$2,926,722.52	\$3,439,671.41	\$4,495,270.12	\$116,638,793.87
G. Costs (Form USF-302-00, Line VI +line VII)												
\$10,204,077.00	\$9,715,073.16	\$9,352,842.80	\$8,817,939.52	\$7,223,584.84	\$7,650,214.43	\$9,552,874.93	\$9,423,199.00	\$8,896,154.67	\$7,104,077.59	\$7,532,175.63	\$8,597,976.98	\$851,705,889.24
H. Surplus/Shortfall (D-E)												
\$284,322.67	\$(441,096.66)	\$(362,946.94)	\$133,474.45	\$1,174,145.27	\$1,057,715.02	\$(420,098.59)	\$(415,547.56)	\$(22,983.21)	\$3,470,147.92	\$2,813,194.64	\$2,373,137.68	\$23,117,365.71
I. Cumulative Monthly Deficit												
\$23,401,688.38	\$22,860,591.72	\$22,597,644.78	\$22,731,119.24	\$23,905,264.50	\$24,962,979.52	\$24,542,880.94	\$24,127,333.38	\$24,104,350.18	\$27,574,498.09	\$30,387,692.74	\$32,760,830.42	

Universal Service Fund
Projection of December 31, 2013 Balance
Jan 2013 - Dec 2013

For Monthly Billing Cycle Ending:

A. Remittance (Form USF 301-00)

1. USF Rider Collected on All Customers

2. Non-USF Rider Funds

a. Customer Payments

b. Other Customer Payments

c. Agency Payments

3. Total Payments

4. Payments Applied to Arrearages

4. Total Amount of Remittance

B. OCS Admin 2.99%

C. EPP Program 23.14%

18.67%

D. Available Balance (AS-B-C)

E. Active PIPP and Grad PIPP Bill

F. Reimbursement Due

G. Total Costs

H. Surplus/Shortfall (D-E)

I. Cumulative Monthly Deficit

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total
1. USF Rider Collected on All Customers	\$1,715,502.89	\$1,449,719.85	\$1,289,813.45	\$1,255,078.46	\$1,186,726.86	\$1,257,582.54	\$1,309,454.57	\$1,393,924.07	\$1,386,721.84	\$2,889,884.03	\$2,810,343.27	\$3,045,839.46	\$148,617,463.23
2. Non-USF Rider Funds													
a. Customer Payments	\$1,079,803.68	\$1,291,422.82	\$1,232,830.42	\$1,261,511.59	\$1,268,268.56	\$1,189,754.99	\$1,268,403.48	\$1,243,817.00	\$1,229,532.34	\$1,264,377.86	\$1,078,667.97	\$1,012,809.58	\$119,688,335.73
b. Other Customer Payments	\$276,005.96	\$355,921.43	\$361,825.73	\$363,852.45	\$337,363.88	\$347,225.69	\$357,478.49	\$369,083.89	\$339,036.23	\$312,805.42	\$236,441.05	\$252,208.51	\$11,970,485.61
c. Agency Payments	\$727,810.63	\$206,640.09	\$227,203.46	\$70,722.78	\$26,051.54	\$15,653.38	\$61,654.10	\$66,719.89	\$11,787.53	\$933.92	\$124,515.27	\$131,107.21	\$14,484,634.49
3. Total Payments	\$2,083,620.27	\$1,853,844.34	\$1,821,859.61	\$1,696,086.82	\$1,631,683.98	\$1,552,634.06	\$1,695,536.06	\$1,679,680.85	\$1,580,956.10	\$1,588,117.20	\$1,438,630.29	\$1,395,925.31	\$146,123,455.83
4. Payments Applied to Arrearages	\$424,199.89	\$147,815.59	\$112,887.37	\$105,260.76	\$75,713.55	\$78,525.73	\$62,001.38	\$64,326.33	\$58,423.25	\$30,317.76	\$44,228.46	\$47,981.35	\$2,713,056.95
4. Total Amount of Remittance	\$2,139,702.78	\$1,497,535.24	\$1,401,620.82	\$1,360,339.22	\$1,262,442.41	\$1,336,108.27	\$1,461,455.95	\$1,458,250.40	\$1,445,145.09	\$2,920,001.79	\$2,854,571.76	\$3,093,820.81	\$256,219,278.59
B. OCS Admin 2.99%	\$38,229.71	\$30,865.07	\$29,475.02	\$28,700.84	\$27,137.83	\$28,758.10	\$32,002.40	\$31,875.93	\$31,711.23	\$66,880.61	\$64,266.26	\$69,651.53	\$2,159,801.89
C. EPP Program 23.14%	\$119,523.59	\$94,038.51	\$89,803.38	\$87,444.61	\$82,682.51	\$87,618.08	\$97,503.67	\$97,118.35	\$96,616.55	\$201,331.87	\$195,803.99	\$212,211.68	\$14,899,898.63
D. Available Balance (AS-B-C)	\$1,980,949.48	\$1,372,631.66	\$1,262,342.42	\$1,244,193.77	\$1,152,622.06	\$1,219,731.10	\$1,331,949.88	\$1,329,756.13	\$1,316,817.31	\$2,652,589.31	\$2,594,501.51	\$2,811,957.68	\$239,359,578.06
E. Active PIPP and Grad PIPP Bill	\$1,357,827.98	\$1,365,995.99	\$1,376,324.82	\$1,398,921.71	\$1,398,034.00	\$1,387,616.53	\$1,367,667.90	\$1,355,904.55	\$1,348,773.99	\$1,391,515.40	\$1,364,259.11	\$1,357,767.67	\$35,140,916.70
F. Reimbursement Due	\$2,092,263.37	\$1,688,805.83	\$1,899,789.11	\$1,604,434.52	\$1,175,945.09	\$1,145,881.39	\$1,750,142.48	\$1,751,643.47	\$1,002,463.16	\$875,140.53	\$1,180,576.79	\$1,510,407.37	\$42,303,208.78
G. Total Costs	\$3,449,886.35	\$3,352,801.82	\$3,276,113.93	\$3,003,356.23	\$2,573,919.09	\$2,533,497.92	\$3,117,810.38	\$3,107,548.02	\$2,951,237.15	\$2,266,655.93	\$2,544,835.90	\$2,868,175.04	\$259,160,029.22
H. Surplus/Shortfall (D-E)	(\$111,313.89)	(\$614,174.17)	(\$617,446.69)	(\$360,240.75)	(\$23,323.03)	\$73,849.71	(\$418,192.60)	(\$422,387.34)	(\$285,645.85)	\$1,777,448.78	\$1,413,924.72	\$1,301,550.28	\$15,340,465.56
I. Cumulative Monthly Deficit	\$14,822,652.69	\$14,496,934.35	\$14,106,396.28	\$14,050,485.49	\$14,215,945.27	\$14,483,923.13	\$13,997,308.09	\$13,609,153.25	\$13,336,737.85	\$15,168,936.07	\$16,394,642.97	\$17,378,238.46	

CSP

Calculation of Allowance for Undercollection

	KWh	KWh sales X USF rider= Expected Revenue	Rider Collection	Expected Revenue/ Rider Collection	Average Collection
Jan-13	1,850,558,759	\$4,373,186.64	\$4,339,566.02	0.99	0.99
Feb-13	1,775,544,832	\$3,993,546.90	\$3,978,106.05	1.00	0.99
Mar-13	1,739,965,743	\$3,645,030.97	\$3,637,793.55	1.00	
Apr-13	1,584,913,619	\$3,392,618.77	\$3,363,351.00	0.99	
May-13	1,677,374,896	\$3,411,106.31	\$3,411,471.00	1.00	
Jun-13	1,658,783,443	\$3,960,618.07	\$3,942,309.00	1.00	
Jul-13	2,226,971,542	\$4,591,303.60	\$4,572,014.91	1.00	
Aug-13	2,073,778,455	\$4,720,515.30	\$4,702,448.22	1.00	
Sep-13	1,870,461,072	\$4,209,139.18	\$4,191,942.75	1.00	
Oct-12	1,481,098,748	\$3,290,910.37	\$3,277,547.98	1.00	
Nov-12	1,346,522,650	\$3,243,106.01	\$3,230,860.28	1.00	
Dec-12	1,993,613,613	\$4,306,275.74	\$3,942,873.03	0.92	
	21,279,587,372	\$ 47,137,357.87	\$ 46,590,283.79		

Target Revenue:	\$70,404,625.49
Total Cost: (Target Revenue / 99%)	\$71,115,783.32
Allowance: (Total Cost - Total Revenue)	\$711,157.83

OP

Calculation of Allowance for Undercollection

	KWH	KWh sales X current rider = Expected Revenue	Rider Collection	Expected Revenue/ Rider Collection	Average Collection
Jan. 2013	2,258,293,703	\$3,975,994.59	\$3,970,194.08	1.00	1.00
Feb. 2013	2,349,178,153	\$3,713,911.77	\$3,634,808.25	0.98	0.99
Mar. 2013	2,163,034,518	\$3,348,243.24	\$3,344,262.86	1.00	
Apr. 2013	2,201,211,325	\$3,084,237.78	\$3,077,183.45	1.00	
May. 2013	2,052,002,487	\$2,994,394.14	\$2,985,332.63	1.00	
Jun. 2013	1,972,229,715	\$3,283,390.76	\$3,282,125.48	1.00	
Jul. 2013	2,532,611,248	\$3,714,595.18	\$3,704,550.07	1.00	
Aug. 2013	2,177,125,575	\$3,904,944.59	\$3,870,030.09	0.99	
Sep. 2013	2,022,483,214	\$3,430,104.97	\$3,420,601.48	1.00	
Oct. 2012	1,962,272,457	\$2,926,204.89	\$2,925,252.87	1.00	
Nov. 2012	1,580,695,771	\$2,868,099.72	\$2,862,065.13	1.00	
Dec. 2012	2,377,501,545	\$3,659,796.48	\$3,644,797.07	1.00	
	25,648,639,711	\$ 40,903,918.09	\$ 40,721,203.46		

Target Revenue:	\$117,126,303.68
Total Cost:(Target Revenue / .99)	\$118,309,397.66
Allowance:(Total Cost - Total Revenue)	\$1,183,093.98

Duke

Calculation of Allowance for Undercollection

	KWH	KWh sales X USF rider= Expected Revenue	Rider Collection	Expected Revenue/ Rider Collection	Average Collection
Jan. 2013	1,737,414,884	\$1,925,943.23	\$2,184,796.07	1.13	1.01
Feb. 2013	1,609,663,760	\$1,750,914.39	\$1,740,093.29	0.99	0.99
Mar. 2013	1,536,663,906	\$1,645,673.44	\$1,633,526.98	0.99	
Apr. 2013	1,459,075,133	\$1,535,083.04	\$1,521,998.52	0.99	
May. 2013	1,458,421,452	\$1,552,965.35	\$1,536,985.89	0.99	
Jun. 2013	1,720,164,149	\$1,845,195.20	\$1,829,230.49	0.99	
Jul. 2013	2,059,797,307	\$2,238,605.60	\$2,220,195.81	0.99	
Aug. 2013	1,967,250,661	\$2,121,816.73	\$2,103,455.36	0.99	
Sep. 2013	1,767,057,714	\$1,917,719.45	\$1,908,577.55	1.00	
Oct. 2012	1,424,157,310	\$1,506,878.22	\$1,494,143.15	0.99	
Nov. 2012	1,461,985,556	\$1,563,854.21	\$1,590,042.85	1.02	
Dec. 2012	1,610,588,497	\$1,744,840.23	\$1,730,862.79	0.99	
	19,812,240,329	\$ 21,349,489.07	\$ 21,493,908.75		

Target Revenue: \$19,024,420.40
 Total Cost:(Target Revenue / Average Collection) \$19,216,586.26
 Allowance:(Total Cost - Total Revenue) \$192,165.86

DPL

Calculation of Allowance for Undercollection

	KWH	KWh sales X current rider = Expected Revenue	Rider Collection	Expected Revenue/ Rider Collection	Average Collection
Jan-13	1,255,279,989	\$5,462,255.55	\$5,245,205.92	0.96	0.96
Feb-13	1,217,061,396	\$5,203,011.05	\$4,997,149.53	0.96	
Mar-13	1,132,450,936	\$4,777,807.04	\$4,588,321.34	0.96	
Apr-13	1,026,027,447	\$4,182,629.88	\$4,016,902.95	0.96	
May-13	1,034,356,366	\$4,233,180.70	\$4,065,167.62	0.96	
Jun-13	1,186,667,288	\$4,913,705.32	\$4,718,247.32	0.96	
Jul-13	1,355,406,007	\$5,845,132.02	\$5,585,983.00	0.96	
Aug-13	1,372,902,724	\$5,812,971.77	\$5,582,312.04	0.96	
Sep-13	1,209,232,016	\$5,074,850.34	\$4,872,711.72	0.96	
Oct-12	1,007,926,092	\$4,099,037.06	\$3,935,927.89	0.96	
Nov-12	1,075,689,170	\$4,472,862.29	\$4,294,829.85	0.96	
Dec-12	1,063,671,650	\$4,515,823.55	\$4,336,048.68	0.96	
	13,936,671,081	\$ 58,593,266.56	\$ 56,238,807.86		

Target Revenue:	\$43,910,672.47
Total Cost: (Target Revenue / Average Collection)	\$45,745,463.37
Allowance: (Total Cost - Total Revenue)	\$1,834,790.90

CEI

Calculation of Allowance for Undercollection

	KWH	KWh sales X USF rider= Expected Revenue	Rider Collection	Expected Revenue/ Rider Collection	Average Collection
Jan. 2013	1,574,132,463	\$4,385,091.66	\$4,094,243.22	0.93	1.02
Feb. 2013	1,665,707,132	\$4,698,273.00	\$4,662,790.49	0.99	0.99
Mar. 2013	1,533,851,965	\$4,187,997.22	\$4,332,208.03	1.03	
Apr. 2013	1,502,103,252	\$4,092,595.06	\$4,112,274.11	1.00	
May. 2013	1,424,685,151	\$3,940,886.50	\$3,914,261.72	0.99	
Jun. 2013	1,582,622,386	\$4,275,208.96	\$4,358,500.00	1.02	
Jul. 2013	1,776,970,151	\$4,945,886.33	\$5,001,271.64	1.01	
Aug. 2013	1,860,500,073	\$5,136,211.99	\$5,282,775.70	1.03	
Sep. 2013	1,678,868,386	\$4,595,253.48	\$4,652,626.00	1.01	
Oct. 2012	1,481,016,296	\$3,806,843.68	\$4,093,952.23	1.08	
Nov. 2012	1,398,354,086	\$3,574,569.41	\$3,845,414.01	1.08	
Dec. 2012	1,467,617,085	\$3,817,651.51	\$4,105,808.61	1.08	
	18,946,428,426	\$ 51,456,468.80	\$ 52,456,125.76		

Target Revenue:	\$22,417,239.61
Total Cost:(Target Revenue / Average Collection)	\$22,643,676.37
Allowance:(Total Cost - Target Revenue)	\$226,436.76

OE

Calculation of Allowance for Undercollection

	KWH	KWh sales X USF rider = Expected Revenue	Rider Collection	Expected Revenue/ Rider Collection	Average Collection
Jan. 2013	2,099,415,379	\$7,180,468.48	\$6,530,261.57	0.91	0.99
Feb. 2013	2,228,630,224	\$7,584,848.82	\$8,008,572.72	1.06	
Mar. 2013	2,070,248,977	\$6,887,381.40	\$7,410,275.17	1.08	
Apr. 2013	1,944,915,725	\$6,307,740.20	\$6,816,043.78	1.08	
May. 2013	1,849,461,573	\$6,204,795.70	\$6,488,970.81	1.05	
Jun. 2013	2,063,860,683	\$6,942,104.98	\$7,286,290.67	1.05	
Jul. 2013	2,286,838,569	\$8,079,033.50	\$8,304,641.23	1.03	
Aug. 2013	2,359,797,311	\$8,233,561.85	\$8,639,020.40	1.05	
Sep. 2013	2,158,748,432	\$7,487,391.01	\$7,777,147.27	1.04	
Oct. 2012	1,853,378,884	\$6,184,023.50	\$6,633,421.27	1.07	
Nov. 2012	1,798,881,968	\$6,096,716.36	\$6,422,222.74	1.05	
Dec. 2012	1,945,579,550	\$6,815,068.46	\$7,072,057.84	1.04	
	24,659,757,275	\$ 84,003,134.26	\$ 87,388,925.47		

Target Revenue:	\$34,122,547.58
Total Cost: (Target Revenue / .99)	34,467,219.78
Allowance: (Total Cost - Total Revenue)	344,672.20

TE

Calculation of Allowance for Undercollection

	KWH	KWh sales X USF rider= Expected Revenue	Rider Collection	Expected Revenue/ Rider Collection	Average Collection
Jan-13	882,524,159	\$2,781,710.86	\$2,788,714.62	1.00	1.14
Feb-13	902,387,069	\$3,078,423.83	\$3,339,782.69	1.08	0.99
Mar-13	858,116,021	\$2,756,418.00	\$3,236,944.03	1.17	
Apr-13	812,170,198	\$2,517,866.24	\$2,926,935.32	1.16	
May-13	774,168,371	\$2,208,221.63	\$2,751,944.98	1.25	
Jun-13	891,559,761	\$3,282,367.75	\$3,215,164.46	0.98	
Jul-13	959,226,387	\$3,126,757.41	\$3,730,428.34	1.19	
Aug-13	1,006,239,255	\$3,318,656.56	\$3,915,501.13	1.18	
Sep-13	932,639,025	\$3,187,396.25	\$3,434,186.09	1.08	
Oct-12	801,669,675	\$2,379,647.39	\$2,889,684.03	1.21	
Nov-12	791,663,556	\$2,468,374.72	\$2,810,343.27	1.14	
Dec-12	812,320,620	\$2,561,869.09	\$3,045,839.46	1.19	
	10,424,684,097	\$33,667,709.74	\$38,085,468.42		

Target Revenue: \$7,464,066.54
 Total Cost:(Target Revenue / Average Collection) \$7,539,461.15
 Allowance:(Total Cost - Total Revenue) \$75,394.61

CSP
KWH Sales

	KWh
Jan	1,927,914,610
Feb	1,790,819,181
Mar	1,711,494,008
Apr	1,631,400,276
May	1,490,156,346
June	1,712,777,231
July	1,874,655,934
Aug	1,812,655,207
Sept	1,722,580,752
Oct	1,481,098,748
Nov	1,346,522,650
Dec	1,993,613,613
	20,495,688,556

OP
KWH Sales

	Past 12 months KWh
Jan	2,331,926,506
Feb	2,140,793,467
Mar	2,163,411,193
Apr	2,154,027,050
May	1,686,417,292
June	1,997,141,253
July	2,303,141,030
Aug	1,865,422,351
Sept	1,970,697,436
Oct	1,962,272,457
Nov	1,580,695,771
Dec	2,377,501,545
	24,533,447,351

Duke

KWH

Jan	1,843,688,782
Feb	1,704,643,512
Mar	1,634,640,434
Apr	1,584,966,035
May	1,422,155,545
June	1,637,523,057
July	2,058,478,291
Aug	1,765,872,840
Sept	1,828,637,828
Oct	1,424,157,310
Nov	1,461,985,556
Dec	1,610,588,497
19,977,337,687	

DPL
KWH Sales

KWH

Jan	1,260,464,169
Feb	1,261,881,465
Mar	1,115,152,843
Apr	1,116,435,341
May	1,027,723,235
June	1,089,835,912
July	1,251,322,869
Aug	1,250,568,199
Sept	1,209,292,065
Oct	1,007,926,092
Nov	1,075,689,170
Dec	1,063,671,650
13,729,963,010	

CEI
KWH Sales

KWH

Jan	1,677,152,333
Feb	1,627,220,062
Mar	1,553,418,005
Apr	1,493,419,570
May	1,419,374,558
June	1,517,076,994
July	1,685,510,149
Aug	1,640,735,856
Sept	1,579,412,657
Oct	1,481,016,296
Nov	1,398,354,086
Dec	1,467,617,085

18,540,307,651

OE
KWH Sales

KWH	
Jan	2,185,581,460
Feb	2,091,678,659
Mar	2,014,788,073
Apr	1,982,724,682
May	1,806,468,958
June	1,949,941,423
July	2,131,974,196
Aug	2,114,609,195
Sept	2,090,294,640
Oct	1,853,378,884
Nov	1,798,881,968
Dec	1,945,579,550
23,965,901,688	

TE
KWH Sales

KWH

Jan	899,847,078
Feb	890,882,452
Mar	835,958,191
Apr	853,883,985
May	792,180,095
June	853,081,206
July	917,015,267
Aug	923,653,023
Sept	929,621,010
Oct	801,669,675
Nov	791,663,556
Dec	812,320,620

10,301,776,158

Two-Tiered Rider CSP

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0043568
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh rate (4)]	\$ 0.0001830

Calculation

1	10/99 USF Rider	\$ 0.0001830
2	USF Rider Revenue Requirement	\$ 71,115,783.33
3	Total kWh Used in Calculation	21,279,587,372
4	Uniform per Kwh rate	\$ 0.0033420
5	Accounts with Annual kWh Greater than 10,000,000 kWh	121
6	Total Kwh of Accounts Over 10,000,000 kWh Annually	6,384,114,976
7	First Block Annual kWh (833,334 Monthly)	10,000,000
8	Total kWh in First Block (5) x (7)	1,210,000,000
9	Revenue First Block Rate x (8)	\$ 5,271,772.94
10	Total Second Block kWh (6) - (8)	5,174,114,976
11	Lower of 10/99 Rate (1) or Uniform per Kwh rate	\$ 0.0001830
12	Second Block Revenue (11) x (10)	\$ 946,863.04
13	Total First and Second Block Revenue (9) + (12)	\$ 6,218,635.98
14	Revenue @ ODOD Proposed Rate (6) x (4)	\$ 21,335,532.94
15	Revenue shortfall (13) - (14)	\$ (15,116,896.96)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 64,897,147.35
17	Adjusted kWh (3) - (6)	14,895,472,396
18	Adjusted First Block Rate (16)/(17)	\$0.0043568
19	Change (18) - (4)	\$ 0.0010149
20	% Change	30.4%
21	<u>Annual</u> Cost to Consumer Using 975 kWh per Month (19) x 975 x 12	\$ 11.87

Two-Tiered Rider Ohio Power

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$	0.0071739
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh rate (4)]	\$	0.0001681

Calculation

1	10/99 USF Rider	\$	0.0001681
2	USF Rider Revenue Requirement	\$	118,309,397.65
3	Total kWh Used in Calculation		25,648,639,711
4	Uniform per Kwh rate	\$	0.0046127
5	Accounts with Annual kWh Greater than 10,000,000 kWh		169
6	Total Kwh of Accounts Over 10,000,000 kWh Annually		11,066,680,552
7	First Block Annual kWh (833,334 Monthly)		10,000,000
8	Total kWh in First Block (5) x (7)		1,690,000,000
9	Revenue First Block Rate x (8)	\$	12,123,867.10
10	Total Second Block kWh (6) - (8)		9,376,680,552
11	Lower of 10/99 Rate (1) or Uniform per Kwh rate	\$	0.0001681
12	Second Block Revenue (11) x (10)	\$	1,576,220.00
13	Total First and Second Block Revenue (9) + (12)	\$	13,700,087.10
14	Revenue @ ODOT Proposed Rate (6) x (4)	\$	51,047,241.68
15	Revenue shortfall (13) - (14)	\$	(37,347,154.58)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$	104,609,310.56
17	Adjusted kWh (3) - (6)		14,581,959,159
18	Adjusted First Block Rate (16)/(17)	\$	0.0071739
19	Change (18) - (4)	\$	0.0025612
20	% Change		55.5%
21	<u>Annual Cost to Consumer Using 1042 kWh per Month (19) x 1042 x 12</u>	\$	32.03

Two-Tiered Rider Duke

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0010897
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh Rate	\$ 0.0004690

Calculation

1	10/99 USF Rider	\$ 0.0004690
2	USF Rider Revenue Requirement	\$ 19,216,586.26
3	Total kWh Used in Calculation	19,812,240,329
4	Uniform per Kwh Rate (2) / (3)	\$ 0.0009699
5	Accounts with Annual kWh Greater than 10,000,000 kWh	124
6	Total Kwh of Accounts Over 10,000,000 kWh Annually	5,062,917,475
7	First Block Annual kWh (833,000 Monthly)	10,000,000
8	Total kWh in First Block (5) x (6)	1,240,000,000
9	Revenue First Block Rate x (8)	\$ 1,351,233.65
10	Total Second Block kWh (6) - (8)	3,822,917,475
11	Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)	\$ 0.0004690
12	Second Block Revenue (11) x (10)	\$ 1,792,948.30
13	Total First and Second Block Revenue (9) + (12)	\$ 3,144,181.95
14	Revenue @ Uniform per Kwh Rate (6) x (4)	\$ 4,910,701.10
15	Reduction in Total Revenue (13) - (14)	\$ (1,766,519.16)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 16,072,404.32
17	Adjusted kWh (3) - (6)	14,749,322,854
18	Adjusted USF (16)/(17)	\$ 0.0010897
19	Change (18) - (4)	\$ 0.0001198
20	% Change	12.3%
21	<u>Annual</u> Cost to Consumer Using 1046 kWh per Month (19) x 1046 x 12	\$ 1.50

**Two-Tiered Rider
DPL**

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$	0.0039341
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh Rate	\$	0.0005700

Calculation

1	10/99 USF Rider	\$	0.0005700
2	USF Rider Revenue Requirement		\$45,745,463.36
3	Total kWh Used in Calculation		13,936,671,081
4	Uniform per Kwh Rate (2) / (3)	\$	0.0032824
5	Accounts with Annual kWh Greater than 10,000,000 kWh		96
6	Total Kwh of Accounts Over 10,000,000 kWh Annually		3,659,984,660
7	First Block Annual kWh (833,000 Monthly)		10,000,000
8	Total kWh in First Block (5) x (6)		960,000,000
9	Revenue First Block Rate x (8)	\$	3,776,755.14
10	Total Second Block kWh (6) - (8)		2,699,984,660
11	Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)	\$	0.0005700
12	Second Block Revenue (11) x (10)	\$	1,538,991.26
13	Total First and Second Block Revenue (9) + (12)	\$	5,315,746.40
14	Revenue @ Uniform per Kwh Rate (6) x (4)	\$	12,013,463.85
15	Reduction in Total Revenue (13) - (14)	\$	(6,697,717.45)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$	40,429,716.97
17	Adjusted kWh (3) - (6)		10,276,686,421
18	Adjusted USF (16)/(17)	\$	0.0039341
19	Change (18) - (4)	\$	0.0006517
20	% Change		19.9%
21	<u>Annual Cost to Consumer Using 1010 kWh per Month (19) x 1010 x 12</u>	\$	7.90

**Two-Tiered Rider
CEI**

SSM-33

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0013879
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh Rate (4)]	\$ 0.0005680

Calculation

1	10/99 USF Rider	\$ 0.0005680
2	USF Rider Revenue Requirement	\$ 22,643,676.37
3	Total kWh Used in Calculation	18,946,428,426
4	Uniform per Kwh Rate (2) / (3)	\$ 0.0011951
5	Accounts with Annual kWh Greater than 10,000,000 kWh	154
6	Total Kwh of Accounts Over 10,000,000 kWh Annually	5,993,943,575
7	First Block Annual kWh (833,000 Monthly)	10,000,000
8	Total kWh in First Block (5) x (6)	1,540,000,000
9	Revenue First Block Rate x (8)	\$ 2,137,335.90
10	Total Second Block kWh (6) - (8)	4,453,943,575
11	Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)	\$ 0.0005680
12	Second Block Revenue (11) x (10)	\$ 2,529,839.95
13	Total First and Second Block Revenue (9) + (12)	\$ 4,667,175.85
14	Revenue @ Uniform per Kwh Rate (6) x (4)	\$ 7,163,614.98
15	Reduction in Total Revenue (13) - (14)	(\$2,496,439.13)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 17,976,500.52
17	Adjusted kWh (3) - (6)	12,952,484,851
18	Adjusted USF (16)/(17)	\$ 0.0013879
19	Change (18) - (4)	\$0.0001927
20	% Change	16.1%
21	<u>Annual</u> Cost to Consumer Using 716 kWh per Month (19) x 716 x 12	\$ 1.66

Two-Tiered Rider Ohio Edison

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$	0.0015129
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh Rate (4)]	\$	0.0010461

Calculation

1	10/99 USF Rider	\$	0.0010461
2	USF Rider Revenue Requirement	\$	34,467,219.78
3	Total kWh Used in Calculation		24,659,757,275
4	Uniform per Kwh Rate (2) / (3)	\$	0.0013977
5	Accounts with Annual kWh Greater than 10,000,000 kWh		201
6	Total Kwh of Accounts Over 10,000,000 kWh Annually		8,095,961,090
7	First Block Annual kWh (833,000 Monthly)		10,000,000
8	Total kWh in First Block (5) x (6)		2,010,000,000
9	Revenue First Block Rate x (8)	\$	3,040,972.25
10	Total Second Block kWh (6) - (8)		6,085,961,090
11	Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)	\$	0.0010461
12	Second Block Revenue (11) x (10)	\$	6,366,523.90
13	Total First and Second Block Revenue (9) + (12)	\$	9,407,496.14
14	Revenue @ Uniform per Kwh Rate (6) x (4)	\$	11,315,815.77
15	Reduction in Total Revenue (13) - (14)	\$	(1,908,319.63)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$	25,059,723.64
17	Adjusted kWh (3) - (6)		16,563,796,185
18	Adjusted USF (16)/(17)	\$	0.0015129
19	Change (18) - (4)	\$	0.0001152
20	% Change		8.2%
21	Annual Cost to Consumer Using 857 kWh per Month (19) x 857 x 12	\$	1.18

Two-Tiered Rider Toledo Edison

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0008926
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh rate	\$ 0.0005610

Calculation


1	10/99 USF Rider	\$ 0.0005610
2	USF Rider Revenue Requirement	\$ 7,539,461.15
3	Total kWh Used in Calculation	10,424,684,097
4	Uniform per Kwh rate	\$ 0.0007232
5	Accounts with Annual kWh Greater than 10,000,000 kWh	73
6	Total Kwh of Accounts Over 10,000,000 kWh Annually	6,054,406,901
7	First Block Annual kWh (833,334 Monthly)	10,000,000
8	Total kWh in First Block (5) x (6)	730,000,000
9	Revenue First Block Rate x (8)	\$ 651,592.48
10	Total Second Block kWh (6) - (8)	5,324,406,901
11	Lower of 10/99 Rate (1) or Uniform per Kwh rate	\$ 0.0005610
12	Second Block Revenue (11) x (10)	\$ 2,986,992.27
13	Total First and Second Block Revenue (9) + (12)	\$ 3,638,584.75
14	Revenue @ ODOD Proposed Rate (6) x (4)	\$ 4,378,738.50
15	Revenue shortfall (13) - (14)	\$ (740,153.75)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 3,900,876.40
17	Adjusted kWh (3) - (6)	4,370,277,196
18	Adjusted First Block Rate (16)/(17)	\$ 0.0008926
19	Change (18) - (4)	\$ 0.0001694
20	% Change	23.4%
21	<u>Annual</u> Cost to Consumer Using 792 kWh per Month (19) x 792 x 12	\$ 1.61

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Testimony of Susan M. Moser* has been served upon the following parties by first class mail, postage prepaid, and electronic mail this 8th day of November 2013.


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Summary: Testimony of Susan M. Moser electronically filed by Dane Stinson on behalf of Ohio Development Services Agency