

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 Universal) Case No. 13-1296-EL-USF
Service Fund Riders of Jurisdictional Ohio)
Electric Distribution Utilities.)

ENTRY

The Attorney Examiner finds:

- (1) On May 31, 2013, in accordance with the terms of the Stipulation filed on November 30, 2012 (2012 Adjustment Stipulation), in Case No. 12-1719-EL-USF, *In the Matter of the Application of the Ohio Development Services Agency for an Order Approving Adjustments to the Universal Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities* (12-1719) (December 12, 2012, Opinion and Order), the Ohio Development Services Agency (ODSA) filed its Notice of Intent (NOI) to submit its annual Universal Service Fund (USF) rider adjustment application on or before October 31, 2013. ODSA's NOI set forth the USF rider revenue requirement methodology and rate design methodology that would be used in preparing its subsequent USF rider adjustment application.
- (2) By entry issued July 11, 2013, the procedural schedule for the NOI phase of this proceeding was established which included an evidentiary hearing to be held on September 9, 2013. The July 11, 2013, entry also joined, as indispensable parties to this proceeding, all jurisdictional Ohio electric distribution utilities: Cleveland Electric Illuminating Company (CEI), Ohio Edison Company (OE), and Toledo Edison Company (TE) (jointly FirstEnergy); Ohio Power Company (OP), which includes the Columbus Southern Power (CSP) rate zone (jointly AEP-Ohio);¹ Dayton Power and Light Company (DP&L); and Duke Energy Ohio (Duke) (collectively, electric utilities).

¹ By entry issued on March 7, 2012, the Commission approved and confirmed the merger of CSP into OP, effective December 31, 2011, in Case No. 10-2376-EL-UNC. However, the USF rider rates for the CSP and OP rate zones remain two distinctive rate mechanisms.

- (3) Motions to intervene were filed by, and pursuant to entry issued August 15, 2013, intervention was granted to, Ohio Partners for Affordable Energy (OPAE), Industrial Energy Users-Ohio (IEU), and the Office of Ohio Consumers' Counsel (OCC).
- (4) On September 6, 2013, ODSA, IEU, FirstEnergy, DP&L, and OPAE² filed a Stipulation and Recommendation (2013 NOI Stipulation) which proposed to resolve the issues presented by ODSA's 2013 NOI application. The remaining parties to the proceeding, Duke, OP, OCC, and Staff did not sign the 2013 NOI Stipulation. However, at the hearing, OCC and Staff stated that they did not oppose the Stipulation (Tr. at 8-10). On September 9, 2013, and September 11, 2013, Duke and OP, respectively, filed letters declaring that although they were not signatories to the 2013 NOI Stipulation, they did not oppose the Stipulation.
- (5) By Opinion and Order issued October 2, 2013, the Commission approved the proposed USF rider revenue requirement methodology and USF rider rate design methodology, as submitted by ODSA in its NOI application and the 2013 NOI Stipulation.
- (6) Pursuant to the 2012 Adjustment Stipulation, as approved by the Commission in the 12-1719 Order, ODSA agreed to file its 2013 USF adjustment application by October 31, 2013, or notify the signatory parties in writing of its anticipated filing date. On September 27, 2013, a joint motion was filed by all the parties to the proceeding except OCC and Staff, requesting an extension, until November 8, 2013, for ODSA to file the adjustment application. By entry issued October 1, 2013, the request for an extension was granted.
- (7) On November 8, 2013, ODSA filed an application (2013 adjustment application) and supporting testimony to adjust the USF riders of all Ohio jurisdictional electric utilities, namely CEI, DP&L, Duke, OE, OP, and TE, in accordance with Section 4928.52, Revised Code. The current USF riders for the electric utilities took effect on a bills-rendered basis with the January

² OPAE, although a signatory to the 2013 NOI Stipulation, does not join in paragraph 2 of the Stipulation regarding the USF two-step declining block rider rate design methodology. OPAE, however, did not oppose the adoption of this aspect of the 2012 NOI Stipulation in the NOI phase of this proceeding.

2013 billing cycle in accordance with the Order issued in 12-1719.

- (8) Section 4928.52(B), Revised Code, also provides that if, during or after the five-year market development period, ODSA, after consultation with the Public Benefits Advisory Board, determines that revenues in the USF, together with revenues from federal or other sources of funding for those programs, will be insufficient to cover the costs of the low-income customer assistance programs and consumer education programs and their related administrative costs, ODSA shall file a petition with the Commission for an increase in the USF riders. The Commission, after reasonable notice and opportunity for hearing, may adjust the USF riders by the minimum amount necessary to provide additional revenues.
- (9) In its application, ODSA requests that each of the USF riders be adjusted to more accurately reflect the current operating costs of the Percentage of Income Payment Plan Plus, the Electric Partnership Program, the consumer education program, and their associated administrative costs.

Based on ODSA's analysis of the revenue that the current USF riders are projected to produce, and various other factors, ODSA has determined that, on an aggregated basis, the total annual revenues that will be generated by the current USF riders will be \$10,686,670 more than the annual revenues required to meet the objectives identified in Section 4928.52(A), Revised Code. Based on its analysis, ODSA is requesting an increase for the USF riders of Duke and OP, and a reduction of the USF riders of CEI, the CSP rate zone, DP&L, OE, and TE.

- (10) Accordingly, if any party to this proceeding requests, a prehearing/settlement conference shall be held on ODSA's 2013 adjustment application on Monday, November 25, 2013, at 10:00 a.m., in Hearing Room 11-D, 11th floor, at the offices of the Commission, 180 East Broad Street, Columbus, Ohio 43215.
- (11) In addition, a hearing on ODSA's 2013 adjustment application will be held on Monday, December 2, 2013, at 11:00 a.m., in Hearing Room 11-D, 11th floor, at the offices of the Commission, 180 East Broad Street, Columbus, Ohio 43215.

It is, therefore,

ORDERED, That, if any party requests, a prehearing/settlement conference shall be held as set forth in Finding (10). It is, further,

ORDERED, That an evidentiary hearing be held as set forth in Finding (11). It is, further,

ORDERED, That a copy of this entry be served on all parties and interested persons of record in this case.

THE PUBLIC UTILITIES COMMISSION OF OHIO

s/ Greta See

By: Greta See
Attorney Examiner

jrj/vrm

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in

Case No(s). 13-1296-EL-USF

Summary: Attorney Examiner Entry scheduling a prehearing/settlement conference, if requested, for November 25, 2013, at 10:00 a.m. and scheduling a hearing for December 2, 2013, at 11:00 a.m.; electronically filed by Vesta R Miller on behalf of Greta See, Attorney Examiner, Public Utilities Commission of Ohio