

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio, Inc. to Adjust its Electric) Case No. 14-953-EL-UEx
Uncollectible Recovery Rate Under Rider)
UE-GEN.)

FINDING AND ORDER

The Commission finds:

- (1) Duke Energy Ohio, Inc. (Duke) is a public utility as defined in R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.
- (2) By Opinion and Order issued November 22, 2011, in *In re Duke Energy Ohio, Inc.*, Case Nos. 11-3549-EL-SSO, et al. (*Duke ESP Case*), the Commission, inter alia, approved a stipulation between the parties which established an electric generation uncollectible expense rider (Rider UE-GEN) applicable to all customers taking generation service from Duke or from a competitive retail energy supplier who participates in Duke's purchase of accounts receivable program. Rider UE-GEN is designed to recover uncollectible expenses related to the provision of generation incurred by Duke that are in excess of those recovered in base rates, as well as all percentage of income payment plan installment payments not recovered through the universal service fund rider or from the customer net of any unused low-income credit funds. Rider UE-GEN was initially set at \$0.00.
- (3) By Finding and Order issued August 28, 2013, in *In re Duke Energy Ohio, Inc.*, Case No. 13-1510-EL-UEx, et al., the Commission approved Duke's current Rider UE-GEN rates of \$0.000601 per kilowatt hour (kWh) for residential customers and \$0.46 per bill for nonresidential customers.
- (4) On June 10, 2014, pursuant to the stipulation in the *Duke ESP Case*, Duke filed the instant application requesting authority to decrease its Rider UE-GEN rates for residential customers to \$0.000184 per kWh and for nonresidential customers to (\$0.07)¹ per bill. In support of its application, Duke states that the total

¹ Throughout this Order, numbers in parenthesis represent negative numbers.

unrecovered tracker balance as of March 31, 2015, is projected to be approximately \$1,329,693 for residential customers and (\$64,035) of nonresidential customers. Duke also filed testimony in support of its application. In addition, Duke requests authority to continue its deferral, in the form of a regulatory asset or liability, to accommodate the variances in the amount collected under Rider UE-GEN and the actual uncollectible expenses.

- (5) On September 2, 2014, Staff filed its comments, stating that the rates proposed for both residential and nonresidential customers are appropriate and recommending the rates for Rider UE-GEN be adopted. In addition, Staff recommends Duke review its forecast methodology to ensure that the projected data used in its calculation of the rider rates more closely reflects its actual experience. Staff further recommends the Commission continue to authorize Duke to create a regulatory asset to defer variances in uncollectible expenses in future periods to adjust Rider UE-GEN.
- (6) Having reviewed the application and Staff's comments, the Commission finds that Duke's application is reasonable and in the public interest, and should be approved. Accordingly, Duke should be authorized to decrease the rates for Rider UE-GEN to \$0.000184 per kWh for residential customers and (\$0.07) per bill for nonresidential customers. Duke is also authorized to continue to defer variances in uncollectible expenses in future periods for recovery or refund in future proceedings to adjust Rider UE-GEN, in the form of a regulatory asset or liability. In addition, the Commission finds that Duke should comply with the recommendation set forth by Staff regarding review of the forecast methodology.

It is, therefore,

ORDERED, That, in accordance with finding (6), Duke's application be approved. It is, further,

ORDERED, That Duke is authorized to defer variances in uncollectible expenses in future periods for recovery or refund in future proceedings to adjust Rider UE-GEN, in the form of a regulatory asset or liability. It is, further,

ORDERED, That Duke be authorized to file in final form complete copies of the tariff pages consistent with this Finding and Order and to cancel and withdraw its

superseded tariff pages. Duke shall file one copy in its TRF docket and one copy in this docket. It is, further,

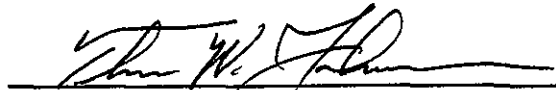
ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which final tariffs are filed with the Commission. It is, further,

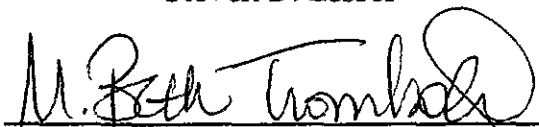
ORDERED, That Duke shall notify all affected customers via a bill message, a bill insert, or a separate mailing within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least 10 days prior to its distribution to customers. It is, further,

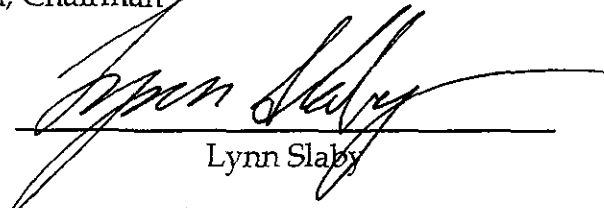

ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO


Thomas W. Johnson, Chairman

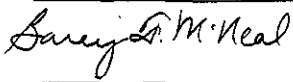
Steven D. Lesser

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Entered in the Journal

SEP 25 2014



Barcy F. McNeal
Secretary