

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. 14-1002-EL-USF
Service Fund Riders of Jurisdictional Ohio)
Electric Distribution Utilities.)

ENTRY

The attorney examiner finds:

- (1) On May 30, 2014, 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, 2014. 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) On August 22, 2014, a Joint Stipulation and Recommendation (2014 NOI Stipulation) resolving the issues presented in the NOI was filed by all of the parties to this proceeding, except Staff. Although Staff did not sign the 2014 NOI Stipulation, Staff did not oppose the Stipulation (Tr. at 11).
- (3) On September 25, 2014, 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 consistent with the 2014 NOI Stipulation. *In re Ohio Development Services Agency*, Case No. 14-1002-EL-USF, Opinion and Order (Sept. 25, 2014) at 8.
- (4) On October 31, 2014, ODSA filed its 2014 USF adjustment application and supporting testimony to adjust the USF riders of all Ohio jurisdictional electric utilities in accordance with R.C. 4928.52. The current USF riders for the electric utilities took effect on a bills-rendered basis with the January 2014 billing cycle in accordance with the Opinion and Order issued in ODSA's 2013 USF adjustment proceeding. *In re Ohio Development Services Agency*, Case No. 13-1296-EL-USF, Opinion and Order (Dec. 18, 2013) at 15.

- (5) R.C. 4928.52(B) 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.
- (6) 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 \$38,934,425 less than the annual revenues required to meet the objectives identified in R.C. 4928.52(A) for the 2015 collection period. Accordingly, based on its analysis, ODSA is requesting an increase of the USF rider rates for the Columbus Southern Power Company rate zone,¹ Duke Energy of Ohio, Cleveland Electric Illuminating Company, Ohio Edison Company, and Toledo Edison Company and requesting a reduction of the USF rider rates of Ohio Power Company and Dayton Power & Light Company.

- (7) If any party to this proceeding requests a prehearing/settlement conference on ODSA's 2014 adjustment application, the conference shall be held on November 24, 2014, at 1:30 p.m., in Hearing Room 11-D, 11th floor, at the offices of the Commission, 180 East Broad Street, Columbus, Ohio 43215.

¹ By Entry issued on March 7, 2012, the Commission approved and confirmed the merger of Columbus Southern Power Company into Ohio Power Company effective December 31, 2011. *In re Ohio Power Company and Columbus Southern Power Company*, Case No. 10-2376-EL-UNC, Entry (Mar. 7, 2012). However, the USF rider rates for the Columbus Southern Power Company and Ohio Power Company continue to be two distinct rate mechanisms.

- (8) In addition, a hearing on ODSA's 2014 adjustment application will be held on December 3, 2014, at 10:00 a.m., in Hearing Room 11-C, 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, the conference shall be held as set forth in Finding (7). It is, further,

ORDERED, That an evidentiary hearing be held as set forth in Finding (8). It is, further,

ORDERED, That a copy of this Entry be served on all interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

s/ Greta See

By: Greta See
Attorney Examiner

JRJ/dah

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in

Case No(s). 14-1002-EL-USF

Summary: Attorney Examiner Entry that, if any party requests a prehearing/settlement conference, the conference shall be held as set forth in Finding (7); and that an evidentiary hearing be held as set forth in Finding (8); electronically filed by Debra Hight on behalf of Greta See, Attorney Examiner.