

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke )  
Energy Ohio, Inc. to Adjust its Electric ) Case No. 15-1071-EL-UEx  
Uncollectible Recovery Rate Under Rider )  
UE-GEN. )

FINDING AND ORDER

The Commission finds:

- (1) Duke Energy Ohio, Inc. (Duke) is an electric distribution utility as defined in R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.
- (2) On November 22, 2011, the Commission approved a stipulation, which, among other things, 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. *In re Duke Energy Ohio, Inc.*, Case Nos. 11-3549-EL-SSO, et al. (2011 Duke ESP Case), Opinion and Order (Nov. 22, 2011). 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 and is subject to an annual review process.
- (3) On September 25, 2014, the Commission approved Duke's current Rider UE-GEN rates of \$0.000184 per kilowatt hour (kWh) for residential customers and (\$0.07)<sup>1</sup> per bill for nonresidential customers. *In re Duke Energy Ohio, Inc.*, Case No. 14-953-EL-UEx, et al., Finding and Order (Sept. 25, 2014).
- (4) On June 10, 2015, as amended on August 10, 2015, pursuant to the stipulation in the 2011 Duke ESP Case, Duke filed an

---

<sup>1</sup> Throughout this Order, numbers in parenthesis represent negative numbers.

application in this case requesting authority to increase its Rider UE-GEN rates for residential customers to \$0.000299 per kWh and for nonresidential customers to \$0.12 per bill. According to Duke, these rates reflect the total unrecovered tracker balance as of March 31, 2016, which is projected to be approximately \$2,236,224 for residential customers and \$103,144 for nonresidential customers. Duke also filed testimony in support of its application. In addition, Duke requests the Commission clarify that Duke has continued authority to create a regulatory asset to defer variances in uncollectible expense in future periods for recovery or refund in further proceedings.

- (5) On August 28, 2015, 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 continue to improve its forecasting of under/over-recovery, to ensure that the projected data used in its calculation of the rider rates more closely reflects its actual experience.
- (6) Upon review of the application, as amended, 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 increase the rates for Rider UE-GEN to \$0.000299 per kWh for residential customers and \$0.12 per bill for nonresidential customers. Duke is also authorized to continue to create a regulatory asset to defer variances in uncollectible expenses in future periods for recovery or refund in future proceedings to adjust Rider UE-GEN. In addition, the Commission finds that Duke should comply with the recommendation set forth by Staff regarding review of the forecast methodology. The current and proposed rates are as follows:

Customer Class	Current Rate	Proposed Rate	Proposed Increase
Residential	\$0.000184 per kWh	\$0.000299 per kWh	\$0.000115 per kWh
Nonresidential	(\$0.07) per bill	\$0.12 per bill	\$0.19 per bill

It is, therefore,

ORDERED, That, in accordance with Finding (6), Duke's application be approved and Duke be authorized to increase the rates for Rider UE-GEN. It is, further,

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

ORDERED, That Duke is authorized to file two complete copies of tariffs in final form consistent with this Finding and Order. Duke shall file one copy in this case docket and one copy in its TRF 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,

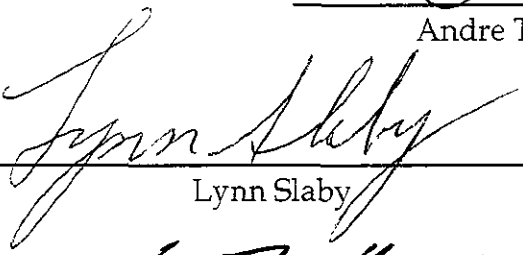
ORDERED, That Duke shall notify all affected customers via a bill message, a bill insert, or a separate mailing within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service 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.

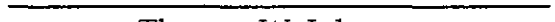
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Andre T. Porter, Chairman

  
Lynn Slaby

  
M. Beth Trombold

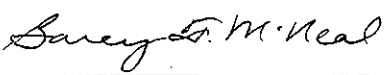
  
Asim Z. Haque

  
Thomas W. Johnson

CMTP/NW/vrm

Entered in the Journal

**OCT 14 2015**

  
Barcy F. McNeal

Barcy F. McNeal  
Secretary