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PUCO EXHIBIT FILING

Date of Hearing: 11/30/17

Case No. 17-1377-EL-USF

PUCO Case Caption:

Ohio Development Services Agency

List of exhibits being filed:

Joint Ex-1

ODSA Ex-1-5

Reporter's Signature: Michael O. Spencer
Date Submitted: 12/13/17

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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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.	Case No. 17-1377-EL-USF

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PROCEEDINGS

Before Greta See, Attorney Examiner, held at the offices of the Public Utilities Commission of Ohio, 180 East Broad Street, Hearing Room 11-C, Columbus, Ohio, on Thursday, November 30, 2017, at 10:00 A.M.

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Joint Ex 1

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 Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities.)	))))	Case No. 17-1377-EL-USF

JOINT STIPULATION AND RECOMMENDATION

Pursuant to Rule 4901-1-30, Ohio Administrative Code, the undersigned parties to this proceeding (the "Signatory Parties") hereby stipulate, agree, and recommend that the amended application filed herein on November22, 2017, by the Ohio Development Services Agency ("ODSA") for an order approving adjustments to the Universal Service Fund ("USF") riders of the jurisdictional Ohio electric distribution utilities ("EDUs"), be granted by the Public Utilities Commission of Ohio ("Commission") in accordance with the terms and conditions specified herein.

Although the Signatory Parties recognize that this Stipulation and Recommendation (the "Stipulation") is not binding upon the Commission, the Signatory Parties respectfully submit that this Stipulation is supported by the record, represents a just and reasonable resolution of the issues involved, violates no regulatory principle or precedent, and is in the public interest.[1] The Signatory Parties represent that this Stipulation is the product of serious negotiations among knowledgeable parties representing a broad range of interests and that the Stipulation is a compromise involving a balancing of those interests and does not necessarily reflect the position that any one of the Signatory Parties would have adopted if this matter had been fully litigated. In joining in this

[1] The Signatory parties are authorized to represent that, although the Commission Staff ("Staff"), the Office of the Ohio Consumers' Counsel ("OCC"), Ohio Partners for Affordable Energy ("OPAE") and The Kroger Co. ("Kroger") are not signatories, each does not oppose the Stipulation.

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Stipulation, the Signatory Parties recognize that it is not in the interest of the public or the parties hereto to delay necessary adjustments to the EDU USF riders by extended litigation when an acceptable outcome can be achieved through settlement negotiations. Thus, the Signatory Parties further agree that this Stipulation shall not be relied upon as precedent for or against any party to this proceeding or the Commission itself in any subsequent proceeding, except as may be necessary to enforce the terms of the Stipulation.

If the Commission rejects or modifies all or any part of this Stipulation or imposes additional conditions or requirements upon the Signatory Parties, a Signatory Party shall have the right, within 30 days of the Commission's order, to file an application for rehearing or to withdraw from the Stipulation by filing a notice with the Commission. If a Signatory Party seeks rehearing, said Signatory Party may withdraw from the Stipulation within 30 days of the Commission's ultimate disposition of its rehearing application. Upon notice of withdrawal by a Signatory Party pursuant to the foregoing provisions, the Stipulation shall immediately be deemed null and void and this matter shall proceed as if the Stipulation had not been submitted; provided, however, that a notice of withdrawal from the Stipulation by an EDU Signatory Party shall void the Stipulation only as to the proposed USF rider rate of that EDU. Any party to this proceeding may become a Signatory Party to the Stipulation subsequent to its filing by submitting a letter to the Commission stating the party's intention to do so.

The Signatory Parties hereby stipulate and agree as follows:

1. This matter is properly before the Commission pursuant to Section 4928.52(B), Revised Code. The Commission has jurisdiction to approve this Stipulation as submitted and to issue an order authorizing adjustments to the current EDU USF riders in the minimum amount necessary to provide the revenues sufficient to cover the administrative costs of

the low-income customer assistance programs and the consumer education program and provide adequate funding for those programs.

2. The application and supporting exhibits filed in this docket by ODSA on October 31, 2017, the amended application and supporting exhibits filed in this docket by ODSA on November 22, 2017, the testimony of ODSA witness Randall Hunt filed herein on October 31, 2017, the supplemental testimony of ODSA witness Megan Meadows filed herein on November 22, 2017, and the testimony of ODSA witness Meadows supporting this Joint Stipulation and Recommendation filed herein on November 29, 2017, shall be admitted into evidence and made a part of the record in this case.

3. If called to testify, an appropriate representative of each EDU would verify that the Kwh sales data and other information supplied by that EDU to ODSA upon which ODSA relied in developing the USF rider revenue requirement and USF rider rate for each EDU as set out in the amended application is true and accurate to the best of that EDU's knowledge and belief.

4. As set forth in ODSA's amended application, and as further described in and supported by the supplemental testimony of ODSA witness Meadows, the annual USF rider revenue requirement for each EDU shall be as follows:

Columbus Southern Power Company Rate Zone ("CSP")	$40,029,676
Ohio Power Company Rate Zone ("OP")	$54,879,348
The Dayton Power & Light Company ("DP&L")	$1,343,770
Duke Energy Ohio ("Duke")	$10,330,554
The Cleveland Electric Illuminating Company ("CEI")	$17,108,645
Ohio Edison Company ("OE")	$23,260,408
The Toledo Edison Company ("TE")	$3,120,824

5. The methodology for determining the respective USF rider revenue requirements is

consistent with the methodology accepted by the Commission in its October 11, 2017, opinion and order in the notice of intent ("NOI") phase of this proceeding.[2]

6. The annual USF rider revenue requirements set forth in Paragraph 4 shall be collected by the respective EDUs through a USF rider which incorporates a declining block rate design consisting of two consumption blocks. The first block of the rate shall apply to all monthly consumption up to and including 833,000 Kwh. The second rate block shall apply to all consumption above 833,000 Kwh per month.[3] For each EDU, the rate per Kwh for the second block shall be set at the lower of the Percentage of Income Payment Plan ("PIPP") charge in effect in October 1999 or the per Kwh rate that would apply if the EDU's annual USF rider revenue requirement were to be recovered through a single block per Kwh rate. The rate for the first block rate shall be set at the level necessary to produce the remainder of the EDU's annual USF rider revenue requirement. The USF riders for each EDU determined in accordance with this methodology shall be as shown in the following table.

	First 833,000 Kwh	Above 833,000 Kwh
CSP	0.0025116	0.0001830
OP	0.0034648	0.0001681
DPL	0.0000978	0.0000978
Duke	0.0005368	0.0004690
CEI	0.0010366	0.0005680
OE	0.0009914	0.0009914
TE	0.0002991	0.0002991

The specific calculations supporting these stipulated USF rider rates are set forth in Exhibits MM-29 through MM-35 to the supplemental testimony of ODSA witness

[2] Kroger does not support this provision, but agrees not to oppose it as part of the Stipulation as a package. Kroger's non-opposition shall not be relied upon in any other forum or proceeding.

[3] *See* footnote 2, *supra*.

Meadows.

7. The rate design methodology utilized in calculating the recommended USF rider rates set forth in Paragraph 6 is identical to the methodology accepted by the Commission in its October 11, 2017opinion and order in the NOI phase of this proceeding and in all prior USF rider rate adjustment proceedings.[4] Any change in the existing relative customer class revenue responsibility resulting from the use of this rate design methodology is well within the range of estimation error inherent in any customer class cost-of-service analysis and does not violate the Section 4928.52(C), Revised Code, prohibition against shifting the costs of funding low-income customer assistance programs among customer classes. By stipulating to the use of the EDU's October 1999 PIPP charge as a cap on the second block of the rider for purposes of this case, no Signatory Party waives its right to contest the continued use of the October 1999 PIPP charge as a cap on the second block of the rider in any future Section 4928.52(B), Revised Code, USF rider rate adjustment proceeding.

8. The stipulated USF rider rates for DPL, CEI, OE, and TE in Paragraph 6 are lower than these EDUs' current USF rider rates. The rates for all EDUs represent the minimum rates necessary to satisfy their respective rider revenue requirements set forth in Paragraph 4. ODSA hereby consents to the USF rider rate decreases for DPL, CEI, OE, and TE as required by Section 4928.52(B), Revised Code.

9. The current USF rider of each EDU shall be withdrawn and cancelled and shall be replaced by USF riders containing the rates provided in Paragraph 6, such riders to be filed within seven days of the Commission order adopting the Stipulation. The new

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[4] *See* footnote 2, *supra*.

USF riders shall be effective upon filing with the Commission and shall apply on a bills-rendered basis beginning with the first billing cycle of the month following their effective date. The EDUs shall notify customers of the adjustments to their respective USF riders by means of the customer notice attached hereto as Appendix A.

10. Unlike traditional ratemaking, where the objective is to establish rates which will provide the applicant utility with a reasonable earnings opportunity, the USF riders must actually generate sufficient revenues to enable ODSA to meet its specific USF-related statutory and contractual obligations on an ongoing basis. To this end, ODSA shall file, not later than October 31, 2018, an application with the Commission for such adjustments to the USF riders as may be necessary to assure, to the extent possible, that each EDU's USF rider will generate its associated revenue requirement, but not more than its associated revenue requirement, during the annual collection period following Commission approval of such adjustments. ODSA shall serve copies of such application upon all other parties to this proceeding. In the event ODSA fails to file such application on or before October 31, 2018, ODSA shall notify the Signatory Parties in writing of its intentions with respect to an application for adjustments to the USF riders, including its anticipated filing date. Such notice shall not affect the right of any Signatory Party to pursue such legal recourse against ODSA as may be available for failure to comply with the Stipulation, if any.

11. The Signatory Parties recognize that the EDU USF rider rates proposed in ODSA's annual USF rider adjustment applications are predicated on the assumption that the new USF riders authorized by the Commission will be effective on a bills-rendered basis

during the January billing cycle of the following year. Although the October 31, 2018 filing deadline established in Paragraph 10 of this Stipulation for the filing of next year's application will provide adequate time for the Commission to act upon the application prior to January 1, 2019 if the application is not contested, the Signatory Parties recognize that this two-month interval may not be sufficient in the event that a party to the proceeding objects to the application and wishes to litigate the issue(s) raised in its objection(s).[5] To address this concern, the Signatory Parties propose and agree that ODSA should again follow the NOI process first adopted in Case Nos. 04-1616-EL-UNC. Specifically, this process shall be as follows: On or before May 31, 2018, ODSA shall file with the Commission a notice of its intent to submit its annual USF rider adjustment application, and shall serve the NOI on all parties to this proceeding. The NOI shall set forth the methodology ODSA intends to employ in calculating the USF rider revenue requirement and in designing the USF rider rates in preparing its 2018 USF rider rate adjustment application, and may also include such other matters as ODSA deems appropriate. Upon the filing of the NOI, the Commission will open the 2018 USF rider adjustment application docket and will establish a schedule for the filing of objections or comments, responses to the objections or comments, and, if a hearing is requested, a schedule for discovery, the filing of testimony, and the commencement of the hearing. The Commission will use its best efforts to issue its decision with respect to any objections raised not later than September 30, 2018. ODSA will conform its 2018 USF rider adjustment application to

[5] In so stating the Signatory Parties are referring to an objection relating to something other than the mathematical accuracy of ODSA's calculations, as an objection to the accuracy of an ODSA calculation can almost certainly be resolved informally in a time frame that will permit the Commission to issue a final order on the application in advance of the January billing cycles.

any directives set forth in the Commission's decision. If the order is not issued *sufficiently in advance of the October 31, 2018 filing deadline to permit* ODSA to incorporate such directives, ODSA will file an amended application conforming to the Commission's directives as soon as practicable after the order is issued.

12. The Signatory Parties support initiatives intended to control the costs that ultimately must be recovered through the USF riders. In furtherance of this objective, the Signatory Parties agree to the continuation of the USF Rider Working Group (the "Working Group") formed pursuant to the stipulation approved by the Commission in Case No. 03-2049-EL-UNC, which is charged with developing, reviewing, and recommending such cost-control measures. Although recommendations made by the Working Group shall not be binding upon any Signatory Party, the Signatory Parties shall give due consideration to such recommendations and shall not unreasonably oppose the implementation of such recommendations.

WHEREFORE, the Signatory Parties respectfully request that the Commission issue an order adopting this Stipulation and directing each EDU to file new USF riders in accordance therewith, said riders to be effective with the January 2018 billing cycle on a bills-rendered basis.

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Respectfully submitted,

Ohio Development Services Agency

By: /s/ Dane Stinson

Duke Energy Ohio

By: /s/ Elizabeth Watts/ds
(per e-mail authorization)

Industrial Energy Users – Ohio

By: /s/ Matthew Pritchard/ds
(per e-mail authorization)

The Dayton Power and Light Company

By: /s/ Michael Schuler/ds
(per e-mail authorization)

Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company

By: ____________________

Ohio Power Company

By: /s/ Christen Blend/ds
(per e-mail authorization)

The Kroger Co.

By: ____________________

Office of the Ohio Consumers' Counsel

By: ____________________

Ohio Partners for Affordable Energy

By: ____________________

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APPENDIX A

Pursuant to state law, the Universal Service Fund rider rate has been adjusted effective with this bill.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Joint Stipulation and Recommendation* has been served upon the following parties by electronic mail this 29th day of November 2017.

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Dane Stinson

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OOSA Ex. 1

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 Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities.	))))	Case No. 17-1377-EL-USF

APPLICATION

The Ohio Development Services Agency ("Applicant" or "ODSA"), by its Director, David Goodman, hereby petitions the Commission, pursuant to Section 4928.52(B), Revised Code, for an order approving adjustments to the Universal Service Fund ("USF") riders of all jurisdictional Ohio electric distribution utilities ("EDUs"). In support of its application, ODSA states as follows:

1. Under the legislative scheme embodied in SB 3, the 1999 legislation that restructured Ohio's electric utility industry and transferred administration of the electric percentage of income payment plan ("PIPP") program to ODSA, the USF riders replaced the EDUs' existing PIPP riders. The USF riders were to be calculated so as to generate the same level of revenue as the PIPP riders they replaced,[1] plus an amount equal to the level of funding for low-income customer energy efficiency programs reflected in the electric rates in effect on the effective date of the statute,[2] plus the amount necessary to pay the administrative costs associated with the low-income customer assistance programs and the consumer education

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[1] *See* Section 4928.52(A)(1), Revised Code.

[2] *See* Section 4928.52(A)(2), Revised Code.

program created by Section 4928.56, Revised Code.[3]

2. Pursuant to Section 4928.51(A), Revised Code, all USF rider revenues collected by the EDUs are remitted to ODSA for deposit in the state treasury's USF. ODSA then makes disbursements from the USF to fund the low-income customer assistance programs (including PIPP and the low-income customer energy efficiency programs) and the consumer education program, and to pay their related administrative costs.

3. Section 4928.52(B), Revised Code, provides that, if ODSA, after consultation with the Public Benefits Advisory Board ("PBAB"), determines that the revenues in the USF, together with revenues from federal and other sources of funding,[4] will be insufficient to cover the cost of the low-income customer assistance and consumer education programs and their related administrative costs, ODSA shall file a petition with the Commission for an increase in the USF rider rates. The statute further provides that, after providing reasonable notice and opportunity for hearing, the Commission may adjust the USF rider by the minimum amount necessary to generate the additional revenues required; provided, however, that the Commission may not decrease a USF rider without the approval of the ODSA Director, after consultation by the Director with the PBAB.

4. Unlike traditional ratemaking, where the objective is to establish rates that will provide the applicant utility with a reasonable earnings opportunity, the USF riders must actually generate sufficient revenues during the collection period to enable ODSA to meet its USF-related

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[3] *See* Section 4928.52(A)(3), Revised Code.

[4] Section 4928.52(B), Revised Code, specifically identifies the Ohio Energy Credit Program as a funding source. However, this program was discontinued as of July 1, 2003.

statutory and contractual obligations on an ongoing basis. In recognition of this fact, the stipulations adopted by the Commission in all prior USF rider rate adjustment proceedings have required that ODSA file a Section 4928.52(B), Revised Code, application with the Commission each year, proposing such adjustments to the USF rider rates as may be necessary to assure, to the extent possible, that each EDU's rider will generate its associated revenue requirement — but not more than its associated revenue requirement—during the annual collection period following Commission approval of such adjustments. This is the sixteenth annual USF rider adjustment application filed pursuant to this statute since the establishment of the initial USF riders in the electric transition plan proceedings initiated by applications filed by the EDUs pursuant to SB 3.

5. By its opinion and order of December 21, 2016, in Case No. 16-1223-EL-USF, this Commission granted ODSA's 2016 application for approval of adjustments to the USF riders of all Ohio EDUs based on its acceptance of a stipulation and recommendation submitted jointly by the parties to that proceeding. The new USF riders replaced the USF riders approved by the Commission in Case No. 15-1046-EL-USF, and became effective on a bills-rendered basis with the January 2017 EDU billing cycles.

6. The Commission's opinion and order of December 21, 2016 in Case No. 16-1223-EL-USF provided for the continuation of the notice of intent ("NOI") process first approved by the Commission in Case No. 04-1616-EL-UNC. Under this process, ODSA was required to make a preliminary filing by May 31 setting out the methodology it would employ in developing the USF rider revenue requirements and rate design for its subsequent annual USF rider adjustment application. The purpose of this procedure is to permit the Commission to resolve any issues relating to methodology prior to the preparation and filing of the application itself, so

as to limit the number of potential issues in the second phase of the case and thereby permit the Commission to act on the application in time for the new USF rider rates to take effect on January 1 of the following year. ODSA filed its NOI in this case on May 31, 2017. The Commission, consistent with the terms of a stipulation jointly submitted by a majority of the parties to the proceeding, approved the methodology proposed by ODSA in the NOI by its opinion and order of October 11, 2017 (the "*NOI Order*").

7. Based on the methodology approved in the *NOI Order* as described below, ODSA has determined that, on an aggregated basis, the 2018 revenue requirement will exceed the 2017 revenue requirement, by some $70,228,86, required to fulfill the objectives identified in Section 4928.52(A), Revised Code, during the 2018 collection period. On an electric distribution utility ("EDU") specific basis, ODSA's analysis shows that the 2018 revenue requirement of Columbus Southern Power Company ("CSP"),[5] Ohio Power Company ("OP"), Duke Energy Ohio ("Duke"), and The Cleveland Electric Illuminating Company ("CEI") would increase over their 2017 revenue requirement. The 2018 revenue requirement of Dayton Power and Light Company ("DPL"), Ohio Edison Company ("OE"), and The Toledo Edison Company ("TE") would decrease over their 2017 revenue requirement. Accordingly, ODSA, having consulted with the PBAB, proposes that the rider rates for CSP, OP, Duke and CEI be increased, and for DPL, OE and TE be reduced, so as to generate the required annual revenue indicated in the following table so as to generate their respective indicated revenue targets.

[5] The AEP Ohio operating companies, Columbus Southern Power Company ("CSP") and Ohio Power Company ("OP") merged, effective December 31, 2011, with OP as the surviving entity. However, the former CSP customers continue to be subject to separate rate schedules, including a separate USF rider, as are the customers that were served by OP prior to the merger. For ease of reference, ODSA refers herein to CSP as if it were an EDU, but it is understood that these references actually relate to the CSP Rate Zone and that references to OP actually relate to the OP Rate Zone. The Commission confirmed the continued existence of the CSP and OP rate zones in its *NOI Order* issued October 28, 2015.

Table I

Company	2017 Revenue Requirement	2018 Revenue Requirement	Surplus/Deficiency
CSP	$2,749,767	$42,413,097	-$39,663,330.47
OP	$18,453,702	$58,217,903	-$39,764,200.82
DPL	$10,206,753	$2,853,580	$7,353,173.30
Duke	$5,830,681	$11,064,616	-$5,233,934.91
CEI	$17,624,226	$18,635,203	-$1,010,976.61
OE	$33,126,476	$25,886,869	$7,239,606.99
TE	$4,847,342	$3,996,543	$850,799.46
Totals	$92,838,947	$163,067,810	-$70,228,863.06

8. As described in further detail in the written testimony of ODSA witness Megan Meadows filed with this application, the revenue requirement that the proposed USF riders are designed to generate consists of the elements identified below.

a. Cost of PIPP. The cost of PIPP component of the USF rider revenue requirement is intended to reflect the total cost of electricity consumed by the EDU's PIPP customers for the 12-month period January 2017 through December 2017 (the "test period"), plus 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 are applied to outstanding PIPP arrearages over the same period. Because actual data for September through December 2017 was not available at the time the application was prepared, information from the corresponding months of 2016 was combined with actual data from January through August of 2017 to determine the test-period cost of PIPP for each EDU as displayed in Exhibit A hereto. As explained in ODSA witness Meadow's written testimony, and consistent with the *NOI Order*, ODSA adjusted the test-period cost of PIPP to recognize the impact of Commission-approved EDU rate changes that took effect during the 2017 test period and to annualize the impact of Commission-approved EDU rate changes that will take effect in 2018. The calculations of these adjustments are shown in attached Exhibits A.1.a through A.1.d. The net impact of these adjustments is shown in Exhibit A.1. As explained in Ms. Meadow's testimony, and consistent with the *NOI Order*, the totals shown in Exhibit A.1 were then adjusted to reflect the projected increase in PIPP enrollments during the 2018 collection period. The projections are shown in attached Exhibit A.2. The cumulative effect of the foregoing adjustments is shown in the Total Adjusted Test-Period Cost of PIPP column (Column F) in Exhibit A.2.

b. Electric Partnership Program and Consumer Education Program Costs. This element of the USF rider revenue requirement reflects the cost of the low-income customer energy efficiency programs and the consumer education program, referred to collectively by ODSA as the "Electric Partnership Program" ("EPP"), and their associated administrative costs, which are recovered through the USF riders pursuant to Section 4928.52(A)(2) and (3), Revised Code. ODSA's proposed $14,946,196 allowance for these items is identical to the allowance accepted by the Commission in all previous USF riders rate adjustment proceedings and is supported by the analysis submitted by ODSA as Exhibit A to the NOI. Consistent with the *NOI Order*, this component of the USF rider revenue requirement is allocated to the EDUs based on the ratio of their respective costs of PIPP to the total cost of PIPP. The results of the allocation are shown in attached Exhibit B.

c. Administrative Costs. This USF rider revenue requirement element represents an allowance for the costs ODSA incurs in connection with its administration of the PIPP program and is included as a revenue requirement component pursuant to Section 4928.52(A)(3), Revised Code. As explained in the testimony of ODSA witness Randall Hunt filed with the application, the proposed allowance for administrative costs of $5,498,146 has been determined in accordance with the standard approved by the Commission in the *NOI Order*. The requested allowance for administrative costs has been allocated to the EDUs based on the number of PIPP customer accounts as of September 2017, the test-period month exhibiting the highest PIPP customer account totals. The results of the allocation are shown in attached Exhibit C.

d. December 31, 2017 USF PIPP Account Balances. Because the USF rider rate is based on historical sales and historical PIPP enrollment patterns, the cost of PIPP component of an EDU's USF rider rate will, in actual practice, either over-recover or under-recover its associated annual revenue requirement over the collection period. Over-recovery creates a positive USF PIPP account balance for the company in question, thereby reducing the amount needed on a forward-going basis to satisfy the USF rider revenue requirement. Conversely, where under-recovery has created a negative USF PIPP account balance as of the effective date of the new riders, there will be a shortfall in the cash available to ODSA, which will impair its ability to make the PIPP reimbursement payments due the EDUs on a timely basis. Thus, the amount of any existing positive USF PIPP account balance must be deducted in determining the target revenue level the adjusted USF rider is to generate, while the deficit represented by a negative USF PIPP account balance must be added to the associated revenue requirement. In this case, ODSA is requesting that its proposed USF riders be implemented on a bills-rendered basis effective January 1, 2018. Accordingly, the USF rider revenue requirement of each EDU has been adjusted by the amount of the EDU's projected December 31, 2017 USF PIPP account balance so as to synchronize the new riders with the EDU's USF PIPP account balance as of their effective date. This conforms to the methodology approved by the Commission in the *NOI Order*. The adjusted projected December 31, 20167USF PIPP account balance for each EDU is shown in Exhibit H.

e. Reserve. PIPP-related cash flows can fluctuate significantly throughout the year, due, in large measure, to the weather-sensitive nature of electricity sales and PIPP enrollment patterns. As shown on the test-period graph attached hereto as Exhibit E, the month-to-month cash flow fluctuations had, in the past resulted in negative USF PIPP account balances, which mean that, in those months, ODSA had insufficient cash to satisfy its reimbursement obligations to the EDUs on a timely basis. To address this problem, ODSA traditionally has included an allowance to create a cash reserve as an element of the USF rider revenue requirement. However, in the NOI approved in this case, and Case No. 16-1223-EL-USF, the PUCO approved a modification to the calculation of the reserve by considering the highest monthly deficit during the test period for the EDUs in the aggregate rather than individually, because the funds are deposited in one USF account. The modification also requires consideration of the aggregate projected year end account balance to determine whether a reserve allowance is needed. Considering the projected aggregate account balance of $88,248,842, as shown in Exhibit H, ODSA has determined that a reserve allowance need not be included in the calculation of the USF rider rate in this proceeding. The proposed reserve component for each EDU is set forth in attached Exhibit F.

f. Allowance for Undercollection. This component of the USF rider revenue requirement is an adjustment to recognize that, due to the difference between amounts billed through the USF rider and the amounts actually collected from EDU customers, the rider will not generate the target revenues. In accordance with the methodology approved in the *NOI Order*, the allowance for undercollection for each company is based on the collection experience of that company. The allowance for undercollection for each EDU is shown in attached Exhibit G.

g. PIPP Plus Program Audit Costs. In the NOI Application, ODSA recognized that the Commission has permitted audits[6] to be conducted of each EDU's PIPP-related accounting and reporting to assure that the ODSA-EDU interface was functioning in accordance with ODSA's expectations and to identify any systemic problems that could indicate that the cost of PIPP recovered from ratepayers through the USF riders of the respective EDUs had been overstated.

In Case No. 16-1223-EL-USF the PUCO approved audits to be conducted of CSP, OP, DP&L and Duke during the 2017 collection period. The proposed allowance for the audits was $150,000. The cost of each audit was to be based upon the amount expended to audit each EDU. As a placeholder, until ODSA received the actual cost of each audit, the allowance was allocated to each EDU based upon its cost of PIPP. ODSA has received the actual amounts expended for each audit and the costs have been reconciled for these EDUs for the 2018 collection period, as shown on Exhibit D.

[6] Although characterized as an "audit" in the initial RFP, the work performed by the firm awarded the contract was actually an "application of agreed-upon procedures" designed to test the subject EDU's performance in specific areas. However, the terms are used interchangeably herein.

In the NOI in this proceeding, ODSA also proposed an allowance of $150,000 to conduct the similar audits of CEI, TE, and OE. Bsse upon the costs of the 2017 audits, ODSA estimates the cost to be $99,000. This allocated audit cost for the 2018 collection period also is shown on Exhibit D.

h. Aggregation of PIPP Plus Customers. Pursuant to Section 4928.544(B) of the Ohio Revised Code, the reimbursement of the Commission's costs incurred for aggregation are administrative costs of the program and will be included in the Administrative Costs set forth in paragraph 8.c.

9. A summary schedule showing the USF rider component costs by EDU is attached as Exhibit I. ODSA proposes to recover the annual USF rider revenue requirement for each EDU through a USF rider that incorporates the same two-step declining block rate design approved by the Commission in all prior USF rider rate adjustment cases and the *NOI Order* in this proceeding. The first block of the rate applies to all monthly consumption up to and including 833,000 Kwh. The second rate block applies to all consumption above 833,000 Kwh per month. For each EDU, the rate per Kwh for the second block is set at the lower of the PIPP charge in effect in October 1999 or the per Kwh rate that would apply if the EDU's annual USF rider revenue requirement were to be recovered through a single block per Kwh rate. The rate for the first block rate is set at the level necessary to produce the remainder of the EDU's annual USF rider revenue requirement. Thus, if the EDU's October 1999 PIPP charge exceeds the per Kwh rate that would apply if the EDU's annual USF rider revenue requirement were to be recovered through a single block per Kwh rate, a calculation shown in Exhibit J, the rate for both consumption blocks would be the same. As discussed in the testimony of ODSA witness Meadows, in this case, the October 1999 PIPP charge cap has been triggered for each of the

EDUs except DPL and TE. Thus, all the new USF rider rates proposed herein have the declining block feature for all EDUs except DPL and TE. The following table compares the resulting proposed USF riders for each EDU with the EDU's current USF rider.

Table II

	Declining Block Riders			
	Current USF Rider		Proposed USF Rider	
Company	First 833,000 Kwh	Above 833,000 Kwh	First 833,000 Kwh	Above 833,000 Kwh
CSP	$0.0001430	$0.0001430	$0.0026107	$0.0001830
OP	$0.0010772	$0.0001681	$0.0036315	$0.0001681
DPL	$0.0007710	$0.0005700	$0.0002049	$0.0002049
Duke	$0.0002896	$0.0002896	$0.0005742	$0.0004690
CEI	$0.0010497	$0.0005680	$0.0011226	$0.0005680
OE	$0.0014456	$0.0010461	$0.0010913	$0.0010461
TE	$0.0004615	$0.0004615	$0.0003790	$0.0003790

10. Consistent with Section 4928.52(B), Revised Code, the proposed USF rider rates set forth above for all EDUs represent the minimum rates necessary to satisfy their respective USF rider revenue responsibilities. If its application is granted, ODSA will consent to the USF rider decreases for DPL, OE and TE as required by Section 4928.52(B), Revised Code.

11. In calculating the USF rider revenue requirement, ODSA has relied on certain information reported by the EDUs. Although ODSA believes this information to be reliable, ODSA has not performed an audit to verify the accuracy of this information. If any party questions or wishes to challenge the accuracy of this information, ODSA requests that the Commission require such party to direct its inquiries to the EDU in question, either informally or through formal discovery.

12. The adjustments to the USF riders proposed in this application are based on the most recent information available to ODSA at the time the application was prepared and includes actual data for the calendar 2017 test period through the month of August 2017. In previous ODSA USF rider rate adjustment applications, ODSA has reserved the right to amend its application by updating its test-period calculations to incorporate additional actual data as it became available. Thus, ODSA again reserves the right to amend its application to incorporate additional actual test-period data that becomes available subsequent to the preparation of this initial Application.

13. ODSA requests that, as a part of its order in this proceeding, the Commission require that ODSA file its 2017 USF rider rate adjustment application no later than October 31, 2018 and provide that the NOI procedure again be used in connection with the 2017 application.

WHEREFORE, ODSA respectfully requests that the Commission, after providing such notice as it deems reasonable, affording interested parties the opportunity to be heard, and conducting a hearing, if a hearing is deemed to be required, issue an order (1) finding that USF rider rate adjustments proposed in the application represent the minimum adjustments necessary to provide the revenues necessary to satisfy the respective USF rider revenue requirements; (2) granting the application; and (3) directing the EDU's to incorporate the new USF rider rates approved herein in their filed tariffs, to be effective January 1, 2018 on a bills-rendered basis.

Respectively submitted,

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Special Counsel for
The Ohio Development Services Agency

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Testimony of Randall Hunt* has been served upon the following parties by electronic mail this 31st day of October 2017.

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Exhibit A

Cost of PIPP September 2016 through August 2017					
	Electrical Service A	Pre-PIPP B	PIPP Customer Portion C	Payments to PIPP Arrears D	Cost of PIPP (A+B)-C-D
CSP	$ 87,894,631.66	$ 3,335,399.12	$ 41,363,769.33	$ 6,508,923.83	$ 43,357,337.62
OP	$ 116,060,697.00	$ 4,117,861.18	$ 52,776,164.64	$ 8,374,856.09	$ 59,027,537.45
DPL	$ 36,583,400.14	$ 2,543,783.54	$ 21,188,823.80	$ 4,826,747.75	$ 13,111,612.13
Duke	$ 34,306,378.60	$ 2,179,722.74	$ 17,411,292.38	$ 4,122,831.25	$ 14,951,977.71
CEI	$ 50,830,301.53	$ 4,950,021.20	$ 25,429,162.75	$ 2,752,618.26	$ 27,598,541.72
OE	$ 83,318,396.42	$ 6,032,754.97	$ 40,973,202.70	$ 4,538,143.45	$ 43,839,805.24
TE	$ 25,644,940.98	$ 2,421,790.02	$ 12,622,058.47	$ 1,750,232.17	$ 13,694,440.36
Total:	$434,638,746.33	$25,581,332.77	$211,764,474.07	$32,874,352.80	$215,581,252.23

Exhibit A.1

Adjusted Test-Period Cost of PIPP				
	9/1/16 to 8/31/17 Cost of PIPP Plus Cost of PIPP	2017 EDU Rate Changes	2018 EDU Rate Changes	Adjusted Test-Period Cost of PIPP
CSP	$43,357,337.62	$1,845,786.89	$1,810,629.04	$47,013,753.55
OP	$59,027,537.45	$1,636,455.83	$2,170,335.03	$62,834,328.31
DPL	$13,111,612.13	$0.00	$827,009.00	$13,938,621.13
Duke	$14,951,977.71	$105,707.37	($172,445.40)	$14,885,239.68
CEI	$27,598,541.72	$0.00	$1,524,909.05	$29,123,450.77
OE	$43,839,805.24	$0.00	$1,666,367.93	$45,506,173.17
TE	$13,694,440.36	$0.00	$512,898.82	$14,207,339.18
Total	**$215,581,252.23**	**$3,587,950.09**	**$8,339,703.47**	**$227,508,905.79**

American Electric Power- Columbus Southern Power					
Billing Cycle Dates	Cost of Electricity	Rate Adjustment 2.10%	Rate Adjustment 2.06%	Total	For 2017-2018
Sep-16	$ 8,761,979.86	$ 184,001.58	$ 180,496.79	$ 9,126,478.22	Sep-17
Oct-16	$ 6,646,620.11	$ 139,579.02	$ 136,920.37	$ 6,923,119.51	Oct-17
Nov-16	$ 6,178,368.69	$ 129,745.74	$ 127,274.40	$ 6,435,388.83	Nov-17
Dec-16	$ 9,326,256.89	$ 195,851.39	$ 192,120.89	$ 9,714,229.18	Dec-17
Jan-17	$ 10,227,954.74	$ 214,787.05	$ 210,695.87	$ 10,653,437.66	Jan-18
Feb-17	$ 8,335,120.38	$ 175,037.53	$ 171,703.48	$ 8,681,861.39	Feb-18
Mar-17	$ 7,792,630.97	$ 163,645.25	$ 160,528.20	$ 8,116,804.42	Mar-18
Apr-17	$ 6,460,879.32	$ 135,678.47	$ 133,094.11	$ 6,729,651.90	Apr-18
May-17	$ 5,288,613.51	$ 111,060.88	$ 108,945.44	$ 5,508,619.83	May-18
Jun-17	$ 5,799,244.91	$ 121,784.14	$ 119,464.45	$ 6,040,493.50	Jun-18
Jul-17	$ 6,536,765.31	$ 137,272.07	$ 134,657.37	$ 6,808,694.75	Jul-18
Aug-17	$ 6,540,178.97	$ 137,343.76	$ 134,727.69	$ 6,812,250.42	Aug-18
Total	**$ 87,894,813.66**	**$ 1,845,786.89**	**$ 1,810,629.04**	**$ 91,551,029.59**	

American Electric Power- Ohio Power					
Billing Cycle Dates	Cost of Electricity	Rate Adjustment 1.41%	Rate Adjustment 1.87%	Total	For 2017-2018
Sep-16	$ 10,698,535.51	$ 150,849.35	$ 200,062.61	$ 11,049,447.47	Sep-17
Oct-16	$ 8,284,669.97	$ 116,813.85	$ 154,923.33	$ 8,556,407.15	Oct-17
Nov-16	$ 8,245,955.77	$ 116,267.98	$ 154,199.37	$ 8,516,423.12	Nov-17
Dec-16	$ 12,899,375.85	$ 181,881.20	$ 241,218.33	$ 13,322,475.38	Dec-17
Jan-17	$ 14,441,293.02	$ 203,622.23	$ 270,052.18	$ 14,914,967.43	Jan-18
Feb-17	$ 11,842,867.15	$ 166,984.43	$ 221,461.62	$ 12,231,313.19	Feb-18
Mar-17	$ 10,320,983.80	$ 145,525.87	$ 193,002.40	$ 10,659,512.07	Mar-18
Apr-17	$ 8,992,105.68	$ 126,788.69	$ 168,152.38	$ 9,287,046.75	Apr-18
May-17	$ 6,900,997.68	$ 97,304.07	$ 129,048.66	$ 7,127,350.40	May-18
Jun-17	$ 7,239,431.61	$ 102,075.99	$ 135,377.37	$ 7,476,884.97	Jun-18
Jul-17	$ 8,097,276.92	$ 114,171.60	$ 151,419.08	$ 8,362,867.60	Jul-18
Aug-17	$ 8,097,204.04	$ 114,170.58	$ 151,417.72	$ 8,362,792.33	Aug-18
Total	**$ 116,060,697.00**	**$ 1,636,455.83**	**$ 2,170,335.03**	**$ 119,867,487.86**	

Exhibit A.1.b

Dayton Power and Light Company		
Billing Cycle Dates	2018 Rate Adjustment	
Jan-18	$	45,704
Feb-18	$	44,929
Mar-18	$	43,692
Apr-18	$	33,128
May-18	$	5,398
Jun-18	$	223,112
Jul-18	$	227,423
Aug-18	$	246,101
Sep-18	$	(39,102)
Oct-18	$	(20,568)
Nov-18	$	(18,979)
Dec-18	$	36,171
Total	**$**	**827,009**

Duke Energy Ohio					
Billing Cycle Dates	Cost of Electricity	Rate Adjustment .91%	Rate Adjustment (.76%)	Total	For 2017-2018
Sep-16	$ 3,478,082.27	$ 31,650.55		$ 3,509,732.82	Sep-17
Oct-16	$ 2,608,977.94	$ 23,741.70		$ 2,632,719.64	Oct-17
Nov-16	$ 2,408,567.04	$ 21,917.96		$ 2,430,485.00	Nov-17
Dec-16	$ 3,120,566.86	$ 28,397.16		$ 3,148,964.02	Dec-17
Jan-17	$ 3,617,758.15		$ (27,494.96)	$ 3,590,263.19	Jan-18
Feb-17	$ 2,961,626.20		$ (22,508.36)	$ 2,939,117.84	Feb-18
Mar-17	$ 2,827,225.43		$ (21,486.91)	$ 2,805,738.52	Mar-18
Apr-17	$ 2,457,108.50		$ (18,674.02)	$ 2,438,434.48	Apr-18
May-17	$ 2,217,836.71		$ (16,855.56)	$ 2,200,981.15	May-18
Jun-17	$ 2,527,933.26		$ (19,212.29)	$ 2,508,720.97	Jun-18
Jul-17	$ 3,113,234.55		$ (23,660.58)	$ 3,089,573.97	Jul-18
Aug-17	$ 2,967,461.69		$ (22,552.71)	$ 2,944,908.98	Aug-18
Total	$ 34,306,378.60	$ 105,707.37	$ (172,445.40)	$ 34,239,640.56	

Exhibit A.1.d

First Energy- Cleveland Electric Illuminating Company				
Billing Cycle Dates	Cost of Electricity	Rate Adjustment 3%	Total	For 2017-2018
Sep-16	$ 5,259,812.42	$ 157,794.37	$ 5,417,606.79	Sep-17
Oct-16	$ 4,040,772.24	$ 121,223.17	$ 4,161,995.41	Oct-17
Nov-16	$ 3,826,623.12	$ 114,798.69	$ 3,941,421.81	Nov-17
Dec-16	$ 4,194,269.92	$ 125,828.10	$ 4,320,098.02	Dec-17
Jan-17	$ 4,918,281.69	$ 147,548.45	$ 5,065,830.14	Jan-18
Feb-17	$ 4,511,081.53	$ 135,332.45	$ 4,646,413.98	Feb-18
Mar-17	$ 4,350,204.37	$ 130,506.13	$ 4,480,710.50	Mar-18
Apr-17	$ 4,072,602.49	$ 122,178.07	$ 4,194,780.56	Apr-18
May-17	$ 3,455,020.42	$ 103,650.61	$ 3,558,671.03	May-18
Jun-17	$ 3,658,777.96	$ 109,763.34	$ 3,768,541.30	Jun-18
Jul-17	$ 4,244,014.86	$ 127,320.45	$ 4,371,335.31	Jul-18
Aug-17	$ 4,298,840.51	$ 128,965.22	$ 4,427,805.73	Aug-18
Total	**$ 50,830,301.53**	**$ 1,524,909.05**	**$ 52,355,210.58**	

First Energy- Ohio Edison				
Billing Cycle Dates	Cost of Electricity	Rate Adjustment 2%	Total	For 2017-2018
Sep-16	$ 8,401,997.22	$ 168,039.94	$ 8,570,037.16	Sep-17
Oct-16	$ 6,346,500.63	$ 126,930.01	$ 6,473,430.64	Oct-17
Nov-16	$ 6,023,564.43	$ 120,471.29	$ 6,144,035.72	Nov-17
Dec-16	$ 7,039,144.62	$ 140,782.89	$ 7,179,927.51	Dec-17
Jan-17	$ 7,961,279.87	$ 159,225.60	$ 8,120,505.47	Jan-18
Feb-17	$ 7,330,940.23	$ 146,618.80	$ 7,477,559.03	Feb-18
Mar-17	$ 7,325,858.04	$ 146,517.16	$ 7,472,375.20	Mar-18
Apr-17	$ 6,631,396.83	$ 132,627.94	$ 6,764,024.77	Apr-18
May-17	$ 5,656,807.27	$ 113,136.15	$ 5,769,943.42	May-18
Jun-17	$ 6,077,494.10	$ 121,549.88	$ 6,199,043.98	Jun-18
Jul-17	$ 7,199,525.72	$ 143,990.51	$ 7,343,516.23	Jul-18
Aug-17	$ 7,323,887.46	$ 146,477.75	$ 7,470,365.21	Aug-18
Total	**$ 83,318,396.42**	**$ 1,666,367.93**	**$ 84,984,764.35**	

First Energy- Toledo Edison				
Billing Cycle Dates	Cost of Electricity	Rate Adjustment 2%	Total	For 2017-2018
Sep-16	$ 2,488,189.76	$ 49,763.80	$ 2,537,953.56	Sep-17
Oct-16	$ 1,998,358.18	$ 39,967.16	$ 2,038,325.34	Oct-17
Nov-16	$ 1,825,960.08	$ 36,519.20	$ 1,862,479.28	Nov-17
Dec-16	$ 2,320,552.89	$ 46,411.06	$ 2,366,963.95	Dec-17
Jan-17	$ 2,453,224.10	$ 49,064.48	$ 2,502,288.58	Jan-18
Feb-17	$ 2,195,160.37	$ 43,903.21	$ 2,239,063.58	Feb-18
Mar-17	$ 2,234,522.93	$ 44,690.46	$ 2,279,213.39	Mar-18
Apr-17	$ 2,080,470.10	$ 41,609.40	$ 2,122,079.50	Apr-18
May-17	$ 1,732,317.57	$ 34,646.35	$ 1,766,963.92	May-18
Jun-17	$ 1,856,999.47	$ 37,139.99	$ 1,894,139.46	Jun-18
Jul-17	$ 2,207,973.24	$ 44,159.46	$ 2,252,132.70	Jul-18
Aug-17	$ 2,251,212.29	$ 45,024.25	$ 2,296,236.54	Aug-18
Total	**$ 25,644,940.98**	**$ 512,898.82**	**$ 26,157,839.80**	

Cost of PIPP Adjustment for Projected Enrollment						
	Average Enrollment 9/16-8/17	Cost of PIPP	Average Cost of PIPP 9/16-8/17 B/A	Projected Annual Enrollment	Additional Cost of PIPP (D-A)X C	Total Adjusted Cost of PIPP B+E
	A	B	C	D	E	F
CSP	53,822	$ 47,013,754	$ 874	54,937	$ 973,957	$ 47,987,711
OP	62,362	$ 62,834,328	$ 1,008	64,216	$ 1,868,042	$ 64,702,370
DPL	26,662	$ 13,938,621	$ 523	26,765	$ 53,847	$ 13,992,468
Duke	21,861	$ 14,885,240	$ 681	20,696	$ (793,253)	$ 14,091,987
CEI	43,976	$ 29,123,451	$ 662	44,288	$ 206,624	$ 29,330,075
OE	62,396	$ 45,506,173	$ 729	61,132	$ (921,851)	$ 44,584,322
TE	18,748	$ 14,207,339	$ 758	17,937	$ (614,580)	$ 13,592,759
Total	**289,827**	**$ 227,508,906**		**289,971**	**$ 772,787**	**$ 228,281,693**

Average Annual PIPP Enrollment						
	9/2012-8/2013	9/2013-8/2014	9/2014-8/2015	9/2015-8/2016	9/2016-8/2017	Projected 2018
CSP	63,427	66,866	70,321	59,746	53,822	54,937
OP	70,046	73,929	78,484	68,082	62,362	64,216
DPL	37,918	38,396	39,434	33,111	26,662	26,765
Duke	30,907	29,239	29,043	25,370	21,861	20,696
CEI	57,874	59,415	60,694	52,120	43,976	44,288
OE	81,451	81,972	82,829	70,854	62,396	61,132
TE	27,410	27,498	27,677	22,234	18,748	17,937
Total	**369,033**	**377,315**	**388,482**	**331,517**	**289,827**	**289,971**

Exhibit B

Electric Partnership Program Allocation				
	2018 Cost of PIPP	Percent Cost of PIPP		Allocated For EPP
CSP	$47,987,710.95	21.02%	$ 14,946,196	$3,141,880
OP	$64,702,370.46	28.34%	$ 14,946,196	$4,236,232
DPL	$13,992,468.48	6.13%	$ 14,946,196	$916,123
Duke	$14,091,986.66	6.17%	$ 14,946,196	$922,639
CEI	$29,330,075.22	12.85%	$ 14,946,196	$1,920,316
OE	$44,584,322.36	19.53%	$ 14,946,196	$2,919,052
TE	$13,592,758.85	5.95%	$ 14,946,196	$889,953
Total	**$228,281,692.98**			**$14,946,196**

Exhibit C

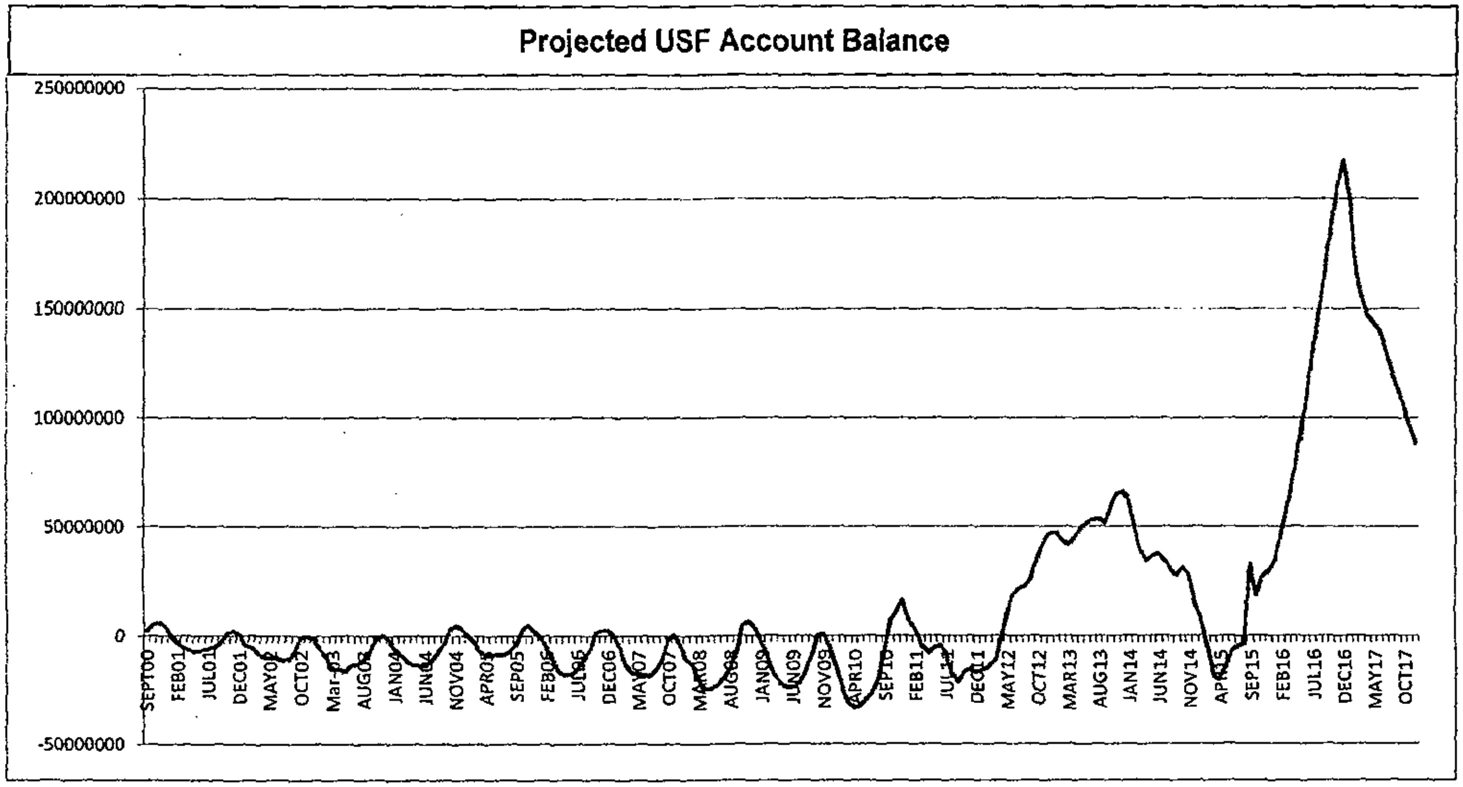
Allocation of Administrative Costs			
	Customers Sept. 2016	Adm Costs per Customer	Administrative Costs
CSP	58,411	$17.63	$1,029,819.20
OP	67,030	$17.63	$1,181,777.08
DPL	29,329	$17.63	$517,086.97
Duke	23,112	$17.63	$407,477.72
CEI	47,850	$17.63	$843,622.75
OE	65,916	$17.63	$1,162,136.62
TE	20,205	$17.63	$356,225.66
Total	**311,853**		**$5,498,146.00**

Exhibit D

USF Agreed Upon Procedures			
	Total Audit Cost	2017 Rate Case Allocated Cost	2018 Reconciled Audit Costs
CSP	$16,283.33	$47,985.24	($31,701.91)
OP	$16,283.33	$63,787.43	($47,504.10)
DPL	$32,566.67	$22,304.55	$10,262.12
Duke	$32,566.67	$15,922.78	$16,643.89
Total	**$97,700.00**	**$150,000.00**	**($52,300.00)**

2018 USF Agreed Upon Procedures		
	2018 Total Audit Cost	2018 Allocated Audit Cost
CEI	$99,000	$33,000.00
OE	$99,000	$33,000.00
TE	$99,000	$33,000.00
Total		**$99,000.00**

Exhibit E


Projected USF Account Balance
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200000000
150000000
100000000
50000000
0
-50000000
SEPT00
FEB01
JUL01
DEC01
MAY02
OCT02
Mar-03
AUG03
JAN04
JUN04
NOV04
APR05
SEP05
FEB06
JUL06
DEC06
MAY07
OCT07
MAR08
AUG08
JAN09
JUN09
NOV09
APR10
SEP10
FEB11
JUL11
DEC11
MAY12
OCT12
MAR13
AUG13
JAN14
JUN14
NOV14
APR15
SEP15
FEB16
JUL16
DEC16
MAY17
OCT17

Exhibit F

Calculation of Annual Reserve Component		
	Largest Monthly Cash Deficit	Reserve Required
CSP	N/A	$0
OP	N/A	$0
DPL	N/A	$0
Duke	N/A	$0
CEI	N/A	$0
OE	N/A	$0
TE	N/A	$0
Total		**$0**

Exhibit G

Allowance for Undercollection	
CSP	$1,701,281
OP	$477,765
DPL	$13,876
Duke	$0
CEI	$80,315
OE	$247,994
TE	$22,687
Total	**$2,543,917**

Exhibit H

Projected Universal Service Fund Account Balance	
	Balance 12/31/2017
CSP	$11,415,891.89
OP	$12,332,737.78
DPL	$12,596,237.35
Duke	$4,374,131.37
CEI	$13,572,126.25
OE	$23,059,635.01
TE	$10,898,082.24
Total	**$88,248,841.89**

Exhibit I

Revenue Requirement Summary							
	CSP	OP	DPL	Duke	CEI	OE	TE
Cost of PIPP Plus	$47,987,710.95	$64,702,370.46	$13,992,468.48	$14,091,986.66	$29,330,075.22	$44,584,322.36	$13,592,758.85
EPP/CE	$3,141,880.21	$4,236,232.43	$916,123.29	$922,639.01	$1,920,316.29	$2,919,051.51	$889,953.26
Administration	$1,029,819.20	$1,181,777.08	$517,086.97	$407,477.72	$843,622.75	$1,162,136.62	$356,225.66
Agreed Upon Procedures	-$31,701.91	-$47,504.10	$10,262.12	$16,643.89	$33,000.00	$33,000.00	$33,000.00
Reserve	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Adjustment for Undercollection	$1,701,280.91	$477,764.73	$13,876.19	$0.00	$80,314.61	$247,993.52	$22,687.01
Subtotal	$53,828,989.36	$70,550,640.60	$15,449,817.05	$15,438,747.28	$32,207,328.86	$48,946,504.02	$14,894,624.78
Account Balance 12/31	-$11,415,891.89	-$12,332,737.78	-$12,596,237.35	-$4,374,131.37	-$13,572,126.25	-$23,059,635.01	-$10,898,082.24
Total	**$42,413,097.47**	**$58,217,902.82**	**$2,853,579.70**	**$11,064,615.91**	**$18,635,202.61**	**$25,886,869.01**	**$3,996,542.54**

Uniform kWh Rate			
	KWH Sales	Required Revenue	Indicated Costs/KWH
CSP	19,165,128,445	$ 42,413,097	$ 0.0022130
OP	23,787,072,672	$ 58,217,903	$ 0.0024475
DPL	13,929,028,844	$ 2,853,580	$ 0.0002049
Duke	20,024,633,493	$ 11,064,616	$ 0.0005526
CEI	18,582,318,262	$ 18,635,203	$ 0.0010028
OE	23,891,346,364	$ 25,886,869	$ 0.0010835
TE	10,545,900,998	$ 3,996,543	$ 0.0003790
Total	**129,925,429,078**	**$ 163,067,810**	

kWh sales were sales reported for the last twelve months
(Sept 2016-August 2017)

ODSA Ex 2

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 Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities.	))))))	Case No. 17-1377-EL-USF

AMENDED APPLICATION

By its application in this docket of October 31, 2017, the Ohio Development Services Agency ("ODSA"), by its Director, David Goodman, petitioned the Public Utilities Commission of Ohio ("Commission"), pursuant to Section 4928.52(B), Revised Code, for an order approving adjustments to the Universal Service Fund ("USF") riders of all jurisdictional Ohio electric distribution utilities ("EDUs"). Pursuant to Rule 4901-1-06, Ohio Administrative Code, ODSA hereby moves to amend its application as set forth below. As more fully described in the supplemental testimony of Megan Meadows submitted herewith, this amended application reflects information that was not available to ODSA at the time the original application was prepared. Accordingly, ODSA respectfully requests the Commission to accept this amended application for filing.

As its amended application, ODSA states as follows:

1. Under the legislative scheme embodied in SB 3, the 1999 legislation that restructured Ohio's electric utility industry and transferred administration of the electric percentage of income payment plan ("PIPP") program to ODSA, the USF riders replaced the EDUs' existing PIPP riders. The USF riders were to be calculated so as to generate the same

level of revenue as the PIPP riders they replaced,[1] plus an amount equal to the level of funding for low-income customer energy efficiency programs reflected in the electric rates in effect on the effective date of the statute,[2] plus the amount necessary to pay the administrative costs associated with the low-income customer assistance programs and the consumer education program created by Section 4928.56, Revised Code.[3]

2. Pursuant to Section 4928.51(A), Revised Code, all USF rider revenues collected by the EDUs are remitted to ODSA for deposit in the state treasury's USF. ODSA then makes disbursements from the USF to fund the low-income customer assistance programs (including PIPP and the low-income customer energy efficiency programs) and the consumer education program, and to pay their related administrative costs.

3. Section 4928.52(B), Revised Code, provides that, if ODSA, after consultation with the Public Benefits Advisory Board ("PBAB"), determines that the revenues in the USF, together with revenues from federal and other sources of funding,[4] will be insufficient to cover the cost of the low-income customer assistance and consumer education programs and their related administrative costs, ODSA shall file a petition with the Commission for an increase in the USF rider rates. The statute further provides that, after providing reasonable notice and opportunity for hearing, the Commission may adjust the USF rider by the minimum amount necessary to generate the additional revenues required; provided, however, that the Commission

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[1] *See* Section 4928.52(A)(1), Revised Code.

[2] *See* Section 4928.52(A)(2), Revised Code.

[3] *See* Section 4928.52(A)(3), Revised Code.

[4] Section 4928.52(B), Revised Code, specifically identifies the Ohio Energy Credit Program as a funding source. However, this program was discontinued as of July 1, 2003.

may not decrease a USF rider without the approval of the ODSA Director, after consultation by the Director with the PBAB.

4. Unlike traditional ratemaking, where the objective is to establish rates that will provide the applicant utility with a reasonable earnings opportunity, the USF riders must actually generate sufficient revenues during the collection period to enable ODSA to meet its USF-related statutory and contractual obligations on an ongoing basis. In recognition of this fact, the stipulations adopted by the Commission in all prior USF rider rate adjustment proceedings have required that ODSA file a Section 4928.52(B), Revised Code, application with the Commission each year, proposing such adjustments to the USF rider rates as may be necessary to assure, to the extent possible, that each EDU's rider will generate its associated revenue requirement — but not more than its associated revenue requirement — during the annual collection period following Commission approval of such adjustments. This is the seventeenth annual USF rider adjustment application filed pursuant to this statute since the establishment of the initial USF riders in the electric transition plan proceedings initiated by applications filed by the EDUs pursuant to SB 3.

5. By its opinion and order of December 21, 2016, in Case No. 16-1223-EL-USF, this Commission granted ODSA's 2016 application for approval of adjustments to the USF riders of all Ohio EDUs based on its acceptance of a stipulation and recommendation submitted jointly by the parties to that proceeding. The new USF riders replaced the USF riders approved by the Commission in Case No. 15-1046-EL-USF, and became effective on a bills-rendered basis with the January 2017 EDU billing cycles.

6. The Commission's opinion and order of December 21, 2016 in Case No. 16-1223-EL-USF provided for the continuation of the notice of intent ("NOI") process first approved by

the Commission in Case No. 04-1616-EL-UNC. Under this process, ODSA was required to make a preliminary filing by May 31 setting out the methodology it would employ in developing the USF rider revenue requirements and rate design for its subsequent annual USF rider adjustment application. The purpose of this procedure is to permit the Commission to resolve any issues relating to methodology prior to the preparation and filing of the application itself, so as to limit the number of potential issues in the second phase of the case and thereby permit the Commission to act on the application in time for the new USF rider rates to take effect on January 1 of the following year. ODSA filed its NOI in this case on May 31, 2017. Hearing was held on the NOI application on August 18, 2017. The Commission approved the methodology proposed by ODSA in the NOI by its opinion and order of October 11, 2017 (the "*NOI Order*").

7. Based on the methodology approved in the *NOI Order* as described below, ODSA has determined that, on an aggregated basis, the 2018 revenue requirement will exceed the 2017 revenue requirement, by some $57,234,278 required to fulfill the objectives identified in Section 4928.52(A), Revised Code, during the 2018 collection period. On an electric distribution utility ("EDU") specific basis, ODSA's analysis shows that the 2018 revenue requirement of Columbus Southern Power Company ("CSP"),[5] Ohio Power Company ("OP"), and Duke Energy Ohio ("Duke") would increase over their 2017 revenue requirement. The 2018 revenue requirement of Dayton Power and Light Company ("DPL"), The Cleveland Electric Illuminating Company ("CEI"), Ohio Edison Company ("OE"), and The Toledo Edison Company ("TE") would decrease over their 2017 revenue requirement. Accordingly, ODSA,

[5] The AEP Ohio operating companies, Columbus Southern Power Company ("CSP") and Ohio Power Company ("OP") merged, effective December 31, 2011, with OP as the surviving entity. However, the former CSP customers continue to be subject to separate rate schedules, including a separate USF rider, as are the customers that were served by OP prior to the merger. For ease of reference, ODSA refers herein to CSP as if it were an EDU, but it is understood that these references actually relate to the CSP Rate Zone and that references to OP actually relate to the OP Rate Zone. The Commission confirmed the continued existence of the CSP and OP rate zones in its *NOI Order* issued October 28, 2015 in Case No. 15-1046-EL-USF.

having consulted with the PBAB, proposes that the rider rates for CSP, OP, and Duke be increased, and for DPL, CEI, OE and TE be reduced, so as to generate the required annual revenue indicated in the following table so as to generate their respective indicated revenue targets.

Table I

Company	2017 Revenue Requirement	2018 Revenue Requirement	Surplus/Deficiency
CSP	$2,749,767	$40,029,676	-$37,279,909
OP	$18,453,702	$54,879,348	-$36,425,646
DPL	$10,206,753	$1,343,770	$8,862,983
Duke	$5,830,681	$10,330,554	-$4,499,873
CEI	$17,624,226	$17,108,645	$515,581
OE	$33,126,476	$23,260,408	$9,866,068
TE	$4,847,342	$3,120,824	$1,726,518
Totals	$92,838,947	$150,073,225	-$57,234,278

8. As described in further detail in the written testimony of ODSA witness Megan Meadows filed with this application, the revenue requirement that the proposed USF riders are designed to generate consists of the elements identified below.

a. Cost of PIPP. The cost of PIPP component of the USF rider revenue requirement is intended to reflect the total cost of electricity consumed by the EDU's PIPP customers for the 12-month period January 2017 through December 2017 (the "test period"), plus 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 are applied to outstanding PIPP arrearages over the same period. Because actual data for September through December 2017 was not available at the time the application was prepared, information from the corresponding months of 2016 was combined with actual data from January through September of 2017 to determine the test-period cost of PIPP for each EDU as displayed in Exhibit A hereto. As explained in ODSA witness Meadow's written testimony, and consistent with the *NOI Order*, ODSA adjusted the test-period cost of PIPP to recognize the impact of Commission-approved EDU rate changes that took effect during the 2017 test period and to annualize the impact of Commission-approved EDU rate changes that will take effect in 2018. The calculations of these adjustments are shown in attached Exhibits A.1.a through A.1.d. The net impact of these adjustments is shown in Exhibit A.1. As explained in Ms. Meadow's testimony, and consistent with the *NOI Order*, the totals shown in Exhibit A.1 were then adjusted to reflect the projected increase in PIPP enrollments during the 2018 collection period. The projections are shown in attached Exhibit A.2. The cumulative effect of the foregoing adjustments is shown in the Total Adjusted Test-Period Cost of PIPP column (Column F) in Exhibit A.2.

b. <u>Electric Partnership Program and Consumer Education Program Costs.</u> This element of the USF rider revenue requirement reflects the cost of the low-income customer energy efficiency programs and the consumer education program, referred to collectively by ODSA as the "Electric Partnership Program" ("EPP"), and their associated administrative costs, which are recovered through the USF riders pursuant to Section 4928.52(A)(2) and (3), Revised Code. ODSA's proposed $14,946,196 allowance for these items is identical to the allowance accepted by the Commission in all previous USF riders rate adjustment proceedings and is supported by the analysis submitted by ODSA as Exhibit A to the NOI. Consistent with the *NOI Order*, this component of the

USF rider revenue requirement is allocated to the EDUs based on the ratio of their respective costs of PIPP to the total cost of PIPP. The results of the allocation are shown in attached Exhibit B.

c. Administrative Costs. This USF rider revenue requirement element represents an allowance for the costs ODSA incurs in connection with its administration of the PIPP program and is included as a revenue requirement component pursuant to Section 4928.52(A)(3), Revised Code. As explained in the testimony of ODSA witness Randall Hunt filed with the application, the proposed allowance for administrative costs of $5,498,146 has been determined in accordance with the standard approved by the Commission in the *NOI Order*. The requested allowance for administrative costs has been allocated to the EDUs based on the number of PIPP customer accounts as of October 2016, the test-period month exhibiting the highest PIPP customer account totals. The results of the allocation are shown in attached Exhibit C.

d. December 31, 2017 USF PIPP Account Balances. Because the USF rider rate is based on historical sales and historical PIPP enrollment patterns, the cost of PIPP component of an EDU's USF rider rate will, in actual practice, either over-recover or under-recover its associated annual revenue requirement over the collection period. Over-recovery creates a positive USF PIPP account balance for the company in question, thereby reducing the amount needed on a forward-going basis to satisfy the USF rider revenue requirement. Conversely, where under-recovery has created a negative USF PIPP account balance as of the effective date of the new riders, there will be a shortfall in the cash available to ODSA, which will impair its ability to make the PIPP reimbursement payments due the EDUs on a timely basis. Thus, the amount of any existing positive USF PIPP account balance must be deducted in determining the target revenue level the adjusted USF rider is to generate, while the deficit represented by a negative USF PIPP account balance must be added to the associated revenue requirement. In this case, ODSA is requesting that its proposed USF riders be implemented on a bills-rendered basis effective January 1, 2018. Accordingly, the USF rider revenue requirement of each EDU has been adjusted by the amount of the EDU's projected December 31, 2017 USF PIPP account balance so as to synchronize the new riders with the EDU's USF PIPP account balance as of their effective date. This conforms to the methodology approved by the Commission in the *NOI Order*. The adjusted projected December 31, 2017 USF PIPP account balance for each EDU is shown in Exhibit H.

e. Reserve. PIPP-related cash flows can fluctuate significantly throughout the year, due, in large measure, to the weather-sensitive nature of electricity sales and PIPP enrollment patterns. As shown on the test-period graph attached hereto as Exhibit E, the month-to-month cash flow fluctuations had, in the past resulted in negative USF PIPP account balances, which mean that, in those months, ODSA had insufficient cash to satisfy its reimbursement obligations to the EDUs on a timely basis. To address this problem, ODSA traditionally has included an allowance to create a cash reserve as an element of the USF rider revenue requirement. However, in the NOI approved in this case, and Case No. 16-1223-EL-USF, the PUCO approved a modification to the calculation of the reserve by considering the highest monthly deficit during the test period for the EDUs in the aggregate rather than individually, because the funds are deposited in one USF account. The modification also requires consideration of the aggregate projected year end account balance to determine whether a reserve allowance is needed. Considering the projected aggregate account balance of $88,438,560 as shown in Exhibit H, ODSA has determined that a reserve allowance need not be included in the calculation of the USF rider rate in this proceeding. The proposed reserve component for each EDU is set forth in attached Exhibit F.

f. Allowance for Undercollection. This component of the USF rider revenue requirement is an adjustment to recognize that, due to the difference between amounts billed through the USF rider and the amounts actually collected from EDU customers, the rider will not generate the target revenues. In accordance with the methodology approved in the *NOI Order*, the allowance for undercollection for each company is based on the collection experience of that company. The allowance for undercollection for each EDU is shown in attached Exhibit G.

g. PIPP Plus Program Audit Costs. In the NOI Application, ODSA recognized that the Commission has permitted audits[6] to be conducted of each EDU's PIPP-related accounting and reporting to assure that the ODSA-EDU interface was functioning in accordance with ODSA's expectations and to identify any systemic problems that could indicate that the cost of PIPP recovered from ratepayers through the USF riders of the respective EDUs had been overstated.

In Case No. 16-1223-EL-USF the PUCO approved audits to be conducted of CSP, OP, DP&L and Duke during the 2017 collection period. The proposed allowance for the audits was $150,000. The cost of each audit was to be based upon the amount expended to audit each EDU. As a placeholder, until ODSA received the actual cost of

[6] Although characterized as an "audit" in the initial RFP, the work performed by the firm awarded the contract was actually an "application of agreed-upon procedures" designed to test the subject EDU's performance in specific areas. However, the terms are used interchangeably herein.

each audit, the allowance was allocated to each EDU based upon its cost of PIPP. ODSA has received the actual amounts expended for each audit and the costs have been reconciled for these EDUs for the 2018 collection period, as shown on Exhibit D.

In the NOI in this proceeding, ODSA also proposed an allowance of $150,000 to conduct the similar audits of CEI, TE, and OE. Based upon the costs of the 2017 audits, ODSA estimates the cost to be $99,000. This allocated audit cost for the 2018 collection period also is shown on Exhibit D.

h. Aggregation of PIPP Plus Customers. Pursuant to Section 4928.544(B) of the Ohio Revised Code, the reimbursement of the Commission's costs incurred for aggregation are administrative costs of the program and will be included in the Administrative Costs set forth in paragraph 8.c.

9. A summary schedule showing the USF rider component costs by EDU is attached as Exhibit I. ODSA proposes to recover the annual USF rider revenue requirement for each EDU through a USF rider that incorporates the same two-step declining block rate design approved by the Commission in all prior USF rider rate adjustment cases and the *NOI Order* in this proceeding. The first block of the rate applies to all monthly consumption up to and including 833,000 Kwh. The second rate block applies to all consumption above 833,000 Kwh per month. For each EDU, the rate per Kwh for the second block is set at the lower of the PIPP charge in effect in October 1999 or the per Kwh rate that would apply if the EDU's annual USF rider revenue requirement were to be recovered through a single block per Kwh rate. The rate for the first block rate is set at the level necessary to produce the remainder of the EDU's annual USF rider revenue requirement. Thus, if the EDU's October 1999 PIPP charge exceeds the per Kwh rate that would apply if the EDU's annual USF rider revenue requirement were to be recovered

through a single block per Kwh rate, a calculation shown in Exhibit J, the rate for both consumption blocks would be the same. As discussed in the testimony of ODSA witness Meadows, in this case, the October 1999 PIPP charge cap has been triggered for each of the EDUs except DPL, OE and TE. Thus, all the new USF rider rates proposed herein have the declining block feature for all EDUs except DPL, OE and TE. The following table compares the resulting proposed USF riders for each EDU with the EDU's current USF rider.

Table II

	Declining Block Riders			
	Current USF Rider		Proposed USF Rider	
Company	First 833,000 Kwh	Above 833,000 Kwh	First 833,000 Kwh	Above 833,000 Kwh
CSP	$0.0001430	$0.0001430	$0.0025116	$0.0001830
OP	$0.0010772	$0.0001681	$0.0034648	$0.0001681
DPL	$0.0007710	$0.0005700	$0.0000978	$0.0000978
Duke	$0.0002896	$0.0002896	$0.0005368	$0.0004690
CEI	$0.0010497	$0.0005680	$0.0010366	$0.0005680
OE	$0.0014456	$0.0010461	$0.0009914	$0.0009914
TE	$0.0004615	$0.0004615	$0.0002991	$0.0002991

11. Consistent with Section 4928.52(B), Revised Code, the proposed USF rider rates set forth above for all EDUs represent the minimum rates necessary to satisfy their respective USF rider revenue responsibilities. If its application is granted, ODSA will consent to the USF rider decreases for DPL, CEI, OE and TE as required by Section 4928.52(B), Revised Code.

12. In calculating the USF rider revenue requirement, ODSA has relied on certain information reported by the EDUs. Although ODSA believes this information to be reliable, ODSA has not performed an audit to verify the accuracy of this information. If any party questions or wishes to challenge the accuracy of this information, ODSA requests that the

Commission require such party to direct its inquiries to the EDU in question, either informally or through formal discovery.

13. The adjustments to the USF riders proposed in this application are based on the most recent information available to ODSA at the time the application was prepared and includes actual data for the calendar 2017 test period through the month of September 2017. In previous ODSA USF rider rate adjustment applications, ODSA has reserved the right to amend its application by updating its test-period calculations to incorporate additional actual data as it became available. Thus, ODSA again reserves the right to amend its application to incorporate additional actual test-period data that becomes available subsequent to the preparation of this amended Application.

13. ODSA requests that, as a part of its order in this proceeding, the Commission require that ODSA file its 2017 USF rider rate adjustment application no later than October 31, 2018 and provide that the NOI procedure again be used in connection with the 2017 application.

WHEREFORE, ODSA respectfully requests that the Commission, after providing such notice as it deems reasonable, affording interested parties the opportunity to be heard, and conducting a hearing, if a hearing is deemed to be required, issue an order (1) finding that USF rider rate adjustments proposed in the application represent the minimum adjustments necessary to provide the revenues necessary to satisfy the respective USF rider revenue requirements; (2) granting the application; and (3) directing the EDU's to incorporate the new USF rider rates approved herein in their filed tariffs, to be effective January 1, 2018 on a bills-rendered basis.

Respectively submitted,

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Special Counsel for
The Ohio Development Services Agency

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Amended Application has been served upon the following parties by first class mail, postage prepaid, and/or electronic mail this 22nd day of November 2017.

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Exhibit A

Cost of PIPP October 2016 through September 2017					
	Electrical Service A	Pre-PIPP B	PIPP Customer Portion C	Payments to PIPP Arrears D	Cost of PIPP (A+B)-C-D
CSP	$ 85,014,342.00	$ 3,242,279.27	$ 40,806,265.13	$ 6,453,902.17	$ 40,996,453.97
OP	$ 112,616,846.93	$ 3,959,602.03	$ 52,240,044.68	$ 8,311,826.08	$ 56,024,578.20
DPL	$ 34,990,717.03	$ 2,513,603.22	$ 20,828,619.00	$ 4,839,832.73	$ 11,835,868.52
Duke	$ 33,397,777.90	$ 2,192,113.42	$ 17,243,398.37	$ 4,092,416.73	$ 14,254,076.22
CEI	$ 49,380,679.50	$ 4,998,829.66	$ 25,069,757.50	$ 2,736,174.26	$ 26,573,577.40
OE	$ 81,246,681.80	$ 5,959,237.17	$ 40,509,909.03	$ 4,529,473.16	$ 42,166,536.78
TE	$ 25,038,506.65	$ 2,390,996.97	$ 12,483,368.61	$ 1,728,723.02	$ 13,217,411.99
Total:	**$421,685,551.81**	**$25,256,661.74**	**$209,181,362.32**	**$32,692,348.15**	**$205,068,503.08**

Exhibit A.1

Adjusted Test-Period Cost of PIPP				
	10/1/16 to 9/31/17 Cost of PIPP Plus Cost of PIPP	2017 EDU Rate Changes	2018 EDU Rate Changes	Adjusted Test-Period Cost of PIPP
CSP	$40,996,453.97	$1,785,300.80	$1,751,295.07	$44,533,049.84
OP	$56,024,578.20	$1,587,897.54	$2,105,935.04	$59,718,410.78
DPL	$11,835,868.52	$0.00	$827,009.00	$12,662,877.52
Duke	$14,254,076.22	$74,056.82	($191,973.46)	$14,136,159.58
CEI	$26,573,577.40	$0.00	$1,367,114.67	$27,940,692.07
OE	$42,166,536.78	$0.00	$1,498,327.98	$43,664,864.76
TE	$13,217,411.99	$0.00	$463,135.02	$13,680,547.01
Total	**$205,068,503.08**	**$3,447,255.16**	**$7,820,843.32**	**$216,336,601.56**

Exhibit A.1.a

American Electric Power- Columbus Southern Power					
Billing Cycle Dates	Cost of Electricity	Rate Adjustment 2.10%	Rate Adjustment 2.06%	Total	For 2017-2018
Oct-16	$ 6,646,620.11	$ 139,579.02	$ 136,920.37	$ 6,923,119.51	Oct-17
Nov-16	$ 6,178,368.69	$ 129,745.74	$ 127,274.40	$ 6,435,388.83	Nov-17
Dec-16	$ 9,326,256.89	$ 195,851.39	$ 192,120.89	$ 9,714,229.18	Dec-17
Jan-17	$ 10,227,954.74	$ 214,787.05	$ 210,695.87	$ 10,653,437.66	Jan-18
Feb-17	$ 8,335,120.38	$ 175,037.53	$ 171,703.48	$ 8,681,861.39	Feb-18
Mar-17	$ 7,792,630.97	$ 163,645.25	$ 160,528.20	$ 8,116,804.42	Mar-18
Apr-17	$ 6,460,879.32	$ 135,678.47	$ 133,094.11	$ 6,729,651.90	Apr-18
May-17	$ 5,288,613.51	$ 111,060.88	$ 108,945.44	$ 5,508,619.83	May-18
Jun-17	$ 5,799,244.91	$ 121,784.14	$ 119,464.45	$ 6,040,493.50	Jun-18
Jul-17	$ 6,536,765.31	$ 137,272.07	$ 134,657.37	$ 6,808,694.75	Jul-18
Aug-17	$ 6,540,178.97	$ 137,343.76	$ 134,727.69	$ 6,812,250.42	Aug-18
Sep-17	$ 5,881,690.20	$ 123,515.49	$ 121,162.82	$ 6,126,368.51	Sep-18
Total	**$ 85,014,324.00**	**$ 1,785,300.80**	**$ 1,751,295.07**	**$ 88,550,919.88**	

American Electric Power- Ohio Power					
Billing Cycle Dates	Cost of Electricity	Rate Adjustment 1.41%	Rate Adjustment 1.87%	Total	For 2017-2018
Oct-16	$ 8,284,669.97	$ 116,813.85	$ 154,923.33	$ 8,556,407.15	Oct-17
Nov-16	$ 8,245,955.77	$ 116,267.98	$ 154,199.37	$ 8,516,423.12	Nov-17
Dec-16	$ 12,899,375.85	$ 181,881.20	$ 241,218.33	$ 13,322,475.38	Dec-17
Jan-17	$ 14,441,293.02	$ 203,622.23	$ 270,052.18	$ 14,914,967.43	Jan-18
Feb-17	$ 11,842,867.15	$ 166,984.43	$ 221,461.62	$ 12,231,313.19	Feb-18
Mar-17	$ 10,320,983.80	$ 145,525.87	$ 193,002.40	$ 10,659,512.07	Mar-18
Apr-17	$ 8,992,105.68	$ 126,788.69	$ 168,152.38	$ 9,287,046.75	Apr-18
May-17	$ 6,900,997.68	$ 97,304.07	$ 129,048.66	$ 7,127,350.40	May-18
Jun-17	$ 7,239,431.61	$ 102,075.99	$ 135,377.37	$ 7,476,884.97	Jun-18
Jul-17	$ 8,097,276.92	$ 114,171.60	$ 151,419.08	$ 8,362,867.60	Jul-18
Aug-17	$ 8,097,204.04	$ 114,170.58	$ 151,417.72	$ 8,362,792.33	Aug-18
Sep-17	$ 7,254,685.44	$ 102,291.06	$ 135,662.62	$ 7,492,639.12	Sep-18
Total	**$ 112,616,846.93**	**$ 1,587,897.54**	**$ 2,105,935.04**	**$ 116,310,679.51**	

Exhibit A.1.b

Dayton Power and Light Company		
Billing Cycle Dates	2018 Rate Adjustment	
Jan-18	$	45,704
Feb-18	$	44,929
Mar-18	$	43,692
Apr-18	$	33,128
May-18	$	5,398
Jun-18	$	223,112
Jul-18	$	227,423
Aug-18	$	246,101
Sep-18	$	(39,102)
Oct-18	$	(20,568)
Nov-18	$	(18,979)
Dec-18	$	36,171
Total	**$**	**827,009**

Exhibit A.1.c

Duke Energy Ohio					
Billing Cycle Dates	Cost of Electricity	Rate Adjustment .91%	Rate Adjustment (.76%)	Total	For 2017-2018
Oct-16	$ 2,608,977.94	$ 23,741.70		$ 2,632,719.64	Oct-17
Nov-16	$ 2,408,567.04	$ 21,917.96		$ 2,430,485.00	Nov-17
Dec-16	$ 3,120,566.86	$ 28,397.16		$ 3,148,964.02	Dec-17
Jan-17	$ 3,617,758.15		$ (27,494.96)	$ 3,590,263.19	Jan-18
Feb-17	$ 2,961,626.20		$ (22,508.36)	$ 2,939,117.84	Feb-18
Mar-17	$ 2,827,225.43		$ (21,486.91)	$ 2,805,738.52	Mar-18
Apr-17	$ 2,457,108.50		$ (18,674.02)	$ 2,438,434.48	Apr-18
May-17	$ 2,217,836.71		$ (16,855.56)	$ 2,200,981.15	May-18
Jun-17	$ 2,527,933.26		$ (19,212.29)	$ 2,508,720.97	Jun-18
Jul-17	$ 3,113,234.55		$ (23,660.58)	$ 3,089,573.97	Jul-18
Aug-17	$ 2,967,461.69		$ (22,552.71)	$ 2,944,908.98	Aug-18
Sep-17	$ 2,569,481.57		$ (19,528.06)	$ 2,549,953.51	Sep-18
Total	**$ 33,397,777.90**	**$ 74,056.82**	**$ (191,973.46)**	**$ 33,279,861.26**	

First Energy- Cleveland Electric Illuminating Company				
Billing Cycle Dates	Cost of Electricity	Rate Adjustment 3%	Total	For 2017-2018
Oct-16	$ 4,040,772.24	$ 121,223.17	$ 4,161,995.41	Oct-17
Nov-16	$ 3,826,623.12	$ 114,798.69	$ 3,941,421.81	Nov-17
Dec-16	$ 4,194,269.92	$ 125,828.10	$ 4,320,098.02	Dec-17
Jan-17	$ 4,918,281.69	$ 147,548.45	$ 5,065,830.14	Jan-18
Feb-17	$ 4,511,081.53	$ 135,332.45	$ 4,646,413.98	Feb-18
Mar-17	$ 4,350,204.37	$ 130,506.13	$ 4,480,710.50	Mar-18
Apr-17	$ 4,072,602.49	$ 122,178.07	$ 4,194,780.56	Apr-18
May-17	$ 3,455,020.42	$ 103,650.61	$ 3,558,671.03	May-18
Jun-17	$ 3,658,777.96	$ 109,763.34	$ 3,768,541.30	Jun-18
Jul-17	$ 4,244,014.86	$ 127,320.45	$ 4,371,335.31	Jul-18
Aug-17	$ 4,298,840.51	$ 128,965.22	$ 4,427,805.73	Aug-18
Sep-17	$ 3,810,190.39	$ 114,305.71	$ 3,924,496.10	Sep-18
Total	**$ 49,380,679.50**	**$ 1,367,114.67**	**$ 50,862,099.89**	

First Energy- Ohio Edison				
Billing Cycle Dates	Cost of Electricity	Rate Adjustment 2%	Total	For 2017-2018
Oct-16	$ 6,346,500.63	$ 126,930.01	$ 6,473,430.64	Oct-17
Nov-16	$ 6,023,564.43	$ 120,471.29	$ 6,144,035.72	Nov-17
Dec-16	$ 7,039,144.62	$ 140,782.89	$ 7,179,927.51	Dec-17
Jan-17	$ 7,961,279.87	$ 159,225.60	$ 8,120,505.47	Jan-18
Feb-17	$ 7,330,940.23	$ 146,618.80	$ 7,477,559.03	Feb-18
Mar-17	$ 7,325,858.04	$ 146,517.16	$ 7,472,375.20	Mar-18
Apr-17	$ 6,631,396.83	$ 132,627.94	$ 6,764,024.77	Apr-18
May-17	$ 5,656,807.27	$ 113,136.15	$ 5,769,943.42	May-18
Jun-17	$ 6,077,494.10	$ 121,549.88	$ 6,199,043.98	Jun-18
Jul-17	$ 7,199,525.72	$ 143,990.51	$ 7,343,516.23	Jul-18
Aug-17	$ 7,323,887.46	$ 146,477.75	$ 7,470,365.21	Aug-18
Sep-17	$ 6,330,282.60	$ 126,605.65	$ 6,456,888.25	Sep-18
Total	**$ 81,246,681.80**	**$ 1,498,327.98**	**$ 82,871,615.44**	

First Energy- Toledo Edison				
Billing Cycle Dates	Cost of Electricity	Rate Adjustment 2%	Total	For 2017-2018
Oct-16	$ 1,998,358.18	$ 39,967.16	$ 2,038,325.34	Oct-17
Nov-16	$ 1,825,960.08	$ 36,519.20	$ 1,862,479.28	Nov-17
Dec-16	$ 2,320,552.89	$ 46,411.06	$ 2,366,963.95	Dec-17
Jan-17	$ 2,453,224.10	$ 49,064.48	$ 2,502,288.58	Jan-18
Feb-17	$ 2,195,160.37	$ 43,903.21	$ 2,239,063.58	Feb-18
Mar-17	$ 2,234,522.93	$ 44,690.46	$ 2,279,213.39	Mar-18
Apr-17	$ 2,080,470.10	$ 41,609.40	$ 2,122,079.50	Apr-18
May-17	$ 1,732,317.57	$ 34,646.35	$ 1,766,963.92	May-18
Jun-17	$ 1,856,999.47	$ 37,139.99	$ 1,894,139.46	Jun-18
Jul-17	$ 2,207,973.24	$ 44,159.46	$ 2,252,132.70	Jul-18
Aug-17	$ 2,251,212.29	$ 45,024.25	$ 2,296,236.54	Aug-18
Sep-17	$ 1,881,755.43	$ 37,635.11	$ 1,919,390.54	Sep-18
Total	**$ 25,038,506.65**	**$ 463,135.02**	**$ 25,539,276.78**	

Cost of PIPP Adjustment for Projected Enrollment						
	Average Enrollment 10/16-9/17	Cost of PIPP	Average Cost of PIPP 10/16-9/17 B/A	Projected Annual Enrollment	Additional Cost of PIPP (D-A)X C	Total Adjusted Cost of PIPP B+E
	A	B	C	D	E	F
CSP	53,148	$44,533,049.84	$837.91	53,948	$670,325	$45,203,374.97
OP	61,715	$59,718,410.78	$967.65	63,289	$1,523,175	$61,241,585.87
DPL	26,251	$12,662,877.52	$482.38	26,097	($74,286)	$12,588,591.47
Duke	21,631	$14,136,159.58	$653.51	20,329	($851,137)	$13,285,023.05
CEI	43,434	$27,940,692.07	$643.29	43,338	($61,820)	$27,878,871.83
OE	61,909	$43,664,864.76	$705.31	60,179	($1,220,393)	$42,444,471.68
TE	18,581	$13,680,547.01	$736.27	17,563	($749,371)	$12,931,176.11
Total	**286,669**	**$216,336,601.56**		**284,743**	**($763,507)**	**$215,573,094.96**

Average Annual PIPP Enrollment						
	10/2012- 9/2013	10/2013-9/2014	10/2014-9/2015	10/2015-9/2016	10/2016-9/2017	Projected 2018
CSP	63,742	67,251	69,761	59,399	53,148	53,948
OP	70,363	74,387	77,958	67,820	61,715	63,289
DPL	37,881	38,520	39,178	32,530	26,251	26,097
Duke	30,871	29,113	28,931	24,995	21,631	20,329
CEI	57,918	59,647	60,496	51,248	43,434	43,338
OE	81,287	82,180	82,535	69,755	61,909	60,179
TE	27,323	27,546	27,577	21,734	18,581	17,563
Total	**369,385**	**378,644**	**386,436**	**327,481**	**286,669**	**284,743**

Exhibit B

Electric Partnership Program Allocation				
	2018 Cost of PIPP	**Percent Cost of PIPP**		**Allocated For EPP**
CSP	$45,203,374.97	20.97%	$ 14,946,196	$3,134,058
OP	$61,241,585.87	28.41%	$ 14,946,196	$4,246,025
DPL	$12,588,591.47	5.84%	$ 14,946,196	$872,797
Duke	$13,285,023.05	6.16%	$ 14,946,196	$921,082
CEI	$27,878,871.83	12.93%	$ 14,946,196	$1,932,909
OE	$42,444,471.68	19.69%	$ 14,946,196	$2,942,776
TE	$12,931,176.11	6.00%	$ 14,946,196	$896,549
Total	**$215,573,094.96**			**$14,946,196**

Exhibit C

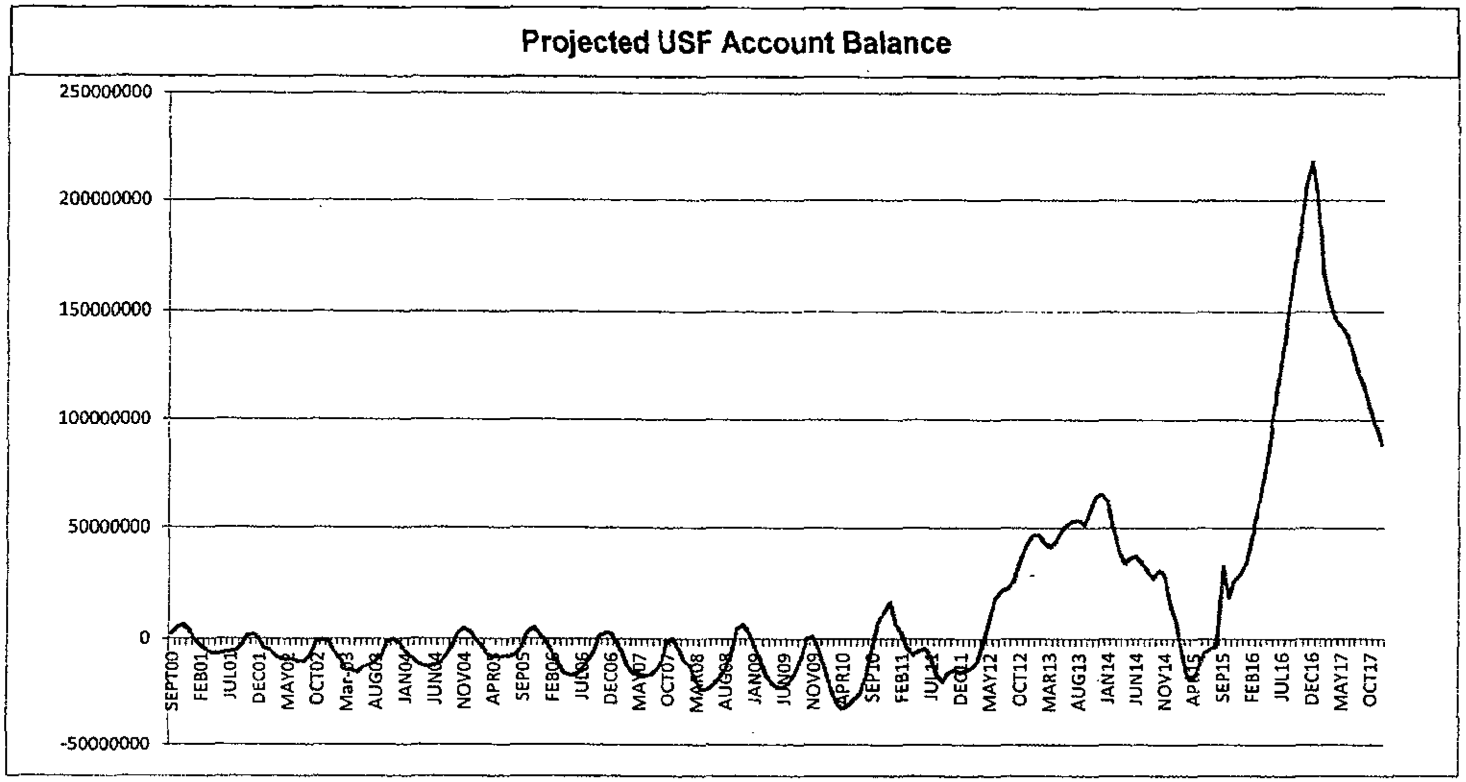
Allocation of Administrative Costs			
	Customers Oct. 2016	Adm Costs per Customer	Administrative Costs
CSP	56,517	$18.03	$1,018,828.83
OP	64,906	$18.03	$1,170,056.87
DPL	28,455	$18.03	$512,956.71
Duke	22,774	$18.03	$410,545.64
CEI	47,159	$18.03	$850,132.68
OE	65,166	$18.03	$1,174,743.87
TE	20,019	$18.03	$360,881.40
Total	**304,996**		**$5,498,146.00**

Exhibit D

USF Agreed Upon Procedures			
	Total Audit Cost	2017 Rate Case Allocated Cost	2018 Reconciled Audit Costs
CSP	$16,283.33	$47,985.24	($31,701.91)
OP	$16,283.33	$63,787.43	($47,504.10)
DPL	$32,566.67	$22,304.55	$10,262.12
Duke	$32,566.67	$15,922.78	$16,643.89
Total	**$97,700.00**	**$150,000.00**	**($52,300.00)**

2018 USF Agreed Upon Procedures		
	2018 Total Audit Cost	2018 Allocated Audit Cost
CEI	$99,000	$33,000.00
OE	$99,000	$33,000.00
TE	$99,000	$33,000.00
Total		**$99,000.00**

Exhibit E



Projected USF Account Balance
250000000
200000000
150000000
100000000
50000000
0
-50000000
SEPT00
FEB01
JUL01
DEC01
OCT02
Mar-03
JAN04
NOV04
SEP05
DEC06
OCT07
JAN09
NOV09
APR10
FEB11
MAY12
OCT12
MAR13
AUG13
JAN14
JUN14
NOV14
SEP15
FEB16
JUL16
DEC16
MAY17
OCT17

Exhibit F

Calculation of Annual Reserve Component		
	Largest Monthly Cash Deficit	Reserve Required
CSP	N/A	$0
OP	N/A	$0
DPL	N/A	$0
Duke	N/A	$0
CEI	N/A	$0
OE	N/A	$0
TE	N/A	$0
Total		**$0**

Exhibit G

Allowance for Undercollection	
CSP	$1,655,077
OP	$469,794
DPL	$6,534
Duke	$0
CEI	$76,274
OE	$222,338
TE	$17,632
Total	**$2,447,649**

Exhibit H

Projected Universal Service Fund Account Balance	
	Balance 12/31/2017
CSP	$10,949,960.26
OP	$12,200,609.83
DPL	$12,647,371.56
Duke	$4,302,740.60
CEI	$13,662,541.43
OE	$23,556,921.38
TE	$11,118,415.36
Total	**$88,438,560.42**

Exhibit I

Revenue Requirement Summary							
	CSP	OP	DPL	Duke	CEI	OE	TE
Cost of PIPP Plus	$45,203,374.97	$61,241,585.87	$12,588,591.47	$13,285,023.05	$27,878,871.83	$42,444,471.68	$12,931,176.11
EPP/CE	$3,134,057.63	$4,246,024.98	$872,797.02	$921,082.28	$1,932,908.57	$2,942,776.29	$896,549.23
Administration	$1,018,828.83	$1,170,056.87	$512,956.71	$410,545.64	$850,132.68	$1,174,743.87	$360,881.40
Agreed Upon Procedures	-$31,701.91	-$47,504.10	$10,262.12	$16,643.89	$33,000.00	$33,000.00	$33,000.00
Reserve	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Adjustment for Undercollection	$1,655,077.19	$469,793.99	$6,534.05	$0.00	$76,273.65	$222,337.59	$17,632.21
Subtotal	$50,979,636.71	$67,079,957.60	$13,991,141.37	$14,633,294.86	$30,771,186.73	$46,817,329.43	$14,239,238.95
Account Balance 12/31	-$10,949,960.26	-$12,200,609.83	-$12,647,371.56	-$4,302,740.60	-$13,662,541.43	-$23,556,921.38	-$11,118,415.36
Total	**$40,029,676.45**	**$54,879,347.77**	**$1,343,769.81**	**$10,330,554.26**	**$17,108,645.30**	**$23,260,408.05**	**$3,120,823.59**

Exhibit J

Uniform kWh Rate			
	KWH Sales	Required Revenue	Indicated Costs/KWH
CSP	18,818,882,797	$ 40,029,676	$ 0.0021271
OP	23,605,105,577	$ 54,879,348	$ 0.0023249
DPL	13,743,257,675	$ 1,343,770	$ 0.0000978
Duke	19,764,017,756	$ 10,330,554	$ 0.0005227
CEI	18,313,941,710	$ 17,108,645	$ 0.0009342
OE	23,462,358,269	$ 23,260,408	$ 0.0009914
TE	10,435,046,661	$ 3,120,824	$ 0.0002991
Total	**128,142,610,445**	**$ 150,073,225**	

kWh sales were sales reported for the last twelve months
(October 2016-September 2017)

ODSA Ex 3

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 Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities.	: : : : : :	Case No. 17-1377-EL-USF

TESTIMONY

OF

RANDALL HUNT

ON BEHALF OF
THE OHIO DEVELOPMENT SERVICES AGENCY

October 31, 2017
TESTIMONY OF RANDALL HUNT
On Behalf of The Ohio Development Services Agency

Q. Please state your name and business address.

A. My name is Randall Hunt. My business address is Ohio Development Services Agency ("ODSA"), 77 South High Street, 25th Floor, Columbus, Ohio 43216-1001.

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

A. I am employed by ODSA as Deputy Chief of the Office of Community Assistance ("OCA"), an office within ODSA's Division of Community Services.

Q. Please briefly describe your professional experience and educational background.

A. I have been with OSDA as OCA's Deputy Chief since September of 2012. I have over 28 years of experience in administering local, state, and federal community development and anti-poverty programs. I began my professional career in 1989 as a regional planner for the Ohio Valley Regional Development Commission. From 1994 to 1999 I served as Assistant Director, then as Director, of Ohio Department of Development's Governor's Office of Appalachia. In that position I was responsible for the administration of the Federal Appalachian Regional Commission programs designed to address the economic and social development needs in 13 federally-designated Appalachian states, including the Appalachian counties in Ohio. I then served for two years as the Executive Director of the Ohio Rural Development Partnership at the Ohio Department of Agriculture before being appointed to the position of State Director of the United States Department of Agriculture's Rural Development Agency. In that position, I was responsible for the administration of federal loans, grants, and loan guarantees for low income housing, water and sewer utilities, community facilities, and business loans in eligible rural areas in Ohio.

From 2009 to September 2012, I served as the State Director of the Rural Community Assistance Program at Wood, Sandusky, Ottawa and Seneca Community Action Commission. I hold a Bachelor of Science degree from The Ohio State University College of Engineering.

Q. What are your duties and responsibilities as OCA's Deputy Chief?

A. OCA administers a number of energy assistance programs for low-income utility customers, including the federally-funded Low-Income Home Energy Assistance Program ("LIHEAP"), Home Weatherization Assistance Program ("HWAP"), Community Service Block Grant program, State Energy Program, Ohio Coal Research and Development Program. In addition, OCA administers the electric Percentage of Income Payment Plan ("PIPP") program, which is funded from the state treasury's Universal Service Fund ("USF"). As Deputy Chief, I have overall responsibility for administering the funds that support these programs. I also have management responsibility for the day-to-day operations of OCA, which now has 82 full-time employees.

Q. Have you previously testified before this Commission?

A. Yes.

Q. What is the purpose of your testimony in this case?

A. The purpose of my testimony is to support the $5,498,146 allowance for costs associated with ODSA's administration of the PIPP program that has been included in the USF rider revenue requirement proposed by ODSA in its application in this case.

Q. What standard did you employ in determining the proposed allowance for administrative costs associated with the PIPP program?

A. The Office of the Ohio Consumer's Counsel ("OCC") entered into a settlement agreement in the Notice of Intent ("NOI") phase of Case No. 05-717-EL-UNC with ODSA. The settlement agreement provided, among other things, that in future USF rider rate adjustment applications, the proposed allowance for administrative costs would be based on the costs actually incurred during the test period, subject to adjustment(s), plus or minus, for reasonably anticipated post-test period cost changes, so as to assure, to the extent possible, that the administrative cost component of the USF rider revenue requirement will recover the administrative costs incurred during the collection year. This standard for determining the allowance for administrative costs was approved by the Commission in the 2005 case, and was employed by ODSA in all subsequent USF rider rate adjustment proceedings. This standard was again approved by the Commission in its October 11, 2017, opinion and order in the NOI phase of this case. Accordingly, I determined the proposed allowance for administrative costs using this standard.

Q. How did you identify the costs actually incurred by ODSA during the test period in connection with its administration of the PIPP program?

A. It is my understanding that the approved test period in this case is calendar year 2017. However, ODSA's accounting is based on the state fiscal year ("FY"), which is the twelve months ending June 30, not the calendar year. Thus, I relied on OCA's FY 2017 (the twelve months ending June 30, 2017) accounting records to identify the costs actually incurred by ODSA in connection with the administration of the PIPP program during FY 2017. Because the actual costs for calendar 2017 are not yet known, consistent with the practice in prior cases, I utilized the actual costs incurred in the most recent fiscal year as a surrogate for the test-period PIPP administration costs.

Q. You indicated that OCA has responsibilities other than the administration of the PIPP program. For accounting purposes, how does OCA distinguish between the costs incurred in connection with its administration of the PIPP program and the costs associated with these other activities?

A. The method used depends on the nature of the costs involved. As shown in Exhibit RH-1 to my testimony, OCA breaks its costs down into five categories for accounting and budget purposes: (1) Payroll, (2) Temp Staff / Consultants / Mail Services, (3) Indirect Costs, and (4) Maintenance. In some instances, costs are directly assigned to PIPP administration, while, in others, costs are allocated to PIPP administration based on OCA's estimates of the portion of the total costs in the category that relate to this function. I would point out that PIPP administrative costs make up a relatively small percentage of OCA's total costs and budget.

Q. What costs are included in the Payroll category?

A. The Payroll category includes the salaries and employee benefits for the members of the OCA staff.

Q. Do OCA staff members report their time in a manner that permits OCA to track the employee hours that are chargeable to PIPP administration as opposed to other OCA activities?

A. OCA staff members in the Administrative and Support Unit, the Fiscal Unit, Grantee Services Unit, and the Field Unit, must estimate the percentage of the time to be coded to PIPP administration based on an exercise of informed judgment as to the hours the employees devote to PIPP-related matters as opposed to other activities.

Q. What costs are included in the Temp Staff / Consultant / Mail Services category?

A. "Temp Staff" refers to the temporary employees OCA hires to augment its full-time staff during periods of high volume PIPP enrollment activity. These temporary workers answer the OCA telephone hotline to provide information regarding the PIPP and LIHEAP assistance programs. They also process approximately 150,000 Energy Assistance Applications. The Temp Staff costs associated with the operation of the hotline are coded to PIPP administration based on the percentage of PIPP-related calls to total calls to the hotline. The "Consultants" component includes costs incurred by OCA in FY 2017 for outside professional services, including legal services, in connection with its administration of the PIPP program. Consultant costs that can be directly assigned to PIPP administration are so coded when they are entered into the state accounting system. However, where professional consulting services benefit more than one program, the costs are allocated between or among the programs based on an exercise of judgment, taking into account the funds available to the respective programs. "Mail Services" costs are the costs associated with mail opening, document imaging, and keying in information in connection with processing applications. OCA contracts these services out to third-party vendors. For accounting purposes, these costs are allocated to PIPP administration based on the number of PIPP applications received versus the total number of applications received. While the budgeted amount for this line item in 2017 was $1,400,000.00, the actual expense in FY 2017 was $826,269.29. This was largely due to a reduction in Temporary Staffing in FY 2017. The FY 2018 budgeted amount of $1,200,000 represents an increase in contracted costs from the mail imaging company. In addition, in FY 2018, additional costs will be incurred to develop an on-line energy assistance application. While there will be costs incurred in the development of an on-line energy assistance application, savings will be realized over time in that the services of a mail imaging company will no longer be needed.

Q. A line item in Exhibit RH-1 is titled Indirect Costs. What are Indirect Costs?

A. The Department of Energy ("DOE") approves the percentage of payroll that OCA pays to ODSA as a contribution to ODSA's general operating costs. This percentage of payroll is referred to as Indirect Costs. The specified payroll percentage for FY 2017 was 67.36 percent. However, applying this percentage to the PIPP-related payroll cost for FY 2016 will not produce the PIPP-related Indirect Costs actually incurred during FY 2016 because these payments are not made to ODSA until the quarter following the quarter in which the payroll costs are incurred. Accordingly, the $683,237.09 figure shown in Exhibit RH-1 represents the total payments for PIPP-related Indirect Costs actually made to ODSA during FY 2017 with reasonable adjustments made based on anticipated cost changes, and is not the product of applying the specified percentage to the OCA PIPP-related payroll costs incurred during that period.

The Development Services Agency is continually reviewing its processes and procedures to administer programs for Ohioans through sound metrics and accountability for taxpayers. Over the last year, through staff attrition we've looked to improve efficiencies while continuing to provide a high-level of customer service. Programmatic personnel expenses have decreased because we have increased our efficiency to support programs. This equates to fewer expenses to collect for the indirect cost pool.

Q. What costs are included in the Maintenance category?

A. The Maintenance category includes the cost of supplies, communications services, equipment such as computer hardware/software replacement or upgrade and maintenance, printing, communications, supplies, Ohio Shared Services processing fees, travel, computer software license renewal fees and the like necessary for OCA's day-to-day operations. The $335,964.84 shown in Exhibit RH-1 for this line item is the portion of OCA's total maintenance costs coded to PIPP administration during FY 2017 with reasonable adjustments made based on anticipated cost changes .

Q. What was the total cost actually incurred during FY 2016 in the OCA internal cost categories in connection with its administration of the PIPP program?

A. As shown in Exhibit RH-1 to my testimony, the total actual cost coded to PIPP administration in these internal OCA categories during FY 2017 was $3,091,401.54.

Q. Exhibit RH-1 also includes a line item entitled Local LIHEAP Providers Costs. What do these costs represent?

A. As ODSA explained in testimony in Case No. 10-725-EL-USF, OCA has grant agreements in place with 53 Local LIHEAP Providers, the vast majority of which are Community Action Agencies. These agreements represent a total cost of some $23 million. These agreements provide that the agencies will assume responsibility for essentially all customer intake, enrollment, reverification, and education activities relating to the PIPP and LIHEAP programs. Prior to FY 2011, OCA was able to utilize other sources of funding to meet its total contractual obligations to these agencies. However, subsequent reductions in the funding available through these other sources, particularly LIHEAP, forced OCA to rely on USF rider revenues to pay the portion of the total obligation that relates specifically to the enrollment, reverification, and educational activities associated with these programs. Thus, in Case No. 10-725-EL-USF, ODSA developed an alternative basis for determining an appropriate allowance for these electric PIPP-specific costs. OCA charged the state's natural gas utilities an $8 fee per application for re-verification of a customer's eligibility for the gas PIPP program, which was consistent with the fee charged by the third-party vendor that manages the low-income customer assistance programs offered by certain Ohio electric distribution utilities. Because electric PIPP customers also have to re-verify annually, ODSA multiplied the then-current number of electric PIPP households by $8 to produce the allowance for this item proposed in Case No. 10-725-EL-USF. ODSA used this same methodology in its

2011 through 2016 USF rider rate adjustment proceedings to identify the PIPP-related portion of the total agency obligation.

Q. Have you used this methodology again in this case?

A. I used a similar methodology to calculate the portion of the total agency contract obligation relating to the electric PIPP and LIHEAP activities described above. Multiplying the projected number of electric PIPP households in FY 2018 – 289,971 – by $8 produces an indicated FY 2017 cost of $2,319,768 for these activities. LIHEAP funding will be utilized to partially meet obligations. Thus, the $1,739,826 shown in Exhibit RH-1 to my testimony as the FY 2018 allocated expense for Local LIHEAP Providers Costs.

Q. You indicated that, under the approved methodology, the proposed allowance for administrative costs is to be based on costs actually incurred during the test period, subject to such adjustment(s), plus or minus, for reasonably anticipated post-test period cost changes as may be necessary to assure, to the extent possible, that the administrative cost component of the USF rider revenue requirement will reflect the administrative costs incurred during the collection year. Are you proposing any such adjustments in this case?

A. As I indicated, the costs shown in the FY 2017 Actual Expenses column in Exhibit RH-1 are the costs actually incurred by OCA in connection with PIPP administration during FY 2017, which is the twelve-month period ending June 30, 2017. However, if the administrative cost components of the USF rider rates established in this case are to reflect the costs that will be incurred during the period the new USF rider rates will be in effect, reasonably anticipated post-June 30, 2017 cost changes must be recognized. To accomplish this, I have relied on the OCA budget for PIPP-related costs for the state's 2017 fiscal year as the starting point for determining the proposed allowance for administrative costs in this case.

Q. Why is it appropriate to utilize the FY 2017 budget amount for PIPP administration as the starting point for the proposed allowance for OCA administrative costs for purposes of this case?

A. The goal in preparing the budget is to project, as accurately as possible, the cost OCA will incur for PIPP administration over the next year. This is the same goal we are trying to achieve in developing the allowance for administrative costs to be included in the USF rider revenue requirements in this case. The FY 2018 budget amount for PIPP administrative costs represents our best estimate of those costs, and, thus, is the appropriate starting point for establishing the administrative cost component of the USF rider revenue requirement. Although the FY 2018 budget amount for OCA's internal PIPP administration is higher than the actual FY 2017 total cost of its internal PIPP administration , there are some differences in certain of the underlying cost categories.

Q. How did OCA develop the FY 2018 budget for Payroll and Indirect Costs?

A. OCA has used the projected PIPP-related Payroll cost, $1,200,000. This is a decrease from the FY 2017 actual amount of $1,245,930.32. Therefore, as I previously explained, the Indirect Costs are tied to the Payroll cost, so the $808,320 FY 2017 budget amount for

Indirect Cost is simply the result of applying the projected FY 2017 DOE 67.36 percent contribution factor to the $1,200,000 budgeted for PIPP-related payroll.

Q. The FY 2018 budget amount of $550,000 for the Maintenance line item shown in Exhibit RH-1 is higher than the $335,964.84 in expenses actually incurred in this category in FY 2017. Is that the case?

A. Yes. In FY 2018, additional costs to the Maintenance line item will be incurred to develop an upgraded Interactive Voice Response (IVR) System for the Call Center. An enhanced IVR will realize a cost savings over time as new features will provide customers additional self-service options that will reduce staffing needs in the Call Center.

Q. What is the total amount of the OCA's FY 2018 budget for its internal PIPP-related administrative cost categories?

A. As shown in Exhibit RH-1, the total FY 2018 budget for these costs is $3,758,320 which is more than the $3,091,401.54 actually incurred in these categories in FY 2017

Q. Exhibit RH-1 indicates that OCA expects an increase in Local LIHEAP Providers Costs – $1,739,826 budgeted for FY 2018, versus $1,420,296 actually incurred in FY 2017. Please explain the reason for this increase.

A. As I previously explained, the Local LIHEAP Providers Costs listed in the FY 2017 actual expense column is the result of multiplying the average monthly number of active PIPP households during FY 2017 by an estimated cost of $8 per application and dividing the result to allocate the cost to LIHEAP. OCA used the projected number of PIPP households in FY 2018 and multiplied the resulting 289,971 households by $8, which produced an indicated FY 2018 agency obligation for the cost of customer intake, enrollment, reverification, and education activities relating to the PIPP and LIHEAP programs of $2,319,768.

How was the total allowance for PIPP-related administrative costs proposed in ODSA's application in this case determined?

A. As shown in Exhibit RH-1, the total proposed allowance of $5,498,146 is the sum of the FY 2018 budgeted amounts for the internal OCA cost categories and the estimate of the FY 2018 Local LIHEAP Providers contract costs attributable to electric PIPP-specific activities.

Q. Is the total allowance proposed in this case for OCA PIPP-related administrative costs the minimum amount necessary to support these administrative functions?

A. Yes. Exhibit RH-1 breaks down costs into two broad components: (1) OCA Internal Costs and (2) Local LIHEAP Provider Costs. While the FY 2018 Administrative Budget of $5,498,146 is higher than the FY 2017 $4,511,697.54 actual expenses, it's important to consider that the projected increases are due to increased support for the HEAP Local Providers, and one-time costs of the development of a more efficient IVR and on-line energy assistance application will realize cost savings to the USF Administrative Budget in the future.

Q. Does this conclude your testimony?

A. Yes. However, I reserve the right to supplement my testimony if ODSA submits and amended application in this case.

Exhibit RH-1

Ohio Development Services Agency
Division of Community Services Development
Office of Community Assistance

PIPP-Related Administrative Costs

OCA Internal Cost Category	FY 2017 Expenses	FY 2018 Proposed Administration Budget
Payroll	$1,245,930.32	$1,200,000.00
Temp Staff / Consultants / Mail Services	$826,269.29	$1,200,000.00
Indirect Cost	$683,237.09	$808,320.00
Maintenance	$335,964.84	$550,000.00
Subtotal	**3,091,401.54**	**$3,758,320.00**
Allocated Local LIHEAP Provider Costs (Enrollment, Reverification & Education)	$1,420,296.00	$1,739,826.00
Total	**$4,511,697.54**	**$5,498,146.00**

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Testimony of Randall Hunt* has been served upon the following parties by electronic mail this 31st day of October 2017.

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ODSA Ex 4

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 Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities.	: : : : : :	Case No. 17-1377-EL-USF

SUPPLEMENTAL TESTIMONY

OF

MEGAN MEADOWS

ON BEHALF OF
THE OHIO DEVELOPMENT SERVICES AGENCY

November 22, 2017

TESTIMONY OF MEGAN MEADOWS
On Behalf of The Ohio Development Services Agency

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Megan Meadows. My business address is Ohio Development Services Agency ("ODSA"), 77 South High Street, 26th Floor, Columbus, Ohio 43216-1001.

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

A. I am employed by ODSA in its Office of Community Assistance ("OCA") as Assistant Deputy Chief.

Q. Have you previously submitted written testimony on behalf of ODSA in this case?

A. Yes. My direct testimony in support of ODSA's original application was filed in this docket on October 31, 2017

Q. What is the purpose of your supplemental testimony?

A. The purpose of this supplemental testimony is to support the amended application which ODSA has filed in this proceeding. In this testimony, I discuss the reasons for the changes to the Universal Service Fund ("USF") rider revenue requirements and USF rider rates originally proposed for each electric distribution utility ("EDU") and sponsor the revised exhibits and workpapers that document these changes.

Q. Why has ODSA filed an amended application?

A. The approved test period for purposes of this case is calendar year 2017. Because actual 2017 data was only available through August 2017 at the time the original application was prepared, ODSA utilized data from September, October, November, and December

2016 as a surrogate for the corresponding months of the 2017 test period. However, ODSA reserved the right to update its calculations to incorporate additional actual data as it became available. ODSA now has EDU reported data for September 2017 and I have substituted that data for the September 2016 data used in the original test-period analysis.

Q. How does the inclusion of the additional month of actual data impact your revenue requirement analysis?

A. Substituting the actual numbers for September 2017 for the estimates used in the original analysis changes the test-period cost of electricity delivered to the EDUs' PIPP customers as well as the amount of the test-period USF rider collections that are offset against that cost to determine the test-period cost of PIPP. Although the primary impact is on the cost of PIPP, there are also changes to several other USF rider revenue requirement components that flow from substituting actual numbers from September 2017 for the September 2016 numbers used in my original analysis.

Q. How was the cost of PIPP component of each EDU's USF rider revenue requirement determined for purposes of the amended application?

A. The cost of PIPP 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 Plus customers during the test period, to the extent that payments exceed the amount of the installment payments billed over the same period. Substituting actual data from September 2017 for the September 2016 data used in the original analysis produces the revised test-period cost of PIPP Plus for each EDU shown in Exhibit A to the amended application. The supporting work papers are attached to my supplemental testimony as Exhibits MM1 through MM 7.

Q. **In your direct testimony, you discussed the need to adjust the test-period cost of PIPP to annualize the impact of Commission-approved changes to EDU tariff rates. Does the use of actual September 2017 data in your revised analysis also affect these adjustments?**

A. Yes. As I explained in my direct testimony, PIPP customer payments are based on fixed, specified percentages of the customer's income and are not tied to the cost of electricity the customer consumes. An increase in an EDU rate element widens the gap between the cost of electricity delivered to PIPP customers and the amount paid by PIPP customers, thereby increasing the cost of PIPP. By the same token, a decrease in an EDU tariff rate reduces the cost of PIPP. Thus, it is necessary to adjust the test-period cost of PIPP to account for the impact of these known changes in the underlying EDU tariff rates on the annual revenue requirement the new USF rider rates must be designed to generate during the 2018 collection period. In instances where the rate change is known, but will not occur until after the test period, the impact is annualized by multiplying the total cost of electricity delivered to the subject EDU' s PIPP customers during the test period by the net percentage increase or decrease in the EDU's rates resulting from the rate changes.

Replacing the September 2016 data with the actual September 2017 data changes the total test-period cost of electricity to which the percentage change is applied. In instances where the rate changes occurred during the test period, the cost of electricity delivered to PIPP customers in months prior to the rate change must be restated to recognize the impact of the rate change on the cost of PIPP. In this scenario, the adjustment is calculated by multiplying the cost of electricity for the months prior to the rate change by the net percentage increase or decrease. The availability of actual data for September 2017 eliminated the need to restate that data from the surrogate month of September 2016 in performing these adjustments.

Q. What effect did replacing the September 2016 data with actual data for September 2017 have on the adjustments for Commission-approved changes to EDU tariff rates?

A. Compared to the original application, Commission-approved adjustments to the tariffed rates caused the adjusted test-period cost of PIPP to decrease slightly for all of the EDUs: Ohio Power (OP),[1] Columbus Southern Power (CSP), Dayton Power & Light ("DP&L"), Duke Energy Ohio (Duke); The Cleveland Electric Illuminating Company ("CEI"), and Ohio Edison Company ("OE"), and The Toledo Edison Company ("TE"). The calculations of the related adjustments to the cost of PIPP for these EDUs are shown in A.1.a through A.1.d of the amended application. These adjustments are summarized in the third column of Exhibit A.1.

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[1] The AEP Ohio operating companies, Columbus Southern Power Company ("CSP") and Ohio Power Company ("OP") merged, effective December 31, 2011, with OP as the surviving entity. However, the former CSP customers continue to be subject to separate rate schedules, including a separate USF rider, as are the customers that were served by OP prior to the merger. For ease of reference, ODSA refers herein to CSP as if it were an EDU, but it is understood that these references actually relate to the CSP Rate Zone and that references to OP actually relate to the OP Rate Zone. The Commission confirmed the continued existence of the CSP and OP rate zones in its *NOI Order* issued October 28, 2015 in Case No. 15-1046-EL-USF.

Q. Does the use of the actual September 2017 data affect the adjustment to the cost of PIPP for the projected increase in enrollment during the 2018 collection period?

A. Yes, as explained in my direct testimony, this adjustment was calculated utilizing the annual PIPP enrollment for each EDU for the period 2012 through 2017. As shown in the second schedule in Exhibit A.2 to the amended application, the inclusion of the actual September 2017 enrollments produced a decreased average enrollment for all of the EDUs. The adjustments to the test-period cost of PIPP described above also affected the adjusted test-period cost of PIPP in Column B of the first schedule in exhibit A.2 and the average test-period cost of PIPP per customer shown in Column C of that schedule. Changing these inputs, but using the same methodology described in my direct testimony, produced the revised total adjusted cost of PIPP for each EDU shown in the final column (Column F) in Exhibit A.2.

Q. What was the overall effect on the adjusted test-period cost of PIPP of substituting actual September 2017 data for the September 2016 data, revising the adjustment due to rate changes for each of the EDUs and updating the adjustment for Projected 2017 PIPP enrollments?

A. A comparison of Exhibit A.2 to the original application with Exhibit A.2 to the amended application shows that the net impact of these changes was to decrease the indicated aggregate revenue requirement associated with the adjusted test-year cost of PIPP component from $228,281,693 to $215,573,095.

Q. You indicated that, although the primary impact of updating the USF rider revenue requirement analysis was on the cost of PIPP, other components were also affected by substituting actual numbers from September 2017 for the September 2016 numbers used in your original analysis. Please describe these other changes.

A. First, because the Electric Partnership Program ("EPP") costs are allocated based on each EDU's cost of PIPP relative to the total cost of PIPP, the changes to the respective cost of PIPP components produce changes in the EPP components as well. Second, the projected December 31, 2017 PIPP account balances for each EDU must also be recalculated to capture the impact of this additional actual data, resulting in changes in the adjustments necessary to synchronize the proposed riders with the EDU's PIPP USF account balances as of the riders' proposed effective date of January 1, 2018. Third, the substitution of the actual kWh sales for September 2017 for the September 2016 kWh sales figures used in the original calculations also affects the calculation of the allowance for undercollection.

Q. How was the EPP component of the USF rider revenue requirement determined for purposes of the amended application?

A. As in the original application, the total proposed allowance for EPP is the $14,946,196 approved by the Commission in its October 11, 2017 opinion and order in the NOI phase of this proceeding (the *"NOI Order")*. However, as noted above, the specific amount allocated to each EDU changes due to the change in its relative cost of

PIPP. The development of the allocation factors and the results of the allocation are shown in Exhibit B to the amended application.

Q. Has the administrative cost component of the USF rider revenue requirement changed for each of the EDUs as a result of substituting actual data from September 2017 for the September 2016 used in the original application?

A. Yes. Administrative costs are allocated among the EDUs based on the relative number of PIPP customers during the test-period month with the highest PIPP customer account totals. In the original application, September 2016 was the test-period month with the highest PIPP customer account totals. With the substitution of the September 2017 data, October 2016 is now the test period month with the highest PIPP customer account totals. The amount of the PIPP administrative cost did not change, but the average cost per PIPP customer increased due to the decrease in the number of customers on PIPP. This changed the allocation of the administrative cost to all EDUs as shown in Exhibit C to the amended application.

Q. What was the effect of substituting actual data for September 2016 on the projected December 31, 2017 account balance element of the USF rider revenue requirement?

A. As shown in Exhibit H of the amended application, ODSA projects account surpluses for all EDUs. ODSA now projects a consolidated USF surplus of $88,438,560 as compared to the surplus of $88,248,842 identified in the original application. The workpapers showing the calculations of the December 2017 USF account balances now projected for each EDU are attached to my supplemental testimony as Exhibits SMM-8 through SMM-14.

Q. Were changes made to the reserve component of the USF rider revenue target in preparing the amended application?

A. No, as explained in my initial testimony, ODSA determined that a reserve balance need not be included in the calculation of the USF rider rate in this proceeding because the EDUs' aggregate account balance was $88,248.842. Because the account balance in this amended application changes only slightly, to $88,438,560, ODSA reaffirms that a reserve balance need not be included in the USF rider rate calculation. The reserve components for each EDU are shown in Exhibit F to the amended application.

Q. You indicated that substituting actual kWh sales for September 2017 in calculating test-period sales, coupled with the changes in pro forma USF rider revenues, affects the undercollection component of the revenue requirement. What was the impact of these changes on the undercollection component?

A. As shown in Exhibit G to the amended application, the total allowance for undercollection is now $2,447,679 as compared to the $2,543,917 proposed in the original application. The workpapers supporting the revisions for each EDU are attached to my testimony as Exhibits MM-15 through MM-21.

Q. Does the amended application make any changes to the proposed PIPP Plus Program Audit costs?

A. No.

Q. Taking into account the various changes you have described, what are the results of your revised USF rider revenue requirement analysis?

A. The results of the revised USF rider revenue requirement analysis for each EDU are summarized in Exhibit I to the amended application. As shown in Table J of the amended application, the total revised revenue requirement is $150,073,225 as compared to $163,067,810 identified in the original application.

Q. How did you calculate the proposed USF rider rate for each EDU?

A. I applied the same Commission-approved rate design methodology described in my initial testimony, substituting actual September 2017 kWh sales for the September 2016 sales used in the original calculation. I began by dividing each EDU's indicated revenue requirement by its revised test-period sales to determine the per kWh rate that would be applicable if the EDU's revenue requirement were to be recovered through a uniform per kWh rate. The kWh sales figures for each EDU are shown in Exhibits MM-22 through MM-28. The per kWh rates that would apply if the respective EDU's revenue requirements were recovered through a uniform per kWh rate are shown in Exhibit J to the amended application.

Q. How did you convert the indicated uniform per kWh USF rider rate for each EDU into the two-tiered rates proposed in the amended application?

A. Under the Commission-approved methodology, the first block of the rate applies to all monthly consumption up to and including 833,000 kWh (i.e. one-twelfth of an annual consumption of 10,000,000 kWh), while the second block applies to all consumption above 833,000 kWh per month. The rate per kWh for the second block is set at the lower of the PIPP rider rate in effect in October 1999 or the per-kWh rate that would apply if the EDU's annual USF rider revenue requirement were to be recovered through a single block per-kWh rate, with the rate for the first black set at the level necessary to produce the remainder of the EDU's annual USF rider revenue requirement. In this case, this cap is in play for all the EDUs, except DPL, OE, and TE. The EDUs' proposed rider rates are shown in Table II of the amended application. The workpapers supporting the rate calculations are attached to my testimony as Exhibits MM-29 through MM-35. The final line item on each of these exhibits shows the annual cost impact on the average residential consumer resulting from the use of the declining block rate structure as opposed to a uniform rate per kWh. As in prior cases, I have included this analysis purely for informational purposes.

Q. How do the USF riders proposed in the amended application compare to the current USF riders?

A. Table II of the amended application compares the current and proposed rider rates. As indicated in Table I of the amended application, the revenues produced by the current USF riders of DPL, CEI, OE, and TE would exceed their indicated revenue targets, and the revenues produced by the current USF riders of CSP, OP and Duke would fall short of their indicated revenue targets. Thus, the rider rates for CSP, OP and Duke will increase, and the rider rates of DPL, CEI, OE and TE will decrease. In addition, only DPL and TE would have used a uniform rider rate under the original application; however, under the amended application, DPL, OE and TE will use the uniform rider for all customers because the uniform rider is lower than the 1999 rider rate.

Q. Will the USF rider adjustments proposed in the amended application produce the minimum amount of revenue necessary to serve the purposes for which the USF riders were created?

A. Yes, ODSA's goal is propose USF riders at the lowest possible level that will generate the revenues sufficient to fund the low-income customer assistance and consumer education programs and to cover the associated administrative costs. However, ODSA continues to believe that the USF riders must be reviewed no less frequently than annually to assure, to the extent possible, that these riders will generate the necessary level of revenues, but no more than that level.

Q. Doe this conclude your supplemental testimony?

A. Yes; however, I reserve the right to amend or supplement my testimony.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Supplemental Testimony of Megan Meadows* has been served upon the following parties by first class mail, postage prepaid, or electronic mail this 22nd day of November 2017.

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Universal Service Fund
Current Rider Mechanism
Cost of PIPP

American Electric Power - Columbus Southern Power

		10/2016	11/2016	12/2016	1/2017	2/2017	3/2017	4/2017	5/2017	6/2017	7/2017	8/2017	9/2017	Total
A.														
	1. USF Rider Collected on All Customers	$7,633,917.50	$6,651,734.80	$8,176,391.94	$296,138.37	$198,542.61	$203,201.24	$179,736.03	$174,006.65	$219,467.54	$236,359.55	$255,372.32	$223,567.80	$24,448,436.55
	2. Non-USF Rider Funds													
	a. Customer Payments	$3,547,054.36	$3,271,109.47	$3,107,411.72	$3,179,442.53	$3,344,361.12	$3,600,722.51	$2,948,276.55	$3,347,834.64	$2,594,357.21	$2,110,027.25	$2,810,202.85	$2,845,699.46	$36,706,499.87
	b. Other Customer Payments	$1,460,539.67	$1,334,918.29	$1,234,752.79	$1,511,123.80	$1,745,452.93	$1,806,317.42	$1,514,977.21	$1,778,440.39	$1,486,263.93	$1,361,788.20	$1,598,909.26	$1,454,014.95	$18,287,498.84
	c. Agency Payments	$3,052 19	$75,319.40	$273,285.00	$1,099,148.77	$965,584.34	$648,061.50	$412,647.48	$133,398.15	$119,601.00	$135,151.80	$157,570.77	$57,022.76	$4,079,843.15
	3. Total Payments	$5,010,646 22	$4,681,347.16	$4,615,449.51	$5,789,715.10	$6,055,398.39	$6,055,101.43	$4,875,901.24	$5,259,673.18	$4,200,222.14	$3,606,967.25	$4,566,682.88	$4,356,737 17	$59,073,841.67
	4. Payments Applied to Arrearages	$188,482.61	$143,371.73	$147,066.58	$1,663,645.26	$1,480,204.58	$784,343.03	$495,465.93	$340,700.19	$542,709.26	$338,430.34	$181,976.51	$147,486.15	$6,453,902.17
	5. Total Amount of Remittance	$7 822,400 11	$6,795,106.53	$8,323,458.52	$1,959,783.63	$1,678,747.19	$987,544.27	$675,221.96	$514,707.04	$762,176.80	$574,789.89	$437,348.83	$371,053.95	$30,902,338.72
B.	OCS Admin	$74,964.14	$65,319.22	$80,291.17	$0.00	$1,030,357.39	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,250,931.92
C.	EPP/TEE Program	$235,786.67	$205,450.27	$252,541.93	$0.00	$2,814,369.73	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$3,508,148.60
D.	Available Balance (A4-B-C)	$7,511,649.30	$6,524,337.04	$7,990,625.42	$1,959,783.63	($2,165,979.93)	$987,544.27	$675,221.96	$514,707.04	$762,176.80	$574,789 89	$437,348.83	$371,053.95	$26,143,258.19
E.	Total Costs	$6,931,965.27	$6,465,900.73	$9,611,026.92	$10,546,564.37	$8,742,193.96	$8,278,691.85	$6,733,662.18	$5,477,224.00	$5,985,140.78	$6,678,137 74	$6,755,168.90	$8,050,944.57	$88,256,621.27
F.	Active PIPP and Grad PIPP Bill	$3,607,662.00	$3,546,336.01	$3,400,834.72	$3,371,437.77	$3,373,105.79	$3,547,866 93	$3,446,777 82	$3,367,613.28	$3,317,891 00	$3,313,114 23	$3,328,251.95	$3,183,373.63	$40,806,265.13
G.	Reimbursement Due	$3,324,303.27	$2,917,564.72	$6,210,192.20	$7,175,126.60	$5,369,088.17	$4,730,824.92	$3,286,884.36	$2,109,610.72	$2,667,249.78	$3,365,023.51	$3,426,916.95	$2,867,570.94	$47,450,356.14
H.	Surplus/Deficit (D-G)	$4,187,346.03	$3,606,772.32	$1,780,433.22	($5,215,342 97)	($7,535,068.10)	($3,743,280.65)	($2,611,662.40)	($1,594,903.68)	($1,905,072.98)	($2,790,233.62)	($2,989,568.12)	($2,496,516.99)	($21,307,097.95)
I.	Cost to USF	$3,135,820 66	$2,774,192.99	$6,083,125.62	$5,511,461.34	$3,888,883.59	$3,946 481.89	$2,791,398.43	$1,766,910.53	$2,124,540.52	$3,026,593.17	$3,244,940.44	$2,720,064.79	$40,996,453.97

Cost of PIPP:	$40,996,454
Adjustment Test-Period Cost of PIPP.	$3,536,596
Enrollment Adjustment Test-Period Cost of PIPP	$670,325
Total Adjusted Cost of PIPP.	$45,203,375

Universal Service Fund
Current Rider Mechanism
Cost of PIPP

			10/2016	11/2016	12/2016	1/2017	2/2017	3/2017	4/2017	5/2017	6/2017	7/2017	8/2017	9/2017	Total
American Electric Power - Ohio Power	A.	1. USF Rider Collected on All Customers	$7,889,918.43	$7,340,373.27	$9,002,021.70	$1,814,342.83	$1,571,926.28	$1,476,003.95	$1,329,305.19	$1,287,731.39	$1,458,621.22	$1,574,076.92	$1,608,467.54	$1,463,622.07	$37,816,410.79
		2. Non-USF Rider Funds													
		a. Customer Payments	$4,456,271.07	$4,126,417.40	$3,904,350.88	$4,095,762.09	$4,382,501.57	$4,806,949.16	$3,790,688.15	$4,282,818.11	$3,316,506.41	$2,723,405.66	$3,634,525.93	$3,749,534.56	$47,069,726.99
		b. Other Customer Payments	$1,775,342.22	$1,563,809.98	$1,439,661.09	$1,876,888.16	$2,250,514.62	$2,268,720.80	$1,827,003.56	$2,189,265.22	$1,863,317.33	$1,661,776.75	$1,966,611.46	$1,828,666.87	$22,511,578.06
		c. Agency Payments	$7,078.68	$122,738.29	$344,489.63	$1,431,215.18	$1,328,113.16	$692,391.57	$497,355.75	$138,107.80	$154,568.18	$154,996.43	$145,051.64	$55,327.77	$5,071,434.08
		3. Total Payments	$6,238,691.97	$5,812,965.67	$5,688,501.60	$7,403,865.43	$7,961,129.35	$7,568,061.53	$6,115,047.46	$6,610,189.13	$5,334,391.92	$4,540,178.84	$5,746,189.03	$5,633,529.20	$74,652,741.13
		4. Payments Applied to Arrearages	$210,014.10	$151,204.43	$168,851.75	$2,160,039.79	$1,966,138.22	$981,824.97	$638,551.12	$430,264.83	$748,730.22	$452,681.50	$241,489.46	$162,035.69	$8,311,826.08
		5. Total Amount of Remittance	$8,099,932.53	$7,491,677.70	$9,170,873.45	$3,974,382.62	$3,538,064.50	$2,457,828.92	$1,967,856.31	$1,717,996.22	$2,207,351.44	$2,026,758.42	$1,849,957.00	$1,625,657.76	$46,128,236.87
	B.	OCS Admin	$79,620.48	$74,074.79	$90,943.18	$0.00	$1,177,347.36	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,421,885.81
	C.	EPP/TEE Program	$313,161.31	$291,349.13	$357,302.16	$0.00	$3,741,180.25	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$4,702,992.85
	D.	Available Balance (A4-B-C)	$7,707,150.74	$7,126,153.78	$8,722,728.11	$3,974,382.62	($1,380,463.11)	$2,457,828.92	$1,967,856.31	$1,717,996.22	$2,207,351.44	$2,026,758.42	$1,849,957.00	$1,625,657.76	$40,003,358.21
	E.	Total Costs	$8,547,782.81	$8,599,776.12	$13,326,166.54	$14,955,270.76	$12,405,314.27	$10,873,423.67	$9,249,240.02	$7,163,766.00	$7,444,596.13	$8,241,920.40	$8,334,172.50	$7,435,019.74	$116,576,448.96
	F.	Active PIPP and Grad PIPP Bill	$4,589,838.65	$4,541,777.32	$4,372,283.78	$4,351,704.93	$4,368,505.35	$4,478,764.35	$4,375,852.71	$4,272,289.86	$4,231,681.93	$4,220,120.26	$4,240,836.75	$4,196,388.79	$52,240,044.68
	G.	Reimbursement Due	$3,957,944.16	$4,057,998.80	$8,953,882.76	$10,603,565.83	$8,036,808.92	$6,394,859.32	$4,873,387.31	$2,891,476.14	$3,212,914.20	$4,021,800.14	$4,093,335.75	$3,238,630.95	$64,336,404.28
	H.	Surplus/Deficit (D-G)	$3,749,206.58	$3,068,154.98	($231,154.65)	($6,629,183.21)	($9,417,272.03)	($3,936,830.40)	($2,905,531.00)	($1,173,479.92)	($1,005,562.76)	($1,995,041.72)	($2,243,378.75)	($1,612,973.19)	($24,333,046.07)
	I.	Cost to USF	$3,747,930.06	$3,906,794.37	$6,785,031.01	$8,443,526.04	$6,070,870.70	$5,412,834.35	$4,234,836.19	$2,461,211.31	$2,464,183.98	$3,569,118.64	$3,851,846.29	$3,076,595.26	$56,024,578.20

Cost of PIPP:	$56,024,578
Adjustment Test-Period Cost of PIPP:	$3,693,833
Enrollment Adjustment Test-Period Cost of PIPP:	$1,523,175
Total Adjusted Cost of PIPP:	$61,241,586

Universal Service Fund

Current Rider Mechanism

Cost of PIPP

Dayton Power and Light Company

		10/2016	11/2016	12/2016	1/2017	2/2017	3/2017	4/2017	5/2017	6/2017	7/2017	8/2017	9/2017	Total
A.														
	1. USF Rider Collected on All Customers	$2,411,399.23	$2,195,295.17	$2,513,853.17	$966,399.86	$651,044.00	$815,475.99	$752,175.41	$710,569.61	$859,554.54	$884,446.36	$936,408.54	$859,455.30	$14,756,097.18
	2. Non-USF Rider Funds													
	a. Customer Payments	$1,963,132.45	$1,737,834.34	$1,607,956.33	$1,880,763.34	$1,898,471.59	$1,960,628.98	$1,646,310.00	$1,824,087.65	$1,667,289.00	$1,673,635.16	$1,880,734.71	$1,575,574.03	$21,116,417.58
	b. Other Customer Payments	$494,861.82	$385,355.46	$382,839.55	$480,536.09	$499,924.81	$470,550.92	$399,256.81	$492,157.70	$480,665.31	$455,141.62	$407,749.10	$326,482.81	$5,275,521.80
	c. Agency Payments	$51,727.02	$119,328.96	$117,612.86	$578,655.80	$413,545.16	$158,596.76	$82,235.39	$137,971.37	$122,280.30	$77,904.91	$76,381.06	$68,828.74	$2,005,068.13
	3. Total Payments	$2,509,721.29	$2,242,518.76	$2,108,408.54	$2,939,955.23	$2,811,941.56	$2,589,776.66	$2,127,802.00	$2,454,216.72	$2,270,234.61	$2,206,681.69	$2,164,864.87	$1,970,885.58	$28,397,007.51
	4. Payments Applied to Arrearages	$336,896.60	$309,886.15	$296,079.61	$402,981.60	$467,241.60	$675,521.94	$461,864.26	$397,227.71	$412,885.55	$377,528.64	$331,803.33	$369,815.74	$4,839,832.73
	5. Total Amount of Remittance	$2,748,295.83	$2,505,181.32	$2,809,932.78	$1,369,381.46	$1,318,285.60	$1,490,997.93	$1,214,039.67	$1,107,817.32	$1,272,440.09	$1,262,075.00	$1,268,211.87	$1,229,271.04	$19,595,929.91
B.	OCS Admin	$39,474.12	$35,936.54	$41,151.27	$0.00	$585,498.32	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$703,060.26
C.	EPP/TEE Program	$107,864.10	$98,197.56	$112,446.95	$0.00	$1,308,178.39	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,626,687.01
D.	Available Balance (A4-B-C)	$2,600,957.61	$2,371,047.21	$2,656,334.55	$1,369,381.46	($576,391.11)	$1,490,997.93	$1,214,039.67	$1,107,817.32	$1,272,440.09	$1,262,075.00	$1,268,211.87	$1,229,271.04	$17,266,182.65
E.	Total Costs	$3,014,732.59	$2,761,881.09	$2,609,289.74	$4,506,688.23	$3,790,909.46	$3,686,515.82	$3,025,189.20	$2,546,732.41	$2,881,585.34	$2,937,270.03	$3,076,697.95	$2,644,828.39	$37,504,320.25
F.	Active PIPP and Grad PIPP Bill	$1,887,467.65	$1,824,494.24	$1,755,934.55	$1,770,709.98	$1,779,306.05	$1,805,336.86	$1,750,269.90	$1,700,007.60	$1,662,274.78	$1,650,532.26	$1,631,360.86	$1,610,924.27	$20,828,619.00
G.	Reimbursement Due	$1,127,264.94	$957,386.85	$853,355.19	$2,735,978.25	$2,011,603.41	$1,881,178.96	$1,274,919.30	$848,724.81	$1,219,310.56	$1,286,737.77	$1,445,337.09	$1,033,904.12	$16,675,701.25
H.	Surplus/Deficit (D-G)	$1,473,692.67	$1,413,660.36	$1,802,979.36	($1,366,596.79)	($2,587,994.52)	($390,181.03)	($60,879.63)	$259,092.51	$53,129.53	($24,662.77)	($177,125.22)	$195,366.92	$590,481.40
I.	Cost to USF	$790,368.34	$647,500.70	$557,275.58	$2,332,996.65	$1,544,361.81	$1,205,657.02	$813,055.04	$451,497.10	$606,425.01	$909,109.13	$1,113,533.76	$664,068.38	$11,835,868.52

Cost of PIPP:	$11,835,869
Adjustment Test-Period Cost of PIPP:	$827,009
Enrollment Adjustment Test-Period Cost of PIPP:	($74,286.05)
Total Adjusted Cost of PIPP:	$12,588,591

Universal Service Fund

Current Rider Mechanism

Cost of PIPP

			10/2016	11/2016	12/2016	1/2017	2/2017	3/2017	4/2017	5/2017	6/2017	7/2017	8/2017	9/2017	Total
Duke Energy	A.														
		1. USF Rider Collected on All Customers	$1,556,636.12	$1,763,902.12	$1,699,779.22	$597,408.02	$498,010.58	$461,450.85	$459,010.17	$467,155.64	$521,129.47	$580,719.09	$571,963.89	$520,275.02	$9,743,440.19
		2. Non-USF Rider Funds													
		a. Customer Payments	$1,334,888.58	$1,234,907.04	$1,186,208.55	$1,307,371.51	$1,330,004.88	$1,385,172.36	$1,123,443.35	$1,252,639.64	$1,170,496.47	$1,233,928.98	$1,274,260.38	$1,149,349.50	$14,982,651.22
		b. Other Customer Payments	$186,347.54	$240,160.55	$189,710.72	$189,055.54	$210,778.73	$232,810.28	$191,344.51	$245,943.89	$211,411.62	$210,750.97	$207,318.80	$183,074.19	$2,498,707.34
		c. Agency Payments	$11,417.82	$36,926.24	$38,651.39	$329,294.81	$475,196.35	$245,183.05	$80,005.92	$75,438.33	$74,389.02	$40,587.52	$19,863.53	$14,201.30	$1,441,155.28
		3. Total Payments	$1,532,633.92	$1,511,993.83	$1,414,570.66	$1,825,721.86	$2,015,979.96	$1,863,165.69	$1,394,793.78	$1,574,021.86	$1,456,297.11	$1,465,267.47	$1,501,442.71	$1,346,624.99	$18,922,513.84
		4. Payments Applied to Arrearages	*$223,762.98*	*$210,648.86*	*$226,169.29*	*$544,102.67*	*$656,602.51*	*$479,282.14*	*$251,196.91*	*$302,993.61*	*$312,949.65*	*$367,992.18*	*$288,132.01*	*$229,363.72*	*$4,092,416.73*
		5. Total Amount of Remittance	$1,777,419.10	$1,994,750.98	$1,925,948.51	$1,141,510.89	$1,156,613.09	$960,732.99	$710,207.08	$770,149.25	$834,079.12	$948,711.27	$860,095.90	$755,638.74	$13,835,856.92
	B.	OCS Admin	$30,754.36	$35,244.45	$33,562.43	$0.00	$447,869.90	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$547,451.14
	C.	EPP/TEE Program	$73,961.39	$84,759.61	$80,762.63	$0.00	$933,882.85	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,173,366.48
	D.	Available Balance (A4-B-C)	$1,672,703.35	$1,874,748.92	$1,811,603.44	$1,141,510.89	($225,139.66)	$960,732.99	$710,207.08	$770,149.25	$834,079.12	$948,711.27	$860,095.90	$755,638.74	$12,115,039.29
	E.	Total Costs	$2,769,477.88	$2,564,788.49	$3,293,928.94	$3,828,246.57	$3,177,810.92	$3,074,962.31	$2,648,939.09	$2,390,833.12	$2,680,374.67	$3,283,472.89	$3,127,389.36	$2,749,667.08	$35,589,891.32
	F.	Active PIPP and Grad PIPP Bill	$1,474,408.65	$1,475,290.90	$1,473,585.18	$1,508,292.33	$1,480,591.52	$1,529,664.85	$1,455,218.63	$1,402,282.36	$1,365,670.91	$1,369,193.69	$1,383,776.59	$1,345,422.76	$17,243,398.37
	G.	Reimbursement Due	$1,295,069.23	$1,089,497.59	$1,820,343.76	$2,319,954.24	$1,697,219.40	$1,545,297.46	$1,193,720.46	$988,550.76	$1,314,703.76	$1,914,279.20	$1,763,612.77	$1,404,244.32	$18,346,492.95
	H.	Surplus/Deficit (D-G)	$377,634.12	$785,249.33	($8,740.32)	($1,178,443.35)	($1,922,359.06)	($584,564.47)	($483,513.38)	($218,401.51)	($480,624.64)	($965,567.93)	($903,516.87)	($648,605.58)	($6,231,453.66)
	I.	Cost to USF	$1,074,286.25	$878,646.73	$1,594,174.47	$1,775,851.37	$1,038,616.89	$1,068,015.32	$942,523.55	$885,557.15	$1,001,754.11	$1,546,287.02	$1,475,480.76	$1,174,880.60	$14,254,076.22

Cost of PIPP:	$14,254,076
Adjustment Test-Period Cost of PIPP:	($117,917)
Enrollment Adjustment Test-Period Cost of PIPP:	($851,137)
Total Adjusted Cost of PIPP:	$13,285,023

MM-4

Universal Service Fund

Current Rider Mechanism

Cost of PIPP

			10/2016	11/2016	12/2016	1/2017	2/2017	3/2017	4/2017	5/2017	6/2017	7/2017	8/2017	9/2017	Total
Cleveland Electric Illuminating Company	A.														
		1. USF Rider Collected on All Customers	$5,241,148.50	$4,754,084.25	$5,201,870.65	$2,186,649.62	$1,448,093.49	$1,409,378.26	$1,355,301.60	$1,298,048.77	$1,375,234.35	$1,531,415.17	$1,595,746.57	$1,430,369.39	$28,827,340.62
		2. Non-USF Rider Funds													
		a. Customer Payments	$2,098,050.71	$1,888,415.18	$1,725,603.36	$1,761,525.62	$1,885,977.28	$2,141,987.07	$1,863,769.92	$1,935,215.63	$1,865,993.32	$1,782,457.08	$1,914,399.35	$1,820,421.75	$22,683,816.27
		b. Other Customer Payments	$1,089,981.20	$898,104.56	$788,375.67	$899,771.64	$1,094,349.23	$1,083,055.58	$821,166.70	$954,218.17	$998,698.97	$985,995.08	$1,064,080.46	$906,817.95	$11,587,214.23
		c. Agency Payments	$1,180.89	$191,932.53	$205,742.52	$798,073.44	$274,732.85	$417,520.48	$190,280.23	$50,418.55	$33,351.74	$38,614.65	$13,681.18	$4,267.67	$2,219,796.73
		3. Total Payments	$3,189,212.80	$2,978,452.29	$2,720,321.55	$3,459,370.70	$3,255,058.36	$3,642,563.13	$2,875,216.85	$2,939,852.35	$2,898,044.03	$2,807,066.81	$2,992,160.99	$2,733,507.37	$36,490,827.23
		4. Payments Applied to Arrearages	$207,688.50	$155,412.94	$144,444.89	$462,832.70	$213,713.40	$238,912.02	$203,523.79	$238,584.42	$233,461.99	$231,510.93	$214,552.54	$191,516.14	$2,736,174.26
		5. Total Amount of Remittance	$5,448,837.00	$4,909,497.19	$5,346,315.54	$2,649,482.32	$1,661,806.89	$1,648,290.28	$1,558,825.59	$1,536,633.19	$1,608,716.34	$1,762,926.10	$1,810,299.11	$1,621,885.53	$31,563,516.08
	B.	OCS Admin	$67,003.38	$60,778.70	$66,501.25	$0.00	$921,181.35	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,115,462.69
	C.	EPP/TEE Program	$144,159.02	$130,762.20	$143,078.87	$0.00	$2,063,726.03	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$2,481,725.92
	D.	Available Balance (A4-B-C)	$5,237,674.60	$4,717,958.29	$5,136,735.62	$2,649,482.32	($1,323,100.49)	$1,648,290.28	$1,558,825.59	$1,536,633.19	$1,608,716.34	$1,762,926.10	$1,810,299.11	$1,621,885.53	$27,966,326.48
	E.	Total Costs	$4,454,945.94	$4,273,565.36	$4,595,513.61	$5,376,266.43	$4,979,605.54	$4,870,999.73	$4,484,241.78	$3,807,768.53	$4,009,630.61	$4,508,429.42	$4,716,423.63	$4,302,118.58	$64,379,509.16
	F.	Active PIPP and Grad PIPP Bill	$2,285,155.54	$2,232,624.48	$2,122,408.51	$2,090,992.64	$2,078,889.44	$2,120,550.58	$2,107,306.69	$2,055,818.47	$2,034,179.61	$1,986,542.86	$1,983,926.00	$1,971,362.68	$25,069,757.50
	G.	Reimbursement Due	$2,169,790.40	$2,040,940.88	$2,473,105.10	$3,285,273.79	$2,900,716.10	$2,750,449.15	$2,376,935.09	$1,751,950.06	$1,975,451.00	$2,521,886.56	$2,732,497.63	$2,330,755.90	$29,309,751.66
	H.	Surplus/Deficit (D-G)	$3,067,884.20	$2,677,017.41	$2,663,630.52	($635,791.47)	($4,223,816.59)	($1,102,158.87)	($818,109.50)	($215,316.87)	($366,734.66)	($758,960.46)	($922,198.52)	($708,870.37)	($1,343,425.18)
	I.	Cost to USF	$1,962,101.90	$1,885,527.94	$2,328,660.21	$2,822,441.09	$2,687,002.70	$2,511,537.13	$2,173,411.30	$1,513,365.64	$1,741,969.01	$2,290,375.63	$2,517,945.09	$2,139,239.76	$26,573,577.40

Cost of PIPP:	$26,573,557
Adjustment Test-Period Cost of PIPP:	$1,367,115
Enrollment Adjustment Test-Period Cost of PIPP:	($61,820)
Total Adjusted Cost of PIPP:	$27,878,852

MM-5

Universal Service Fund

Current Rider Mechanism

Cost of PIPP

Ohio Edison

		10/2016	11/2016	12/2016	1/2017	2/2017	3/2017	4/2017	5/2017	6/2017	7/2017	8/2017	9/2017	Total
A.														
	1. USF Rider Collected on All Customers	$8,360,870.99	$7,573,459.65	$8,669,296.38	$3,761,390.69	$2,737,813.99	$2,635,442.47	$2,480,051.00	$2,380,209.36	$2,582,372.64	$2,857,515.72	$2,909,598.05	$2,642,723.10	$49,630,744.24
	2. Non-USF Rider Funds													
	a. Customer Payments	$3,540,106.09	$3,214,095.20	$2,814,627.47	$3,014,495.57	$3,197,771.09	$3,444,880.37	$3,097,674.93	$3,293,961.44	$3,153,589.61	$3,079,797.99	$3,321,136.85	$3,106,199.05	$38,278,335.68
	b. Other Customer Payments	$1,717,437.73	$1,482,752.08	$1,268,347.62	$1,507,189.21	$1,699,116.00	$1,581,292.13	$1,266,159.63	$1,506,619.23	$1,508,924.81	$1,499,724.65	$1,683,424.46	$1,470,975.06	$18,191,962.61
	c. Agency Payments	$2,147.04	$267,607.71	$321,939.15	$1,349,713.56	$578,935.06	$897,526.86	$277,262.72	$84,089.86	$60,991.24	$60,599.79	$22,301.70	$7,523.89	$3,930,638.58
	3. Total Payments	$5,259,690.86	$4,964,454.99	$4,404,914.24	$5,871,398.34	$5,475,822.15	$5,923,699.36	$4,641,097.28	$4,884,670.53	$4,723,505.66	$4,640,122.43	$5,026,863.01	$4,584,698.00	$60,400,936.85
	4. Payments Applied to Arrearages	$302,568.77	$244,460.50	$244,512.59	$885,482.16	$426,452.97	$385,414.00	$345,583.09	$363,422.30	$383,235.76	$345,061.79	$330,582.35	$292,696.86	$4,529,473.16
	5. Total Amount of Remittance	$8,663,439.76	$7,817,920.35	$8,913,808.97	$4,626,872.85	$3,164,266.96	$3,020,856.47	$2,825,634.09	$2,743,631.66	$2,965,608.42	$3,242,577.51	$3,240,180.40	$2,935,419.96	$54,180,217.40
B.	OCS Admin	$87,140.81	$78,934.06	$90,355.36	$0.00	$1,255,507.48	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,511,937.71
C.	*EPP/TEE Program*	$207,000.26	$187,505.36	$214,636.32	$0.00	$3,060,009.43	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$3,669,151.37
D.	Available Balance (A4-B-C)	$8,369,298.69	$7,551,480.93	$8,608,817.28	$4,626,872.85	($1,151,249.95)	$3,020,856.47	$2,825,634.09	$2,743,631.66	$2,965,608.42	$3,242,577.51	$3,240,180.40	$2,935,419.96	$48,979,128.31
E.	Total Costs	$6,793,698.50	$6,606,202.40	$7,635,148.23	$8,601,151.95	$8,046,397.50	$8,094,273.95	$7,017,559.44	$6,013,810.19	$6,441,670.96	$7,503,070.93	$7,731,808.53	$6,722,126.40	$87,205,918.97
F.	Active PIPP and Grad PIPP Bill	$3,635,646.00	$3,550,909.00	$3,387,527.90	$3,319,966.99	$3,325,036.71	$3,433,608.22	$3,417,621.81	$3,345,602.61	$3,326,519.12	$3,256,099.63	$3,260,295.05	$3,251,075.99	$40,509,909.03
G.	Reimbursement Due	$3,158,052.50	$3,054,293.40	$4,247,620.33	$5,281,184.96	$4,721,360.79	$4,660,665.73	$3,599,937.63	$2,668,207.58	$3,115,151.83	$4,246,971.30	$4,471,513.48	$3,471,050.41	$46,696,009.94
H.	Surplus/Deficit (D-G)	$5,211,246.19	$4,497,187.53	$4,361,196.95	($654,312.11)	($5,872,610.74)	($1,639,809.26)	($774,303.54)	$75,424.08	($149,543.41)	($1,004,393.79)	($1,231,333.08)	($535,630.45)	$2,283,118.37
I.	Cost to USF	$2,855,483.73	$2,809,832.90	$4,003,107.74	$4,415,702.80	$4,294,907.82	$4,275,251.73	$3,254,354.54	$2,304,785.28	$2,731,916.05	$3,901,909.51	$4,140,931.13	$3,176,353.55	$42,166,536.78

Cost of PIPP:	$42,166,537
Adjustment Test-Period Cost of PIPP:	$1,498,328
Enrollment Adjustment Test-Period Cost of PIPP:	($1,220,393)
Total Adjusted Cost of PIPP:	$42,444,472

Universal Service Fund

Current Rider Mechanism

Cost of PIPP

			10/2016	11/2016	12/2016	1/2017	2/2017	3/2017	4/2017	5/2017	6/2017	7/2017	8/2017	9/2017	Total
Toledo Edison/First Energy	A.														
		1. USF Rider Collected on All Customers	$3,665,165.35	$3,227,206.96	$3,788,566.01	$1,071,054.56	$402,825.15	$374,775.77	$401,170.24	$355,446.96	$382,218.18	$420,495.46	$436,657.76	$403,085.80	$14,926,668.22
		2. Non-USF Rider Funds													
		a. Customer Payments	$1,073,331.40	$976,191.33	$830,596.72	$885,349.88	$943,405.35	$1,050,245.31	$919,739.29	$989,976.74	$944,014.64	$945,713.74	$1,000,502.19	$929,795.46	$11,488,862.07
		b. Other Customer Payments	$560,573.62	$499,355.01	$418,429.48	$521,164.69	$617,072.76	$564,434.13	$445,892.97	$484,518.72	$468,910.69	$461,494.02	$552,515.46	$466,696.43	$6,061,057.98
		c. Agency Payments	$506.00	$66,164.62	$80,105.02	$493,173.63	$153,110.19	$252,901.55	$96,778.30	$37,479.95	$28,527.86	$25,796.78	$8,624.53	$2,791.28	$1,245,959.71
		3. Total Payments	$1,634,411.02	$1,541,710.96	$1,329,131.22	$1,899,688.20	$1,713,588.30	$1,867,580.99	$1,462,410.56	$1,511,975.41	$1,441,453.19	$1,433,004.54	$1,561,642.18	$1,399,283.19	$18,795,879.76
		4. Payments Applied to Arrearages	$128,337.66	$102,740.41	$83,100.53	$322,938.51	$154,135.17	$151,673.10	$131,990.37	$145,303.64	$126,458.02	$127,137.37	$148,654.17	$106,254.07	$1,728,723.02
		5. Total Amount of Remittance	$3,793,503.01	$3,329,947.37	$3,871,666.54	$1,393,993.09	$556,960.32	$526,448.87	$533,160.61	$500,750.60	$508,676.20	$547,632.83	$585,311.93	$509,339.87	$16,657,391.24
	B.	OCS Admin	$31,140.39	$27,419.36	$32,188.84	$0.00	$395,474.23	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$486,222.83
	C.	EPP/TEE Program	$78,494.41	$69,114.95	$81,137.20	$0.00	$1,024,849.33	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,253,595.88
	D.	Available Balance (A4-B-C)	$3,683,868.21	$3,233,413.06	$3,758,340.50	$1,393,993.09	($863,363.24)	$526,448.87	$533,160.61	$500,750.60	$508,676.20	$547,632.83	$585,311.93	$509,339.87	$14,917,572.53
	E.	Total Costs	$2,226,905.36	$2,038,459.06	$2,493,165.73	$2,647,240.81	$2,431,838.37	$2,532,120.86	$2,262,373.33	$1,924,560.42	$2,007,817.80	$2,356,740.31	$2,435,043.93	$2,073,237.64	$27,429,503.62
	F.	Active PIPP and Grad PIPP Bill	$1,137,135.93	$1,110,430.43	$1,046,834.41	$1,006,523.42	$1,005,724.41	$1,035,678.38	$1,046,181.18	$1,036,355.84	$1,026,632.45	$1,010,917.30	$1,013,470.98	$1,007,483.88	$12,483,368.61
	G.	Reimbursement Due	$1,089,769.43	$928,028.63	$1,446,331.32	$1,640,717.39	$1,426,113.96	$1,496,442.48	$1,216,192.15	$888,204.58	$981,185.35	$1,345,823.01	$1,421,572.95	$1,065,753.76	$14,946,135.01
	H.	Surplus/Deficit (D-G)	$2,594,098.78	$2,305,384.43	$2,312,009.18	($246,724.30)	($2,289,477.20)	($969,993.61)	($683,031.54)	($387,453.98)	($472,509.15)	($798,190.18)	($836,261.02)	($556,413.89)	($28,562.48)
	I.	Cost to USF	$961,431.77	$825,288.22	$1,363,230.75	$1,317,776.88	$1,271,978.79	$1,344,769.36	$1,084,201.78	$742,900.94	$854,727.33	$1,218,685.64	$1,272,918.78	$959,499.69	$13,217,411.99

Cost of PIPP:	$13,217,411.99
Adjustment Test-Period Cost of PIPP:	$463,135.02
Enrollment Adjustment Test-Period Cost of PIPP:	($749,370.90)
Total Adjusted Cost of PIPP:	$12,931,176.11

Universal Service Fund
Projection of December 31, 2017 Balance
Jan 2017 - Dec 2017
Columbus Southern Power

For Monthly Billing Cycle Ending:	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
A. Remittance (Form USF-301-00)													
II a. USF Rider Collected on All Customers	$296,138.37	$198,542.61	$203,201.24	$179,736.03	$174,006.85	$219,467.54	$236,359.55	$255,372.32	$223,567.80	$220,710.26	$220,710.26	$220,710.26	$2,648,523.08
Non-USF Rider Funds													
III A. + B. Customer Payments	$3,179,442.53	$3,344,361.12	$3,600,722.51	$2,948,276.55	$3,347,834.64	$2,594,357.21	$2,110,027.25	$2,810,202.85	$2,845,699.46	$2,975,658.24	$2,975,658.24	$2,975,658.24	$35,707,898.83
III C. + D. Other Customer Payments	$1,511,123.80	$1,745,452.93	$1,806,317.42	$1,514,977.21	$1,778,440.39	$1,486,263.93	$1,361,788.20	$1,598,909.26	$1,454,014.95	$1,584,143.12	$1,584,143.12	$1,584,143.12	$19,009,717.45
III E. 1 + 2 + 3 Agency Payments	$1,099,148.77	$965,584.34	$648,061.50	$412,647.48	$133,398.15	$119,601.00	$135,151.80	$157,570.77	$57,022.76	$414,242.95	$414,242.95	$414,242.95	$4,970,915.43
3. Total Payments, 301 III F.	$5,789,715.10	$6,055,398.39	$6,055,101.43	$4,875,901.24	$5,259,673.18	$4,200,222.14	$3,606,967.25	$4,566,682.88	$4,356,737.17	$4,974,044.31	$4,974,044.31	$4,974,044.31	$59,688,531.71
II b. Payments Applied to Arrearages	$1,663,645.26	$1,480,204.58	$784,343.03	$495,485.93	$340,700.19	$542,709.26	$338,430.34	$181,976.51	$147,486.15	$663,886.81	$663,886.81	$663,886.81	$7,966,641.67
II c. Total Amount of Remittance	$1,959,783.63	$1,678,747.19	$987,544.27	$675,221.96	$514,707.04	$762,176.80	$574,789.89	$437,348.83	$371,053.95	$884,597.06	$884,597.06	$884,597.06	$10,615,164.75
B. OCS Admin 0.0098198780	$0.00	$1,030,357.39	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,030,357.39
C. EPP Program 0.0308867200	$0.00	$2,814,369.73	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$2,814,369.73
D. Available Balance (A4-B-C)	$1,959,783.63	($2,165,979.93)	$987,544.27	$675,221.96	$514,707.04	$762,176.80	$574,789.89	$437,348.83	$371,053.95	$884,597.06	$884,597.06	$884,597.06	$6,770,437.63
E. Total Cost: (302, VIII)	$10,546,564.37	$8,742,193.96	$8,278,691.85	$6,733,662.18	$5,477,224.00	$5,985,140.78	$6,678,137.74	$6,755,168.90	$6,050,944.57	$7,249,747.59	$7,249,747.59	$7,249,747.59	$86,996,971.13
F. Active PIPP and Grad PIPP Bill (302, X)	$3,371,437.77	$3,373,105.79	$3,547,866.93	$3,446,777.82	$3,367,613.28	$3,317,891.00	$3,313,114.23	$3,328,251.95	$3,183,373.63	$3,361,048.04	$3,361,048.04	$3,361,048.04	$40,332,576.53
G. Reimbursement Due: (302, XI)	$7,175,126.60	$5,369,088.17	$4,730,824.92	$3,286,884.36	$2,109,610.72	$2,667,249.78	$3,365,023.51	$3,426,916.95	$2,867,570.94	$3,888,699.55	$3,888,699.55	$3,888,699.55	$46,664,394.60
H. Surplus/Deficit (D-E)	($5,215,342.97)	($7,535,068.10)	($3,743,280.65)	($2,611,662.40)	($1,594,903.68)	($1,905,072.98)	($2,790,233.62)	($2,989,568.12)	($2,496,516.99)	($3,004,102.49)	($3,004,102.49)	($3,004,102.49)	($39,893,956.97)
I. Cumulative Deficit	$45,628,574.26	$38,093,506.16	$34,350,225.51	$31,738,563.11	$30,143,659.43	$28,238,586.45	$25,448,352.83	$22,458,784.71	$19,962,267.72	$16,958,165.23	$13,954,062.74	$10,949,960.28	

Universal Service Fund
Projection of December 31, 2017 Balance
Jan 2017- Dec 2017
Ohio Power

For Monthly Billing Cycle Ending:	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
A. Remittance (Form USF-301-00)													
II a. 1. USF Rider Collected on All Customers	$1,814,342.83	$1,571,926.28	$1,476,003.95	$1,329,305.19	$1,287,731.39	$1,458,621.22	$1,574,076.92	$1,608,467.54	$1,463,622.07	$1,509,344.15	$1,509,344.15	$1,509,344.15	18,112,129.85
2. Non-USF Rider Funds													
III A. + B. Customer Payments	$4,095,762.09	$4,382,501.57	$4,606,949.16	$3,790,688.15	$4,282,816.11	$3,316,506.41	$2,723,405.66	$3,634,525.93	$3,749,534.56	$3,842,521.07	$3,842,521.07	$3,842,521.07	46,110,252.85
III C. + D. Other Customer Payments	$1,876,888.16	$2,250,514.62	$2,268,720.80	$1,827,003.56	$2,189,265.22	$1,863,317.33	$1,661,776.75	$1,966,611.46	$1,828,666.87	$1,970,307.20	$1,970,307.20	$1,970,307.20	23,643,686.36
III E. 1 + 2 + 3 Agency Payments	$1,431,215.18	$1,328,113.16	$692,391.57	$497,355.75	$138,107.80	$154,568.18	$154,996.43	$145,051.64	$55,327.77	$510,791.94	$510,791.94	$510,791.94	6,129,503.31
3. Total Payments, 301 III F.	$7,403,865.43	$7,961,129.35	$7,568,061.53	$6,115,047.46	$6,610,189.13	$5,334,391.92	$4,540,178.84	$5,746,189.03	$5,633,529.20	$6,323,620.21	$6,323,620.21	$6,323,620.21	75,883,442.52
II b. Payments Applied to Arrearages	$2,160,039.79	$1,966,138.22	$981,824.97	$638,551.12	$430,264.83	$748,730.22	$452,681.50	$241,489.46	$162,035.69	$864,639.53	$864,639.53	$864,639.53	10,375,674.40
II c. Total Amount of Remittance	$3,974,382.62	$3,538,064.50	$2,457,828.92	$1,967,856.31	$1,717,996.22	$2,207,351.44	$2,026,758.42	$1,849,957.00	$1,625,657.76	$2,373,983.69	$2,373,983.69	$2,373,983.69	28,487,604.25
B. OCS Admin 0.0100914200	$0.00	$1,177,347.36	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	1,177,347.36
C. EPP Program 0.0396913240	$0.00	$3,741,180.25	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	3,741,180.25
D. Available Balance (A4-B-C)	$3,974,382.62	($1,380,463.11)	$2,457,828.92	$1,967,856.31	$1,717,996.22	$2,207,351.44	$2,026,758.42	$1,849,957.00	$1,625,657.76	$2,373,983.69	$2,373,983.69	$2,373,983.69	23,569,276.64
E. Total Costs: (302, VIII)	$14,955,270.76	$12,405,314.27	$10,873,423.67	$9,249,240.02	$7,163,766.00	$7,444,596.13	$8,241,820.40	$8,334,172.50	$7,435,019.74	$9,566,969.28	$9,566,969.28	$9,566,969.28	114,803,631.32
F. Active PIPP and Grad PIPP Bill (302, X)	$4,351,704.93	$4,368,505.35	$4,478,764.35	$4,375,852.71	$4,272,289.86	$4,231,681.93	$4,220,120.26	$4,240,836.75	$4,196,388.79	$4,304,016.10	$4,304,016.10	$4,304,016.10	51,648,193.24
G. Reimbursement Due (302, XI)	$10,603,565.83	$8,036,808.92	$6,394,659.32	$4,873,387.31	$2,891,476.14	$3,212,914.20	$4,021,800.14	$4,093,335.75	$3,238,630.95	$5,262,953.17	$5,262,953.17	$5,262,953.17	63,155,438.08
H. Surplus/Shortfall (D-E)	($8,629,183.21)	($9,417,272.03)	($3,936,830.40)	($2,905,531.00)	($1,173,479.92)	($1,005,562.76)	($1,995,041.72)	($2,243,378.75)	($1,612,973.19)	($2,888,969.49)	($2,888,969.49)	($2,888,969.49)	($39,586,161.44)
I. Cumulative Monthly Deficit	$45,157,588.06	$35,740,316.03	$31,803,485.63	$28,897,954.63	$27,724,474.71	$26,718,911.95	$24,723,870.23	$22,480,491.48	$20,867,518.29	$17,978,548.80	$15,089,579.32	$12,200,609.83	

MM-9

Universal Service Fund
Projection of December 31, 2017 Balance
Jan 2017- Dec 2017
Dayton Power and Light

For Monthly Billing Cycle Ending:	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
A. Remittance (Form USF-301-00)													
II a. 1. USF Rider Collected on All Customers	$966,399.86	$851,044.00	$815,475.99	$752,175.41	$710,589.61	$659,554.54	$884,446.36	$936,408.54	$859,455.30	$848,394.40	$848,394.40	$848,394.40	$10,160,732.81
2. Non-USF Rider Funds													
III A. + B. Customer Payments	$1,880,763.34	$1,898,471.59	$1,960,628.98	$1,646,310.00	$1,824,087.65	$1,667,289.00	$1,673,635.16	$1,680,734.71	$1,575,574.03	$1,756,388.27	$1,756,388.27	$1,756,388.27	$21,076,659.28
III C. + D. Other Customer Payments	$480,536.09	$499,924.81	$470,550.92	$399,256.61	$492,157.70	$480,665.31	$455,141.62	$407,749.10	$326,482.81	$445,829.44	$445,829.44	$445,829.44	$5,349,963.29
III E. 1 + 2 + 3 Agency Payments	$578,655.80	$413,545.16	$158,596.76	$82,235.39	$137,971.37	$122,280.30	$77,904.91	$76,381.06	$68,828.74	$190,711.05	$190,711.05	$190,711.05	$2,288,632.65
3. Total Payments, 301 III F.	$2,939,955.23	$2,811,941.56	$2,589,776.66	$2,127,802.00	$2,454,216.72	$2,270,234.61	$2,206,681.69	$2,164,864.87	$1,970,885.58	$2,392,928.77	$2,392,928.77	$2,392,928.77	$28,715,145.23
II b. Payments Applied to Arrearages	$402,981.60	$467,241.60	$675,521.94	$481,864.26	$397,227.71	$412,865.55	$377,628.64	$331,603.33	$369,615.74	$432,996.71	$432,996.71	$432,996.71	$5,195,960.49
II c. Total Amount of Remittance	$1,369,381.46	$1,318,285.60	$1,490,997.93	$1,214,039.67	$1,107,817.32	$1,272,440.09	$1,262,075.00	$1,268,211.87	$1,229,271.04	$1,281,391.11	$1,281,391.11	$1,281,391.11	$16,376,693.31
B. OCS Admin 0.0163698000	$0.00	$586,498.32	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$586,498.32
C. TEE Program 0.0447309160	$0.00	$1,308,178.39	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,308,178.39
D. Available Balance (A4-B-C)	$1,369,381.46	($576,391.11)	$1,490,997.93	$1,214,039.67	$1,107,817.32	$1,272,440.09	$1,262,075.00	$1,268,211.87	$1,229,271.04	$1,281,391.11	$1,281,391.11	$1,281,391.11	$13,482,016.60
E. Total Costs: (302, VIII)	$4,506,668.23	$3,790,909.46	$3,686,515.82	$3,025,169.20	$2,548,732.41	$2,881,585.34	$2,937,270.03	$3,076,697.95	$2,644,828.39	$3,233,157.43	$3,233,157.43	$3,233,157.43	$36,797,889.11
F. Active PIPP and Grad PIPP Bill (302, X)	$1,770,709.98	$1,779,306.05	$1,805,336.86	$1,750,269.90	$1,700,007.60	$1,662,274.78	$1,650,532.26	$1,631,360.86	$1,610,924.27	$1,706,746.95	$1,706,746.95	$1,706,746.95	$20,480,963.41
G. Reimbursement Due, (302, XI)	$2,735,978.25	$2,011,603.41	$1,881,178.96	$1,274,919.30	$848,724.81	$1,219,310.66	$1,286,737.77	$1,445,337.09	$1,033,904.12	$1,526,410.47	$1,526,410.47	$1,526,410.47	$16,316,925.69
H. Surplus/Deficit (D-E)	($1,366,596.79)	($2,687,994.62)	($390,181.03)	($60,879.63)	$259,092.51	$53,129.63	($24,662.77)	($177,125.22)	$195,366.92	($245,019.37)	($245,019.37)	($245,019.37)	($4,834,909.10)
I. Cumulative Monthly Deficit	$ 16,116,683.87	$ 13,527,689.35	$ 13,137,508.32	$ 13,076,628.69	$ 13,335,721.20	$ 13,388,850.73	$ 13,364,187.96	$ 13,187,062.74	$ 13,382,429.66	$ 13,137,410.29	$ 12,892,390.93	$ 12,647,371.56	

Universal Service Fund
Projection of December 31, 2017 Balance
Jan 2017 - Dec 2017
Duke Energy Ohio

For Monthly Billing Cycle Ending:		Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
A. Remittance (Form USF-301-00)														
1. USF Rider Collected on All Customers (IIA)		$597,408.02	$498,010.58	$481,450.85	$459,010.17	$467,155.64	$521,129.47	$580,719.09	$571,963.89	$526,275.02	$513,214.34	$513,214.34	$513,214.34	$6,242,765.75
2. Non-USF Rider Funds														
III A, B Customer Payments		$1,307,371.51	$1,330,004.88	$1,385,172.36	$1,123,443.35	$1,252,639.64	$1,170,496.47	$1,233,928.98	$1,274,260.38	$1,149,349.50	$1,239,911.95	$1,239,911.95	$1,239,911.95	$14,946,402.91
III C,D Other Customer Payments		$189,055.54	$210,778.73	$232,810.28	$191,344.51	$245,943.89	$211,411.62	$210,750.97	$207,318.80	$183,074.19	$211,679.12	$211,679.12	$211,679.12	$2,517,525.90
III E 1,2,3. Agency Payments		$329,294.81	$475,196.35	$245,183.05	$80,005.92	$75,438.33	$74,389.02	$40,587.52	$19,863.53	$14,201.30	$128,108.13	$128,108.13	$128,108.13	$1,738,484.21
3. Total Payments		$1,825,721.86	$2,015,979.96	$1,863,165.69	$1,394,793.78	$1,574,021.86	$1,456,297.11	$1,485,267.47	$1,501,442.71	$1,346,624.99	$1,579,699.20	$1,579,699.20	$1,579,699.20	$19,202,413.02
II B. Payments Applied to Arrearages		$544,102.87	$658,602.51	$479,282.14	$251,196.91	$302,993.61	$312,949.65	$367,992.18	$288,132.01	$229,363.72	$361,314.09	$361,314.09	$361,314.09	$4,518,557.87
IIC. Total Amount of Remittance		$1,141,510.89	$1,156,613.09	$960,732.99	$710,207.08	$770,149.25	$834,079.12	$948,711.27	$860,095.90	$755,638.74	$874,528.43	$874,528.43	$874,528.43	$10,761,323.62
B. OCS Admin	0.0197569390	$0.00	$447,869.90	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$447,869.90
C. EPP Program	0.0475136010	$0.00	$933,882.85	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$933,882.85
D. Available Balance (A4-B-C)		$1,141,510.89	($225,139.66)	$960,732.99	$710,207.08	$770,149.25	$834,079.12	$948,711.27	$860,096.90	$785,638.74	$874,528.43	$874,528.43	$874,528.43	$9,379,570.87
E. Total Costs (VIII)		$3,828,246.57	$3,177,810.92	$3,074,962.31	$2,648,939.09	$2,390,833.12	$2,680,374.67	$3,283,472.89	$3,127,389.36	$2,749,667.08	$2,891,681.18	$2,891,681.18	$2,891,681.18	$36,636,739.55
F. Active PIPP and Grad PIPP Bill (X)		$1,508,292.33	$1,480,591.52	$1,529,664.85	$1,455,218.63	$1,402,282.36	$1,365,670.91	$1,369,193.69	$1,363,776.59	$1,345,422.76	$1,413,977.66	$1,413,977.66	$1,413,977.66	$17,062,046.63
G. Reimbursement Due: (302, XI)		$2,319,954.24	$1,697,219.40	$1,545,297.46	$1,193,720.46	$988,550.76	$1,314,703.76	$1,914,279.20	$1,763,612.77	$1,404,244.32	$1,477,703.52	$1,477,703.52	$1,477,703.52	$18,574,692.92
H. Surplus/Deficit (D-E)		($1,178,443.35)	($1,922,359.06)	($584,564.47)	($483,513.38)	($218,401.51)	($480,624.64)	($965,567.93)	($903,516.87)	($648,605.58)	($603,175.09)	($603,175.09)	($603,175.09)	($9,195,122.05)
I. Monthly Cumulative Deficit		$12,319,419.30	$10,397,060.24	$9,812,495.77	$9,328,982.39	$9,110,580.88	$8,629,956.24	$7,664,388.31	$6,760,871.44	$6,112,265.86	$5,509,090.77	$4,905,915.69	$4,302,740.60	

MM-11

Universal Service Fund
Projected December 31, 2017 Balance
Jan 2017-Dec 2017
Cleveland Electric Illuminating

	For Monthly Billing Cycle Ending:	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
A.	Remittance (Form USF-301-00)													
	II a. USF Rider Collected on All Customers	$2,166,649.62	$1,448,093.49	$1,409,378.26	$1,355,301.80	$1,298,048.77	$1,375,234.35	$1,531,415.17	$1,595,746.57	$1,430,369.39	$1,430,448.48	$1,430,448.48	$1,430,448.48	$17,921,582.85
	Non-USF Rider Funds													
	III A. + B. Customer Payments	$1,761,525.62	$1,885,977.28	$2,141,987.07	$1,863,769.92	$1,935,215.63	$1,865,993.32	$1,782,457.08	$1,914,399.35	$1,820,421.75	$1,901,277.68	$1,901,277.68	$1,901,277.68	$22,675,680.05
	III C. + D. Other Customer Payments	$899,771.64	$1,094,348.23	$1,083,055.58	$821,166.70	$954,218.17	$998,698.97	$965,995.08	$1,064,080.46	$906,817.95	$988,797.64	$988,797.64	$988,797.64	$11,776,545.71
	III E. 1 + 2 + 3 Agency Payments	$798,073.44	$274,732.85	$417,520.48	$190,280.23	$50,418.55	$33,351.74	$38,614.85	$13,681.18	$4,267.67	$127,858.42	$127,858.42	$127,858.42	$2,204,516.05
	3. Total Payments, 301 III F.	$3,459,370.70	$3,255,058.36	$3,642,563.13	$2,875,216.85	$2,939,852.35	$2,898,044.03	$2,807,066.81	$2,992,160.99	$2,733,507.37	$3,017,933.74	$3,017,933.74	$3,017,933.74	$36,656,641.80
	II b. Payments Applied to Arrearages	$462,832.70	$213,713.40	$238,912.02	$203,523.79	$238,584.42	$233,481.99	$231,510.93	$214,552.54	$191,516.14	$220,724.40	$220,724.40	$220,724.40	$2,890,801.14
	II c. Total Amount of Remittance	$2,649,482.32	$1,661,806.89	$1,648,290.28	$1,558,825.59	$1,536,633.19	$1,608,716.34	$1,762,926.10	$1,810,299.11	$1,621,885.53	$1,651,172.88	$1,651,172.88	$1,651,172.88	$20,812,383.99
B.	OCS Admin 0.0127841030	0	$921,181.35	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$921,181.35
C.	TEE Program 0.0275052340	0	$2,063,726.03	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$2,063,726.03
D.	Available Balance (A5-B-C)	$2,649,482.32	($1,323,100.49)	$1,648,290.28	$1,558,825.59	$1,536,633.19	$1,608,716.34	$1,762,926.10	$1,810,299.11	$1,621,885.53	$1,651,172.88	$1,651,172.88	$1,651,172.88	$17,827,476.61
E.	Total Cost: (302, VIII)	$5,376,266.43	$4,979,605.54	$4,870,999.73	$4,484,241.78	$3,807,768.53	$4,009,830.61	$4,508,429.42	$4,716,423.63	$4,302,118.58	$4,459,902.23	$4,459,902.23	$4,459,902.23	$54,435,190.93
F.	Active PIPP & Grad PIPP Bill (302, X)	$2,090,992.64	$2,078,889.44	$2,120,550.58	$2,107,306.69	$2,055,818.47	$2,034,179.61	$1,986,542.86	$1,983,928.00	$1,971,362.68	$2,042,322.04	$2,042,322.04	$2,042,322.04	$24,656,535.09
G.	Reimbursement Due, (302, XI)	$3,285,273.79	$2,900,716.10	$2,750,449.15	$2,376,935.09	$1,751,950.06	$1,975,451.00	$2,521,886.56	$2,732,497.63	$2,330,755.90	$2,417,580.19	$2,417,580.19	$2,417,580.19	$29,878,655.84
H.	Surplus/Shortfall (D-E)	($835,791.47)	($4,223,816.58)	($1,102,158.67)	($818,109.50)	($215,316.87)	($366,734.66)	($758,960.46)	($922,198.62)	($708,870.37)	($766,407.31)	($766,407.31)	($766,407.31)	($12,061,179.23)
I.	Cumulative Monthly Deficit	$25,077,929.20	$20,854,112.61	$19,751,953.74	$18,933,844.24	$18,718,527.37	$18,351,792.71	$17,592,832.26	$16,670,633.73	$15,961,763.36	$15,195,356.05	$14,428,948.74	$13,662,541.43	

MM-12

Universal Service Fund
Projection of December 31, 2017 Balance
Jan 2017-Dec. 2017
Ohio Edison

	For Monthly Billing Cycle Ending:	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
A.	Remittance (Form USF-301-00)													
	1. USF Rider Collected on All Customers	$3,761,390.69	$2,737,813.99	$2,635,442.47	$2,480,061.00	$2,380,209.36	$2,582,372.64	$2,897,515.72	$2,909,598.05	$2,642,723.10	$2,658,215.79	$2,658,215.79	$2,658,215.79	$33,001,764.39
	2. Non-USF Rider Funds													
	a. Customer Payments	$3,014,495.57	$3,197,771.09	$3,444,880.37	$3,097,674.93	$3,293,961.44	$3,153,589.61	$3,079,797.99	$3,321,136.85	$3,106,199.05	$3,211,876.42	$3,211,876.42	$3,211,876.42	$38,345,136.15
	b. Other Customer Payments	$1,507,189.21	$1,699,116.00	$1,581,292.13	$1,266,159.63	$1,506,619.23	$1,506,924.81	$1,499,724.65	$1,683,424.46	$1,470,975.06	$1,527,029.50	$1,527,029.50	$1,527,029.50	$18,304,313.67
	c. Agency Payments	$1,349,713.56	$578,935.06	$897,526.86	$277,262.72	$84,089.86	$50,991.24	$60,599.79	$22,301.70	$7,523.89	$248,653.89	$248,653.89	$248,653.89	$4,084,906.35
	3. Total Payments	$5,871,398.34	$5,475,822.15	$5,923,699.36	$4,641,097.26	$4,884,670.53	$4,723,505.66	$4,640,122.43	$5,026,863.01	$4,584,698.00	$4,987,559.80	$4,987,559.80	$4,987,599.80	$60,734,556.17
	4. Payments Applied to Arrearages	$665,482.16	$426,452.97	$385,414.00	$345,563.09	$363,422.30	$383,235.78	$345,061.79	$330,582.35	$292,696.86	$359,056.14	$359,056.14	$359,056.14	$4,815,099.73
	5. Total Amount of Remittance	$4,626,872.85	$3,164,266.96	$3,020,856.47	$2,825,634.09	$2,743,631.68	$2,965,606.42	$3,242,577.51	$3,240,180.40	$2,935,419.96	$3,017,271.93	$3,017,271.93	$3,017,271.93	$37,816,864.12
B.	OCS Admin 0.0104224565	$0.00	$1,255,507.48	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,255,507.48
C.	EPP Program 0.0247582170	$0.00	$3,060,009.43	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$3,060,009.43
D.	Available Balance (A5-B-C)	$4,626,872.85	($1,151,249.95)	$3,020,856.47	$2,825,634.09	$2,743,631.66	$2,965,606.42	$3,242,577.51	$3,240,180.40	$2,935,419.96	$3,017,271.93	$3,017,271.93	$3,017,271.93	$33,501,347.21
E.	Active PIPP and Grad PIPP Bill X	$3,319,966.99	$3,325,036.71	$3,433,608.22	$3,417,621.81	$3,345,602.61	$3,328,519.12	$3,256,099.63	$3,260,295.05	$3,251,075.99	$3,326,982.39	$3,326,982.39	$3,326,982.39	$39,918,773.31
										$3,471,050.41				
F.	Reimbursement Due XI	$5,281,184.96	$4,721,360.79	$4,660,665.73	$3,599,937.63	$2,668,207.58	$3,115,151.83	$4,246,971.30	$4,471,513.48	$3,471,050.41	$3,869,357.34	$3,869,357.34	$3,869,357.34	$47,844,115.74
G.	Costs VII (Form USF-302-00, Line VI +line VII)	$8,601,151.95	$8,046,397.50	$8,094,273.95	$7,017,559.44	$6,013,810.19	$6,441,670.95	$7,503,070.93	$7,731,808.53	$6,722,126.40	$7,196,339.74	$7,196,339.74	$7,196,339.74	$87,760,889.05
H.	Surplus/Shortfall (D-E)	($654,312.11)	($5,872,610.74)	($1,639,809.26)	($774,303.54)	$75,424.08	($149,543.41)	($1,004,393.79)	($1,231,333.06)	($535,630.45)	($852,085.41)	($852,085.41)	($852,085.41)	($14,342,768.53)
I.	Cumulative Monthly Deficit	$37,245,377.80	$31,372,767.06	$29,732,957.80	$28,958,654.26	$29,034,078.34	$28,884,534.93	$27,880,141.14	$26,648,808.06	$26,113,177.61	$25,261,092.20	$24,409,006.79	$23,556,921.38	

MM-13

Universal Service Fund
Projection of December 31, 2017 Balance
Jan 2017- Dec 2017
Toledo Edison

For Monthly Billing Cycle Ending:	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
A. Remittance (Form USF-301-00)													
1. USF Rider Collected on All Customers, II a.	$1,071,054.58	$402,825.15	$374,775.77	$401,170.24	$355,446.96	$382,218.18	$420,495.46	$436,857.76	$403,085.80	$397,084.42	$397,084.42	$397,084.42	$5,438,983.15
2. Non-USF Rider Funds													
a. Customer Payments,	$885,349.88	$943,405.35	$1,050,245.31	$919,739.29	$989,976.74	$944,014.64	$945,713.74	$1,000,502.19	$929,795.48	$965,424.09	$965,424.09	$965,424.09	$11,505,014.90
b. Other Customer Payments,	$521,164.69	$617,072.76	$564,434.13	$445,892.97	$484,518.72	$488,910.69	$461,494.02	$552,515.46	$466,696.43	$507,691.90	$507,691.90	$507,691.90	$6,105,775.56
c. Agency Payments,	$493,173.63	$153,110.19	$252,901.55	$96,778.30	$37,479.95	$28,527.86	$25,796.78	$8,624.53	$2,791.28	$75,751.31	$75,751.31	$75,751.31	$1,326,437.99
3. Total Payments,	$1,899,688.20	$1,713,588.30	$1,867,580.99	$1,462,410.56	$1,511,975.41	$1,441,453.19	$1,433,004.54	$1,561,642.18	$1,399,283.19	$1,548,867.30	$1,548,867.30	$1,548,867.30	$18,937,228.45
4. Payments Applied to Arrearages, II b.	$322,938.51	$154,135.17	$151,673.10	$131,990.37	$145,303.64	$126,458.02	$127,137.37	$148,654.17	$106,254.07	$136,450.74	$136,450.74	$136,450.74	$1,823,896.84
5. Total Amount of Remittance, II c.	$1,393,993.09	$556,960.32	$526,448.87	$533,160.61	$500,750.60	$508,676.20	$547,632.83	$585,311.93	$509,339.87	$533,535.15	$533,535.15	$533,535.15	$7,262,879.78
B. OCS Admin 0.0084963130	$0.00	$395,474.23	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$395,474.23
C. EPP Program 0.0214163350	$0.00	$1,024,849.33	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,024,849.33
D. Available Balance	$1,393,993.09	($863,363.24)	$526,448.87	$533,160.61	$500,750.60	$508,676.20	$547,632.83	$585,311.93	$509,339.87	$533,535.15	$533,535.15	$533,535.15	$5,842,556.22
E. Active PIPP and Grad PIPP Bill, X	$1,006,523.42	$1,005,724.41	$1,035,678.38	$1,046,181.18	$1,036,355.84	$1,026,632.45	$1,010,917.30	$1,013,470.98	$1,007,483.88	$1,022,805.55	$1,022,805.55	$1,022,805.55	$12,257,384.50
F. Reimbursement Due, XI	$1,640,717.39	$1,426,113.96	$1,496,442.48	$1,216,192.15	$888,204.58	$981,185.35	$1,345,823.01	$1,421,572.95	$1,065,753.76	$1,230,161.03	$1,230,161.03	$1,230,161.03	$15,172,488.72
G. Total Costs, VIII	$2,647,240.81	$2,431,838.37	$2,532,120.86	$2,262,373.33	$1,924,560.42	$2,007,817.80	$2,356,740.31	$2,435,043.93	$2,073,237.64	$2,252,966.58	$2,252,966.58	$2,252,966.58	$27,429,873.22
H. Surplus/Shortfall	($246,724.30)	($2,289,477.20)	($969,993.61)	($683,031.54)	($387,453.98)	($472,509.15)	($798,190.18)	($836,261.02)	($556,413.89)	($696,625.88)	($696,625.88)	($696,625.88)	($9,329,932.50)
I. Cumulative Monthly Deficit	$ 20,201,623.56	$ 17,912,146.36	$ 16,942,152.75	$ 16,259,121.21	$ 15,871,667.23	$ 15,399,158.08	$ 14,600,967.90	$ 13,764,706.88	$ 13,208,292.99	$ 12,511,667.11	$ 11,815,041.24	$ 11,118,415.36	

MM-14

American Electric Power - Columbus Southern Power

Calculation of Allowance for Undercollection

	KWH	KWh sales X current rider = Rider Expected Revenue	Rider Collection	Expected Revenue / Rider Collection
01/2017	1,743,142,843	$249,269.43	$296,138.37	118.80%
02/2017	1,565,187,246	$223,821.78	$198,542.61	88.71%
03/2017	1,507,922,573	$215,632.93	$203,201.24	94.23%
04/2017	1,374,381,023	$196,536.49	$179,736.03	91.45%
05/2017	1,327,544,266	$189,838.83	$174,006.85	91.66%
06/2017	1,609,575,297	$230,169.27	$219,467.54	95.35%
07/2017	1,711,274,460	$244,712.25	$236,359.55	96.59%
08/2017	1,826,732,580	$261,222.76	$255,372.32	97.76%
09/2017	1,593,403,160	$227,856.65	$223,567.80	98.12%
10/2016	1,559,862,258	$7,670,844.83	$7,633,917.50	99.52%
11/2016	1,361,207,185	$6,680,413.03	$6,651,734.80	99.57%
12/2016	1,638,649,906	$8,209,195.39	$8,176,391.94	99.60%
Total	18,818,882,797	$24,599,513.62	$24,448,436.55	97.61%

Target Revenue	$38,374,599
Total Cost: (Target Revenue/Average Collection)	$40,029,676
Allowance: (Total Cost-Target Revenue)	$1,655,077

American Electric Power - Ohio Power

Calculation of Allowance for Undercollection

	KWH	KWh sales X current rider = Rider Expected Revenue	Rider Collection	Expected Revenue / Rider Collection
01/2017	2,079,951,289	$1,742,169.50	$1,814,342.83	104.14%
02/2017	2,151,912,801	$1,591,542.49	$1,571,926.28	98.77%
03/2017	1,967,862,980	$1,486,042.07	$1,476,003.95	99.32%
04/2017	1,685,017,301	$1,346,102.02	$1,329,305.19	98.75%
05/2017	1,787,623,495	$1,307,168.98	$1,287,731.39	98.51%
06/2017	2,107,474,372	$1,475,094.56	$1,458,621.22	98.88%
07/2017	2,031,487,769	$1,587,239.25	$1,574,076.92	99.17%
08/2017	2,122,318,904	$1,621,228.09	$1,608,467.54	99.21%
09/2017	1,967,047,587	$1,475,946.31	$1,463,622.07	99.16%
10/2016	1,912,904,835	$7,924,069.43	$7,889,918.43	99.57%
11/2016	1,742,770,866	$7,380,451.63	$7,340,373.27	99.46%
12/2016	2,048,733,378	$9,030,275.09	$9,002,021.70	99.69%
Total	23,605,105,577	$37,967,329.45	$37,816,410.79	99.55%

Target Revenue	$54,409,554
Total Cost: (Target Revenue/Average Collection)	$54,879,348
Allowance: (Total Cost-Target Revenue)	$469,794

Dayton Power and Light Company

Calculation of Allowance for Undercollection

	KWH	KWh sales X current rider = Rider Expected Revenue	Rider Collection	Expected Revenue / Rider Collection
01/2017	1,320,007,270	$972,382.57	$966,399.86	99.38%
02/2017	1,172,101,200	$856,388.70	$851,044.00	99.38%
03/2017	1,120,736,808	$819,424.00	$815,475.99	99.52%
04/2017	1,038,869,399	$755,827.27	$752,175.41	99.52%
05/2017	985,679,446	$713,967.68	$710,589.61	99.53%
06/2017	1,188,791,279	$863,615.93	$859,554.54	99.53%
07/2017	1,217,790,668	$888,556.55	$884,446.36	99.54%
08/2017	1,290,639,172	$940,750.32	$936,408.54	99.54%
09/2017	1,189,803,826	$863,498.25	$859,455.30	99.53%
10/2016	1,101,375,798	$2,422,887.95	$2,411,399.23	99.53%
11/2016	1,008,793,624	$2,206,065.48	$2,195,295.17	99.51%
12/2016	1,108,669,185	$2,526,173.13	$2,513,853.17	99.51%
Total	13,743,257,675	$14,829,537.83	$14,756,097.18	99.50%

Target Revenue	$1,337,236
Total Cost: (Target Revenue/Average Collection)	$1,343,770
Allowance: (Total Cost-Target Revenue)	$6,534

Duke Energy

Calculation of Allowance for Undercollection

	KWH	KWh sales X current rider = Rider Expected Revenue	Rider Collection	Expected Revenue / Rider Collection
01/2017	1,872,302,935	$542,218.93	$597,408.02	110.18%
02/2017	1,575,887,461	$456,377.01	$498,010.58	109.12%
03/2017	1,543,895,752	$447,112.21	$481,450.85	107.68%
04/2017	1,460,350,998	$422,917.65	$459,010.17	108.53%
05/2017	1,488,569,715	$431,089.79	$467,155.64	108.37%
06/2017	1,665,338,163	$482,281.93	$521,129.47	108.05%
07/2017	1,874,991,535	$542,997.55	$580,719.09	106.95%
08/2017	1,838,812,770	$532,520.18	$571,963.89	107.41%
09/2017	1,680,404,421	$486,645.12	$526,275.02	108.14%
10/2016	1,613,256,483	$1,542,695.81	$1,556,636.12	100.90%
11/2016	1,435,554,303	$1,369,767.08	$1,783,902.12	130.23%
12/2016	1,714,653,220	$1,661,129.99	$1,699,779.22	102.33%
Total	19,764,017,756	$8,917,753.24	$9,743,440.19	108.99%

Target Revenue	$10,330,554
Total Cost: (Target Revenue/Average Collection)	$10,330,554
Allowance: (Total Cost-Target Revenue)	$0

Cleveland Electric Illuminating Company
Calculation of Allowance for Undercollection

	KWH	KWh sales X current rider = Rider Expected Revenue	Rider Collection	Expected Revenue / Rider Collection
01/2017	1,722,613,818	$1,642,850.15	$2,186,649.62	133.10%
02/2017	1,539,423,795	$1,450,755.57	$1,448,093.49	99.82%
03/2017	1,491,649,105	$1,417,693.35	$1,409,378.26	99.41%
04/2017	1,458,657,905	$1,360,348.04	$1,355,301.80	99.63%
05/2017	1,399,156,072	$1,307,038.44	$1,298,048.77	99.31%
06/2017	1,459,546,269	$1,372,414.40	$1,375,234.35	100.21%
07/2017	1,618,591,989	$1,542,613.95	$1,531,415.17	99.27%
08/2017	1,693,799,519	$1,606,448.63	$1,595,746.57	99.33%
09/2017	1,532,359,159	$1,439,755.38	$1,430,369.39	99.35%
10/2016	1,526,915,949	$5,258,873.44	$5,241,148.50	99.66%
11/2016	1,386,473,808	$4,771,551.13	$4,754,084.25	99.63%
12/2016	1,484,754,322	$5,230,928.74	$5,201,870.65	99.44%
Total	18,313,941,710	$28,401,271.22	$28,827,340.82	102.35%

Target Revenue	$17,032,372
Total Cost: (Target Revenue/Average Collection)	$17,108,645
Allowance: (Total Cost-Target Revenue)	$76,274

Ohio Edison

Calculation of Allowance for Undercollection

	KWH	KWh sales X current rider = Rider Expected Revenue	Rider Collection	Expected Revenue / Rider Collection
01/2017	2,212,538,741	$3,057,786.52	$3,761,390.69	123.01%
02/2017	2,003,176,312	$2,757,795.43	$2,737,813.99	99.28%
03/2017	1,927,084,639	$2,660,066.12	$2,635,442.47	99.07%
04/2017	1,824,835,966	$2,503,518.23	$2,480,051.00	99.06%
05/2017	1,756,259,019	$2,404,154.55	$2,380,209.36	99.00%
06/2017	1,901,228,250	$2,608,269.51	$2,582,372.64	99.01%
07/2017	2,120,760,230	$2,926,506.26	$2,897,515.72	99.01%
08/2017	2,125,620,780	$2,939,503.25	$2,909,598.05	98.98%
09/2017	1,946,639,776	$2,669,792.23	$2,642,723.10	98.99%
10/2016	1,926,558,740	$8,444,971.64	$8,360,870.99	99.00%
11/2016	1,764,076,030	$7,651,462.82	$7,573,459.85	98.98%
12/2016	1,953,579,786	$8,757,069.21	$8,669,296.38	99.00%
Total	23,462,358,269	$49,380,895.77	$49,630,744.24	101.03%

Target Revenue	$23,038,070
Total Cost: (Target Revenue/Average Collection)	$23,260,408
Allowance: (Total Cost-Target Revenue)	$222,338

MM-20

Toledo Edison/First Energy

Calculation of Allowance for Undercollection

	KWH	KWh sales X current rider = Rider Expected Revenue	Rider Collection	Expected Revenue / Rider Collection
01/2017	934,601,346	$431,318.52	$1,071,054.58	248.32%
02/2017	876,932,502	$404,704.35	$402,825.15	99.54%
03/2017	820,197,412	$378,521.11	$374,775.77	99.01%
04/2017	847,632,915	$391,182.59	$401,170.24	102.55%
05/2017	777,669,943	$358,894.68	$355,446.96	99.04%
06/2017	836,974,201	$386,263.59	$382,218.18	98.95%
07/2017	917,618,551	$423,480.96	$420,495.46	99.30%
08/2017	955,573,224	$440,997.04	$436,657.76	99.02%
09/2017	882,211,000	$407,140.38	$403,085.80	99.00%
10/2016	875,017,450	$3,690,430.32	$3,665,165.35	99.32%
11/2016	833,024,112	$3,259,827.95	$3,227,206.96	99.00%
12/2016	877,594,005	$3,825,730.91	$3,788,566.01	99.03%
Total	10,435,046,661	$14,398,492.39	$14,928,668.22	111.84%

Target Revenue	$3,103,191
Total Cost: (Target Revenue/Average Collection)	$3,120,824
Allowance: (Total Cost-Target Revenue)	$17,632

CSP KWH Sales Oct 2016 - Sept 2017	
	KWh
Jan	1,743,142,843
Feb	1,565,187,246
Mar	1,507,922,573
Apr	1,374,381,023
May	1,327,544,266
June	1,609,575,297
July	1,711,274,460
Aug	1,826,732,580
Sept	1,593,403,160
Oct	1,559,862,258
Nov	1,361,207,185
Dec	1,638,649,906
Total	**18,818,882,797**

OP KWH Sales Oct 2016 - Sept 2017	
	KWH
Jan	2,079,951,289
Feb	2,151,912,801
Mar	1,967,862,980
Apr	1,685,017,301
May	1,787,623,495
June	2,107,474,372
July	2,031,487,769
Aug	2,122,318,904
Sept	1,967,047,587
Oct	1,912,904,835
Nov	1,742,770,866
Dec	2,048,733,378
Total	**23,605,105,577**

DPL KWH Sales Oct 2016 - Sept 2017	
	KWH
Jan	1,320,007,270
Feb	1,172,101,200
Mar	1,120,736,808
Apr	1,038,869,399
May	985,679,446
June	1,188,791,279
July	1,217,790,668
Aug	1,290,639,172
Sept	1,189,803,826
Oct	1,101,375,798
Nov	1,008,793,624
Dec	1,108,669,185
Total	**13,743,257,675**

Duke KWH Sales Oct 2016 - Sept 2017	KWH
Jan	1,872,302,935
Feb	1,575,887,461
Mar	1,543,895,752
Apr	1,460,350,998
May	1,488,569,715
June	1,665,338,163
July	1,874,991,535
Aug	1,838,812,770
Sept	1,680,404,421
Oct	1,613,256,483
Nov	1,435,554,303
Dec	1,714,653,220
Total	**19,764,017,756**

CEI KWH Sales Oct 2016 - Sept 2017	
	KWH
Jan	1,722,613,818
Feb	1,539,423,795
Mar	1,491,649,105
Apr	1,458,657,905
May	1,399,156,072
June	1,459,546,269
July	1,618,591,989
Aug	1,693,799,519
Sept	1,532,359,159
Oct	1,526,915,949
Nov	1,386,473,808
Dec	1,484,754,322
Total	**18,313,941,710**

OE KWH Sales Oct 2016 - Sept 2017	
	KWH
Jan	2,212,538,741
Feb	2,003,176,312
Mar	1,927,084,639
Apr	1,824,835,966
May	1,756,259,019
June	1,901,228,250
July	2,120,760,230
Aug	2,125,620,780
Sept	1,946,639,776
Oct	1,926,558,740
Nov	1,764,076,030
Dec	1,953,579,786
Total	**23,462,358,269**

TE KWH Sales Oct. 2016 - Sept 2017	KWH
Jan	934,601,346
Feb	876,932,502
Mar	820,197,412
Apr	847,632,915
May	777,669,943
June	836,974,201
July	917,618,551
Aug	955,573,224
Sept	882,211,000
Oct	875,017,450
Nov	833,024,112
Dec	877,594,005
Total	**10,435,046,661**

Two-Tiered Rider
CSP

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	$	0.0025116
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	$	40,029,676.45
3	Total kWh Used in Calculation		18,818,882,797
4	Uniform per Kwh rate	$	0.0021271
5	Accounts with Annual kWh Greater than 10,000,000 kWh		124
6	Total Kwh of Accounts Over 10,000,000 kWh Annually		4,343,812,928
7	First Block Annual kWh (833,334 Monthly)		10,000,000
8	Total kWh in First Block (5) x (7)		1,236,666,667
9	Revenue First Block Rate x (8)	$	3,105,970.38
10	Total Second Block kWh (6) - (8)		3,107,146,261
11	Lower of 10/99 Rate (1) or Uniform per Kwh rate	$	0.0001830
12	Second Block Revenue (11) x (10)	$	568,607.77
13	Total First and Second Block Revenue (9) + (12)	$	3,674,578.14
14	Revenue @ ODOD Proposed Rate (6) x (4)	$	9,239,731.60
15	Revenue shortfall (13) - (14)	$	(5,565,153.46)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	$	36,355,098.30
17	Adjusted kWh (3) - (6)		14,475,069,869
18	Adjusted First Block Rate (16)/(17)		$0.0025116
19	Change (18) - (4)	$	0.0003845
20	% Change		18.1%
21	**Annual** Cost to Consumer Using 975 kWh per Month (19) x 975 x 12	$	4.50

Two-Tiered Rider
Ohio Power

Proposal

	First Block 833,000 kWh (10,000,000 per Year) (18)	$	0.0034648
	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	$	54,879,347.78
3	Total kWh Used in Calculation		23,605,105,577
4	Uniform per Kwh rate	$	0.0023249
5	Accounts with Annual kWh Greater than 10,000,000 kWh		179
6	Total Kwh of Accounts Over 10,000,000 kWh Annually		9,947,118,440
7	First Block Annual kWh (833,334 Monthly)		10,000,000
8	Total kWh in First Block (5) x (7)		1,785,000,000
9	Revenue First Block Rate x (8)	$	6,184,718.15
10	Total Second Block kWh (6) - (8)		8,162,118,440
11	Lower of 10/99 Rate (1) or Uniform per Kwh rate	$	0.0001681
12	Second Block Revenue (11) x (10)	$	1,372,052.11
13	Total First and Second Block Revenue (9) + (12)	$	7,556,770.26
14	Revenue @ ODOD Proposed Rate (6) x (4)	$	23,125,987.32
15	Revenue shortfall (13) - (14)	$	(15,569,217.06)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	$	47,322,577.52
17	Adjusted kWh (3) - (6)		13,657,987,137
18	Adjusted First Block Rate (16)/(17)	$	0.0034648
19	Change (18) - (4)	$	0.0011399
20	% Change		49.0%
21	**Annual Cost to Consumer Using 1042 kWh per Month (19) x 1042 x 12**	$	14.25

Two-Tiered Rider
DPL

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	$	0.0000978
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh Rate	$	0.0000978

Calculation

1	10/99 USF Rider	$ 0.0005700
2	USF Rider Revenue Requirement	$1,343,769.81
3	Total kWh Used in Calculation	13,743,257,675
4	Uniform per Kwh Rate (2) / (3)	$ 0.0000978

Two-Tiered Rider
Duke

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	$	0.0005368
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	$	10,330,554.26
3	Total kWh Used in Calculation		19,764,017,756
4	Uniform per Kwh Rate (2) / (3)	$	0.0005227
5	Accounts with Annual kWh Greater than 10,000,000 kWh		120
6	Total Kwh of Accounts Over 10,000,000 kWh Annually		5,298,644,375
7	First Block Annual kWh (833,000 Monthly)		10,000,000
8	Total kWh in First Block (5) x (6)		1,197,500,000
9	Revenue First Block Rate x (8)	$	642,763.50
10	Total Second Block kWh (6) - (8)		4,101,144,375
11	Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)	$	0.0004690
12	Second Block Revenue (11) x (10)	$	1,923,436.71
13	Total First and Second Block Revenue (9) + (12)	$	2,566,200.21
14	Revenue @ Uniform per Kwh Rate (6) x (4)	$	2,769,575.19
15	Reduction in Total Revenue (13) - (14)	$	(203,374.98)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	$	7,764,354.05
17	Adjusted kWh (3) - (6)		14,465,373,381
18	Adjusted USF (16)/(17)	$	0.0005368
19	Change (18) - (4)	$	0.0000141
20	% Change		2.7%
21	**Annual** Cost to Consumer Using 1046 kWh per Month (19) x 1046 x 12	$	0.18

Two-Tiered Rider
CEI

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	$	0.0010366
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	$	17,108,645.30
3	Total kWh Used in Calculation		18,313,941,710
4	Uniform per Kwh Rate (2) / (3)	$	0.0009342
5	Accounts with Annual kWh Greater than 10,000,000 kWh		136
6	Total Kwh of Accounts Over 10,000,000 kWh Annually		5,360,647,877
7	First Block Annual kWh (833,000 Monthly)		10,000,000
8	Total kWh in First Block (5) x (6)		1,359,200,000
9	Revenue First Block Rate x (8)	$	1,408,898.46
10	Total Second Block kWh (6) - (8)		4,001,447,877
11	Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)	$	0.0005680
12	Second Block Revenue (11) x (10)	$	2,272,822.39
13	Total First and Second Block Revenue (9) + (12)	$	3,681,720.85
14	Revenue @ Uniform per Kwh Rate (6) x (4)	$	5,007,847.28
15	Reduction in Total Revenue (13) - (14)		($1,326,126.42)
Adjustment to Calculation			
16	Adjusted Cost (2) - (9) - (12)	$	13,426,924.45
17	Adjusted kWh (3) - (6)		12,953,293,833
18	Adjusted USF (16)/(17)	$	0.0010366
19	Change (18) - (4)		$0.0001024
20	% Change		11.0%
21	**Annual** Cost to Consumer Using 716 kWh per Month (19) x 716 x 12	$	0.88

Two-Tiered Rider
Ohio Edison

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	$	0.0009914
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh Rate (4)]	$	0.0009914

Calculation

1	10/99 USF Rider	$	0.0010461
2	USF Rider Revenue Requirement	$	23,260,408.05
3	Total kWh Used in Calculation		23,462,358,269
4	Uniform per Kwh Rate (2) / (3)	$	0.0009914

Two-Tiered Rider
Toledo Edison

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	$	0.0002991
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh rate	$	0.0002991

Calculation

1	10/99 USF Rider	$	0.0005610
2	USF Rider Revenue Requirement	$	3,120,823.59
3	Total kWh Used in Calculation		10,435,046,661
4	Uniform per Kwh rate	$	0.0002991

ODSA Ex 5

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 Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities.	:	Case No. 17-1377-EL-USF

TESTIMONY IN SUPPORT OF JOINT STIPULATION

BY

MEGAN MEADOWS

ON BEHALF OF
THE OHIO DEVELOPMENT SERVICES AGENCY

November 29, 2017

12270246v1

TESTIMONY OF MEGAN MEADOWS
On Behalf of The Ohio Development Services Agency

Q. Please state your name and business address.

A. My name is Megan Meadows. My business address is Ohio Development Services Agency ("ODSA"), 77 South High Street, 26th Floor, Columbus, Ohio 43216-1001.

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

A. I am employed by ODSA in its Office of Community Assistance ("OCA") as Assistant Deputy Chief.

Q. Are you the same Megan Meadows who filed direct testimony in support of the Universal Service Fund ("USF") rider adjustment application in this proceeding on October 31, 2016 and the amended application on November 22, 2017?

A. Yes, I am. That testimony sets forth my educational background and employment experience, as well as my duties and responsibilities in my current position as OCA's Assistant Deputy Chief.

Q. Have you previously testified before this Commission?

A. Yes, I testified in the prior USF rider adjustment proceeding, Case No. 16-1223-EL-USF and in the Notice of Intent ("NOI") phase of this proceeding, 17-1377-EL-USF.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to support the Joint Stipulation and Recommendation ("Joint Stipulation") filed contemporaneously with this testimony in support. The Joint Stipulation, which seeks approval of ODSA's amended application ("Amended Application"), was filed November 29, 2017, and was entered into by ODSA, The

Dayton Power & Light Company, Ohio Power Company, Columbus Southern Power Company, Duke Energy Ohio, and the Industrial Energy Users - Ohio. The Kroger Co., Staff, the Office of the Ohio Consumers' Counsel, and Ohio Partners for Affordable Energy have not joined the stipulation, but do not oppose it. The Signatory Parties recommend that the Commission issue an Opinion and Order approving the Amended Application filed November 22, 2017. This testimony demonstrates that: (1) the Joint Stipulation is a product of serious bargaining among capable, knowledgeable parties; (2) the Joint Stipulation does not violate any important regulatory principle or practice; and (3) the Joint Stipulation, as a whole, will benefit customers and the public interest.

Q. Please summarize the major provisions of the Joint Stipulation.

A. The Joint Stipulation adopts the annual USF rider revenue requirement and the USF rider rate to collect the revenue requirement for each of the electric distribution utilities ("EDUs") in 2018. The Joint Stipulation further agrees to follow the NOI process first adopted in Case No. 04-1616-EL-UNC and requires ODSA to file its NOI by May 31, 2018, and its application no later than October 31, 2018

Q. Does the Joint Stipulation represent a product of serious bargaining among capable, knowledgeable parties?

A. Yes, it does. The parties to this case have been actively participating in the USF proceedings and a number of other Commission proceedings for several years. All parties were represented by experienced, competent counsel. All parties were given the opportunity to participate in a prehearing conference held November 16, 2017, and to enter into settlement discussions on the proposed Joint Stipulation. Many of the parties to this USF proceeding are signatories to prior stipulations. Therefore, the Joint Stipulation represents a product of serious bargaining among capable, knowledgeable parties.

Q. Does the Joint Stipulation benefit consumers and the public interest?

A. Yes, it does. The Joint Stipulation ensures adequate funding for the low-income customer assistance programs and the consumer education programs administered by ODSA. Moreover, the Joint Stipulation benefits consumers and the public interest because the USF rider rates represent the minimal rates necessary to collect the EDUs' USF rider revenue requirements.

Q. Does the Joint Stipulation violate any important regulatory principles and practices?

A. No. The USF rider revenue requirement and rider rate were determined in accordance with the NOI methodology approved by Opinion and Order issued October 11, 2017. .

Q. Should the Commission approve the Joint Stipulation and Recommendation?

A. Yes.

Q. Does this conclude your direct testimony?

A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Testimony in Support of Joint Stipulation by Megan Meadows* has been served upon the following parties by first class mail, postage prepaid, and/or electronic mail this 29th day November 2017.

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