

BEFORE


THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the Ohio)
Department of Development for an Order)
Approving Adjustments to the Universal) Case No. 06-751-EL-UNC
Service Fund Riders of Jurisdictional Ohio)
Electric Distribution Utilities.)

ENTRY

The Attorney Examiner finds:

- (1) On May 31, 2006, in accordance with the 2005 Stipulation in Case No. 05-717-EL-UNC, the Ohio Department of Development (ODOD) filed its Notice of Intent (Notice) to submit its annual Universal Service Fund (USF) rider adjustment application on or before October 31, 2006. ODOD's Notice provided the USF rider revenue requirement methodology and the USF rider rate design methodology that would be used in preparing its subsequent USF rider adjustment application.
- (2) On June 29, 2006, the attorney examiner issued an entry to set the Notice phase of this proceeding for a prehearing conference on July 31, 2006, and for an evidentiary hearing on August 21, 2006. Also by this entry, all jurisdictional Ohio electric distribution utilities were joined as indispensable parties to this proceeding: namely, Ohio Edison Company (OE), The Cleveland Electric Illuminating Company (CEI), Toledo Edison Company (TE), Duke Energy Ohio, f/k/a The Cincinnati Gas & Electric Company (Duke), The Dayton Power and Light Company (DP&L), Columbus Southern Power Company (CSP), and Ohio Power Company (OP).
- (3) Motions to intervene in this proceeding were filed by the Ohio Consumer's Counsel (OCC), Industrial Energy Users-Ohio, (IEU-Ohio), and Ohio Partners for Affordable Energy (OPAE). An attorney examiner entry issued July 31, 2006, granted ODOD's July 27, 2006 motion for an extension of time; rescheduled the prehearing conference to August 28, 2006, and rescheduled the evidentiary hearing to September 19, 2006. By subsequent agreement of the parties, a prehearing conference was not conducted.
- (4) The parties submitted a Stipulation and Recommendation for the Notice phase of this proceeding on August 17, 2006. By its Finding and Order signed September 6, 2006, the Commission approved the August 17, 2006 Stipulation and Recommendation, which addressed the proposed USF rider revenue requirement

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methodology and the USF rider rate design methodology, as submitted in ODOD's Notice for its 2006 USF rider application. Also, by Finding (19) of this Order, the Commission modified the August 17, 2006 Stipulation and Recommendation regarding requests for mediation under the terms of the stipulation.

- (5) On October 31, 2006, ODOD filed an application (Application) to adjust the Universal Service Fund (USF) riders of all jurisdictional Ohio electric distribution utilities, namely OE, CEI, TE, Duke, DP&L, CSP, and OP, (collectively electric utilities or EDUs), in accordance with the requirements of Ohio's electric restructuring legislation (Amended Substitute Senate Bill 3) and Section 4928.52, Revised Code. The current USF riders for the electric distribution utilities first took effect on a bills-rendered basis with the January 2006 billing cycle, in accordance with an order issued *In the Matter of Application of the Ohio Department of Development for an Order Approving Adjustments to the Universal Service Fund Riders of Jurisdictional Ohio Electric Utilities*, Case No. 05-717-EL-UNC (05-717). By its June 6, 2006 Order in 05-717, the Commission approved the May 24, 2006 Stipulation and Recommendation submitted by the parties to that proceeding. In accordance with the June 6, 2006 Order in 05-717, a second and final adjustment to the EDU's current USF riders took effect on a bills-rendered basis with the first billing cycle following June 6, 2006.
- (6) Section 4928.52(B), Revised Code, provides that if, during or after the five-year market development period, ODOD, after consultation with the Public Benefits Advisory Board, determines that revenues in the USF, together with revenues from federal or other sources of funding for those programs,¹ will be insufficient to cover the costs of the low-income customer assistance programs, and consumer education programs and their related administrative costs, ODOD shall file a petition with the Commission for an increase in the USF riders. The Commission, after reasonable notice and opportunity for hearing, may adjust the USF riders by the minimum amount necessary to provide additional revenues.
- (7) In its Application, ODOD requests that each of the USF riders be adjusted to more accurately reflect the current operating costs of operating the percentage of income payment plans (PIPP), the Electric Partnership Program (EPP), the consumer education program (CE), and their associated administrative costs. Based on its analysis of the revenue that the current USF riders are projected to produce, and various other factors, ODOD has

¹ Section 4928.52(B), Revised Code also refers to the general revenue funds appropriations for the Ohio Energy Credit Program, which was discontinued as of July 1, 2003.

determined that, on an aggregated basis, the total annual revenues that will be generated by the current USF riders will exceed, by some \$12,071,887, the annual revenues required to fill the objectives identified in Section 4928.52(A), Revised Code. Based on its analysis, ODOD is requesting a decrease for the USF riders of CSP, DP&L, Duke, OE, OP, and TE. Also based on its analysis, ODOD is requesting that the USF rider of CEI be increased.

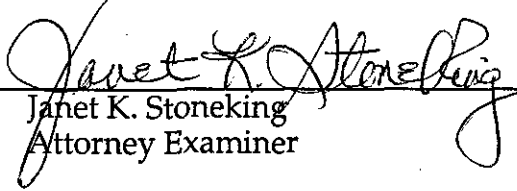
- (8) The parties have determined that a prehearing conference is not necessary for the Application phase of this proceeding. Accordingly, a hearing on ODOD's Application should be held on Friday, December 1, 2006, at 10:00 a.m., in Hearing Room 11-G, 11th floor, at the offices of the Commission, 180 East Broad Street, Columbus, Ohio 43215.

It is, therefore,

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

ORDERED, That a copy of this entry be served on all parties of record in this case, as well as all parties of record in Case No. 05-717-EL-UNC.

THE PUBLIC UTILITIES COMMISSION OF OHIO

By: 
Janet K. Stoneking
Attorney Examiner

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Entered in the Journal

NOV 14 2006



Renee J. Jenkins
Secretary