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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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|---|---|------------------------|
| In the Matter of the Application of Duke Energy Ohio, Inc. for an Increase in Electric Distribution Rates |) | Case No. 08-709-EL-AIR |
| |) | |
| In the Matter of the Application of Duke Energy Ohio, Inc. for Tariff Approval |) | Case No. 08-710-EL-ATA |
| |) | |
| In the Matter of the Application of Duke Energy Ohio, Inc. for Approval to Change Accounting Methods |) | Case No. 08-710-EL-AAM |
| |) | |
| In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of its Rider BDP, Backup Delivery Point Rider |) | Case No. 06-718-EL-ATA |
| |) | |

Prepared Testimony
of
Edrick J. Richardson
Accounting and Electricity Division
Utilities Department

Staff Exhibit __

March 30, 2009

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Prepared Testimony of Edrick J. Richardson

1
2 1. Q. Please state your name and business address.

3 A. My name is Edrick J. Richardson. My business address is 180
4 East Broad Street, Columbus, Ohio 43215.

5 2. Q. By whom are you employed?

6 A. I am employed by the Public Utilities Commission of Ohio
7 (PUCO).

8 3. Q. What is your current position with the PUCO and what are
9 your duties?

10 A. My current position is Utility Regulatory Accounting Specialist
11 3 in the Accounting and Electricity Division of the Utilities
12 Department.

13 4. Q. Would you briefly state your educational background?

14 A. I earned a Bachelor of Science Degree with a Major in Business
15 Administration The Ohio State University in December 1981. In addition, I
16 have attended various seminars and rate case training programs sponsored
17 by this Commission.

18 5. Q. What are your responsibilities in this proceeding?

19 A. I am responsible for the Uncollectible Expense portions of the Operating
20 Income schedules.

21 6. Q. What's the purpose of your testimony?

1 A. The purpose of my testimony is to respond to the uncollectible expense
2 issues raised by Duke Energy Ohio.

3 UNCOLLECTIBLE EXPENSE:

4 7. Q. Please explain the adjustment made to Uncollectible Expense on Schedule
5 C-3.15.

6 A. Staff adjusted the uncollectible expense to represent changes made to
7 operating revenues. The Staff calculated an uncollectible ratio based on a
8 three year average of the uncollectible provision (account 904) to total
9 revenue as reported in FERC Form 1 for the years 2005, 2006, and 2007.
10 Staff's calculation is presented in the attached adjusted schedules C-3.15
11 and in WPC-3.15.

12 8. Q. Duke Energy states in objection 6 "Staff adjustment incorrectly excludes a
13 significant component of the Company's test year uncollectible expense
14 which would increase Staff's adjustment by \$1,159,724.

15 A. Staff did not agree with the Applicant's uncollectible expense calculation.
16 The Applicant's uncollectible ratio calculation was a continuous loop: the
17 dollar amount was based on a percentage and the percentage was based on
18 the dollars calculated by the percentage. In addition, the Applicant added
19 the loss on the sale of accounts receivable to the uncollectible provision. It
20 is the opinion of the Staff that a three year average would be a better
21 representation.

1 9. Q. Duke Energy states in objection 6, "Staff report should have recommended
2 approval of a Rider mechanism" to track the cost of uncollectibles. Do you
3 agree?

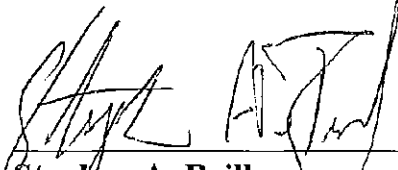
4 A. No. Staff believes that inclusion of an annual allowance for uncollectible
5 Expense is reasonable and affords the Applicant an opportunity to recover
6 this cost. This is consistent with prior rate making treatment for this
7 expense.

8 10. Q. Does this conclude your testimony?

9 A. Yes.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Testimony of Edrick J. Richardson was served via electronic mail and/or regular U.S. mail, postage prepaid upon the following parties of record this 30th day of March, 2009.


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