

FILE

RECEIVED-DECKE TRG DIV
2009 MAR 30 PM 4:49
PUCO

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

- 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

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician Am Date Processed 3/31/09

Prepared Testimony of Edrick J. Richardson

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

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

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

2. Q. By whom are you employed?

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

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

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

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

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

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

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

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?

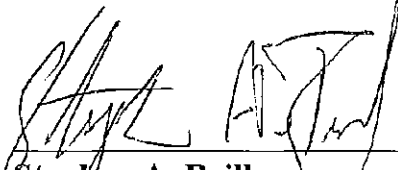
4 A. No. Staff believes that inclusion of an annual allowance for uncollectible
5 Expense is reasonable and affords the Applicant an opportunity to recover
6 this cost. This is consistent with prior rate making treatment for this
7 expense.

8 10. Q. Does this conclude your testimony?

9 A. Yes.

1 CERTIFICATE OF SERVICE

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

5 
6
7 **Stephen A. Reilly**
8 Assistant Attorney General
9

Duke Energy Ohio, Inc.
Elizabeth H. Watts
2500 Atrium II, 139 East Fourth Street
P.O. Box 960
Cincinnati, Ohio 45201-0960
Elizabeth.watts@duke.energy.com

TW Telecom of Ohio LLC
Pamela Sherwood
4625 W. 8th Street, Suite 500
Indianapolis, IN 46268
Pamela.sherwood@telecom.com

Ohio Consumers' Counsel
Ann M. Hotz, Counsel of Record
10 W. Broad Street
Suite 1800
Columbus, OH 43215-3420
hotz@occ.state.oh.us

Greater Cincinnati Health Council
Douglas E. Hart
441 Vine Street
Suite 4192
Cincinnati, OH 45202-2852
dhart@douglasshart.com

Boehm, Kurtz & Lowry
David Boehm/Michael Kurtz
36 East 7th Street
URS Building
Suite 1510
Cincinnati, OH 45202-4454
dboehm@BKLawfirm.com

Vorys, Sater, Seymour & Pease
Steven M. Howard
52 E. Gay Street
P.O. Box 1008
Columbus, OH 43215-3108
smhoward@vorys.com

Chester, Willcox & Saxbe LLP
John W. Bentine/Mark Yurick
65 E. State Street
Suite 1000
Columbus, OH 43215-4216
myurick@cwslaw.com

People Working Cooperatively, Inc.
Mary W. Christensen, Esq.
100 E. Campus View Blvd.
Columbus, OH 43235-4679
mchristensen@columbuslaw.org

Bricker & Eckler, LLP
Sally Bloomfield/Thomas O'Brien
100 S. Third Street
Columbus, OH 43215-4236
tobrien@bricker.com

Ohio Partners for Affordable Energy
David Rinebolt/Colleen Mooney
231 West Lima Street
Findaly, OH 45840-3033
drinebolt@aol.com
cmooney2@columbus.rr.com

Albert Lane
7200 Fair Oaks Dr.
Cincinnati, OH 45237
AELMICTEN@aol.com