

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. 09-463-EL-UNC
Service Fund Riders of Jurisdictional Ohio)	
Electric Distribution Utilities.)	

ENTRY

The Attorney Examiner finds:

- (1) On June 1, 2009, the Ohio Department of Development (ODOD) filed a notice of intent to file an application to adjust the Universal Service Fund (USF) riders of all Ohio jurisdictional electric distribution utilities, namely, The Cleveland Electric Illuminating Company, Columbus Southern Power Company, The Dayton Power and Light Company, Duke Energy Ohio, Ohio Edison Company, Ohio Power Company, and Toledo Edison Company (collectively electric utilities or EDUs), in accordance with Section 4928.52, Revised Code. The current USF riders for the EDUs are the result of the 2009 rider adjustments approved by the Commission. Rider adjustments for all of the EDUs took effect on a bills-rendered basis with the January 2009 billing cycle, in accordance with the December 19, 2008 order issued *In the Matter of the Application of the Ohio Department of Development for an Order Approving Adjustments to the Universal Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities*, Case No. 08-658-EL-UNC (08-658).
- (2) 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 and revenues from federal or other sources of funding for those programs will be insufficient to cover the administrative costs of the low-income customer assistance programs and the consumer education program and provide adequate funding for those programs, 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.
- (3) In 08-658, the Commission approved the December 8, 2008 Stipulation (December 2008 Stipulation) signed by all the parties to the proceeding except the Ohio Consumers' Counsel (OCC). Although OCC did not sign the December 2008 Stipulation, on December 12, 2008, OCC submitted a letter stating that OCC did

not contest the stipulation. The December 2008 Stipulation provided, among other things, that ODOD would file a notice of its intent to apply for the annual USF rider adjustment by no later than May 31, 2009, in order to allow parties the opportunity to pursue issues that they may wish to raise.¹

- (4) In accordance with the terms of the December 2008 Stipulation approved in 08-658, ODOD filed the above-captioned notice of intent to file an application requesting that each of the USF riders be adjusted to more accurately reflect current costs of operating the percentage of income payment plans (PIPP), the Electric Partnership Program (including consumer education), and associated administrative costs.
- (5) According to its notice of intent, ODOD plans to conduct a review of the USF riders of all Ohio jurisdictional EDUs and to employ a USF rider revenue requirement and rate design methodologies significantly similar to that approved by the Commission in 08-658, which incorporates a two-step declining block rate design of the type that has been approved by the Commission in all prior ODOD applications. The first block of the rate will apply to all monthly consumption up to and including 833,000 kWh per month. The second block of the rate will apply to all consumption above 833,000 kWh per month. For each EDU, the rate per kWh for the second block is to be set at either (a) the PIPP charge in effect in October 1999 or (b) 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, whichever is the lowest. The rate for the first block is to be set at the level necessary to produce the remainder of the EDU's annual USF rider revenue requirement. Thus, in those instances where the October 1999 PIPP charge exceeds the per kWh rate that would apply if the EDU's annual rider were to be recovered through a single block per kWh rate, the rate for both consumption blocks will be the same. The specific 2009 USF rider rates approved by the Commission in its December 17, 2008 order were:

¹ May 31, 2009 was a Sunday and, therefore, pursuant to Rule 4901-1-07(A), Ohio Administrative Code, the notice of intent was due by Monday, June 1, 2009, the next business day.

<u>EDU</u>	<u>First 833,000 kWh</u>	<u>Above 833,000 kWh</u>
CEI	\$0.0008495	\$0.0005680
CSP	\$0.0013130	\$0.0001830
DP&L	\$0.0014757	\$0.0005700
Duke	\$0.0010857	\$0.0004690
OE	\$0.0019474	\$0.0010461
OP	\$0.0010601	\$0.0001681
TE	\$0.0018964	\$0.0005610

- (6) The December 2008 Stipulation approved in 08-658 provides that the Commission will, following ODO's filing of the notice of intent, 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.
- (7) In light of the December 2008 Stipulation approved in 08-658, it is appropriate to establish the following schedule for this proceeding:

File objections or comments	September 18, 2009
File motions to intervene	September 18, 2009
Prehearing conference	Upon request of parties
File responses to objections and comments	September 25, 2009
Discovery completion	September 30, 2009
File Direct Testimony	October 6, 2009
File Reply Testimony	October 9, 2009
Evidentiary Hearing	October 14, 2009
File Post-Hearing Briefs	October 22, 2009
File Reply Briefs	October 28, 2009

Further, to facilitate the efficient processing of this matter the parties are encouraged to file any objections or comments and responses thereto, as well as all other pleadings electronically

in accordance with the procedures established in Case No. 06-900-AU-WVR, posted at:

www.puco.ohio.gov/puco/docketing/ under "Electronic Filing Information & Links." All comments filed in this docket may be viewed at:

<http://dis.puc.state.oh.us/CaseRecord.aspx?CaseNo=09-463>.

Any person filing objections/comments may request paper copies of the other objections/comments by filing a notice of such request in this docket. All other filers shall then serve a copy of their comments upon the requesting party via email or hard-copy to the address provided.

- (8) Any interested party wishing to intervene in this proceeding shall file a motion to intervene on or before Friday, September 18, 2009. All Ohio jurisdictional electric distribution utilities shall be joined as indispensable parties to this proceeding. Further, any interested party wishing to file objections/comments concerning the proposed rate design methodology is directed to file the objections/comments on or before Friday, September 18, 2009. Any reply comments must be filed on or before Friday, September 25, 2009.
- (9) This matter will be set for a prehearing conference upon a request made by one or more of the parties. The purpose of a prehearing conference would be to permit the parties to discuss any issues they may have concerning this application.
- (10) This matter should be set for an evidentiary hearing on Wednesday, October 14, 2009, at 10:00 a.m., in Hearing Room 11-F, 11th floor, at the offices of the Commission, 180 East Broad Street, Columbus, Ohio 43215.
- (11) Finally, in its notice of intent, ODOD submits that it is refining the procedures to be used in its 2009 EDU audits. Therefore, ODOD proposes to supplement its notice of intent, as it has done in previous cases, to address issues raised by the audit reports, including proposing a mechanism to recover any identified overpayments and to credit the EDU's customers appropriately.

It is, therefore,

ORDERED, That all Ohio jurisdictional electric distribution utilities be joined as indispensable parties to this proceeding. It is, further,

ORDERED, That any interested party wishing to file objections/comments concerning the proposed rate design methodology file the objections/comments on or before September 18, 2009, and file reply comments on or before September 25, 2009. It is, further,

ORDERED, That interested parties wishing to intervene in this proceeding file a motion to intervene on or before September 18, 2009. It is, further,


ORDERED, That the parties adhere to the case schedule as set forth in Finding (7). It is, further,

ORDERED, That the evidentiary hearing commence as set forth in Finding (10). It is, further,

ORDERED, That ODOD file a supplement to its notice of intent to address issues raised as set forth in Finding (11). 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. 08-658-EL-UNC.

THE PUBLIC UTILITIES COMMISSION OF OHIO

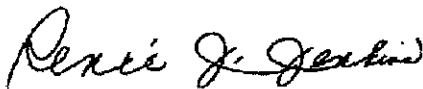


By: Greta See
Attorney Examiner

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Entered in the Journal

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Renee J. Jenkins
Secretary