## BEFORE <br> 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 Case No. 09-463-EL-UNC Universal Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities.

TESTIMONY

OF

## DONALD A. SKAGGS

ON BEHALF OF
THE OHIO DEPARTMENT OF DEVELOPMENT

November 2, 2009

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# TESTIMONY OF DONALD A. SKAGGS <br> On Behalf of The Ohio Department of Development 

## I. INTRODUCTION

Q. Please state your name and business address.
A. My name is Donald A. Skaggs. My business address is Ohio Department of Development ("ODOD"), 77 South High Street, 25th Floor, Columbus, Ohio 432161001.
Q. By whom are you employed and in what capacity?
A. I am employed by ODOD in its Office of Community Services ("OCS") as Assistant Office Chief.
Q. Please briefly describe your educational background and employment experience.
A. I have a B.A. from Miami University and an M.S.W. from the University of Michigan. I have been employed by the state of Ohio for thirty-three years, twenty-six of which have been with ODOD. Most of my professional experience has been concentrated in the areas of program evaluation and program management. Prior to being named Assistant Office Chief in 2008, I was the OCS Research and Planning Manager. In that capacity, I was responsible for the procedures that enable OCS to meet the compliance requirements of various federal programs, and was also responsible for the management of large data bases, data analyses, and preparing related reports. During the administration of Governor Voinovich, I served two years as an Executive on Loan to the Governor's Office of Family and Children First.
Q. What are your duties and responsibilities as OCS Assistant Office Chief?
A. As Assistant Office Chief, I am responsible for the management of several programs, including the electric Percentage of Income Payment Plan ("PIPP") program, the Home Weatherization Assistance Program, the Electric Partnership Program, and the Community Services Block Grant program.

## Q. What is your role with respect to the electric PIPP program?

A. Since the legislature assigned ODOD responsibility for administering the Universal Service Fund ("USF") and the electric PIPP program in 1999, I have been the ODOD staff person primarily responsible for developing the USF monthly reporting procedures for the electric distribution utilities ("EDUs") and calculating the USF rider rates that ODOD has proposed for each EDU. I prepared the exhibits which were submitted with ODOD's prior USF filings in the electric transition plan ("ETP") cases in which the initial USF riders were established and in each subsequent annual USF rider rate adjustment application (Case Nos. 01-2411-EL-UNC, 02-2868-EL-UNC, 03-2049-EL-UNC, 04-1616-EL-UNC, 05-717-EL-UNC, 06-751-EL-UNC, 07-661-EL-UNC, and 08-658-ELUNC), as well as those attached to ODOD's application in this case.

## Q. Have you previously testified before this Commission?

A. Yes. I submitted written testimony in support of ODOD's application in each of the annual USF rider rate adjustment proceedings identified in my previous answer. I also presented written and oral testimony in the Notice of Intent ("NOI") phase of Case No. 05-717-EL-UNC in support of ODOD's position on various issues.
Q. What is the purpose of your testimony in this proceeding?
A. The purpose of my testimony is to explain how the proposed USF rider rates that are the subject of this application were determined.
Q. Why is it necessary for ODOD to seek the adjustments to the USF riders at this time?
A. The stipulation entered into by the parties in Case No. 08-658-EL-UNC required ODOD to file, not later than October 31, 2009, an application for approval of such adjustments to the riders as are necessary to assure, to the extent possible, that each EDU's rider will generate its associated revenue requirement - but not more that its associated revenue requirement - during the next annual collection period. As indicated in the application, ODOD has determined that the total pro forma annual revenue that the current USF riders would generate will, in the aggregate, be insufficient to provide adequate funding for the low-income customer assistance and consumer education programs and to cover their associated administrative costs during the 2010 collection period. Although, in past applications, there have been instances in which ODOD's analysis has shown that thencurrent USF rider rates of certain EDUs would over-recover their indicated revenue responsibility during the collection year, that is not the case here. ODOD's analysis in this case shows that the pro forma revenue that would be generated by the current USF rider of each EDU will fall short of its collection-period revenue target. Thus, ODOD's application seeks an order from the Commission directing all the EDUs - The Cleveland Electric Illuminating Company ("CEI"), Columbus Southern Power Company ("CSP"), the Dayton Power and Light Company ("DPL"), Duke Energy Ohio ("Duke"), Dayton Power and Light Company ("DPL"), Ohio Edison Company ("OE"), Ohio Power

Company ("OP") and Toledo Edison Company ("TE") - to increase their USF rider rates as proposed therein.

## Q. What factors contribute to the need to adjust the USF riders?

A. Generally speaking, the need to adjust the riders is primarily attributable to two separate factors. First, because the current riders are based on historical Kwh sales, they will not, in actual practice, generate the level of revenue they were designed to produce on a pro forma basis. Although one would never expect test-period sales to be identical to sales in the collection period, updating the sales volumes to reflect the more recent experience of each company should, all else being equal, produce a more representative result. Second, the USF rider revenue requirement for each company has also changed from the revenue requirements the Commission found to be reasonable in Case No. 08-658-EL-UNC. These changes are due to a number of factors, including, among other things, increases in the cost of PIPP resulting from increases in PIPP enrollment experienced by the various EDUs, Commission-approved changes in the EDUs' underlying tariff rates, and changes in the EDUs' collection experience. Thus, the current USF rider rates must be adjusted if they are to recover their related revenue requirements, but no more than their related revenue requirements, over the 2010 collection period.

## II. USF RIDER REVENUE REQUIREMENT ANALYSIS

## A. Methodology

## Q. How was the USF rider revenue requirement target for each EDU determined?

A. As described in the application, the annual revenue requirement which the proposed USF riders are designed to generate consists of eight elements: (1) the cost of PIPP, (2) the
cost of targeted energy efficiency programs and the consumer education programs, now referred to by ODOD collectively as the Electric Partnership Program ("EPP"), (3) the allowance for ODOD's PIPP-related administrative costs, (4) an allowance to recognize the projected EDU December 31, 2009 USF account balances, (5) an allowance to fund a reserve, (6) an allowance for interest costs, (7) an allowance for undercollection, and (8), an allowance for the cost of EDU audits. As indicated in the application, ODOD has used a calendar 2009 test period for purposes of the USF revenue requirements analysis. As in prior cases, ODOD has utilized actual data through August of the test period, and has projected the results for those months of the test period for which information was not available at the time the application was prepared by substituting data from the corresponding months of the previous year. Although this is simply another way of saying that ODOD has utilized the most recent twelve months of actual data available at the time the application was prepared for purposes of the test period analysis, it is conceptually appropriate to consider calendar 2009 as the test period for reasons discussed below.

## Q. Is ODOD's methodology for determining the USF rider revenue requirement proposed in the application in this case generally consistent with the methodology previously approved by the Commission in prior USF rider adjustment cases?

A. Yes. The revenue requirement methodology used in preparing this application is generally consistent with that approved in prior USF rider rate adjustment proceedings. Moreover, it is identical to the methodology approved by the Commission in its October 28, 2009 finding and order in the NOI phase of this proceeding (the "NOI Order").

## B. Cost of PIPP

## Q. How was the cost of PIPP component of the USF rider revenue requirement calculated for purposes of this case?

A. The cost of PIPP represents the total cost of electricity consumed by each EDU's PIPP customers during the test period, plus pre-PIPP balances, less all payments made by and on behalf of PIPP customers, including USF rider collections and agency payments, over the same period. The information necessary to perform this calculation comes from the USF Monthly Report and Remittance forms (USF-301) and the USF Monthly Reimbursement Request forms (USF-302), the documents the EDUs use to report the USF rider collections remitted to ODOD and to request reimbursement from the USF for the cost of electricity delivered to PIPP customers. As in prior cases, ODOD used the unadjusted actual data for the most recent twelve months for which information was available at the time the application was prepared to calculate the test-period cost of PIPP. The workpapers showing the calculation for each EDU are attached as Exhibits DAS-1 through DAS-7 to my testimony. The resulting test-period cost of PIPP components for each EDU are shown in Exhibit A to the application. However, the use of the unadjusted test-period cost of PIPP numbers will not produce an adequate allowance for this element of the USF rider revenue requirement during the collection period.
Q. Please explain.
A. During 2009, with the exception of Duke, certain elements of each EDU's tariffed rates for electric service to residential customers were adjusted pursuant to orders of this

Commission. Although these rate adjustments change the cost of electricity delivered to PIPP customers, they do not change the level of PIPP customer payments because those payments are based on fixed, specified percentages of customer income and are not tied to the rates charged. Thus, an increase in an EDU rate element increases the cost of PIPP by widening the gap between the cost of electricity delivered to PIPP customers and the amount paid by PIPP customers. On the other hand, a decrease in a rate element reduces the cost of PIPP by narrowing this gap. Therefore, it is necessary to adjust the test-period cost of PIPP so that the allowance for this element will reflect the impact of changes in the underlying EDU tariff rates.
Q. Please describe the adjustments to the test-period cost of PIPP proposed by ODOD in this case to recognize changes in underlying EDU tariff rates.
A. There are actually two different circumstances in which adjustments of this type are required. First, where the rate change occurs during the test-period, it is necessary to adjust the test-period cost of electricity delivered to PIPP customers to annualize the impact of the rate change. This is accomplished by recalculating the cost of electricity delivered to PIPP customers during those months of the test-period prior to the rate change taking effect. Because the final months of 2008 are used as surrogates for the corresponding months of 2009 , the results from those 2008 months must be restated as well. Second, the Commission has approved increases in various elements of the CSP, DPL, and OP tariff rates that will become effective January 1, 2010. Although these rate changes are outside the calendar 2009 test period, these are known and measurable changes that will be in place during 2010 and must be recognized if the USF rider is to
recover the cost of PIPP during the collection period. The specific adjustments for each EDU are shown on Exhibits A.1.a through A.1.f to the application. These adjustments are carried forward and summarized on Exhibit A. 1 to the application, which shows the overall impact of the Commission-approve rate increases on the cost of PIPP for each EDU.
Q. Has the Commission approved adjustments of this type in past USF rider rate adjustment proceedings?
A. Yes. Although there was no need for these adjustments during the period that residential rates were frozen by virtue of the Commission orders in the EDUs' ETP cases, thereafter, the Commission has consistently approved annualization and post-test period adjustments of this type.
Q. In your testimony in Case No. 08-658-EL-UNC, you noted that several EDUs had ESP cases pending before the Commission and that it was anticipated that some level of rate increases would authorized in 2009. You indicated that it might prove necessary for ODOD to file a supplemental application seeking adjustments to the USF rider rates of those EDUs to reflect the impact of those rate increases. Did ODOD, in fact, file a supplemental application it that case after these increases took effect?
A. No. Although ODOD carefully monitored the USF cash positions of these EDUs after these increases took effect, ODOD ultimately determined that the expected increase in cash flow in the final months of the year would be sufficient to permit it to delay seeking recognition of the impact of these increases in the cost of PIPP until its application in this
case. However, it is essential that the impact of these increases be recognized at this time.

## Q. Has ODOD proposed any other adjustments to the test-period cost of PIPP?

A. Yes. As explained in the June 1, 2009 NOI, PIPP enrollment has increased dramatically over the period since ODOD assumed responsibility for the administration of the electric PIPP program. In 2001, there were131,330 PIPP enrollments in the month of the highest PIPP-enrollment activity, while in 2009, there were 273,760 enrollments in March, the month of the highest PIPP-enrollment activity. Data from the last five years show that these year-over-year increases in enrollment have continued to accelerate, and, in view of current economic conditions, it is reasonable to assume that PIPP enrollments will continue to increase in 2010. This expected post-test period increase in enrollments will mean that, in the absence of an adjustment, the USF will continue to experience revenue shortfalls because the test-period cost of PIPP built into the USF rider rates will not reflect the actual number of PIPP customers during the collection period. Accordingly, in the NOI, ODOD proposed to recognize the impact of the ever-increasing PIPP enrollment by adjusting the test-period cost of PIPP based on a forecast of the projected number of PIPP customers during the 2010 collection period. The Commission approved this proposed adjustment, in concept, in the NOI Order.

## Q. How did you calculate this adjustment to the cost of PIPP for each EDU?

A. Using data from the period 2005 through 2009 , I determined the average annual PIPP enrollment for each EDU for each of those years. These average annual enrollment figures are shown on the second schedule in Exhibit A. 2 to the application. I then used
the EXCEL trend function to project the next number in the series, and utilized that number as my forecast of the average PIPP enrollment for each EDU during 2010. As shown in the first schedule in Exhibit A.2, I then identified the average test-period cost of PIPP for each PIPP customer, and multiplied that average cost per customer by the projected increase in the number of PIPP customers in 2010 to produce the adjustment to the test-period cost of PIPP for each EDU.

## Q. In your opinion, does this methodology produce a reasonable result?

A. Yes. Although there may be more sophisticated methods available to forecast 2010 PIPP enrollment, I believe this straightforward methodology produces an estimate that is reasonable for the purpose at hand. One should also bear in mind that, to the extent the forecast misses the mark, the year-end USF account balance element of the USF rider revenue requirement in the 2010 case will serve to true-up the difference.
Q. Did you take into account the impact the new electric PIPP rules that will take effect November 1, 2010 will have on the cost of PIPP in determining the adjusted testperiod cost of PIPP?
A. The new rules provide for year-round payment PIPP payments, the hope being that making the monthly payments more affordable for qualifying low-income customers will result in an increase in total PIPP payment revenue that will ultimately reduce the cost of PIPP. However, the impact of this change on the cost of PIPP in November and December 2010 cannot be predicted with any degree of certainty at this time, so I have not proposed a post-test period adjustment to reflect this change. As I mentioned above in connection with the adjustment for the projected increase in PIPP enrollment, the year-
end USF account balance element of the USF rider revenue requirement in the 2010 case will serve to true-up any difference between the adjusted test-year cost of PIPP approved in this case and the actual cost of PIPP during the collection period.
Q. After performing the adjustments for underlying EDU rate changes and the projected 2010 PIPP enrollment, what allowance for the cost of PIPP do you recommend for inclusion in the USF rider revenue requirement of each of the EDUs?
A. The proposed cost of PIPP components of the respective EDU revenue requirements are shown in the Total Adjusted Test-Period Cost of PIPP column (Column F) on Exhibit A. 2 to the application.

## C. EPP Costs

Q. How was the proposed allowance for the cost of the Electric Partnership Program determined?
A. This USF rider revenue requirement component is intended to recognize the cost of the low-income customer energy efficiency and consumer education programs which are funded through the USF. In all previous USF rider adjustment cases, the Commission has accepted the $\$ 14,946,196$ EPP allowance first proposed by ODOD when the initial USF riders were established in the ETP proceedings. However, as a part of a settlement agreement entered into with the Office of the Ohio Consumers' Counsel ("OCC") in the NOI phase of Case No. 05-717-EL-UNC, ODOD agreed that in future USF rider rate adjustment proceedings, ODOD would base its proposed allowance for EPP costs on its
projection of payments to EPP providers and the administrative costs associated with ODOD's oversight of the EPP program during the collection period.
Q. What has ODOD projected these costs to be for the 2010 collection period during which the USF rider rates set in this case will be in effect?
A. As shown in Exhibit A to the NOI submitted in this proceeding, ODOD's analysis for 2010 supported the use of the same $\$ 14,946,196$ annual allowance for these costs that the Commission has accepted in all prior USF rider rate adjustment proceedings.
Q. Did the Commission approve the proposed $\$ 14,946,196$ allowance for EPP costs in the NOI phase of this case?
A. Yes. However, the stipulation adopted by the Commission in the NOI Order provided that, as indicated in the NOI, ODOD would adjust the proposed allowance for EPP costs if updated projections suggested that $\$ 14,946,196$ allowance was no longer appropriate.
Q. Has ODOD's projection of EPP costs during the 2010 collection period changed since it proposed the $\$ 14,946,196$ allowance in the NOI phase of this case?
A. No. ODOD continues to believe this allowance to be appropriate, notwithstanding that, as noted in the narrative in NOI Exhibit A, this allowance is well below the actual EPP expenditures in FY 2009.
Q. How has ODOD allocated the EPP costs among the EDUs?
A. As in all prior USF rider rate adjustment applications, ODOD has allocated this component of the revenue requirement among the EDUs based on the ratio of their respective adjusted costs of PIPP to the total adjusted cost of PIPP. The development of
the allocation factors and the results of the allocation are shown in Exhibit B to the application.

## D. Administrative Costs

Q. What allowance for PIPP-related administrative costs has ODOD proposed for inclusion in the USF rider revenue requirement in this case?
A. ODOD has proposed an allowance for PIPP-related administrative costs of $\$ 2,154,000$. The basis for the proposed allowance is explained in the testimony of ODOD witness Nick Sunday.
Q. How has ODOD allocated the administrative cost component of USF rider revenue requirement among the EDUs?
A. As in all previous USF rider rate adjustment applications, ODOD has allocated responsibility for the administrative costs to the EDUs based on the relative number of PIPP customers. Specifically, as shown in Exhibit C to the application, this revenue requirement component has been allocated among the EDUs based on the number of PIPP accounts in March 2009, the test-period month exhibiting the highest PIPP customer account total.

## E. Projected Year-End USF Account Balances

Q. You have identified the projected December 31, 2009 USF account balance as an element of the EDU's USF rider revenue requirement. Why is this component included?
A. The USF rider rate is calculated with reference to historical annual Kwh sales. Because actual sales will vary from sales during the test period, and because other factors bearing
on the cost of PIPP also change, the EDU's rider rate will, in actual practice, either overrecover or under-recover its associated revenue requirement during the collection period. All else being equal, over-recovery will result in a positive year-end USF account balance for the EDU in question, while under-recovery will create a negative balance. A positive USF account balance reduces the amount needed to satisfy the USF rider revenue requirement on a going-forward basis, while a negative balance means that there will be insufficient cash available for ODOD to make the monthly PIPP reimbursement payments due the EDU in question. To synchronize the new USF rider with each EDU's existing USF account cash position, the revenue target must be adjusted by the amount of the USF account balance as of the rider's effective date. Thus, a positive balance must be deducted from the revenue requirement, while a negative balance must be added to the revenue target the rider is designed to generate. Because ODOD is requesting that the proposed USF riders be made effective January 1, 2010 on a bills-rendered basis, I have adjusted each EDU's rider revenue target by the amount of the EDU's projected December 31, 2009 USF account balance. The adjustments are displayed in Exhibit D of the application. The workpapers showing the calculation of the projected December 31, 2008 balances are attached to my testimony as Exhibits DAS-8 through DAS-14.
Q. Has the Commission previously approved the inclusion of this element in determining the target revenues the proposed USF rider rates must be designed to generate?
A. Yes. The Commission has approved this synchronizing adjustment in establishing the USF riders in all previous USF rider adjustment cases, and has again accepted this methodology in its NOI Order in this case.
Q. If this component of the USF rider rate remains in effect for longer than one year, would not an EDU with a projected December 31, 2009 USF PIPP account balance deficit begin to over-recover its USF rider revenue requirement?
A. Because the component reflecting a December 31, 2009 deficit will be recovered on an annual basis, the recovery will, in theory, be complete after the new USF rider has been in place for one year. On the other hand, an EDU with a positive projected December 31, 2009 balance will, in theory, have refunded this surplus to ratepayers by the end of the collection year. This means that, all else being equal, the allowance for this revenue requirement element should come out of their USF riders at that time.
Q. Is ODOD proposing that the USF riders be automatically adjusted on January 1, 2011 to recognize that the amortization of the December 31, 2009 balances, whether negative or positive, will have been completed at that time?
A. No. Although ODOD will be monitoring the monthly EDU USF balances very closely, ODOD will also continue to examine all the other elements of the USF rider revenue requirement, and will keep a watchful eye on whether, in practice, riders are generating the necessary level of revenue. Rather than proposing an automatic adjustment for one component of the USF riders on the anniversary date, ODOD believes the better approach is to revisit all elements of the rider before January 1, 2011, so that, if it reasonably appears that additional adjustments are required, all proposed adjustments can be
incorporated in a single filing with the Commission. Thus, while ODOD agrees that the component reflecting the December 31, 2009 PIPP USF account balance, whether negative or positive, should be eliminated once the balance has been fully amortized, that adjustment should be made in the context of this broader evaluation. Indeed, the parties to the stipulations in all previous USF rider adjustment cases, in requiring that ODOD file a new application on or before October 31, recognized that this annual review process is necessary. ODOD continues to support this approach.

## F. Reserve Allowance

## Q. What is the purpose of including an allowance to create a reserve as a USF rider revenue requirement component?

A. As described in the application, ODOD has entered into agreements with each EDU that provide that ODOD will be assessed a carrying charge on all monthly payments reimbursing the EDU for cost of electricity delivered to PIPP customers which do not arrive by the specified due date. Because of the weather-sensitive nature of electricity sales and certain other factors, such as PIPP enrollment behavior, PIPP-related cash flows fluctuate significantly over the course of the year. These fluctuations will result in negative PIPP USF account balances in some months, which will mean that ODOD will be unable to satisfy its monthly payment obligation to the EDU on a timely basis and will, therefore, incur carrying charges in those months. The graph attached to the application as Exhibit E plots the consolidated net PIPP USF account balance throughout the year. Any USF rider revenues ODOD must pay out in carrying charges will impair its ability to fund the low-income customer assistance and consumer education programs
and pay their administrative costs. Thus, ODOD is again proposing that a component be included in the USF rider revenue target to fund a reserve that can be drawn upon to reduce ODOD's liability for these carrying charges over the coming year.
Q. Does this reserve component of the USF rider revenue target serve a different purpose than the component that recognizes projected EDU December 31, 2009 PIPP USF account balances?
A. Yes. A deficit EDU December 31, 2009 account balance represents an existing shortfall which must be remedied if the USF fund is to have the cash necessary to fulfill the purposes for which it was created on a going-forward basis, while a positive EDU December 31, 2009 account balance represents an amount that must be returned to ratepayers. Thus, the December 31, 2009 account balance element is, in essence, a trueup mechanism. The reserve, on the other hand, is intended to mitigate ODOD's future liability for carrying charges which would otherwise result from its inability to reimburse EDUs on a timely basis in certain months for the cost of electricity furnished to PIPP customers. Thus, revenues that have been generated and retained for the purpose of establishing the reserve are not deducted as a part of the synchronizing adjustment for those EDUs with a positive projected December 31, 2009 USF account balance.

## Q. Was an allowance to create a cash reserve included in developing the revenue target for the USF riders approved in previous USF rider rate adjustment cases? <br> A. Yes. However, as I have explained in my testimony in previous cases, the methodology used to fund the reserve has changed over time. Although recognizing the need for a reserve early on, ODOD, in an attempt to minimize the impact on ratepayers, proposed a

very conservative mechanism for funding the reserve in the first five USF rider adjustment cases. Despite a tweak to the original methodology in Case No. 03-2049-ELUNC, it eventually became apparent that the reserve could not be fully funded under this approach due to dramatic year-to-year increases in the cost of PIPP. These increases meant that the cost of PIPP components of the approved USF riders, which were calculated based on historical test-period data, were not generating the revenues sufficient to cover the actual cost of PIPP during the collection period. As a result, ODOD was forced to utilize the USF rider revenues earmarked for the reserve, as well revenues earmarked for other purposes, to meet its reimbursement obligations to the EDUs on a timely basis during months in the collection period in which negative cash flows were at their highest levels.

## Q. What did ODOD do to address this problem?

A. In its application in the 2006 case, ODOD abandoned the ineffective methodology it had previously employed and proposed to calculate the reserve component based on the highest monthly deficit for each EDU during the test period. The Commission approved this approach in Case No. 06-751-EL-UNC and, again, in Case Nos. 07-661-EL-UNC and 08-658-EL-UNC.

## Q. Has ODOD utilized this same method for funding the reserve in this case?

A. Yes. In the NOI, ODOD again proposed basing the allowance for this element of the USF rider revenue requirement on the highest projected monthly deficit for the EDU in question during the test period. The Commission approved this methodology in the NOI Order in this case.
Q. Does the new adjustment to the cost of PIPP to recognize the projected increase in PIPP enrollment during the collection period affect the need for the reserve?
A. No. Although ODOD hopes that the new adjustment will reduce the pressure on the USF during the collection period, the allowance for the reserve is still a necessary element of the USF rider revenue requirement. The problem the reserve addresses is that the recovery of the annual revenue requirement is not completed until the end of the collection period. Even with the new adjustment to the cost of PIPP, there will still be months where the USF runs in the red. Thus, a reserve based on the highest monthly deficit is still a necessary element of the USF rider revenue requirement.

## G. Interest Expense

Q. What is the purpose of including an allowance for interest in the revenue targets the proposed USF riders are designed to meet?
A. Notwithstanding the allowance for establishing a reserve, ODOD projects that it will still incur some level of carrying charges under its agreements with the EDUs in certain months because the total revenues earmarked for the reserve will not be fully collected until the end of 2010. Thus, an allowance for this interest expense must be included in the USF rider revenue requirement if ODOD is to have sufficient revenues to fund the low-income customer assistance and consumer education programs and cover the associated administrative costs.
Q. Was a component for interest included in developing the revenue requirement upon which the USF riders approved in the previous USF rider adjustment cases were based?
A. Yes. The Commission accepted such a component in all prior USF rider adjustment proceedings and again approved this component in its NOI Order in this case.

## Q. How was the proposed allowance for interest calculated?

A. As explained in the application, I performed a cash-flow analysis which projected the daily PIPP USF account balances which the proposed riders would produce. I then translated these balances into late payment days and applied the daily carrying charge specified in the various agreements to determine the interest costs ODOD would be expected to incur. The proposed allowance for interest to be reflected in the USF rider of each EDU is shown in Exhibit $G$ to the application. The workpapers supporting these figures are attached to my testimony as Exhibits DAS-15 through DAS-21.
Q. Do the new electric PIPP rules that will go into effect November 1, 2010 have any effect on the allowance for interest proposed by ODOD in this case?
A. Under the new electric PIPP rules, ODOD's obligation to pay interest will be controlled by Section 126.30, Revised Code, which governs late payments by the state of Ohio, rather than by the individual ODOD-EDU agreements as is currently the case. This will mean that the obligation to pay interest will attach only if the ODOD does not reimburse an EDU within 30 days from the receipt of the reimbursement request, as opposed to the shorter time frame provided in the current ODOD-EDU agreements, and that the interest rate will be that provided in this statute. However, as shown in Exhibits DAS-15 through DAS-21, which are based on the current reimbursement timetables in the ODOD-EDU agreements, ODOD projects that no interest payments will be required in November and December of 2010. Thus, there is no need for a post-test period adjustment to recognize
the impact of the new rule governing interest expense that will take effect November 1, 2010 because there are no dollars associated with those months in the proposed allowance for interest expense.

## H. Allowance for Undercollection

Q. The next USF rider revenue requirement element you have identified is an allowance for undercollection. What is the purpose of this component?
A. An allowance for undercollection is necessary to recognize that there is a difference between the amount billed through the USF rider and the amount actually collected from customers. If this element is not included in determining the USF rider revenue requirement, the riders will not generate the target revenue.
Q. Was an allowance for undercollection built into the current USF riders?
A. Yes. The Commission authorized this allowance in all prior USF rider adjustment cases and again approved the inclusion of this element in its NOI Order in this case. This allowance is identical in concept to the allowance for uncollectibles routinely recognized in utility ratemaking. Because the EDU is merely a conduit for USF rider revenues, the allowance must be incorporated in USF rider itself if the USF rider rates are to produce the required revenues.
Q. How was the proposed allowance for undercollection calculated?
A. As in all prior cases, the allowance was calculated on a company-specific basis so as to reflect the test-period undercollection experience of each EDU. For each reported month, an undercollection percentage was determined by dividing the amount of USF rider revenues actually collected by the EDU by the pro forma revenues as determined by
multiplying the Kwh sales for that month by USF rider rate. The resulting average rate of collection was then applied to the pro forma annual rider revenue. The difference between that result and the pro forma annual rider revenue represents the amount the allowance for undercollection is intended to recover on an annual basis. The proposed allowance for undercollection for each EDU is shown in Exhibit H of the application. The workpapers supporting this analysis are attached to my testimony as Exhibits DAS22 through DAS-28.

## I. Audit Costs

Q. The final element of the USF rider revenue requirement that you have identified is an allowance for audit costs. Please explain why this element has been included in the USF rider revenue requirement proposed by ODOD in this case.
A. This proposed allowance has been included to recover the cost of the audits of EDU PIPP-related accounting and reporting that will be conducted in 2010 pursuant to the recommendation of the USF Rider Working Group (the "Working Group"). As explained in the NOI, each EDU will be audited in 2010. As shown in Exhibit I to the application, ODOD has proposed that an allowance of $\$ 150,000$ be included in the revenue requirement of each EDU (with the two AEP companies and the three FirstEnergy companies considered to be single EDUs for this purpose). If no allowance is included, ODOD would be required to utilize USF rider revenues earmarked for other purposes to pay these costs, which could lead to revenue shortfalls that would ultimately translate into an increase in the interest costs ODOD would incur under its agreements with the EDUs.
Q. The $\$ 150,000$ allowance per EDU requested in this case is significantly higher than the $\$ 40,000$ allowance per EDU for audit costs requested in the last two cases. Why is ODOD seeking a greater allowance in this case?
A. The agreed-upon procedures performed in the first round of audits identified certain areas of risk. The 2010 audits will utilize increased sample sizes and a more in-depth analysis to assess the subject EDU's performance in these areas. In addition, the auditor will be asked to provide recommendations to ODOD with respect to reporting procedures and other related processes that will facilitate on-going monitoring of EDU performance as well as future audits.
Q. Has ODOD issued a request for proposals ("RFP") for conducting these audits?
A. No. However, ODOD anticipates issuing an RFP within the near future.
Q. If ODOD does not yet know the amount of these audit costs, what is the basis for the proposed allowance for the cost of the audits.
A. The proposed allowance is purely a "guesstimate." However, one should bear in mind that ODOD will true up any difference between the proposed allowance and the actual cost of these reviews in next year's USF rider rate adjustment application. If the actual cost of the audits are less than the approved allowance, the difference will be flowed back to ratepayers through the December 31, 2010 USF account balance element of the USF rider revenue requirement in the 2010 case.

## J. Revenue Requirements Summary

Q. What are the results of your USF rider revenue requirements analysis?
A. The USF rider revenue requirement analysis for each EDU is summarized in Exhibit I to the application.

## III. USF Rider Rate Design

## Q. How does ODOD propose to recover the annual USF rider revenue requirement for each EDU?

A. ODOD proposes to recover the annual USF rider revenue requirement for each company through a USF rider which incorporates the same two-step declining block rate design approved by the Commission in all prior USF rider adjustment proceedings. The Commission again approved this rate design methodology in NOI Order in this case.

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

As shown in Exhibit J to the application, I began by dividing the respective revenue requirements by the EDU's test-period Kwh sales to determine the per Kwh rate which would apply if the EDU's annual USF rider revenue requirement were to be recovered through a uniform per Kwh rate. The sales information came from each EDU and is attached to my testimony as Exhibit DAS-29 through DAS-35. Under the Commissionapproved USF rider rate design methodology, the first block of the rate applies to all monthly consumption up to and including $833,000 \mathrm{Kwh}$ (i.e., one-twelfth of an annual consumption of $10,000,000 \mathrm{Kwh}$ ). The second block applies to all consumption above $833,000 \mathrm{Kwh}$ 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 for the first block rate 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, so all the proposed rider rates have this declining block feature as shown in the table on page 12 of the application. The workpapers supporting the rate calculations are attached to my testimony as Exhibits DAS-36 through DAS-42.
Q. What do the final three line items (lines 20, 21, and 22) on each of these workpapers represent?
A. Line 20 shows the dollar difference per-Kwh between the first block rate under the approved two-tier rate design and a uniform per-Kwh rate. Line 21 expresses this difference as a percentage. Line 23 shows the annual cost impact on the average residential customer of the EDU in question resulting from the use of the declining block rate structure as opposed to a uniform rate per Kwh. As in prior cases, I have presented this analysis purely for informational purposes.
Q. How do the proposed USF riders compare to the current USF riders?
A. The table on page 12 of the application compares the current and proposed rider rates. As indicated in the table on page 5 of the application, the revenues produced by the current USF riders of each EDU fall short of their respective indicated revenue targets. Thus, all the USF rider rates will increase.

## IV. Supplement to NOI - Case No. 08-658-EL-UNC

Q. In the NOI filed in Case No. 08-658-EL-UNC on June 2, 2008, ODOD stated that, if the results of the Schneider Downs' audits of the PIPP-related accounting and reporting of the Duke and the AEP companies (CSP and OP) that were then under way suggested that their monthly reimbursement requests overstated the
reimbursement to which they were lawfully entitled, ODOD would supplement its NOI in that case by proposing a mechanism to credit customers appropriately. What is the current status of this matter?
A. Although the Schneider Downs' reports were issued prior to the filing of the 2008 application, the agreed process contemplated that ODOD would not issue the supplement to the NOI ("Supplement") containing its conclusions and recommendations regarding the findings in the Schneider Downs' reports until after an exit interview at which members of the Working Group would be provided the opportunity to ask questions of Schneider Downs personnel regarding the reports. Because these exit interviews had not yet been conducted at the time the application in Case No. 08-658-EL-UNC was filed, the stipulation adopted by the Commission in its December 17, 2008 opinion and order in that case provided that the Supplement would remain on its own procedural track, and that any proposed adjustments to the USF rider rates of the subject to the EDUs would be addressed through a supplemental application in that case.

After conducting the exit interviews, ODOD filed the Supplement on April 15, 2009. As explained in the Supplement, although Schneider Downs reported no exceptions in connection with its application of a number of the agreed-upon procedures, exceptions reported in connection with other procedures suggested that the subject EDUs' performance in certain areas during calendar years 2006 and 2007, the period covered by the review, was not satisfactory. In those instances, ODOD, after setting forth its
conclusions regarding the results of the procedure in question, requested that the subject EDUs respond to the identified concerns.

AEP and Duke filed their responses in accordance with the agreed procedural schedule, and AEP subsequently supplemented its response by submitting certain additional information. ODOD filed a reply to the AEP and Duke responses on June 26, 2009. In its reply, ODOD indicated that, although the AEP and Duke responses adequately addressed certain of the concerns identified in the Supplement, issues remained with respect to the results of several of the procedures reported by Schneider Downs. The Office of the Ohio Consumers' Counsel also filed a reply to the AEP and Duke responses, raising many of the same issues identified by ODOD in its reply. ODOD requested that the subject EDUs provide a second round of responses to address these concerns. AEP and Duke filed their additional responses on July 26, 2009.

Meetings were held with AEP and Duke representatives and interested members of the Working Group on September 30, 2009 to discuss the issues ODOD had identified in the Supplement and its reply. After reviewing the issues, ODOD advised the participants in the AEP meeting that, with certain commitments made by AEP, it was satisfied that, as measured by the agreed-upon procedures, AEP's performance did not indicate any significant risk to ratepayers. No participant took issue with this conclusion. Thus, it was agreed that ODOD and AEP should enter into a joint stipulation memorializing the AEP commitments and ODOD's conclusion that no USF rider rate adjustments were
necessary as a result of the Schneider Downs' findings for AEP. ODOD anticipates filing this joint stipulation with the Commission in the near future. However, ODOD advised the participants in the Duke meeting that several open issues remained as a result of the Schneider Downs' findings and Duke's responses. ODOD and Duke are still in discussions with respect to those issues, but, at this juncture, the issues remain unresolved. I will provide an update on the status of these discussions in the testimony that will be submitted in connection with the supplemental application that will be filed to update the revenue requirement calculation to incorporate and additional month of actual data.
Q. Does this conclude your testimony?
A. Yes. However, I reserve the right to supplement my testimony after additional actual information becomes available.
Universal Service Fund
Cost of PIPP
Company: COLUMBUS SOUTHERN POWER

| For Monthly Billing Cycle Ending: | Jan-09 | Mar-09 | Apr-09 | May-09 | Jun-09 | jul09 | Aus 09 | Sep-08 | Cct-0] | Nov-0a | Dec-08 | Annual |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Remitance (Form USF-301-00) |  |  |  |  |  |  |  |  |  |  |  |  |
| 1. USF Rider Colltected on All Customers | \| $\$ 2.202,360.18$ [ $\$ 2.0700 .384 .03 \mid$ | \$1.830.424.05 | 31.634.496.06 | \$1.552.557.26\| | \$1,706,220.82 | \|51,937,980.61 | \$1,855,339.39 | \$2,407,737.61\| | \$ $\$ 1,994,7377.99$ \| | 32,007,72.67 | \$2,439,777.27 | \$23,639,787,94 |
| 2. Non-USF Rider Funds a. Customer Payments <br> b. Other Customer Payments <br> c. Agency Payments |  |  |  |  |  |  |  |  |  |  |  |  |
|  | \$ $51.457 .979 .40 \mid$ \$1,677.635.99 | \$1,654,341.38 | \$1,617,30.3.31 | ${ }^{51,553,497.80}$ | 32,041, 717.05 | \$2,52,910.51 | \$3,049,914.18 | \$2,893,657.02 | 53,152,0877.37 | \$11,611,744 | 51,622.768.70 | \$24.844,956.73 |
|  |  | \$570,840.70 | \$5699.949.16 | \$593.668.85 | ${ }_{5}^{5994.820 .43}$ | S611.090.02 | 5699,462.79 | S661,227.57 | \$680,397. 18 | \$510,146.5 | \$461, 625.15 | 56,959,762.80 |
| 3. Total Payments |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | \$37,128,365.94 |
| 4. Total Amount of Remittance |  |  |  |  |  |  |  |  |  |  |  | 560,768.153.88 |
| B. OCS Admin $2.99 \%$ |  | \$23,550.541 | \$27,029,69 | \$19,975.46 | \$21,952.52 | 524,934.38 | \$23,871.10 | \$32.012.33 | 526,521.25 | 326,694.55 | 532,438,31 | \$307,953.94 |
| c. EPP Program ${ }_{\text {a }}^{\text {23, }}$ 2.74\% |  |  |  |  | \$152,942, 24 ${ }^{\text {¢ }}$ \$173,716.72 |  | \$166,308.93] | \$228,160.77] | \$189,024.32 | \$190,259.50 ${ }^{\text {S231,196.90 }}$ |  |  |
| 21.81\% |  |  |  |  | \$228, 160.77 | \$2,164,366.34 |  |  |  |  |
| D. Available Eatanco (AA-B-C) |  |  |  |  |  |  |  |  |  |  |  | \$58,295.833.61 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| E. Reimbursement Due <br> (Form USF-302-00, Line $V$ +line VII) |  |  |  |  |  |  |  |  |  |  |  | S57,205,169.41 |
| SurplusiDeficitit (0.E) |  |  |  |  |  |  | 5543,170.26 | [ $51,247,194.07]$ [ $\$ 2,503,387.94]$ \$ $\$ 245,423.51]$ [ $\$ 556.418 .02]$ |  |  |  | \$1,090,664.20 |
| c. Cost of PIPP (Total of E. - Total of A.3.) |  |  |  |  |  |  |  |  |  |  |  | S20,076,803.47 |

Ohio Power

Universal Service Fund
Current Rider Mechanism Universal Service Fund Current Rider Mechanism
Cost of PIPP



 DAS-3
Universal Service Fund
Current Rider Mechanism Cost of PIPP
Cleveland Illuminating Company
urrent Rider Mechanism
Cost of PIPP
Cost of PIPF
Company: Cleveland Illuminating Company

Ohio Edison
Current Rider Mechanism
Cost of PIPP


Toledo Edison
Current Rider Mechanism
Cost of PIPP


| S1.18 | 51.178,918.12 | 51,125,046.32 | \$1,049,145.17] | \$957,200.06 | \$9899,235.20 | \$1,102,993.89 | \$1,126,370.85 | \$1,145,279.96 | \$1,015,526.061 | \$989,400.96\| | \$1,068.409.75 | 12,937,535.95 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 5747,575.73 | 5790,945.78 | \$782,900.71 | \$885,955.50 | 3804,279.76 | 9994 | 31,230,236.61 | \$1,383, 137.87 | \$1,358,854.56 | S1,318, | 581 | \$753,608.00 | 11,866.945.57 |
| S61,214.07 | \$30,716.41 | 585.025.02 | 568,755.06 | \$76,469.83 | \$68,712.40 | \$880.570.40 | \$90,278.19 | \$108,792.56 | \$109,550.95 | 560,550.23 | \$51,361.76 | 5891,996.88 |
| \$177, 335.39 | \$759,599,89 | 5307,447,25 | \$162,815.07 | \$100,080.02 | 552.609.77 | \$111.788.12 | \$118,510.69 | \$5.036.08 | \$2,090.34 | \$201,152.40 | \$253,722.86 | \$2,252, 389.68 |
|  |  |  |  | \$980,829. | 51,115,649.6 | 31,422,595. | 1,591,926.75] | 51,473,484,001 | \$1,430,284.09 | 51.078,203.42 | 1.058,692.62 | \$15,011,932.13 |
|  |  |  |  |  |  |  |  |  |  |  |  | 527,349,468.08 |
| \$13,486.44 | \$13,371.98 | \$12.772.28 | \$11,900.02 | \$10,057.12 | \$11,220.43 | 512.510.80] | 312,775.96 | \$12,597.04 | 311,169.87 | \$10,882.51 | \$11,751.54 | \$145,296.04 |

 526 | 30 | $526.623,865.03$ |
| :--- | :--- |
|  |  |
| $526,917,601 \cdot .05$ |  |




Company:
COLUMBUS SOUTHERN POWER

COLU

Universal Service Fund
Projection of December 31, 2009 Balance
Company: OHIO POWER COMPANY

Universal Service Fund
Projection of December 31, 2009 Balance
Jan $2009-$ Dec 2009












$$
\begin{aligned}
& \text { Company: Duke }
\end{aligned}
$$

Universal Service Fund
Projection of Deecember 31, 2009 Balance

Company:
Dayton Power and Light

Company: Cleveland Illuminating Company

Universal Service Fund
Projected of Deeember 31,2009 Balance





Company: Ohio Edison COMPANY

| Jan-09 | Fob-09 | Mar-09 | Apr.09 | May-09 | Jun-09 | Jut-09 | Aug. 09 | Sop-09 | Oct:09 | Nov-09 | D0c.09 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| \$3,942,351.82] | \$3,920,189, 13, | \$3,548.074.52 | 53,173,832.71 | 53,031,376.04\| | 53,115,822.09 | S3,462.795.02\| | 53.404.401.17 | 53,771,653.59 | \| 53, 154,744,38| | \$3,304.886.44 | 53.578 .461 .08 |
| \$2,682.639.92 | 52.716,443.63 | \$2,709,028.78 | 52,997,20.46 | 52,693,205.23 | 53,588,813.57 | \$4,456,691.60 | 54,720,600.46 | 54,899,380.21 | 55,010,926.78 | 53,097,282.45 | 52,783,838.53 |
| ${ }_{\text {S }}^{5440,094.688}$ |  | ${ }^{5333,743.85}$ | ${ }^{5280,474,88}$ | ${ }_{\text {5 }}^{52909,794.64}$ | $\frac{5320.089 .70}{51094787}$ | S325,397.65 | ${ }^{5346,193.55}$ S381855 | S495.990.47 | 54.54 .578 .43 | \$5999.609.92 |  |
| \$3,340, 564.78 | 54,909, 637.62 | 53.952.561.61 | 53,706,339,881 | 53,247,733.001 | 54,018,361.14 | 85,155,628.81 | \$5..48,657.43 | 85, 424,657.75 \| | 55,463,812,691 | \$4,063,397.87 | 53,770,962.86] |
| 37,282,916.50 | 8, 822, $, 26,75$ | 87,500.636.13! | 56,880,672.59 \| | 56,279.109.04 | 57,134,24.231 | 50,618,424.63 | S8.88, 8.058 .601 | 59,196,313,34 | \$8,618,527.07\| | \$7,368,202311 | 57,349,423.94 |
| \$40,957.17 | S40,726.93) | \$36,861.02 | \$32,973.01] | 531.493.03] | \$32,370.96\| | 535.975 .06 | \$35.386.39 | 539,183.81 | 532,774.391 | 534,334.531 | S37,176.71 |
| \$305,667, 18] | 580, 888.151 | \$275,043.19 | \$246,032,34] | \$234,989.241 | \$241,540.071 | \$268,432,48 | 5263, 005,781 | 5292,374.98] | \$244,550.31 | \$256,991.50\| | \$27, 398.73 |
| - $56,936,35225$ | \$8,485, 210.681 | 87,188,731.92 | S6,601.667,23 | 86,012,626.77 | 56,860,322.20 | 38,34, ,077.40 | 38,53, ,84.43 | 58,86, 754, 56 | 88,344,202.37\| | 57.077,676.28 | 57,034,848.50 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| S99.366.249.81 | 59.709.9991.15 | S9,992,896.06 | 57,735,596.08 | \$6,597,263.62 | 56,262, 53, ${ }^{\text {a }}$, ${ }^{\text {a }}$ | S6,271,129.02 | S6,371,882.25 | 86,202, 279.23 | 55.047,499.03 | 55.970,105.31 | 57,67.0012.35 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| ( $52,421,1897.56)^{\text {a }}$ | (51,224,780.47) | 004,76 | [ $51,133,1,292,85]$ | (55844,636.85) | \$5977,698.26 | \$2,042,888.08] | 52,181,902,18 | 52,661, 785.33 | 53,293,703, 34 | \$1,107,570.97 | [5644, 163.95] |
| ( 33,307 , 493.58) | (54, 533,274.06) | (56,536,438.20) | (57,670,387, .05) | (s8,255,003,90) | (57,657,305,64) | (85,614,417.57) | (\$3.432.515.39) | (5770.440.06) | 52,523.063.28 | 50.630,634.24 | \$2,986,470,39 |
|  |  |  |  |  |  |  |  |  | Projectod A | Roserve: <br> Account Ealanco: | $\begin{aligned} & \text { s } \\ & \text { \$ } \\ & \hline \end{aligned}$ |

Universal Service Fund
Projection of December 31, 2009 Balance

Company: Toledo Edison

|  | For Monthly Billing Cycla Ending: |
| :--- | :--- |
| A. | Romittanco (Form USF-30t-00) |

## CSP <br> Interest Calculation

| Month | Debt | Deficit | Interest | Notes |
| :---: | :---: | :---: | :---: | :---: |
| January | Begin through Dec <br> January <br> Begin through Jan | $\begin{array}{r} 194,920.56 \\ (490,639.00) \\ (295,718.45) \\ \hline \end{array}$ | \$0.00 | Begin through Jan $\times .000222 \times 30$ |
| February | Begin through Jan February Begin throug Feb | $\begin{array}{r} (295,718.45) \\ (729,497.87) \\ (1,025,216.32) \end{array}$ | \$0.00 | Begin fhrough Feb $\times .000222 \times 30$ |
|  |  |  |  |  |
| April | Begin through March April <br> Begin through April | $\begin{array}{r} (1,189,461.72) \\ (360,660.08) \\ (1,550,121.79) \\ \hline \end{array}$ | \$0.00 | Begin through April $\times .000222 \times 30$ |
| May | Begin through April <br> May <br> Begin through May | $\begin{array}{r} (1,550,121.79) \\ (347,230.29) \\ (1,897,352.08) \\ \hline \end{array}$ | \$0.00 | Begin through May $\times .000222 \times 30$ |
| June | Begin through May June <br> Begin through June | $\begin{array}{r} (1,897,352.08) \\ 8,762.38 \\ (1,888,589.70) \end{array}$ | \$0.00 | Begin through June $\times .000222 \times 30$ |
| July | Begin through June July Begin through July | $\begin{array}{r} (1,888,589.70) \\ (567,659.54) \\ (2,456,249.24) \\ \hline \end{array}$ | \$0.00 | Begin through July x. $000222 \times 30$ |
| August | Begin through July August <br> Begin through Aug | $\begin{aligned} & \hline(2,456,249.24) \\ & (1,384,705.47) \\ & (3,840,954.72) \\ & \hline \end{aligned}$ | \$0.00 | Begin through Aug $\times .000222 \times 30$ |
| September | $\begin{aligned} & \text { Begin through Aug } \\ & \text { September } \\ & \text { Begin through Sept } \end{aligned}$ | $(3,840,954.72)$ $(1,862,905.09)$ $(5,703,859.81)$ | \$0.00 | Begin through Sept $\times .000222 \times 30$ |
| October | Begin through Sept October Begin through October | $\begin{aligned} & (5,703,859.81) \\ & (3,124,521.25) \\ & (8,828,381.05) \end{aligned}$ | \$0.00 | Begin through Oct $\times .000222 \times 30$ |
| November | Begin througth October November Begin through Nov | $\begin{array}{r} (8,828,381.05) \\ (802,552.88) \\ (9,630,933.93) \\ \hline \end{array}$ | \$0.00 | Begin + Dec $\times .000222 \times 30$ |
| December | Begin through Nov December <br> Begin through Dec | $(9,630,933.93)$ <br> $6,286,924.30$ <br> $(3,344,009.64)$ | $\frac{\$ 0.00}{\$ 0.00}$ |  |

OP
DAS-16
Interest Calculation

| Month | Debt | Deficit | Interest | Notes |
| :---: | :---: | :---: | :---: | :---: |
| January | Dec-09 <br> January <br> Begin through Jan | $(\$ 1,407,954.99)$ $\$ 606,359.67$ $(\$ 801,595.31)$ | \$0.00 | Begin through Jan x . $000222 \times 30$ |
| February | Begin through Jan February <br> Begin throug Feb | $\begin{gathered} (\$ 801,595.31) \\ \$ 456,153.35 \\ (\$ 345,441.96) \end{gathered}$ | \$0.00 | Begin through Feb x. $000222 \times 30$ |
| March | Begin through Feb <br> March <br> Begin through March | $\begin{gathered} \hline(\$ 345,441.96) \\ \$ 473,563.21 \\ \$ 128,121.25 \\ \hline \end{gathered}$ | \$853.29 | Begin through March $\times .000222 \times 30$ |
| April | Begin through March April <br> Begin through April | $\begin{gathered} \$ 128,974.53 \\ (\$ 63,227.46) \\ \$ 65,747.07 \end{gathered}$ | \$437.88 | Begin through April $\times .000222 \times 30$ |
| May | Begin through April <br> May <br> Begin through May | $\$ 66,184.95$ $(\$ 314,428.16)$ $(\$ 248,243.21)$ | \$0.00 | Begin through May x . $000222 \times 30$ |
| June | Begin through May June Begin through June | (\$248,243.21) <br> (\$603,655.71) <br> (\$851,898.91) | \$0.00 | Begin through June x . $000222 \times 30$ |
| July | Begin through June July <br> Begin through July | $(\$ 851,898.91)$ $(\$ 1,172,324.44)$ $(\$ 2,024,223.35)$ | \$0.00 | Begin through July x . $000222 \times 30$ |
| August | Begin through July August <br> Begin through Aug | $\begin{aligned} & \hline(\$ 2,024,223.35) \\ & (\$ 1,601,881.71) \\ & (\$ 3,626,105.06) \end{aligned}$ | \$0.00 | Begin through Aug x . $000222 \times 30$ |
| September | Begin through Aug <br> September <br> Begin through Sept | $\begin{aligned} & (\$ 3,626,105.06) \\ & (\$ 2,079,457.50) \\ & (\$ 5,705,562.56) \end{aligned}$ | \$0.00 | Begin through Sept $\times .000222 \times 30$ |
| October | Begin through Sept October Begin through Octobe | $\begin{aligned} & (\$ 5,705,562.56) \\ & (\$ 2,616,385.93) \\ & (\$ 8,321,948.48) \end{aligned}$ | \$0.00 | Begin through Oct $\times .000222 \times 30$ |
| November | Begin througth Octob <br> November <br> Begin through Nov | $\begin{array}{r} (\$ 8,321,948.48) \\ (\$ 532,164.25) \\ (\$ 8,854,112.73) \end{array}$ | \$0.00 |  |
| December | $\begin{aligned} & \text { Begin through Nov } \\ & \text { December } \\ & \text { Begin through Dec } \end{aligned}$ | $\begin{array}{r} (\$ 8,854,112.73) \\ \$ 7,037,014.76 \\ (\$ 1,817,097.97) \\ \hline \end{array}$ | \$0.00 |  |

Duke
Interest Calculation

| Month | Debt | Deficit | Interest | Notes |
| :---: | :---: | :---: | :---: | :---: |
| January | Begin through Dec January <br> Begin through Jan | $\begin{array}{r} \hline \$ 2,062,462.46 \\ (\$ 1,582,825.57) \\ \$ 479,636.89 \\ \hline \end{array}$ | \$3,194.38 | Begin through Jan x . $000222 \times 30$ |
| February | Begin through Jan February Begin throug Feb | $\$ 482,831.27$ $\$ 321,798.36$ $\$ 804,629.63$ | \$5,358.83 | Begin through Feb x . $000222 \times 30$ |
| March | Begin through Feb <br> March <br> Begin through March | $\begin{array}{r} \$ 809,988.46 \\ \$ 487,432.09 \\ \$ 1,297,420.56 \\ \hline \end{array}$ | \$8,640.82 | Begin through March $\times .000222 \times 30$ |
| April | Begin through March April <br> Begin through April | $\begin{gathered} \$ 1,306,061.38 \\ (\$ 538,802.76) \\ \$ 767,258.62 \end{gathered}$ | \$5,109.94 | Begin through April $\times .000222 \times 30$ |
| May | Begin through April May Begin through May | $\$ 772,368.56$ $(\$ 387,448.13)$ $\$ 384,920.43$ | \$2,563.57 | Begin through May $\times .000222 \times 30$ |
| June | Begin through May June <br> Begin through June | $\begin{array}{\|c\|} \hline \$ 387,484.00 \\ (\$ 501,152.73) \\ (\$ 113,668.73) \end{array}$ | \$0.00 | Begin through June $\times .000222 \times 30$ |
| July | Begin through June <br> July <br> Begin through July | $\begin{array}{r} \hline(\$ 113,668.73) \\ (\$ 97,335.63) \\ (\$ 211,004.36) \\ \hline \end{array}$ | \$0.00 | Begin through July $\times .000222 \times 30$ |
| August | Begin through July August <br> Begin through Aug | $(\$ 211,004.36)$ $(\$ 427,846.12)$ $(\$ 638,850.48)$ | \$0.00 | Begin through Aug x $000222 \times 30$ |
| September | Begin through Aug <br> September <br> Begin through Sept | $(\$ 638,850.48)$ $(\$ 836,079.54)$ $(\$ 1,474,930.02)$ | \$0.00 | Begin through Sept $\times .000222 \times 30$ |
| October | Begin through Sept October Begin through Octobe | $(\$ 1,474,930.02)$ $(\$ 1,320,046.59)$ $(\$ 2,794,976.61)$ | \$0.00 | Begin through Oct $\times .000222 \times 30$ |
| November | Begin througth Octobs November Begin through Nov | $\begin{array}{r} (\$ 2,794,976.61) \\ (\$ 717,675.27) \\ (\$ 3,512,651.88) \\ \hline \end{array}$ | \$0.00 |  |
| December | Begin through Nov December <br> Begin through Dec | $(\$ 3,512,651.88)$ <br> $(\$ 123,824.00)$ <br> $(\$ 848,337.32)$ | \$0.00 |  |

## DPL

InterestCalculation

| Month | Debt | Deficit | Interest | Notes |
| :---: | :---: | :---: | :---: | :---: |
| January | Begin through Dec January <br> Begin through Jan | $\begin{gathered} (\$ 1,803,021.43) \\ \$ 1,250,640.48 \\ (\$ 552,380.95) \end{gathered}$ | \$0.00 | Begin through Jan $\times .000222 \times 30$ |
| February | Begin through Jan February <br> Begin throug Feb | $\begin{gathered} (\$ 552,380.95) \\ \$ 653,302.49 \\ \$ 100,921.54 \end{gathered}$ | \$672.14 | Begin through Feb $\times .000222 \times 30$ |
| March | Begin through Feb March Begin through March | $\begin{array}{\|l} \hline \$ 101,593.68 \\ \$ 817,965.11 \\ \$ 919,558.79 \\ \hline \end{array}$ | \$6,124.26 | Begin through March x. $000222 \times 30$ |
| April | Begin through March April <br> Begin through April | $\begin{array}{r} \$ 925,683.05 \\ \$ 309,157.45 \\ \$ 1,234,840.50 \end{array}$ | \$8,224.04 | Begin through April $\times .000222 \times 30$ |
| May | Begin through April <br> May <br> Begin through May | $\begin{gathered} \hline \$ 1,243,064.53 \\ (\$ 970,605.19) \\ \$ 272,459.35 \\ \hline \end{gathered}$ | \$1,814.58 | Begin through May x . $000222 \times 30$ |
| June | Begin through May June Begin through June | $\begin{gathered} \hline \$ 274,273.92 \\ (\$ 518,835.26) \\ (\$ 244,561.34) \\ \hline \end{gathered}$ | \$0.00 | Begin through June $\times .000222 \times 30$ |
| July | Begin through June July Begin through July | $(\$ 244,561.34)$ $(\$ 700,808.43)$ $(\$ 945,369.76)$ | \$0.00 | Begin through July x . $000222 \times 30$ |
| August | Begin through July August <br> Begin through Aug | $\begin{array}{r} (\$ 945,369.76) \\ (\$ 1,267,751.83) \\ (\$ 2,213,121.59) \end{array}$ | \$0.00 | Begin through Aug $\times .000222 \times 30$ |
| September | Begin through Aug September <br> Begin through Sept | $\begin{aligned} & \hline(\$ 2,213,121.59) \\ & (\$ 1,630,323.12) \\ & (\$ 3,843,444.71) \end{aligned}$ | 0.00 | Begin through Sept $\times .000222 \times 30$ |
| October | Begin through Sept October Begin through October | $(\$ 3,843,444.71)$ $(\$ 2,274,560.81)$ $(\$ 6,118,005.52)$ | 0.00 | Begin through Oct $\times .000222 \times 30$ |
| November | Begin througth October November Begin through Nov | $\begin{array}{r} (\$ 6,118,005.52) \\ (\$ 976,121.95) \\ (\$ 7,094,127.47) \\ \hline \end{array}$ | \$0.00 | Begin + Dec $\times .000222 \times 30$ |
| December | Begin through Nov December Begin through Dec | $\begin{gathered} \hline(\$ 7,094,127.47) \\ \$ 2,755,701.65 \\ (\$ 4,338,425.83) \end{gathered}$ | \$0.00 |  |

Interest Calculation

| Month | Debt | Deficit | Interest | Notes |
| :---: | :---: | :---: | :---: | :---: |
| January | Begin through Dec January <br> Begin through Jan | $\begin{array}{r} \$ 2,391,760.26 \\ (\$ 409,195.77) \\ \$ 1,982,564.49 \\ \hline \end{array}$ | \$13,203.88 | Begin through Jan $\times .000222 \times 30$ |
| February | Begin through Jan February Begin throug Feb | $\begin{gathered} \$ 1,995,768.37 \\ (\$ 142,144.19) \\ \$ 1,853,624.19 \end{gathered}$ | \$12,345.14 | Begin through Feb x . $000222 \times 30$ |
| March | Begin through Feb <br> March <br> Begin through March | $\begin{gathered} \$ 1,865,969.32 \\ (\$ 187,621.65) \\ \$ 1,678,347.67 \end{gathered}$ | \$11,177.80 | Begin through March $\times .000222 \times 30$ |
| April | Begin through March April <br> Begin through April | $\$ 1,689,525.47$ $(\$ 420,622.01)$ $\$ 1,268,903.46$ | \$8,450.90 | Begin through April $\times .000222 \times 30$ |
| May | Begin through April <br> May <br> Begin through May | $\$ 1,277,354.36$ $(\$ 313,867.90)$ $\$ 963,486.45$ | \$6,416.82 | Begin through May x $000222 \times 30$ |
| June | Begin through May June <br> Begin through June | $\begin{gathered} \hline \$ 969,903.27 \\ (\$ 859,205.29) \\ \$ 110,697.99 \end{gathered}$ | \$737.25 | Begin through June x . $000222 \times 30$ |
| July | Begin through June July <br> Begin through July | $\$ 111,435.23$ $(\$ 1,269,503.89)$ $(\$ 1,158,068.65)$ | \$0.00 | Begin through July x $000222 \times 30$ |
| August | Begin through July August <br> Begin through Aug | $(\$ 1,158,068.65)$ $(\$ 1,156,100.60)$ $(\$ 2,314,169.25)$ | \$0.00 | Begin through Aug x . $000222 \times 30$ |
| September | Begin through Aug <br> September <br> Begin through Sept | $(\$ 2,314,169.25)$ $(\$ 1,995,276.17)$ $(\$ 4,309,445.42)$ | \$0.00 | Begin through Sept $\times .000222 \times 30$ |
| October | Begin through Sept October <br> Begin through October | $\begin{aligned} & \hline(\$ 4,309,445.42) \\ & (\$ 2,424,037.31) \\ & (\$ 6,733,482.73) \end{aligned}$ | \$0.00 | Begin through Oct $\times .000222 \times 30$ |
| November | Begin througth October November Begin through Nov | $\begin{array}{\|l\|} \hline(\$ 6,733,482.73) \\ (\$ 1,354,141.07) \\ (\$ 8,087,623.80) \\ \hline \end{array}$ | \$0.00 | Begin + Dec x . $000222 \times 30$ |
| December | Begin through Nov December Begin through Dec | $(\$ 8,087,623.80)$ <br> $\$ 4,507,789.11$ <br> $(\$ 3,579,834.69)$ <br> Total Interest: | $\begin{array}{r} \$ 0.00 \\ \hline \$ 52,331.78 \\ \hline \end{array}$ |  |

Interest Calculation

| Month | Debt | Deficit | Interest | Notes |
| :---: | :---: | :---: | :---: | :---: |
| January | Begin through Dec January <br> Begin through Jan | $\begin{gathered} \hline(\$ 2,986,470.39) \\ \$ 2,474,246.08 \\ (\$ 512,224.31) \end{gathered}$ | \$0.00 | Begin through Jan $\times .000222 \times 30$ |
| February | Begin through Jan February <br> Begin throug Feb | $\begin{gathered} (\$ 512,224.31) \\ \$ 1,289,364.90 \\ \$ 777,140.59 \\ \hline \end{gathered}$ | \$5,175.76 | Begin through Feb x. $000222 \times 30$ |
| March | Begin through Feb <br> March <br> Begin through March | $\$ 782,316.35$ $\$ 2,048,785.70$ $\$ 2,831,102.04$ | \$18,855.14 | Begin through March x . $000222 \times 30$ |
| April | Begin through March April <br> Begin through April | $\$ 2,849,957.18$ $\$ 1,185,085.53$ $\$ 4,035,042.71$ | \$26,873.38 | Begin through April $\times .000222 \times 30$ |
| May | Begin through April May <br> Begin through May | $\begin{array}{r} \$ 4,061,916.10 \\ \$ 628,290.31 \\ \$ 4,690,206.41 \\ \hline \end{array}$ | \$31,236.77 | Begin through May x $000222 \times 30$ |
| June | Begin through May June <br> Begin through June | $\begin{array}{\|} \hline \$ 4,721,443.19 \\ (\$ 553,455.21) \\ \$ 4,167,987.98 \\ \hline \end{array}$ | \$27,758.80 | Begin through June $\times .000222 \times 30$ |
| July | Begin through June July <br> Begin through July | $\begin{gathered} \$ 4,195,746,78 \\ (\$ 1,980,917.50) \\ \$ 2,214,829.28 \end{gathered}$ | \$14,750.76 | Begin through July x . $000222 \times 30$ |
| August | Begin through July August <br> Begin through Aug | $\begin{array}{r} \$ 2,229,580.05 \\ (\$ 2,108,308.81) \\ \$ 121,271.23 \\ \hline \end{array}$ | \$807.67 | Begin through Aug x $000222 \times 30$ |
| September | $\begin{aligned} & \text { Begin through Aug } \\ & \text { September } \\ & \text { Begin through Sept } \end{aligned}$ | $\$ 122,078.90$ $(\$ 2,777,999.63)$ $(\$ 2,655,920.73)$ | \$0.00 | Begin through Sept x . $000222 \times 30$ |
| October | Begin through Sept October Begin through October | $\begin{array}{r} (\$ 2,655,920.73) \\ (\$ 3,463,508.73) \\ (\$ 6,119,429.47) \end{array}$ | \$0.00 | Begin through Sept $\times .000222 \times 30$ |
| November | Begin througth October November Begin through Nov | $\begin{aligned} & \hline(\$ 6,119,429.47) \\ & (\$ 1,175,225.82) \\ & (\$ 7,294,655.28) \end{aligned}$ | \$0.00 | Begin + Dec x . $000222 \times 30$ |
| December | Begin through Nov December <br> Begin through Dec | $(\$ 7,294,655.28)$ $(\$ 844,890.33)$ $(\$ 8,139,545.62)$ | \$0.00 |  |
|  |  | Total Interest: | \$125,458.28 |  |

Interest Calculation

| Month | Debt | Deficit | Interest | Notes |
| :---: | :---: | :---: | :---: | :---: |
| January | Begin through Dec January Begin through Jan | (5,935.52) | 3,668.46 | Begin through Jan $\times .000222 \times 30$ |
|  |  | 556,754.79 |  |  |
|  |  | 550,819.27 |  |  |
| February | Begin through Jan February Begin throug Feb | 554,487.72 | 5,601.43 | Begin through Feb $\times .000222 \times 30$ |
|  |  | 286,567.91 |  |  |
|  |  | 841,055.64 |  |  |
| March | Begin through Feb | 846,657.07 | 9,460.22 | Begin through March $\times .000222 \times 30$ |
|  | March | 573,796.04 |  |  |
|  | Begin through March | 1,420,453.10 |  |  |
|  |  |  |  |  |
| April | Begin through March April Begin through April | 1,429,913.32 | 10,509.49 | Begin through April $\times .000222 \times 30$ |
|  |  | 148,088.91 |  |  |
|  |  | 1,578,002.23 |  |  |
|  |  |  |  |  |
| May | Begin through April <br> May <br> Begin through May | 1,588,511.72 | 11,031.92 | Begin through May $\times .000222 \times 30$ |
|  |  | 67,932.02 |  |  |
|  |  | 1,656,443.74 |  |  |
|  |  |  |  |  |
| June | Begin through May June Begin through June | 1,667,475.66 | 9,541.76 | Begin through June $\times .000222 \times 30$ |
|  |  | (234,779.17) |  |  |
|  |  | 1,432,696.49 |  |  |
|  |  |  |  |  |
| July | Begin through June July Begin through July | 1,442,238.24 | 6,596.17 | Begin through July $\times .000222 \times 30$ |
|  |  | (451,822.75) |  |  |
|  |  | 990,415.50 |  |  |
|  |  |  |  |  |
| August | Begin through July August Begin through Aug | 997,011.67 | 3,245.39 | Begin through Aug $\times .000222 \times 30$ |
|  |  | (509,716.07) |  |  |
|  |  | 487,295.60 |  |  |
|  |  |  |  |  |
| September | Begin through Aug <br> September <br> Begin through Sept | 490,540.99 | 0.00 | Begin through Sept $\times .000222 \times 30$ |
|  |  | (918,383.52) |  |  |
|  |  | $(427,842.53)$ |  |  |
|  |  |  |  |  |
| October | Begin through Sept October Begin through October | (427,842.53) | 0.00 | Begin through Oct $\times .000222 \times 30$ |
|  |  | (1,050,987.81) |  |  |
|  |  | $(1,478,830.34)$ |  |  |
|  |  |  |  |  |
| November | Begin througth October November Begin through Nov | (1,478,830.34) | 0.00 | Begin through Nov $\times .000222 \times 30$ |
|  |  | (471,381.10) |  |  |
|  |  | (1,950,211.44) |  |  |
|  |  |  |  |  |
| December | Begin through Nov December Begin through Dec | (1,950,211.44) | 0.00 |  |
|  |  | (342,712.50) |  |  |
|  |  | (2,292,923.94) |  |  |
|  |  | Total Interest: | 59,654.83 |  |

## CSP

## Calculation of Allowance for Undercollection

|  | KWh | KWh sales X USF rider= Expected Revenue | Rider Collection | Expected Revenue/ Rider Collection | Average Collection |
| :---: | :---: | :---: | :---: | :---: | :---: |
| JJan-09 | 2,074,359,051 | \$2,247,554.76 | \$2,202,360.18 | 97.99\% | 99.80\% |
| Feb-09 | 1,940,878,131 | \$2,082,015.63 | \$2,070,384.03 | 99.44\% | 99.00\% |
| Mar-09 | 1,758,743,359 | \$1,737,963.60 | \$1,830,424.05 | 105.32\% |  |
| Apr-09 | 1,601,025,321 | \$1,642,007.52 | \$1,634,496.06 | 99.54\% |  |
| May-09 | 1,524,850,632 | \$1,559,664.46 | \$1,552,557.26 | 99.54\% |  |
| Jun-09 | 1,516,213,531 | \$1,715,979.04 | \$1,706,220.82 | 99.43\% |  |
| Jul-09 | 1,967,206,526 | \$1,952,556.35 | \$1,937,980.61 | 99.25\% |  |
| Aug-09 | 1,758,517,379 | \$1,869,352.45 | \$1,855,339.39 | 99.25\% |  |
| Sep-08 | 1,938,516,203 | \$2,421,452.03 | \$2,407,737.61 | 99.43\% |  |
| Oct-08 | 1,683,896,622 | \$2,005,710.59 | \$1,994,737.99 | 99.45\% |  |
| Nov-08 | 1,647,152,145 | \$2,017,691.33 | \$2,007,772.67 | 99.51\% |  |
| Dec-08 | 1,919,274,709 | \$2,453,456.48 | \$2,439,777.27 | 99.44\% |  |
|  | 21,330,633,609 | \$23,705,404.25 | \$23,639,787.94 |  |  |

## Target Revenue: <br> Total Cost:(Target Revenue / 99\%) <br> Allowance:(Total Cost - Total Revenue)

\$33,393,579.81
\$33,730,888.69
$\$ 337,308.89$

## OP

Calculation of Allowance for Undercollection

|  |  | KWh sales $X$ <br> current rider $=$ | Rider <br> Collection | Expected Revenue/ <br> Rider Collection | Average <br> Collection |
| :--- | ---: | ---: | ---: | ---: | ---: |
| Jan-09 | $2,600,546,948$ | $\$ 1,986,641.58$ | $\$ 1,980,187.57$ | $99.68 \%$ | $100.19 \%$ |
| Feb-09 | $2,292,947,311$ | $\$ 1,827,493.31$ | $\$ 1,819,021.98$ | $99.54 \%$ | $99.00 \%$ |
| Mar-09 | $2,166,097,356$ | $\$ 1,519,412.05$ | $\$ 1,632,415.58$ | $107.44 \%$ |  |
| Apr-09 | $2,022,144,423$ | $\$ 1,476,594.20$ | $\$ 1,476,426.24$ | $99.99 \%$ |  |
| May-09 | $1,926,222,627$ | $\$ 1,404,448.31$ | $\$ 1,393,360.86$ | $99.21 \%$ |  |
| Jun-09 | $1,704,952,962$ | $\$ 1,407,855.48$ | $\$ 1,399,875.35$ | $99.43 \%$ |  |
| Jul-09 | $2,229,758,118$ | $\$ 1,582,060.05$ | $\$ 1,571,404.55$ | $99.33 \%$ |  |
| Aug-09 | $1,937,381,133$ | $\$ 1,525,174.63$ | $\$ 1,515,373.05$ | $99.36 \%$ |  |
| Sep-08 | $2,354,433,814$ | $\$ 2,367,250.11$ | $\$ 2,358,109.90$ | $99.61 \%$ |  |
| Oct-08 | $2,072,403,529$ | $\$ 2,046,829.80$ | $\$ 2,034,887.55$ | $99.42 \%$ |  |
| Nov-08 | $1,993,368,905$ | $\$ 2,074,889.07$ | $\$ 2,067,465.85$ |  | $99.64 \%$ |
| Dec-08 | $2,481,117,597$ | $\$ 2,601,889.85$ | $\$ 2,592,549.18$ |  | $99.64 \%$ |

[^0]
## Duke

Calculation of Allowance for Undercollection

|  | KWH | KWh sales X USF rider= Expected Revenue | Rider Collection | Expected Revenue/ <br> Rider Collection | Average Collection |
| :---: | :---: | :---: | :---: | :---: | :---: |
| JJan-09 | 1,872,854,087 | \$1,864,742.31 | \$1,926,709.89 | 103.32\% | 99.88\% |
| Feb-09 | 1,779,344,762 | \$1,763,818.65 | \$1,747,207.37 | 99.06\% | 99.00\% |
| Mar-09 | 1,573,272,133 | \$1,534,981.71 | \$1,519,403.15 | 98.99\% |  |
| Apr-09 | 1,431,041,927 | \$1,390,864.10 | \$1,377,407.05 | 99.03\% |  |
| May-09 | 1,361,711,795 | \$1,344,504.75 | \$1,330,517.65 | 98.96\% |  |
| Jun-09 | 1,696,518,233 | \$1,618,440.44 | \$1,599,843.20 | 98.85\% |  |
| Jul-09 | 1,799,051,805 | \$1,621,011.75 | \$1,712,830.33 | 105.66\% |  |
| Aug-09 | 1,751,899,872 | \$1,694,571.85 | \$1,668,867.75 | 98.48\% |  |
| Sep-08 | 1,882,929,895 | \$2,006,519.10 | \$1,981,813.31 | 98.77\% |  |
| Oct-08 | 1,542,006,332 | \$1,620,133.21 | \$1,613,278.27 | 99.58\% |  |
| Nov-08 | 1,494,813,027 | \$1,602,367.66 | \$1,584,586.43 | 98.89\% |  |
| Dec-08 | 1,851,461,439 | \$2,012,408.15 | \$1,991,801.67 | 98.98\% |  |
|  | 20,036,905,307 | \$20,074,363.69 | \$20,054,266.07 |  |  |


| Target Revenue: | $\$ 26,876,996.98$ |
| :--- | ---: |
| Total Cost:(Target Revenue / Average Collection) | $\$ 27,148,481.80$ |
| Allowance:(Total Cost - Total Revenue) | $\$ 271,484.82$ |

## DPL

Calculation of Allowance for Undercollection

|  | KWH | KWh sales X current rider $=$ Expected Revenue | Rider Collection | Expected Revenue Rider Collection | Average Collection |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Jan-09 | 1,374,778,678 | \$1,859,497.10 | \$1,793,016.38 | 96.42\% | 97.38\% |
| Feb-09 | 1,279,447,610 | \$1,714,094.85 | \$1,663,671.80 | 97.06\% |  |
| Mar-09 | 1,131,250,903 | \$1,509,030.68 | \$1,464,348.91 | 97.04\% |  |
| Apr-09 | 1,044,936,553 | \$1,369,701.07 | \$1,329,192.34 | 97.04\% |  |
| May-09 | 1,004,709,169 | \$1,306,036.06 | \$1,267,661.68 | 97.06\% |  |
| Jun-09 | 1,116,725,298 | \$1,436,357.51 | \$1,394,312.79 | 97.07\% |  |
| Jul-09 | 1,201,854,609 | \$1,528,934.40 | \$1,545,386.97 | 101.08\% |  |
| Aug-09 | 1,186,478,702 | \$1,543,330.18 | \$1,497,822.89 | 97.05\% |  |
| Sep-08 | 1,305,895,314 | \$1,087,157.38 | \$1,030,503.09 | 94.79\% |  |
| Oct-08 | 1,110,777,253 | \$873,263.56 | \$872,236.46 | 99.88\% |  |
| Nov-08 | 1,096,089,202 | \$890,515.08 | \$864,073.06 | 97.03\% |  |
| Dec-08 | 1,249,649,891 | \$1,034,655.88 | \$1,003,839.10 | 97.02\% |  |
|  | 14,102,593,182 | \$16,152,573.76 | \$15,726,065.47 |  |  |


| Target Revenue: | $\$ 22,663,176.98$ |
| :--- | ---: |
| Total Cost:(Target Revenue / Average Collection) | $\$ 23,273,124.62$ |
| Allowance:(Total Cost - Total Revenue) | $\$ 609,947.63$ |

## CEI

Calculation of Allowance for Undercollection

|  | KWH | KWh sales X USF rider= Expected Revenue | Rider Collection | Expected Revenue/ Rider Collection | Average Collection |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Jan-09 | 1,701,624,827 | \$1,371,280.58 | \$1,358,719.54 | 99.08\% | 98.69\% |
| Feb-09 | 1,619,708,202 | \$1,303,772.51 | \$1,283,769.08 | 98.47\% |  |
| Mar-09 | 1,469,982,953 | \$1,178,293.42 | \$1,171,731.96 | 99.44\% |  |
| Apr-09 | 1,357,965,612 | \$1,102,290.53 | \$1,073,160.73 | 97.36\% |  |
| May-09 | 1,322,035,255 | \$1,058,988.51 | \$1,048,181.40 | 98.98\% |  |
| Jun-09 | 1,330,053,849 | \$1,083,648.28 | \$1,057,156.58 | 97.56\% |  |
| Jul-09 | 1,489,540,182 | \$1,192,909.55 | \$1,184,128.94 | 99.26\% |  |
| Aug-09 | 1,535,752,882 | \$1,230,624.88 | \$1,227,309.27 | 99.73\% |  |
| Sep-08 | 1,690,082,028 | \$1,483,155.58 | \$1,466,194.71 | 98.86\% |  |
| Oct-08 | 1,457,984,416 | \$1,269,596.26 | \$1,262,265.04 | 99.42\% |  |
| Nov-08 | 1,439,838,133 | \$1,278,555.57 | \$1,249,856.26 | 97.76\% |  |
| Dec-08 | 1,520,711,598 | \$1,364,671.59 | \$1,341,885.99 | 98.33\% |  |
|  | 17,935,279,937 | \$14,917,787.26 | \$14,724,359.50 |  |  |

Target Revenue:<br>Total Cost:(Target Revenue / 99\%<br>Allowance:(Total Cost - Target Revenue)

```
$29,657,402.82
    $30,051,981.30
    $394,578.48
```


## OE

## Calculation of Allowance for Undercollection

|  |  | KWh sales $X$ <br> USF rider $=$ <br> Expected Revenue | Rider <br> Collection | Expected Revenue/ <br> Rider Collection | Average <br> Collection |
| :--- | ---: | ---: | ---: | ---: | ---: |
| Jan-09 | $2,198,729,250$ | $\$ 3,965,807$ | $\$ 3,942,352$ | $99.41 \%$ | $100.07 \%$ |
| Feb-09 | $2,178,593,598$ | $\$ 3,912,450$ | $\$ 3,920,189$ | $100.20 \%$ | $99.00 \%$ |
| Mar-09 | $1,980,378,864$ | $\$ 3,591,726$ | $\$ 3,548,075$ | $98.78 \%$ |  |
| Apr-09 | $1,764,518,022$ | $\$ 3,189,528$ | $\$ 3,173,833$ | $99.51 \%$ |  |
| May-09 | $1,688,549,104$ | $\$ 2,987,924$ | $\$ 3,031,376$ | $101.45 \%$ |  |
| Jun-09 | $1,736,010,272$ | $\$ 3,170,582$ | $\$ 3,115,882$ | $98.27 \%$ |  |
| Jul-09 | $1,921,349,368$ | $\$ 3,448,408$ | $\$ 3,462,796$ | $100.42 \%$ |  |
| Aug-09 | $1,881,088,337$ | $\$ 3,312,895$ | $\$ 3,404,401$ | $102.76 \%$ |  |
| Sep-08 | $2,206,660,675$ | $\$ 3,024,529$ | $\$ 3,033,648$ | $100.30 \%$ |  |
| Oct-08 | $1,890,806,373$ | $\$ 2,554,470$ | $\$ 2,583,189$ | $101.12 \%$ |  |
| Nov-08 | $1,912,412,546$ | $\$ 2,638,646$ | $\$ 2,630,910$ | $99.71 \%$ |  |
| Dec-08 | $2,000,325,064$ | $\$ 2,818,555$ | $\$ 2,788,712$ |  | $98.94 \%$ |

Target Revenue:<br>Total Cost:(Target Revenue / .99)<br>Allowance:(Total Cost - Total Revenue)

$\$ 41,491,736.05$
41,910,844.49
$419,108.44$

## DAS-28

## TE

Calculation of Allowance for Undercollection

|  | KWH | KWh sales $X$ USF rider= Expected Revenue | Rider Collection | Expected Revenu <br> Rider Collection | Average Collection |
| :---: | :---: | :---: | :---: | :---: | :---: |
| JJan-09 | 835,776,914 | \$1,261,841.48 | \$1,189,009.61 | 94.23\% | 97.47\% |
| Feb-09 | 801,561,786 | \$1,196,337.98 | \$1,178,918.12 | 98.54\% |  |
| Mar-09 | 803,537,788 | \$1,186,405.11 | \$1,126,046.32 | 94.91\% |  |
| Apr-09 | 789,500,111 | \$1,145,498.86 | \$1,049,145.17 | 91.59\% |  |
| May-09 | 708,192,150 | \$983,292.11 | \$957,200.06 | 97.35\% |  |
| Jun-09 | 723,680,191 | \$968,321.60 | \$989,235.20 | 102.16\% |  |
| Jul-09 | 785,932,593 | \$1,041,196.43 | \$1,102,993.89 | 105.94\% |  |
| Aug-09 | 813,247,634 | \$1,084,123.87 | \$1,126,370.85 | 103.90\% |  |
| Sep-08 | 898,950,445 | \$1,189,599.29 | \$1,145,279.96 | 96.27\% |  |
| Oct-08 | 811,598,705 | \$1,069,579.50 | \$1,015,526.06 | 94.95\% |  |
| Nov-08 | 770,662,376 | \$1,054,856.73 | \$989,400.96 | 93.79\% |  |
| Dec-08 | 796,427,844 | \$1,112,528.40 | \$1,068,409.75 | 96.03\% |  |
|  | ,539,068,537 | \$13,293,581.36 | \$12,937,535.95 |  |  |

Target Revenue:
Total Cost:(Target Revenue / Average Collection)
Allowance:(Total Cost - Total Revenue)
\$15,165,495.99
\$15,558,859.47
\$393,363.48

CSP
KWH Sales

|  | $\begin{gathered} \text { Past } 12 \text { months } \\ \mathrm{KWh} \end{gathered}$ |
| :---: | :---: |
| Jan-09 | 2,074,359,051 |
| Feb-09 | 1,940,878,131 |
| Mar-09 | 1,758,743,359 |
| Apr-09 | 1,601,025,321 |
| May-09 | 1,524,850,632 |
| Jun-09 | 1,516,213,531 |
| Jul-09 | 1,967,206,526 |
| Aug-09 | 1,758,517,379 |
| Sep-08 | 1,938,516,203 |
| Oct-08 | 1,683,896,622 |
| Nov-08 | 1,647,152,145 |
| Dec-08 | 1,919,274,709 |
|  | 21,330,633,609 |


|  | OP KWH Sales |
| :---: | :---: |
|  | Past 12 months |
|  | KWh |
| Jan-09 | 2,600,546,948 |
| Feb-09 | 2,292,947,311 |
| Mar-09 | 2,166,097,356 |
| Apr-09 | 2,022,144,423 |
| May-09 | 1,926,222,627 |
| Jun-09 | 1,704,952,962 |
| Jul-09 | 2,229,758,118 |
| Aug-09 | 1,937,381,133 |
| Sep-08 | 2,354,433,814 |
| Oct-08 | 2,072,403,529 |
| Nov-08 | 1,993,368,905 |
| Dec-08 | 2,481,117,597 |
|  | 25,781,374,723 |

## Duke

|  | KWH |
| ---: | ---: |
| Jan-09 | $1,872,854,087$ |
| Feb-09 | $1,779,344,762$ |
| Mar-09 | $1,573,272,133$ |
| Apr-09 | $1,431,041,927$ |
| May-09 | $1,361,711,795$ |
| Jun-09 | $1,696,518,233$ |
| Jul-09 | $1,799,051,805$ |
| Aug-09 | $1,751,899,872$ |
| Sep-08 | $1,81,929,895$ |
| Oct-08 | $1,542,006,332$ |
| Nov-08 | $1,494,813,027$ |
| Dec-08 | $1,851,461,439$ |

## DAS-32

## DPL <br> KWH Sales

| KWH |  |
| :---: | :---: |
| Jan-09 | 1,374,778,678 |
| Feb-09 | 1,279,447,610 |
| Mar-09 | 1,131,250,903 |
| Apr-09 | 1,044,936,553 |
| May-09 | 1,004,709,169 |
| Jun-09 | 1,116,725,298 |
| Jul-09 | 1,201,854,609 |
| Aug-09 | 1,186,478,702 |
| Sep-08 | 1,305,895,314 |
| Oct-08 | 1,110,777,253 |
| Nov-08 | 1,096,089,202 |
| Dec-08 | 1,249,649,891 |
|  | 14,102,593,182 |

CEI
KWH Sales

KWH

| Jan-09 | $1,701,624,827$ |
| ---: | ---: |
| Feb-09 | $1,619,708,202$ |
| Mar-09 | $1,469,982,953$ |
| Apr-09 | $1,357,965,612$ |
| May-09 | $1,322,035,255$ |
| Jun-09 | $1,330,053,849$ |
| Jul-09 | $1,489,540,182$ |
| Aug-09 | $1,535,752,882$ |
| Sep-08 | $1,690,082,028$ |
| Oct-08 | $1,457,984,416$ |
| Nov-08 | $1,439,838,133$ |
| Dec-08 | $1,520,711,598$ |

# OE <br> KWH Sales 

| KWH |  |
| :---: | :---: |
| Jan-09 | 2,198,729,250 |
| Feb-09 | 2,178,593,598 |
| Mar-09 | 1,980,378,864 |
| Apr-09 | 1,764,518,022 |
| May-09 | 1,688,549,104 |
| Jun-09 | 1,736,010,272 |
| Jul-09 | 1,921,349,368 |
| Aug-09 | 1,881,088,337 |
| Sep-08 | 2,206,660,675 |
| Oct-08 | 1,890,806,373 |
| Nov-08 | 1,912,412,546 |
| Dec-08 | 2,000,325,064 |
|  | 23,359,421,473 |

# TE <br> KWH Sales 

| KWH |  |
| :---: | :---: |
| Jan-09 | 835,776,914 |
| Feb-09 | 801,561,786 |
| Mar-09 | 803,537,788 |
| Apr-09 | 789,500,111 |
| May-09 | 708,192,150 |
| Jun-09 | 723,680,191 |
| Jul-09 | 785,932,593 |
| Aug-09 | 813,247,634 |
| Sep-08 | 898,950,445 |
| Oct-08 | 811,598,705 |
| Nov-08 | 770,662,376 |
| Dec-08 | 796,427,844 |
|  | ,539,068,537 |

## Two-Tiered Rider CSP

## Proposal

First Black 833,000 kWh (10,000,000 per Year ) (18) \$ 0.0020366
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh rate (4)] \$ 0.0001830

## Calculation

$110 / 99$ USF Rider
2 USF Rider Revenue Requirement $\$ 33,730,888.69$
3 Total kWh Used in Calculation
4 Uniform per Kwh rate
5 Accounts with Annual kWh Greater than 10,000,000 kWh
6 Total Kwh of Accounts Over $10,000,000$ kWh Annually
7 First Block Annual kWh (833,334 Monthly)
8 Total kWh in First Block (5) x (7)
9 Revenue First Block Rate $\times$ ( 8 )
10 Total Second Block kWh (6) - (8)
11 Lower of $10 / 99$ Rate (1) or Uniform per Kwh rate
12 Second Block Revenue (11) x (10)
13 Total First and Second Block Revenue (9) + (12)
14 Revenue @ ODOD Proposed Rate (6) x (4)
15 Revenue shortfall (13)-(14)
Adjustment to Calculation
16 Adjusted Cost (2) - (9) - (12) \$30,307,987.34
17 Adjusted kWh (3)-(6)
18 Adjusted First Block Rate (16)/(17)
19 Change (18) - (4)
20 \% Change
21 Annual Cost to Consumer Using 946 kWh per Month (19) $\times 946 \times 12$

## Two-Tiered Rider Ohio Power

## Proposal

| First Block $833,000 \mathrm{kWh}(10,000,000$ per Year $)(18)$ | $\$$ | 0.0016199 |
| :--- | :--- | :--- | :--- |
| Over $833,000 \mathrm{kWh}$ [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
$\$ 28,419,458.34$
3 Total kWh Used in Calculation $25,781,374,723$

4 Uniform per Kwh rate

5 Accounts with Annual kWh Greater than $10,000,000 \mathrm{kWh}$

6 Total Kwh of Accounts Over $10,000,000$ kWh Annually
7 First Block Annual kWh (833,334 Monthly)
$11,011,731,869$
$10,000,000$
8 Total kWh in First Block (5) x (7)
9 Revenue First Block Rate $\times$ (8)
10 Total Second Block kWh (6) - (8)
11 Lower of 10/99 Rate (1) or Uniform per Kwh rate
$\$ \quad 0.0001681$
12 Second Block Revenue (11) $\times(10)$
\$ 1,545,130.13
13 Total First and Second Block Revenue (9) + (12)
$\$ 4,493,432.14$
14 Revenue @ ODOD Proposed Rate (6) $\times(4)$
\$ 12,138,509.23
15 Revenue shorffall (13) - (14)
\$ $(7,645,077.10)$

## Adjustment to Calculation

16 Adjusted Cost (2) - (9) - (12) \$ 23,926,026.20
17 Adjusted kWh (3)-(6) 14,769,642,854
18 Adjusted First Block Rate (16)/(17) \$
\$ 0.0016199
19 Change (18)-(4)
$\$ \quad 0.0005176$
20 \% Change
$47.0 \%$
21 Annual Cost to Consumer Using 1029 kWh per Month (19) $\times 1029 \times 12$

## Two-Tiered Rider <br> Duke

## Proposal

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

```
\$ 0.0015681
```

\$ 0.0004690

## Calculation

1 10/99 USF Rider
$\$ \quad 0.0004690$
2 USF Rider Revenue Requirement
3 Total kWh Used in Calculation
4 Uniform per Kwh Rate (2) / (3)
5 Accounts with Annual kWh Greater than $10,000,000 \mathrm{kWh}$
6 Total Kwh of Accounts Over 10,000,000 kWh Annually
5,125,649,374
7 First Block Annual kWh (833,000 Monthly)
8 Total kWh in First Block (5) $\times(6)$
$9 \quad$ Revenue First Block Rate $\times(8)$
10 Total Second Block kWh (6) - (8)
Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)

Second Block Revenue (11) $\times(10)$
Total First and Second Block Revenue (9) + (12)
Revenue @ Uniform per Kwh Rate (6) x (4)
\$ 6,944,864.82
15 Reduction in Total Revenue (13) - (14)
Adjustment to Calculation

| 16 | Adjusted Cost (2)-(9)-(12) | $\$ 23,381,719.85$ |
| :--- | :--- | ---: |
| 17 | Adjusted KWh (3)-(6) | $14,911,255,933$ |
| 18 | Adjusted USF (16)/(17) | $\$ 0.0015681$ |
| 19 | Change (18)-(4) | $\$ 0.0002131$ |
| 20 | $\%$ Change | $15.7 \%$ |
| 21 | Annual Cost to Consumer Using 1007 kWh per Month (19) $\times 1007 \times 12$ | $\$$ |

## Two-Tiered Rider <br> DPL

## Proposal

First Block $833,000 \mathrm{kWh}(10,000,000$ per Year ) (18)
Over $833,000 \mathrm{kWh}$ [Lower of 10/99 Rate (1) or Uniform per Kwh Rate
\$ 0.0019019
\$ 0.0005700

## Calculation

1 10/99 USF Rider

2 USF Rider Revenue Requirement
3 Total kWh Used in Calculation

4 Uniform per Kwh Rate (2) / (3)
5 Accounts with Annual kWh Greater than $10,000,000 \mathrm{kWh}$
6 Total Kwh of Accounts Over 10,000,000 kWh Annually
7 First Block Annual kWh (833,000 Monthly)
8 Total kWh in First Block (5) $\times(6)$
9 Revenue First Block Rate $\times$ (8)
10 Total Second Block $\mathrm{kWh}(6)$ - (8)
11 Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)
12 Second Block Revenue (11) $\times$ (10)
13 Total First and Second Block Revenue (9) + (12)
14 Revenue @ Uniform per Kwh Rate (6) x (4)
15 Reduction in Total Revenue (13) - (14)
Adjustment to Calculation

| 16 | Adjusted Cost (2)-(9)-(12) | $\$ 19,966,655.49$ |  |
| :--- | :--- | ---: | ---: |
| 17 | Adjusted kWh (3) $-(6)$ | $10,498,243,943$ |  |
| 18 | Adjusted USF $(16) /(17)$ | $\$$ | 0.0019019 |
| 19 | Change (18) - (4) | $\$$ | 0.0002516 |
| 20 | \% Change | $15.2 \%$ |  |
| 21 | Annual Cost to Consumer Using 1010 kWh per Month (19) $\times 1010 \times 12$ | $\$$ | 3.05 |

## CEI

## Proposal

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

| $\$$ | 0.0019067 |
| :--- | :--- |
| $\$$ | 0.0005680 |

## Calculation

1 10/99 USF Rider
2 USF Rider Revenue Requirement
3 Total kWh Used in Calculation
4 Uniform per Kwh Rate (2) / (3)
5 Accounts with Annual kWh Greater than $10,000,000 \mathrm{kWh}$
6 Total Kwh of Accounts Over $10,000,000 \mathrm{kWh}$ Annually

| $\$$ |
| :--- |

$\$ \quad 30,051,981.30$
$17,935,279,937$
$\$ 0.0016756$
127
$4,366,802,153$
7 First Block Annual kWh (833,000 Monthly) $\quad 10,000,000$
8 Total $k W h$ in First Block $(5) \times(6) \quad 1,270,000,000$
9 Revenue First Block Rate $\times(8) \$$
$2,421,549,41$
10 Total Second Block kWh (6) - (8)
11 Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)
12 Second Block Revenue (11) $\times$ (10)
13 Total First and Second Block Revenue (9) + (12)
$3,096,802,153$
0.0005680

14 Revenue @ Uniform per Kwh Rate (6) x (4)
15 Reduction in Total Revenue (13) - (14)
Adjustment to Calculation

| 16 | Adjusted Cost $(2)-(9)-(12)$ | $\$$ |
| :--- | :--- | ---: |
| 17 | Adjusted KWh (3)-(6) | $25,871,448.28$ |
| 18 | Adjusted USF $(16) /(17)$ | $13,568,477,784$ |
| 19 | Change (18)-(4) | 0.0019067 |
| 20 | $\%$ Change | $\$ 0.0002312$ |
| 21 | Annual Cost to Consurner Using 699 kWh per Month $(19) \times 699 \times 12$ | $\$ 13.8 \%$ |

## Two-Tiered Rider <br> Ohio Edison

## Proposal

| First Block $833,000 \mathrm{kWh}(10,000,000$ per Year ) (18) | $\$$ | 0.0019676 |
| :--- | :--- | :--- |
| Over $833,000 \mathrm{kWh}$ [Lower of 10/99 Rate (1) or Uniform per Kwh Rate (4)] | $\$$ | 0.0010461 |

## Calculation

1 10/99 USF Rider

2
3 Total kWh Used in Calculation

4

5 Accounts with Annual kWh Greater than $10,000,000 \mathrm{kWh}$

6 Total Kwh of Accounts Over $10,000,000 \mathrm{kWh}$ Annually
7 First Block Annual kWh (833,000 Monthly)
8 Total kWh in First Block (5) $\times(6)$
9 Revenue First Block Rate $\times(8)$
10 Total Second Block kWh (6) - (8)
11 Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)
Second Block Revenue (11) $\times(10)$
Total First and Second Block Revenue (9) + (12)
Revenue @ Uniform per Kwh Rate (6) x (4)
15 Reduction in Total Revenue (13) - (14)
Adjustment to Calculation
16 Adjusted Cost (2)-(9)-(12) $\quad \$ 34,105,463.65$
17 Adjusted kWh (3)-(6)
$17,333,814,425$
18 Adjusted USF (16)/(17)
19 Change (18)-(4)
20 \% Change
21 Annual Cost to Consumer Using 833 kWh per Month (19) $\times 833 \times 12$ \$
\$
1.73

## Two-Tiered Rider <br> Toledo Edison

## Proposal

First Block $833,000 \mathrm{kWh}(10,000,000$ per Year ) (18)
Over $833,000 \mathrm{kWh}$ [Lower of 10/99 Rate (1) or Uniform per Kwh rate
\$ 0.0022278
\$ 0.0005610

## Calculation

1 10/99 USF Rider

2 USF Rider Revenue Requirement
3 Total kWh Used in Calculation

4 Uniform per Kwh rate

5 Accounts with Annual kWh Greater than $10,000,000 \mathrm{kWh}$
6 Total Kwh of Accounts Over 10,000,000 kWh Annually

7 First Block Annual kWh (833,334 Monthly)
$3,964,939,287$

8 Total kWh in First Block (5) $\times(6)$
9 Revenue First Block Rate $\times$ (8)
10 Total Second Block kWh (6) - (8)
11 Lower of 10/99 Rate (1) or Uniform per Kwh rate
12 Second Block Revenue (11) $\times$ (10)
13 Total First and Second Block Revenue (9) + (12)
14 Revenue@ ODOD Proposed Rate (6) x (4)
15 Revenue shortfall (13)-(14)
Adjustment to Calculation
16 Adjusted Cost (2)-(9)-(12)
17 Adjusted $\mathrm{kWh}(3)-(6)$
18 Adjusted First Block Rate (16)/(17)
19

20
Change (18) - (4)
\% Change
Annual Cost to Consumer Using 767 kWh per Month (19) $\times 767 \times 12$
\$12,417,811.57
$5,574,129,250$
\$ 0.0022278
\$ 0.0005967
$36.6 \%$
$\$$
5.49

## CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been served upon the following parties by first class mail, postage prepaid, and electronic mail this $2^{\text {nd }}$ day of November 2009.


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[^0]:    Target Revenue:
    Total Cost:(Target Revenue / .99)
    Allowance:(Total Cost - Total Revenue)

