

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the Ohio)
Department of Development for an Order)
Approving Adjustments to the Universal) Case No. 09-463-EL-UNC
Service Fund Riders of Jurisdictional Ohio)
Electric Distribution Utilities.)

ENTRY

The Attorney Examiner finds:

- (1) On June 1, 2009, in accordance with the terms of the Stipulation filed on December 8, 2008 (2008 Adjustment Stipulation) in Case No. 08-658-EL-UNC, *In the Matter of the Application of the Ohio Department of Development for an Order Approving Adjustments to the Universal Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities* (08-658) (December 17, 2008 Opinion and Order), the Ohio Department of Development (ODOD) filed its Notice of Intent (NOI) to submit its annual Universal Service Fund (USF) rider adjustment application on or before October 31, 2009. ODOD's NOI provided the USF rider revenue requirement methodology and the USF rider rate design methodology that would be used in preparing its subsequent USF rider adjustment application.
- (2) By entry issued September 4, 2009, the procedural schedule for the NOI phase of this proceeding was established which included an evidentiary hearing to be held on October 14, 2009, if necessary. The September 4, 2009, entry also joined, as indispensable parties to this proceeding, all jurisdictional Ohio electric distribution utilities: The Cleveland Electric Illuminating Company (CEI), Columbus Southern Power Company (CSP), The Dayton Power and Light Company (DP&L), Duke Energy Ohio (Duke), Ohio Edison Company (OE), Ohio Power Company (OP), and Toledo Edison Company (TE) (collectively, electric utilities).
- (3) Motions to intervene in this proceeding were filed by the Ohio Consumers' Counsel (OCC), Industrial Energy User-Ohio (IEU), and Ohio Partners for Affordable Energy (OPAE).

- (4) In accordance with the procedural schedule established, OCC filed comments to the 2009 NOI to which IEU filed a response. No other party filed objections or comments to the 2009 NOI and no party filed a request for a hearing.
- (5) On October 13, 2009, ODOD filed a Stipulation and Recommendation (2009 NOI Stipulation), which proposed resolutions for the issues presented by ODOD's June 1, 2009 NOI.
- (6) By its Finding and Order signed October 28, 2009 (2009 NOI Order), the Commission granted the motions for intervention submitted by OCC, IEU, and OP&E and OP&E's motion to admit David C. Rinebolt to practice *pro hac vice* before the Commission in this proceeding. Further, in the 2009 NOI Order, the Commission approved, in accordance with its authority, the proposed USF rider revenue requirement methodology and USF rider rate design methodology, as submitted by ODOD in its NOI and the 2009 NOI Stipulation.
- (7) On November 2, 2009, ODOD filed an application (Application) to adjust the USF riders of all Ohio jurisdictional electric utilities; namely CEI, CSP, DP&L, Duke, OE, OP, and TE, in accordance with the requirements of Ohio's electric restructuring legislation (Amended Substitute Senate Bill No. 3) and Section 4928.52, Revised Code.¹ The current USF riders for the electric utilities took effect on a bills-rendered basis with the January 2009 billing cycle in accordance with the order issued in 08-658 (December 17, 2008 Opinion and Order).
- (8) Section 4928.52(B), Revised Code, provides that if, during or after the five-year market development period, ODOD, after consultation with the Public Benefits Advisory Board, determines that revenues in the USF, together with revenues from federal or other sources of funding for those programs, will be insufficient to cover the costs of the low-income customer assistance programs, and consumer education programs and their related administrative costs, ODOD shall file a petition with the Commission for an increase in the USF

¹ October 31, 2009, fell on a Saturday. Therefore, under Rule 4901-1-07(A), Ohio Administrative Code, the adjustment application was due on November 2, 2009.

riders.² The Commission, after reasonable notice and opportunity for hearing, may adjust the USF riders by the minimum amount necessary to provide additional revenues.

- (9) In its application, ODOD requests that each of the USF riders be adjusted to more accurately reflect the current operating costs of the percentage of income payment plans (PIPP), the Electric Partnership Program (EPP), the consumer education program (CE), and their associated administrative costs. Based on its analysis of the revenue that the current USF riders are projected to produce, and various other factors, ODOD has determined that, on an aggregated basis, the total annual revenues that will be generated by the current USF riders will fall \$52,023,289 short of the annual revenues required to meet the objectives identified in Section 4928.52(A), Revised Code. Based on its analysis, ODOD is requesting an increase for the USF riders of each of the electric utilities.
- (10) Accordingly, this matter should be set for a prehearing settlement conference on ODOD's application to be held on Tuesday, December 1, 2009, at 10:00 a.m., in Hearing Room 11-C, 11th floor, at the offices of the Commission, 180 East Broad Street, Columbus, Ohio 43215.
- (11) In addition, a hearing on ODOD's application should be held on Monday, December 7, 2009, at 10:00 a.m., in Hearing Room 11-C, 11th floor, at the offices of the Commission, 180 East Broad Street, Columbus, Ohio 43215.

It is, therefore,

ORDERED, That a prehearing settlement conference be held as set forth in Finding (10). It is, further,

ORDERED, That an evidentiary hearing be held as set forth in Finding (11). It is, further,

² Section 4928.52(B), Revised Code, also refers to the general revenue funds appropriations for the Ohio Energy Credit Program, which was discontinued as of July 1, 2003.

ORDERED, That a copy of this entry be served on all parties and interested persons of record in this case.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Greta See

By: Greta See
Attorney Examiner

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vrm

Entered in the Journal

NOV 16 2009

Renee J. Jenkins

Renee J. Jenkins
Secretary