

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc. to Set Its Electric Uncollectible Recovery Rate Under Rider UE-GEN) Case No. 12- 1963- EL-UEx

In the Matter of the Application of Duke Energy Ohio, Inc. for a Change in Accounting Authority) Case No. 12- 1964-EL-AAM

**APPLICATION OF DUKE ENERGY OHIO, INC.
TO SET ITS ELECTRIC UNCOLLECTIBLE RIDER UE-GEN**

Pursuant to R.C. 4909.18, Duke Energy Ohio, Inc., (Duke Energy Ohio or the Company) requests approval to set the rate for its electric uncollectible rider, Rider UE-GEN, and for such accounting authority as may be required to continue to defer uncollectible expense for subsequent recovery.

Duke Energy Ohio is an Ohio corporation engaged in the business of supplying electric transmission, distribution, and generation service to customers in southwestern Ohio, all of whom will be affected by this Application, and is a public utility as defined by R. C. 4905.02 and 4905.03. Duke Energy Ohio serves incorporated communities and unincorporated territory within its entire service area, which includes all or parts of Adams, Brown, Butler, Clinton, Clermont, Hamilton, Montgomery, and Warren Counties in Ohio.

In support of its Application, Duke Energy Ohio states as follows:

1. This Application is made pursuant to the Opinion and Order of the Public Utilities Commission of Ohio (Commission), issued November 22, 2011 in Case No. 11-3549-EL-SSO,

et al. (Opinion and Order).¹ In its Opinion and Order, the Commission approved a stipulation in which the signatory parties agreed, among other things, that Duke Energy Ohio would implement an electric uncollectible expense rider (Rider UE-GEN), applicable to all retail jurisdictional customers including those taking generation service from Competitive Retail Energy Suppliers (CRES), except for those customer accounts designated by CRES providers as not part of Duke Energy Ohio's Purchase of Accounts Receivable (PAR) Program.

2. Rider UE-GEN is bypassable by dual-billed customer accounts and customer accounts designated by CRES providers as not part of the PAR program, but shall be non-bypassable by all other retail customers, including SSO customers and customer accounts designated by CRES providers as part of the PAR program.

3. Pursuant to the Commission's Opinion and Order, in addition to the recovery of net uncollectible expense related to the provision of electric generation service, above the baseline established in Case No. 11-3549-EL-SSO, *et al.*, Rider UE-GEN is also intended to recover all percentage of income payment plan (PIPP) installment payments not recovered through the universal service fund rider (USR) or from the customer net of any unused low-income credit funds.² The Company is permitted to recover any payment installment amounts, not recovered through the USR or from the customer where the Company demonstrates reasonable attempts to collect said installment payments from customers.³ Finally, if the Commission determines to use an independent third-party auditor to review the Company's Rider UE-GEN filing, the costs of the auditor will be recovered through Rider UE-GEN.⁴

¹ In the Matter of the Application of Duke Energy Ohio, Inc., for an Authority to Establish a Standard Service Offer, *et al.*, Case No. 11-3549-EL-SSO, Opinion and Order (November 22, 2011).

² *Id.*

³ *Id.*

⁴ *Id.*

4. Pursuant to the terms of the stipulation, as approved in the Opinion and Order, the amounts included in Rider UE-GEN, exclusive of PIPP, will only be collected from the class of customers that created the bad debt expense. Bad debt expense associated with PIPP will be allocated in the manner of the USR.⁵

5. The electric uncollectible rider, Rider UE-GEN, currently has a monthly charge of \$0 per kWh for residential customers and \$0.00 per bill for non-residential customers, which were approved in Case No. 11-3549-EL-SSO in a Finding and Order dated November 22, 2011.⁶

6. The Company proposes Rider UE-GEN monthly charges of \$0.000813 per kWh for residential customers and \$0.60 per bill for non-residential customers. Therefore, pursuant to the terms of the stipulation and the Opinion and Order, Duke Energy Ohio now applies to the Commission to establish a value to recover incremental expenses for Rider UE-GEN. The total incremental unrecovered balance as of March 31, 2012, is projected to be approximately \$5,907,295 for residential and \$513,678 for non-residential rate classes (exclusive of any fees for a third-party audit that the Commission may determine is required). The schedules supporting the adjustments are attached in the Direct Testimony of Dana Patten. Attachment DRP-1 provides the calculation of proposed rates for Rider UE-GEN. Attachments DRP-2 and DRP-3 are copies of the tariff for Rider UE-GEN, showing tracked changes and final language respectively.

⁵ *Id.*

⁶ In the Matter of the Application of Duke Energy Ohio, Inc., for an Authority to Establish a Standard Service Offer, *et al.*, Case No. 11-3549-EL-SSO, Opinion and Order (November 22, 2011).

WHEREFORE, Duke Energy Ohio respectfully requests that the Commission approve this Application, subject to the terms outlined herein and in the testimony filed contemporaneously herewith.

Respectfully submitted,

Duke Energy Ohio, Inc.



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Summary: Application of Duke Energy Ohio, Inc. to Set its Electric Uncollectible Rider UE-GEN electronically filed by Dianne Kuhnell on behalf of Watts, Elizabeth H. and Spiller, Amy B. and Duke Energy Ohio, Inc.