

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

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

FINDING AND ORDER

The Commission finds:

- (1) Duke Energy Ohio, Inc. (Duke) is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) By opinion and order dated November 22, 2011, in *In the Matter of Application of Duke Energy Ohio, Inc. for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications, and Tariffs for Generation Service.*, Case Nos. 11-3549-EL-SSO, et al. (*Duke ESP Case*), the Commission, inter alia, approved a stipulation between the parties which established an electric generation uncollectible expense rider (Rider UE-GEN) applicable to all customers taking generation service from Duke or from a competitive retail energy supplier who participates in Duke's purchase of accounts receivable program. Rider UE-GEN is designed to recover uncollectible expenses related to the provision of generation incurred by Duke that are in excess of those recovered in base rates, as well as all percentage of income payment plan (PIPP) installment payments not recovered through the universal service fund rider or from the customer net of any unused low-income credit funds. Rider UE-GEN was initially set at \$0.00.
- (3) Pursuant to the stipulation in the *Duke ESP Case*, Duke's initial application to set rider UE-GEN was filed on June 29, 2012, in conjunction with Duke's filing to adjust its rider to recover its uncollectible expenses associated with its provision

of distribution service, which was filed in Case No. 12-1948-EL-UEX. In the instant application, Duke requests authority to adjust its Rider UE-GEN rate for residential customers to \$0.000813 per kilowatt hour (kWh) and for nonresidential customers to \$0.60 per bill. Duke also filed testimony in support of its application. In addition, Duke requests authority to create a deferral, in the form of a regulatory asset or liability, to accommodate the variances in the amount collected under Rider UE-GEN and the actual uncollectible expenses.

- (4) On July 25, 2012, Staff filed its comments, which state that Staff reviewed Duke's application in this case and recommends that the rates for Rider UE-GEN be adopted by the Commission. Moreover, Staff recommends that Duke be permitted to defer variances in uncollectible expense and to create a regulatory asset or liability to recognize amounts due to or from customers for over- or under-collection of the uncollectible expense.
- (5) Having reviewed the application and Staff's comments, the Commission finds that Duke's application is reasonable and in the public interest, and should be approved. Accordingly, Duke should be authorized to set the rates for *Rider UE-GEN* to \$0.000813 per kWh for residential customers and \$0.60 per bill for nonresidential customers. Duke is also authorized to create a regulatory asset to defer variances in uncollectible expenses in future periods for recovery or refund in future proceedings to adjust Rider UE-GEN.

It is, therefore,

ORDERED, That, in accordance with finding (4), Duke's application be approved and Duke be authorized to set the rates for Rider UE-GEN to \$0.000813 per kWh for residential customers and \$0.60 per bill for nonresidential customers. It is, further,

ORDERED, That Duke is authorized to create a regulatory asset to defer variances in uncollectible expense in future periods for recovery or refund in future proceedings to adjust Rider UE-GEN. It is, further,

ORDERED, That Duke is authorized to file complete copies of tariffs in final form consistent with this finding and order. Duke shall file a copy in this case docket and a copy in its TRF docket (or may make such filing electronically as directed in Case No. 06-900-AU-WVR). It is, further,

ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date the new tariffs are filed. It is, further,

ORDERED, That Duke shall notify all affected customers via a bill message, a bill insert, or a separate mailing within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least 10 days prior to its distribution to customers. It is, further,

ORDERED, That nothing in this finding and order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this finding and order be served upon all parties of record.


THE PUBLIC UTILITIES COMMISSION OF OHIO

Todd A. Snitchler, Chairman

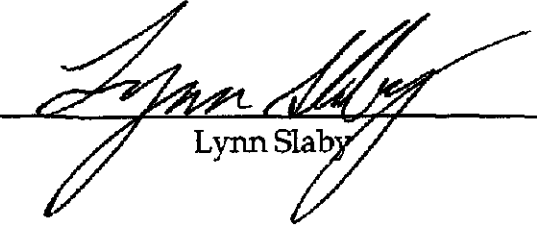


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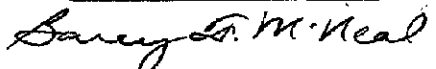


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Barcy F. McNeal
Secretary