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**Public Utilities
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September 2, 2014

Docketing Division
Public Utilities Commission of Ohio
180 E. Broad St.
Columbus, OH 43215

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PUCO

RE: *In the Matter of the Application of Duke Energy Ohio, Inc. to Adjust and Set its Electric Uncollectible Recovery Rate Under Rider UE-GEN.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendation in regards to the application filed by Duke Energy Ohio, Inc. in Case No. 14-953-EL-UEx.

Sincerely,

Tamara S. Turkenton
Chief, Accounting & Electricity Division
Public Utilities Commission of Ohio

Enclosure
cc: Parties of Record

180 East Broad Street
Columbus, Ohio 43215-3793

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Duke Energy Ohio, Inc.
Case No. 14-953-EL-UEx

SUMMARY

On June 10, 2014, Duke Energy Ohio, Inc. (Duke-OH or the Company) filed an annual update to its electric uncollectible rider, Rider UE-GEN.

The Company makes annual filings to Rider UE-GEN in order to true-up the rider to reflect actual uncollectible experience. The current rates, as established in Case No. 13-1510-EL-UEx, are \$0.000601 per kWh for residential customers and \$0.46 per bill for non-residential customers. In this filing, Duke-OH is reducing its rates, proposing to charge residential customers \$0.000184 per kWh and non-residential customers (\$0.07) per bill.

STAFF REVIEW

Staff has completed its review of the filing. After examination of the information provided, Staff believes that the reduction as reflected by the proposed rates for both residential and non-residential customers is appropriate. Staff finds that the Company is keeping its projections of charge offs in line with the actual data. However, Staff continues to suggest that Duke-OH review its forecast methodology for under(over) recovery to ensure that the projection of this data more closely reflects its actual experience.

CONCLUSION

Staff recommends that the rates as filed by Duke Energy Ohio, Inc. for Rider UE-GEN be adopted by the Commission. Further, Staff recommends that the Commission continue to authorize the Company to create a regulatory asset to defer variances in uncollectible expense in future periods to adjust Rider UE-GEN.