

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio, Inc., to Adjust and Set its) Case No. 15-1072-EL-UEx
Electric Uncollectible Recovery Rate)
Under Rider UE-ED.)

DIRECT TESTIMONY OF
THEODORE H. CZUPIK JR.
ON BEHALF OF
DUKE ENERGY OHIO, INC.

June 9, 2015

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Attachments:

- THC-1: Rider UE-ED – Proposed Rate Calculation
- THC-2: Rider UE-ED – Tariff Sheet redlined version
- THC-3: Rider UE-ED – Tariff Sheet clean version

I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Theodore H. Czupik Jr., and my business address is 139 East Fourth
3 Street, Cincinnati, Ohio 45202.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by the Duke Energy Business Services LLC (DEBS) as Rates and
6 Regulatory Strategy Manager. DEBS provides various administrative and other
7 services to Duke Energy Ohio, Inc., (Duke Energy Ohio or the Company) and other
8 affiliated companies of Duke Energy Corporation (Duke Energy).

9 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND**
10 **PROFESSIONAL EXPERIENCE.**

11 A. I received a Bachelor of Science degree in Accounting from the University of
12 Dayton in 1985.

13 In 1985, I began my career with The Cincinnati Gas & Electric Company
14 (CG&E) as a Staff Accountant in the Accounting Department. I held various
15 positions in the Accounting Department until I transferred to the Rate Department
16 in 1993. I progressed through various positions until receiving my current position
17 as Rates & Regulatory Strategy Manager in January 2014.

18 I became a Certified Public Accountant (CPA) in the State of Ohio in
19 1988.

THEODORE H. CZUPIK JR. DIRECT

1 **Q. PLEASE SUMMARIZE YOUR DUTIES AS RATES & REGULATORY**
2 **STRATEGY MANAGER.**

3 A. As Rates & Regulatory Strategy Manager, my duties include filing various
4 monthly, quarterly and annual rate recovery mechanisms, preparation of cost of
5 service studies, and preparation of other schedules used in retail rate filings for
6 Duke Energy Ohio and Duke Energy Kentucky.

7 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL AFFILIATIONS.**

8 A. I am a member of the American Institute of Certified Public Accountants and the
9 Ohio Society of Certified Public Accountants.

10 **Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE PUBLIC**
11 **UTILITIES COMMISSION OF OHIO (COMMISSION)?**

12 A. No.

II. OVERVIEW

13 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

14 A. The purpose of my testimony is to support Duke Energy Ohio's Application to
15 Adjust and Set its Electric Uncollectible Recovery Rate for Rider UE-ED. I also
16 sponsor Attachments THC -1, THC -2, and THC -3.

17 **Q. WHAT IS THE HISTORY OF RIDER UE-ED?**

18 A. Rider UE-ED was approved as a mechanism for recovery of electric uncollectible
19 expense related to the provision of electric distribution service. The
20 Commission's approval was granted in Case No. 08-709-EL-AIR, *et al.* (Opinion
21 and Order), approving the parties' stipulation and recommendation (Stipulation).
22 Pursuant to the Commission's Finding and Order in the most recent adjustment

1 case for Rider UE-ED, Rider UE-ED is currently set at \$0.000136 per kWh, for
2 residential customers, and (\$0.18) per bill, for non-residential customers. Duke
3 Energy Ohio is now seeking to adjust the Rider to recover electric uncollectible
4 expenses, as contemplated and approved in the Commission's Opinion and Order.
5 The Company's proposed rate for the residential Rider UE-ED is \$0.000463 per
6 kWh and the proposed non-residential Rider UE-ED rate is \$0.47 per bill.
7 Attachment THC -1 shows the calculation of the proposed Rider UE-ED rates.

8 **Q. DOES DUKE ENERGY OHIO'S APPLICATION TO ADJUST AND SET**
9 **RIDER UE-ED COMPLY WITH THE TERMS OF THE OPINION**
10 **ORDER AND STIPULATION?**

11 A. Yes, the filing is in compliance with the terms of the Opinion and Order and the
12 Stipulation.

III. REVISED TARIFFS AND CALCULATION OF PROPOSED RATE

13 **Q. ARE REVISED TARIFFS INCLUDED IN THE CURRENT FILING?**

14 A. Yes. Attachments THC-2 and THC-3 are, respectively, redlined and clean tariff
15 sheets showing proposed changes to Rider UE-ED. The rate for Rider UE-ED,
16 currently set at \$0.000136 per kWh for residential customers, and (\$0.18) per bill for
17 non-residential customers, is updated to reflect the proposed rate of \$0.000463 per
18 kWh and \$0.47 per bill, respectively.

19 **Q. PLEASE DESCRIBE ATTACHMENT THC-1, PAGE ONE.**

20 A. Attachment THC-1, page 1, calculates the Rider UE-ED rates for residential and
21 non-residential customers using actual and projected unrecovered balances and
22 projected billing determinants for the twelve months ending March 31, 2016.

- 1 **Q. PLEASE DESCRIBE ATTACHMENT THC-1, PAGES 2–3.**
- 2 **A.** Pages 2-3 of Attachment THC-1 show the calculation of the monthly residential
3 and non-residential under/over recovery balance of the uncollectible expense
4 revenue requirement that needs to be recovered through the Rider UE-ED. For
5 both classes, actual uncollectible amounts are provided for April 2014 through
6 March 2015 and forecasted uncollectible amounts for April 2015 through March
7 2016.
- 8 **Q. PLEASE DESCRIBE ATTACHMENT THC-1, PAGES 4 – 5.**
- 9 **A.** Page 4 includes a calculation of the actual recovery of the uncollectible expense.
10 The electric distribution balance consists of actual net write-offs from page 6, less
11 unused Residential Service – Low Income (“RSLI”) funds (residential only), and
12 less recovery from the uncollectible rider. The result for each month is forwarded
13 to page 2. Page 5 is a projected recovery of the uncollectible expense which
14 includes the projected net write-offs from page 7 and is forwarded to page 3.
- 15 **Q. PLEASE DESCRIBE ATTACHMENT THC-1, PAGE 6 – 7.**
- 16 **A.** Pages 6-7 allocate both the actual and projected net charge-offs between
17 residential and non-residential customers. The total monthly net charge-offs are
18 allocated to distribution based on the distribution revenue as a percent of electric
19 retail revenue. The result for each month is forwarded to pages 4-5.
- 20 **Q. PLEASE DESCRIBE HOW YOU ARRIVED AT THE PROPOSED RIDER**
21 **RATE.**
- 22 **A.** The calculation of the proposed Rider UE-ED rate is shown on Attachment THC-
23 1. As mentioned previously, the proposed residential Rider UE-ED rate is

1 \$0.000463 cents per kWh and the proposed non-residential Rider UE-ED rate is
2 \$0.47 per bill. The rates for each were calculated by dividing the unrecovered
3 tracker balance as of March 31, 2016, by the applicable projected billing
4 determinants (kWh or number of bills) for the twelve months ended March 31,
5 2016. The unrecovered tracker balance consists of actual net write-offs less
6 unused RSLI funds (residential only), and less recovery from the uncollectible
7 rider through March 31, 2015, and a projection of the net write-offs for the twelve
8 months ended March 31, 2016. As shown on Attachment THC-1, page 1 of 7, for
9 residential customers, the unrecovered tracker balance of \$3,466,221 is divided by
10 7,506,296,000 kWh to arrive at \$0.000462 per kWh plus the Commercial Activity
11 Tax (CAT) at a rate of 0.26 percent to arrive at \$0.000463 per kWh. For non-
12 residential customers the unrecovered tracker balance of \$401,326 is divided by
13 858,535 bills to arrive at \$0.47 per bill plus CAT at a rate of 0.26 to arrive at
14 \$0.47 per bill.

IV. CONCLUSION

15 **Q. WERE ATTACHMENTS THC-1, THC-2 AND THC-3 PREPARED BY**
16 **YOU OR AT YOUR DIRECTION?**

17 **A. Yes.**

18 **Q. IS THE INFORMATION CONTAINED IN ATTACHMENTS THC-1,**
19 **THC-2, AND THC-3 TRUE AND ACCURATE TO THE BEST OF YOUR**
20 **KNOWLEDGE AND BELIEF?**

21 **A. Yes.**

1 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

2 **A. Yes.**

Attachment THC-1

Duke Energy Ohio Electric
Calculation of Rider UE-ED Rates

ATTACHMENT THC-1
Page 1 of 7

Line	Description	Source	Residential	Non-Residential
1	Total Unrecovered Balance at March 31, 2016	Page 3	\$3,466,221	\$401,326
2	Projected Billing Determinants 12 months ended March 31, 2016	Page 5	<u>7,506,296,000</u> kWh	<u>858,535</u> Bills
3	Rider UE-ED Rate		\$0.000462 per kWh	\$0.47 per bill
4	Rider UE-ED Rate including CAT tax		\$0.000463 per kWh	\$0.47 per bill

Line	Actual											
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Residential Under-/(Over-) Recovery												
1 Unrecovered Balance - Beginning of Month	(\$3,115,081)	(\$2,985,091)	(\$2,794,834)	(\$2,482,185)	(\$2,042,702)	(\$1,867,296)	(\$1,295,094)	(\$1,051,111)	(\$811,118)	(\$543,057)	(\$361,086)	(\$380,674)
2 Total Residential Bad Debt to be Recovered (Page 4 - 5)	\$129,990	\$190,257	\$312,649	\$439,483	\$375,406	\$372,202	\$243,983	\$239,993	\$268,061	\$181,971	(\$19,588)	(\$66,086)
3 Unrecovered Balance - End of Month	(\$2,985,091)	(\$2,794,834)	(\$2,482,185)	(\$2,042,702)	(\$1,667,296)	(\$1,295,094)	(\$1,051,111)	(\$811,118)	(\$543,057)	(\$361,086)	(\$380,674)	(\$446,760)
Total Non-Residential Under-/(Over-) Recovery												
4 Unrecovered Balance - Beginning of Month	(\$373,668)	(\$338,363)	(\$298,149)	(\$250,329)	(\$193,968)	(\$141,575)	(\$90,130)	(\$51,607)	(\$13,093)	\$29,779	\$67,147	\$88,747
5 Total Residential Bad Debt to be Recovered (Page 4 - 5)	\$35,303	\$40,214	\$47,820	\$56,361	\$52,393	\$51,445	\$38,523	\$38,514	\$42,872	\$37,368	\$21,600	\$18,053
6 Unrecovered Balance - End of Month	(\$338,363)	(\$298,149)	(\$250,329)	(\$193,968)	(\$141,575)	(\$90,130)	(\$51,607)	(\$13,093)	\$29,779	\$67,147	\$88,747	\$106,800

Line	Projected											
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Residential Under-/(Over-) Recovery												
1 Unrecovered Balance - Beginning of Month	(\$448,760)	(\$380,935)	(\$180,442)	\$183,373	\$674,020	\$1,102,787	\$1,524,624	\$1,957,315	\$2,387,803	\$2,900,091	\$3,302,671	\$3,412,850
2 Total Residential Bad Debt to be Recovered (Page 4 - 5)	\$85,825	\$180,493	\$343,815	\$510,647	\$428,747	\$421,857	\$432,691	\$430,488	\$512,288	\$402,580	\$110,179	\$53,371
3 Unrecovered Balance - End of Month	(\$380,935)	(\$180,442)	\$183,373	\$674,020	\$1,102,787	\$1,524,624	\$1,957,315	\$2,387,803	\$2,900,091	\$3,302,671	\$3,412,850	\$3,496,221
Total Non-Residential Under-/(Over-) Recovery												
4 Unrecovered Balance - Beginning of Month	\$106,800	\$113,260	\$126,846	\$152,725	\$191,161	\$223,432	\$255,185	\$287,753	\$320,155	\$358,714	\$388,016	\$397,309
5 Total Residential Bad Debt to be Recovered (Page 4 - 5)	\$6,460	\$13,586	\$25,879	\$36,436	\$32,271	\$31,753	\$32,568	\$32,402	\$38,559	\$30,302	\$8,293	\$4,017
6 Unrecovered Balance - End of Month	\$113,260	\$126,846	\$152,725	\$191,161	\$223,432	\$255,185	\$287,753	\$320,155	\$358,714	\$388,016	\$397,309	\$401,326

Line	Description	Actual											
		Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Residential													
1	MWh Sales	505,701,128	434,187,404	509,136,470	676,829,977	568,922,821	662,904,837	433,123,809	403,884,300	682,428,501	788,403,794	728,320,186	714,841,168
2	Net Charge Offs for Month (pages 6-7)	\$63,878	\$134,992	\$238,148	\$349,887	\$297,517	\$285,587	\$314,882	\$314,811	\$374,717	\$301,805	\$92,519	\$44,440
3	Shortfall of Customers using Rate RSLI	2,413	2,328	2,871	2,783	2,908	3,074	3,195	3,282	3,387	3,450	3,533	3,627
4	Customer Charge Monthly Credit	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
5	LESS: Unused RSLI Funds (Reduction to Bad Debts) (a)	\$9,852	\$10,112	\$10,884	\$11,172	\$11,832	\$12,288	\$12,780	\$13,128	\$13,548	\$13,800	\$14,132	\$14,508
6	Recovery from Uncollectible Rider	(\$75,864)	(\$85,547)	(\$85,410)	(\$101,231)	(\$89,754)	(\$99,189)	\$58,080	\$81,851	\$93,351	\$106,310	\$98,230	\$68,288
7	CAT Tax (b)	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068
8	LESS: Recovery from Uncollectible Rider less CAT TAX	(\$75,786)	(\$85,377)	(\$85,188)	(\$100,968)	(\$89,521)	(\$98,911)	\$57,928	\$81,860	\$93,108	\$106,024	\$97,979	\$68,018
9	Total Residential Bad Debt to be Recovered (Line 2 - Line 6 - Line 8)	\$129,990	\$190,257	\$312,848	\$439,483	\$375,408	\$372,202	\$243,883	\$238,993	\$288,081	\$181,871	(\$19,588)	(\$68,088)
Non-Residential													
10	Number of Bills	71,553	71,409	71,180	71,307	71,201	71,274	71,356	71,395	71,688	71,781	71,752	71,927
11	Net Charge Offs for Month (pages 6-7)	\$4,808	\$10,181	\$17,825	\$26,320	\$22,384	\$21,498	\$23,687	\$23,686	\$28,205	\$22,717	\$6,984	\$3,345
12	Recovery from Uncollectible Rider	(\$30,574)	(\$30,131)	(\$29,973)	(\$30,116)	(\$30,077)	(\$30,027)	(\$14,875)	(\$14,858)	(\$14,705)	(\$14,689)	(\$14,874)	(\$14,748)
13	CAT Tax (b)	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068	1,002,8068
14	LESS: Recovery from Uncollectible Rider less CAT TAX	(\$30,498)	(\$30,053)	(\$29,895)	(\$30,041)	(\$29,990)	(\$29,948)	(\$14,838)	(\$14,819)	(\$14,687)	(\$14,651)	(\$14,836)	(\$14,708)
15	Total Non-Residential Bad Debt to be Recovered (Line 11 - Line 14)	\$35,203	\$40,214	\$47,820	\$56,361	\$52,383	\$51,445	\$38,523	\$38,514	\$42,872	\$37,388	\$21,800	\$18,033
16	Total Bad Debt (Residential + Non-residential)	\$165,293	\$230,471	\$360,668	\$496,844	\$427,799	\$423,647	\$282,308	\$278,507	\$310,933	\$219,339	\$2,012	(\$48,055)

- (a) Per item #14 of the Stipulation in Case No. 08-709-EL-AJR, the parties agreed that up to 10,000 customers may participate in Rate RSLI and receive a \$4 credit per month. To the extent less than \$40,000 is credited to customers during each month, the deficit shall be used to reduce amounts collected through Rider UE-ED
- (b) CAT tax was integrated into calculation in Case No. 12-1948-EL-UEX, effective September 28, 2012

Line	Description	Projected												Total
		Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	
Residential														
1	KWh Sales	518,935,000	480,115,000	571,308,000	727,036,000	776,722,000	684,242,000	498,676,000	478,949,000	655,208,000	764,322,000	737,863,000	634,459,000	7,508,296,000
2	Net Charge Offs for Month (pages 9-7)	585,825	\$180,493	\$343,815	\$510,647	\$428,747	\$421,857	\$432,891	\$430,488	\$512,288	\$402,580	\$110,179	\$53,371	
3	Shortfall of Customers using Rate RSL	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Customer Charge Monthly Credit	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
5	LESS: Unused RSL Funds (Reduction to Bad Debts) (a)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Recovery from Uncollectible Rider	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	CAT Tax (b)													
8	LESS: Recovery from Uncollectible Rider less CAT TAX	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Total Residential Bad Debt to be Recovered (Line 2 - Line 6 - Line 8)	\$55,825	\$180,493	\$343,815	\$510,647	\$428,747	\$421,857	\$432,891	\$430,488	\$512,288	\$402,580	\$110,179	\$53,371	
Non-Residential														
10	Number of Bills	71,622	71,168	71,219	71,366	71,260	71,333	71,415	71,454	71,748	71,851	71,812	71,987	858,535
11	Net Charge Offs for Month (pages 6-7)	\$5,480	\$13,586	\$25,879	\$38,438	\$32,271	\$31,753	\$32,588	\$32,402	\$38,559	\$30,302	\$8,293	\$4,017	
12	Recovery from Uncollectible Rider	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	CAT Tax (b)													
14	LESS: Recovery from Uncollectible Rider less CAT TAX													
15	Total Non-Residential Bad Debt to be Recovered (Line 11 - Line 14)	\$6,480	\$13,586	\$25,879	\$38,438	\$32,271	\$31,753	\$32,588	\$32,402	\$38,559	\$30,302	\$8,293	\$4,017	
16	Total Bad Debt (Residential + Non-residential)	\$92,285	\$194,079	\$369,694	\$549,085	\$461,018	\$453,610	\$465,259	\$462,890	\$550,847	\$432,882	\$118,472	\$57,388	

- (a) Per item #14 of the Stipulation in Case No. 06-709-EL-AJR, the parties agreed that up to 10,000 customers may participate in Rate RSL and receive a \$4 credit per month. To the extent less than \$40,000 is credited to customers during each month, the deficit shall be used to reduce amounts collected through Rider UE-ED.
- (b) CAT tax was integrated into calculation in Case No. 12-1948-EL-UEX, effective September 28, 2012.

Line	Description	Actual											
		Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
1	Net Charge Offs for Month - Residential	\$ 101,952	\$ 211,420	\$ 407,717	\$ 808,795	\$ 514,184	\$ 500,117	\$ 501,987	\$ 495,310	\$ 605,907	\$ 493,110	\$ 134,125	\$ 64,031
2	Net Charge Offs for Month - Non - Residential	\$ 7,676	\$ 15,914	\$ 30,888	\$ 45,896	\$ 36,703	\$ 37,843	\$ 37,752	\$ 37,281	\$ 45,808	\$ 37,116	\$ 10,085	\$ 4,620
3	Net Charge Offs for Month - Total	\$ 109,628	\$ 227,334	\$ 438,605	\$ 854,691	\$ 550,887	\$ 537,960	\$ 539,739	\$ 532,591	\$ 651,715	\$ 530,226	\$ 144,210	\$ 68,651
4	Electric Regulated Distribution Revenue (a)	\$ 47,650,264	\$ 46,799,949	\$ 51,136,587	\$ 55,714,159	\$ 52,268,537	\$ 51,844,944	\$ 46,179,950	\$ 49,508,303	\$ 50,155,617	\$ 99,661,758	\$ 59,150,364	\$ 57,220,393
5	Electric Retail Revenue (b)	\$ 76,073,990	\$ 75,234,923	\$ 87,545,413	\$ 97,169,781	\$ 90,389,521	\$ 96,943,785	\$ 73,589,198	\$ 76,462,399	\$ 90,765,586	\$ 97,479,438	\$ 85,819,510	\$ 82,445,285
6	Distribution Revenue as a % of Electric Retail Revenue	62.83510%	63.84790%	58.42950%	57.34870%	57.88930%	57.10410%	62.74180%	63.55840%	61.84410%	61.20450%	68.97980%	68.40410%
7	Net Charge Offs for Month Allocated to Distribution	\$ 68,884	\$ 145,163	\$ 258,870	\$ 376,007	\$ 319,811	\$ 307,083	\$ 338,379	\$ 338,808	\$ 402,822	\$ 324,822	\$ 88,483	\$ 47,788
Residential													
8	Net Charge Offs for Month	\$ 63,876	\$ 134,892	\$ 238,145	\$ 349,887	\$ 297,517	\$ 285,587	\$ 314,892	\$ 314,811	\$ 374,717	\$ 301,805	\$ 92,518	\$ 44,440
Non-Residential													
9	Net Charge Offs for Month	\$ 4,808	\$ 10,161	\$ 17,925	\$ 26,320	\$ 22,394	\$ 21,496	\$ 23,687	\$ 23,996	\$ 28,205	\$ 22,717	\$ 8,964	\$ 3,345

(a) Total Regulated Retail Sales (billed) excluding interdepartmental
(b) Total Retail Sales (billed) excluding interdepartmental

Line	Description	Projected											
		Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-18	Feb-18	Mar-18
1	Net Charge Offs for Month - Residential	\$ 117,101	\$ 242,825	\$ 466,857	\$ 701,242	\$ 590,950	\$ 575,064	\$ 578,425	\$ 569,618	\$ 606,703	\$ 549,333	\$ 149,349	\$ 71,315
2	Net Charge Offs for Month - Non - Residential	\$ 8,514	\$ 18,277	\$ 35,390	\$ 52,752	\$ 44,480	\$ 43,264	\$ 43,367	\$ 42,874	\$ 52,440	\$ 41,348	\$ 11,241	\$ 5,368
3	Net Charge Offs for Month - Total	\$ 125,615	\$ 261,102	\$ 504,147	\$ 754,024	\$ 635,430	\$ 618,348	\$ 619,812	\$ 612,492	\$ 7,69,143	\$ 600,681	\$ 160,590	\$ 76,683
4	Electric Regulated Distribution Revenue (a)	\$ 50,221,740	\$ 48,956,882	\$ 54,749,023	\$ 64,001,114	\$ 65,934,332	\$ 67,056,723	\$ 62,867,690	\$ 61,713,117	\$ 58,593,346	\$ 65,023,747	\$ 63,190,425	\$ 59,555,972
5	Electric Retail Revenue (b)	\$ 66,522,864	\$ 65,459,945	\$ 74,660,690	\$ 87,866,952	\$ 90,947,467	\$ 84,534,027	\$ 70,565,742	\$ 98,428,370	\$ 79,672,436	\$ 86,726,911	\$ 85,656,028	\$ 79,556,865
6	Distribution Revenue as a % of Electric Retail Revenue	73.29180%	74.33070%	73.33050%	72.82040%	72.56210%	73.35630%	75.00460%	75.57480%	73.53030%	73.28530%	73.77280%	74.83630%
7	Net Charge Offs for Month Allocated to Distribution	\$ 82,285	\$ 194,078	\$ 369,684	\$ 548,083	\$ 461,018	\$ 453,610	\$ 468,268	\$ 462,890	\$ 600,847	\$ 492,882	\$ 118,472	\$ 57,388
Residential		93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%
8	Net Charge Offs for Month	\$ 85,825	\$ 180,493	\$ 343,815	\$ 510,847	\$ 428,747	\$ 421,857	\$ 432,891	\$ 430,488	\$ 512,288	\$ 402,580	\$ 110,179	\$ 53,371
Non-Residential		7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
9	Net Charge Offs for Month	\$ 6,490	\$ 13,586	\$ 25,879	\$ 36,436	\$ 32,271	\$ 31,753	\$ 32,568	\$ 32,402	\$ 38,559	\$ 30,302	\$ 8,293	\$ 4,017

(a) Total Regulated Retail Sales (billed) excluding interdepartmental
(b) Total Retail Sales (billed) excluding interdepartmental

Attachment THC-2

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19
Sheet No. 108.56
Cancels and Supersedes
Sheet No. 108.45
Page 1 of 1

RIDER UE-ED

UNCOLLECTIBLE EXPENSE – ELECTRIC DISTRIBUTION RIDER

APPLICABILITY

Applicable to all retail jurisdictional customers in the Company's electric service areas.

DESCRIPTION

This rider enables the recovery of incremental uncollectible accounts expense above what is recovered in base rates and includes Percentage of Income Payment ("PIPP") customer installments not collected through the Universal Service Fund Rider. Also, to the extent that less than \$40,000 per month has not been credited to customers through electric Rate RSLI, any shortfall will be used to reduce collections in Rider UE-ED. The amounts in the Rider, exclusive of uncollectible PIPP installments, will only be collected from the class (residential or non-residential) that created the uncollectible accounts expense. Uncollectible accounts expense associated with PIPP will be allocated in the manner consistent with the Universal Service Fund Rider.

CHARGE

A charge of ~~\$0.0001360~~ \$0.000463 per kWh shall be applied to all kWh delivered to residential customers. A charge of ~~\$(0.480.47)~~ per bill shall be applied to each non-residential customer.

Filed pursuant to an Order dated ~~September 25, 2014~~ in Case No. ~~14-055-EL-UEX~~ before the Public Utilities Commission of Ohio.

Issued: ~~September 25, 2014~~

Issued by James P. Henning, President

Effective: ~~September 30, 2014~~

Attachment THC-3

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19
Sheet No. 108.6
Cancels and Supersedes
Sheet No. 108.5
Page 1 of 1

RIDER UE-ED

UNCOLLECTIBLE EXPENSE – ELECTRIC DISTRIBUTION RIDER

APPLICABILITY

Applicable to all retail jurisdictional customers in the Company's electric service areas.

DESCRIPTION

This rider enables the recovery of uncollectible accounts expense and includes Percentage of Income Payment ("PIPP") customer installments not collected through the Universal Service Fund Rider. Also, to the extent that less than \$40,000 per month has not been credited to customers through electric Rate RSLI, any shortfall will be used to reduce collections in Rider UE-ED. The amounts in the Rider, exclusive of uncollectible PIPP installments, will only be collected from the class (residential or non-residential) that created the uncollectible accounts expense. Uncollectible accounts expense associated with PIPP will be allocated in the manner consistent with the Universal Service Fund Rider.

CHARGE

A charge of \$0.000463 per kWh shall be applied to all kWh delivered to residential customers. A charge of \$0.47 per bill shall be applied to each non-residential customer.

Filed pursuant to an Order dated _____ in Case No. _____ before the Public Utilities Commission of Ohio.

Issued:

Effective:
Issued by James P. Henning, President

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Case No(s). 15-1072-EL-UEx

Summary: Testimony Direct Testimony of Theodore H. Czupik, Jr. on Behalf of Duke Energy Ohio, Inc. electronically filed by Dianne Kuhnell on behalf of Duke Energy Ohio, Inc. and Spiller, Amy B. and Watts, Elizabeth H.