

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 for)
Rider UE-ED.)

FINDING AND ORDER

The Commission finds:

- (1) Duke Energy Ohio, Inc. (Duke) is an electric light company as defined in R.C. 4905.03 and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.
- (2) On July 8, 2009, the Commission approved a stipulation, which, among other things, established an electric distribution uncollectible expense rider (Rider UE-ED). *In re Duke Energy, Inc.*, Case Nos. 08-709-EL-AIR, et al. (2009 Rate Case), Opinion and Order (July 8, 2009). Rider UE-ED is designed to recover uncollectible expenses incurred by Duke that are in excess of those recovered in base rates, as well as all percentage of income payment plan installment payments not recovered through the universal service fund rider or from the customer net of any unused low-income credit funds. Rider UE-ED was initially set at \$0.00 and is subject to an annual review process.
- (3) On November 10, 2010, the Commission approved Duke's initial application to set rider UE-ED and authorized Duke 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-ED. *In re Duke Energy Ohio, Inc.*, Case Nos. 10-912-EL-UEx, et al., Finding and Order (Nov. 10, 2010). Duke's current Rider UE-ED rates for residential customers of \$0.000136 per kilowatt hour (kWh) and for nonresidential customers of (\$0.18)¹ per bill was approved by Finding and Order issued September 25, 2014, in *In re Duke Energy Ohio, Inc.*, Case No. 14-955-EL-UEx.
- (4) On June 9, 2015, pursuant to the stipulation in the 2009 Rate Case, Duke filed an application in this case requesting authority to

¹ Throughout this Order, numbers in parenthesis represent negative numbers.

increase its Rider UE-ED rates for residential customers to \$0.000463 per kWh and for nonresidential customers to \$0.47 per bill. According to Duke, these rates reflect the total incremental unrecovered balance as of March 31, 2016, which is projected to be approximately \$3,466,221 for residential customers and \$401,326 for nonresidential customers. Duke explains that the uncollectible expenses eligible for recovery through Rider UE-ED will be those expenses generated by the class of customers paying the uncollectible expense rider. Duke also filed testimony in support of its application. In addition, Duke requests the Commission clarify that Duke has continued authority to create a regulatory asset to defer variances in uncollectible expense in future periods for recovery or refund in further proceedings. The current and proposed rates are as follows:

Customer Class	Current Rate	Proposed Rate	Proposed Increase
Residential	\$0.000136 per kWh	\$0.000463 per kWh	\$0.000327 per kWh
Nonresidential	(\$0.18) per bill	\$0.47 per bill	\$0.65 per bill

- (5) On August 28, 2015, Staff filed its comments, stating that the rates proposed for both residential and nonresidential customers are appropriate and recommending the rates for Rider UE-ED be adopted. In addition, Staff recommends Duke continue to improve its forecasting of under/over-recovery, to ensure that the projected data used in its calculation of the rider rates more closely reflects its actual experience.
- (6) Upon review of 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 increase the rates for Rider UE-ED to \$0.000463 per kWh for residential customers and \$0.47 per bill for nonresidential customers. Duke is also authorized to continue 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-ED. In addition, the Commission finds that Duke should comply with the recommendation set forth by Staff regarding review of the forecast methodology.

It is, therefore,

ORDERED, That, in accordance with Finding (6), Duke's application be approved and Duke be authorized to increase the rates for Rider UE-ED. It is, further,

ORDERED, That Duke is authorized to continue 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-ED. It is, further,

ORDERED, That Duke is authorized to file two complete copies of tariffs in final form consistent with this Finding and Order. Duke shall file one copy in this case docket and one copy in its TRF docket. It is, further,

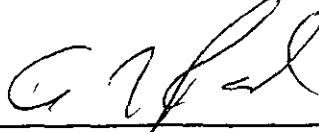
ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which final tariffs are filed with the Commission. It is, further,

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,

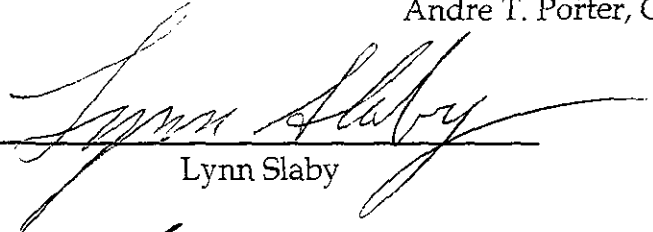
ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

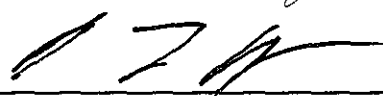


Andre T. Porter, Chairman



Lynn Slaby

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Asim Z. Haque

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Barcy F. McNeal
Secretary