

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of the Ohio)
Development Services Agency for an Order)
Approving Adjustments to the Universal)
Service Fund Riders of Jurisdictional Ohio)
Electric Distribution Utilities.)

Case No. 15-1046-EL-USF

APPLICATION

The Ohio Development Services Agency ("Applicant" or "ODSA"), by its Director, David Goodman, hereby petitions the Commission, pursuant to Section 4928.52(B), Revised Code, for an order approving adjustments to the Universal Service Fund ("USF") riders of all jurisdictional Ohio electric distribution utilities ("EDUs"). In support of its application, ODSA states as follows:

1. Under the legislative scheme embodied in SB 3, the 1999 legislation that restructured Ohio's electric utility industry and transferred administration of the electric percentage of income payment plan ("PIPP") program ODSA, the USF riders replaced the EDUs' existing PIPP riders. The USF riders were to be calculated so as to generate the same level of revenue as the PIPP riders they replaced,¹ plus an amount equal to the level of funding for low-income customer energy efficiency programs reflected in the electric rates in effect on the effective date of the statute,² plus the amount necessary to pay the administrative costs associated with the low-income customer assistance programs and the consumer education

¹ See Section 4928.52(A)(1), Revised Code.

² See Section 4928.52(A)(2), Revised Code.

program created by Section 4928.56, Revised Code.³

2. Pursuant to Section 4928.51(A), Revised Code, all USF rider revenues collected by the EDUs are remitted to ODSA for deposit in the state treasury's USF. ODSA then makes disbursements from the USF to fund the low-income customer assistance programs (including PIPP and the low-income customer energy efficiency programs) and the consumer education program, and to pay their related administrative costs.

3. Section 4928.52(B), Revised Code, provides that, if ODSA, after consultation with the Public Benefits Advisory Board ("PBAB"), determines that the revenues in the USF, together with revenues from federal and other sources of funding,⁴ will be insufficient to cover the cost of the low-income customer assistance and consumer education programs and their related administrative costs, ODSA shall file a petition with the Commission for an increase in the USF rider rates. The statute further provides that, after providing reasonable notice and opportunity for hearing, the Commission may adjust the USF rider by the minimum amount necessary to generate the additional revenues required; provided, however, that the Commission may not decrease a USF rider without the approval of the ODSA Director, after consultation by the Director with the PBAB.

4. Unlike traditional ratemaking, where the objective is to establish rates that will provide the applicant utility with a reasonable earnings opportunity, the USF riders must actually generate sufficient revenues during the collection period to enable ODSA to meet its USF-related

³ See Section 4928.52(A)(3), Revised Code.

⁴ Section 4928.52(B), Revised Code, specifically identifies the Ohio Energy Credit Program as a funding source. However, this program was discontinued as of July 1, 2003.

statutory and contractual obligations on an ongoing basis. In recognition of this fact, the stipulations adopted by the Commission in all prior USF rider rate adjustment proceedings have required that ODSA file a Section 4928.52(B), Revised Code, application with the Commission each year, proposing such adjustments to the USF rider rates as may be necessary to assure, to the extent possible, that each EDU's rider will generate its associated revenue requirement — but not more than its associated revenue requirement — during the annual collection period following Commission approval of such adjustments. This is the fifteenth annual USF rider adjustment application filed pursuant to this statute since the establishment of the initial USF riders in the electric transition plan proceedings initiated by applications filed by the EDUs pursuant to SB 3.

5. By its opinion and order of December 10, 2014 in Case No. 14-1002-EL-USF, this Commission granted ODSA's 2014 application for approval of adjustments to the USF riders of all Ohio EDUs based on its acceptance of a stipulation and recommendation submitted jointly by the parties to that proceeding. The new USF riders replaced the USF riders approved by the Commission in Case No. 13-1296-EL-USF, and became effective on a bills-rendered basis with the January 2015 EDU billing cycles.

6. The Commission's opinion and order of December 10, 2014 in Case No. 14-1002-EL-USF provided for the continuation of the notice of intent (“NOI”) process first approved by the Commission in Case No. 04-1616-EL-UNC. Under this process, ODSA was required to make a preliminary filing by May 31 setting out the methodology it would employ in developing the USF rider revenue requirements and rate design for its subsequent annual USF rider adjustment application. The purpose of this procedure is to permit the Commission to resolve any issues relating to methodology prior to the preparation and filing of the application itself, so

as to limit the number of potential issues in the second phase of the case and thereby permit the Commission to act on the application in time for the new USF rider rates to take effect on January 1 of the following year. ODSA filed its NOI in this case on May 29, 2015. The Commission, consistent with the terms of a stipulation jointly submitted by a majority of the parties to the proceeding, approved the methodology proposed by ODSA in the NOI by its opinion and order of October 28, 2015 (the “*NOI Order*”).

7. Based on its analysis of the annual pro forma revenue generated by applying the current USF rider rates to test-period sales volumes, and utilizing the USF rider revenue requirement methodology approved in the *NOI Order* as described below, ODSA has determined that, on an aggregated basis, the total pro forma annual revenue generated by the current USF riders will fall short, by some \$123,566,823 of the annual revenue required to fulfill the objectives identified in Section 4928.52(A), Revised Code, during the 2016 collection period. On an EDU-specific basis, ODSA's analysis shows that the pro forma revenue that would be generated by the current USF riders of the Dayton Power and Light Company (“DPL”) and Duke Energy Ohio (“Duke”) would exceed their indicated revenue targets, while the pro forma revenue that would be generated by the current USF riders for Columbus Southern Power Company (“CSP”),⁵ Ohio Power Company (“OP”), The Cleveland Electric Illuminating Company (“CEI”), Ohio Edison Company (“OE”), and The Toledo Edison Company (“TE”) would fall short of their indicated revenue targets. Accordingly, ODSA, having consulted with

⁵ The AEP Ohio operating companies, Columbus Southern Power Company (“CSP”) and Ohio Power Company (“OP”) merged, effective December 31, 2011, with OP as the surviving entity. However, the former CSP customers continue to be subject to separate rate schedules, including a separate USF rider, as are the customers that were served by OP prior to the merger. For ease of reference, ODSA refers herein to CSP as if it were an EDU, but it is understood that these references actually relate to the CSP Rate Zone and that references to OP actually relate to the OP Rate Zone. The Commission confirmed the continued existence of the CSP and OP rate zones in its *NOI Order* issued October 28, 2015.

the PBAB, proposes that the DPL and Duke rider rates be reduced so as to generate the required annual revenue indicated in the following table and that the CSP, OP, CEI, OE and TE riders rates be increased so as to generate their respective indicated revenue targets.

Company	Test-Period USF Rider Revenue	Required Annual USF Rider Revenue	USF Rider Surplus/(Deficiency)
CSP	\$77,687,511	\$103,217,447	(\$25,529,935)
OP	\$107,617,449	\$107,786,710	(\$169,260)
DPL	\$33,404,366	\$24,122,849	\$9,281,517
DUKE	\$29,826,422	\$21,763,271	\$8,063,151
CEI	\$40,466,784	\$66,680,257	(\$26,213,473)
OE	\$51,564,036	\$109,502,675	(\$57,938,639)
TE	\$15,624,679	\$46,684,863	(\$31,060,184)
Totals	\$356,191,247	479,758,070	(\$123,566,823)

8. As described in further detail in the written testimony of ODSA witness Susan M. Moser filed with this application, the revenue requirement that the proposed USF riders are designed to generate consists of the elements identified below.

a. Cost of PIPP. The cost of PIPP component of the USF rider revenue requirement is intended to reflect the total cost of electricity consumed by the EDU's PIPP customers for the 12-month period January 2015 through December 2015 (the "test period"), plus pre-PIPP balances, less the monthly installment payments billed to PIPP customers, less payments made by or on behalf of PIPP customers, including agency payments, to the extent that these payments are applied to outstanding PIPP arrearages over the same period. Because actual data for September through December 2015 was

not available at the time the application was prepared, information from the corresponding months of 2014 was combined with actual data from January through August of 2015 to determine the test-period cost of PIPP for each EDU as displayed in Exhibit A hereto. As explained in ODSA witness Moser's written testimony, and consistent with the *NOI Order*, ODSA adjusted the test-period cost of PIPP to recognize the impact of Commission-approved EDU rate changes that took effect during the 2015 test period and to annualize the impact of Commission-approved EDU rate changes that will take effect in 2016. The calculations of these adjustments are shown in attached Exhibits A.1.a through A.1.d. The net impact of these adjustments is shown in Exhibit A.1. As explained in Ms. Moser's testimony, and consistent with the *NOI Order*, the totals shown in Exhibit A.1 were then adjusted to reflect the projected increase in PIPP enrollments during the 2016 collection period. The projections are shown in attached Exhibit A.2. The cumulative effect of the foregoing adjustments is shown in the Total Adjusted Test-Period Cost of PIPP column (Column F) in Exhibit A.2.

b. Electric Partnership Program and Consumer Education Program Costs.

This element of the USF rider revenue requirement reflects the cost of the low-income customer energy efficiency programs and the consumer education program, referred to collectively by ODSA as the "Electric Partnership Program" ("EPP"), and their associated administrative costs, which are recovered through the USF riders pursuant to Section 4928.52(A)(2) and (3), Revised Code. ODSA's proposed \$14,946,196 allowance for these items is identical to the allowance accepted by the Commission in all previous USF riders rate adjustment proceedings and is supported by the analysis submitted by ODSA as Exhibit A to the NOI. Consistent with the *NOI Order*, this component of the

USF rider revenue requirement is allocated to the EDUs based on the ratio of their respective costs of PIPP to the total cost of PIPP. The results of the allocation are shown in attached Exhibit B.

c. Administrative Costs. This USF rider revenue requirement element represents an allowance for the costs ODSA incurs in connection with its administration of the PIPP program and is included as a revenue requirement component pursuant to Section 4928.52(A)(3), Revised Code. As explained in the testimony of ODSA witness Randall Hunt filed with the application, the proposed allowance for administrative costs of \$5,252,471 has been determined in accordance with the standard approved by the Commission in the *NOI Order*. The requested allowance for administrative costs has been allocated to the EDUs based on the number of PIPP customer accounts as of March 2015, the test-period month exhibiting the highest PIPP customer account totals. The results of the allocation are shown in attached Exhibit C.

d. December 31, 2015 USF PIPP Account Balances. Because the USF rider rate is based on historical sales and historical PIPP enrollment patterns, the cost of PIPP component of an EDU's USF rider rate will, in actual practice, either over-recover or under-recover its associated annual revenue requirement over the collection period. Over-recovery creates a positive USF PIPP account balance for the company in question, thereby reducing the amount needed on a forward-going basis to satisfy the USF rider revenue requirement. Conversely, where under-recovery has created a negative USF PIPP account balance as of the effective date of the new riders, there will be a shortfall in the cash available to ODSA, which will impair its ability to make the PIPP

reimbursement payments due the EDUs on a timely basis. Thus, the amount of any existing positive USF PIPP account balance must be deducted in determining the target revenue level the adjusted USF rider is to generate, while the deficit represented by a negative USF PIPP account balance must be added to the associated revenue requirement. In this case, ODSA is requesting that its proposed USF riders be implemented on a bills-rendered basis effective January 1, 2016. Accordingly, the USF rider revenue requirement of each EDU has been adjusted by the amount of the EDU's projected December 31, 2015 USF PIPP account balance so as to synchronize the new riders with the EDU's USF PIPP account balance as of their effective date. This conforms to the methodology approved by the Commission in the *NOI Order*. The adjusted projected December 31, 2015 USF PIPP account balance for each EDU is shown in the final column of Exhibit H.

e. Reserve. PIPP-related cash flows can fluctuate significantly throughout the year, due, in large measure, to the weather-sensitive nature of electricity sales and PIPP enrollment patterns. As shown on the test-period graph attached hereto as Exhibit E, the month-to-month cash flow fluctuations had, in the past resulted in negative USF PIPP account balances, which means that, in those months, ODSA had insufficient cash to satisfy its reimbursement obligations to the EDUs on a timely basis. To address this problem, ODSA has included an allowance to create a cash reserve as an element of the USF rider revenue requirement, with the amount of the allowance determined based on the EDU's highest monthly deficit during the test period. This is consistent with methodology approved in the *NOI Order* in this case. The proposed reserve component for each EDU is set forth in attached Exhibit F.

f. Allowance for Undercollection. This component of the USF rider revenue requirement is an adjustment to recognize that, due to the difference between amounts billed through the USF rider and the amounts actually collected from EDU customers, the rider will not generate the target revenues. In accordance with the methodology approved in the *NOI Order*, the allowance for undercollection for each company is based on the collection experience of that company. The allowance for undercollection for each EDU is shown in attached Exhibit G.

g. PIPP Plus Program Audit Costs. In the NOI Application, ODSA stated that it had issued a request for proposals to engage a qualified, independent third party to conduct an audit to evaluate the effectiveness of PIPP Plus, as implemented in November 2010, and the program. The audit focused on consistency in the EDUs' data reports, customer payments, payment incentives, effectiveness of customer education, affordability of payments, and the effect the new PIPP Plus program has on the Universal Service Fund. The Commission, in its order in 13-1296-EL-USF, approved the Stipulation providing \$60,000 allowance for the audit. The actual cost of the audit was \$165,249. The *NOI Order* approved allocating the additional cost of the audit (\$105,249) to each EDU based on its cost of PIPP Plus. The allocation of this cost to the utilities is shown in Exhibit D.

h. Audit Findings. ODSA received the Final Agreed-Upon Procedures report on August 24, 2015 from the PIPP Plus Program Audit. One procedure, Procedure 5b, required that the auditor trace the USF charge and kWh supporting the calculation from the billing cycle tested to supporting documentation that ties to both the kWh and the USF 301 report. TE informed the auditor that TE's system failed to bill the USF

rider charge for traffic light customers. As a consequence, no rider funds were collected and remitted to ODSA from 2009 through November 2012. The amount of the non-billed rider charges owed to the fund are \$16,452. The amount has been received from TE and is being subtracted as a component to the TE revenue requirement to reduce the amount of TE's 2016 USF rider. See Exhibit I.

i. Aggregation of PIPP Plus Customers. The *NOI Order* also permits ODSA to allocate all costs of aggregating PIPP Plus customers pursuant to R.C. 4928.54 to all EDUs. ODSA has not included such costs in this application but reserves the right to amend this application should it incur such costs.

9. A summary schedule showing the USF rider component costs by EDU is attached as Exhibit I. ODSA proposes to recover the annual USF rider revenue requirement for each EDU through a USF rider that incorporates the same two-step declining block rate design approved by the Commission in all prior USF rider rate adjustment cases and the *NOI Order* in this proceeding. The first block of the rate applies to all monthly consumption up to and including 833,000 Kwh. The second rate block applies to all consumption above 833,000 Kwh per month. For each EDU, the rate per Kwh for the second block is set at the lower of the PIPP charge in effect in October 1999 or the per Kwh rate that would apply if the EDU's annual USF rider revenue requirement were to be recovered through a single block per Kwh rate. The rate for the first block rate is set at the level necessary to produce the remainder of the EDU's annual USF rider revenue requirement. Thus, if the EDU's October 1999 PIPP charge exceeds the per Kwh rate that would apply if the EDU's annual USF rider revenue requirement were to be recovered through a single block per Kwh rate, a calculation shown in Exhibit J, the rate for both consumption blocks would be the same. As discussed in the testimony of ODSA witness

Moser, in this case, the October 1999 PIPP charge cap has been triggered for each of the EDUs, so all the new USF rider rates proposed herein have the declining block feature. The following table compares the resulting proposed USF riders for each EDU with the EDU's current USF rider.

Company	Declining Block Riders			
	Current USF Rider		Proposed USF Rider	
	First 833,000 Kwh	Above 833,000 Kwh	First 833,000 Kwh	Above 833,000 Kwh
CSP	\$0.0049462	\$0.0001830	\$0.0063206	\$0.0001830
OP	\$0.0061835	\$0.0001681	\$0.0064987	\$0.0001681
DPL	\$0.0022928	\$0.0005700	\$0.0019886	\$0.0005700
Duke	\$0.0020040	\$0.0004690	\$0.0012225	\$0.0004690
CEI	\$0.0031614	\$0.0005680	\$0.0044798	\$0.0005680
OE	\$0.0027121	\$0.0010461	\$0.0052158	\$0.0010461
TE	\$0.0028512	\$0.0005610	\$0.0075244	\$0.0005610

10. Consistent with Section 4928.52(B), Revised Code, the proposed USF rider rates set forth above for CSP, OP, CEI, OE and TE reflect the minimum increases necessary to produce the additional revenues required to satisfy the respective USF rider revenue responsibility of those companies. The proposed USF rider rates for DPL and Duke, which are lower than their current rider rates, also represent the minimum rates necessary to satisfy their respective USF rider revenue responsibilities. If its application is granted, ODSA will consent to the USF rider decreases for OP and DPL as required by Section 4928.52(B), Revised Code.

11. In calculating the USF rider revenue requirement, ODSA has relied on certain information reported by the EDUs. Although ODSA believes this information to be reliable, ODSA has not performed an audit to verify the accuracy of this information. If any party

questions or wishes to challenge the accuracy of this information, ODSA requests that the Commission require such party to direct its inquiries to the EDU in question, either informally or through formal discovery.

12. The adjustments to the USF riders proposed in this application are based on the most recent information available to ODSA at the time the application was prepared and includes actual data for the calendar 2015 test period through the month of August 2015. In previous ODSA USF rider rate adjustment applications, ODSA has reserved the right to amend its application by updating its test-period calculations to incorporate additional actual data as it became available. Thus, ODSA again reserves the right to amend its application to incorporate additional actual test-period data that becomes available subsequent to the preparation of this initial Application.

13. ODSA requests that, as a part of its order in this proceeding, the Commission require that ODSA file its 2016 USF rider rate adjustment application no later than October 31, 2016 and provide that the NOI procedure again be used in connection with the 2016 application.

WHEREFORE, ODSA respectfully requests that the Commission, after providing such notice as it deems reasonable, affording interested parties the opportunity to be heard, and conducting a hearing, if a hearing is deemed to be required, issue an order (1) finding that USF rider rate adjustments proposed in the application represent the minimum adjustments necessary to provide the revenues necessary to satisfy the respective USF rider revenue requirements; (2) granting the application; and (3) directing the EDU's to incorporate the new USF rider rates approved herein in their filed tariffs, to be effective January 1, 2016 on a bills-rendered basis.

Respectively submitted,

A handwritten signature in black ink, appearing to read "Dane Stinson", written over a horizontal line.

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Exhibit A

Sept 14 --Aug 15 Cost of PIPP

	Electrical Service	Pre-PIPP	PIPP Customer Portion	Payments to PIPP Arrears	Cost of PIPP (A+B)-C-D
	A	B	C	D	
CSP	\$129,095,203	\$8,005,361	\$51,720,997	\$8,818,483	\$76,561,085
OP	\$168,864,775	\$8,892,220	\$63,314,814	\$11,021,276	\$103,420,905
DPL	\$70,453,186	\$3,173,397	\$30,718,365	\$2,599,808	\$40,308,411
Duke	\$44,524,530	\$3,434,115	\$21,326,087	\$6,138,917	\$20,493,640
CEI	\$71,759,985	\$5,628,573	\$33,886,040	\$1,806,003	\$41,696,515
OE	\$114,841,319	\$6,695,785	\$52,639,496	\$3,343,763	\$65,553,844
TE	\$38,213,610	\$2,758,490	\$17,216,707	\$1,211,082	\$22,544,310
Total:	\$637,752,607	\$38,587,941	\$270,822,506	\$34,939,332	\$370,578,709

Exhibit A.1

Rate Changes

	2015	2016	
	9/14-8/15	EDU	Adjusted
	Cost of PIPP	Rate Changes	Cost of PIPP
CSP	\$76,561,085.00	-\$2,032,818.00	\$75,819,219.00
OP	\$103,420,905.00	-\$1,353,441.00	\$103,756,112.00
DPL	\$40,308,411.00	\$0.00	\$30,164,974.00
Duke	\$20,493,640.00	\$0.00	\$24,078,845.00
CEI	\$41,696,515.00	\$0.00	\$45,212,754.00
OE	\$65,553,844.00	\$3,560,081.00	\$70,147,497.00
TE	\$22,544,310	\$191,068	\$24,913,554
Total	\$370,578,709	\$364,890	\$374,092,954

Columbus Southern Power Rate Zone**Exhibit A.1.a**

	Current	2015	(2%)	2016	1%	Total	For 2015- 2016
Sep-14	\$10,956,455.12	(219,129.10)		\$109,564.55		\$10,846,890.57	Sep-15
Oct-14	\$8,265,806.66	(165,316.13)		\$82,658.07		\$8,183,148.59	Oct-15
Nov-14	\$9,492,564.38	(189,851.29)		\$94,925.64		\$9,397,638.74	Nov-15
Dec-14	\$13,249,197.95	(264,983.96)		\$132,491.98		\$13,116,705.97	Dec-15
Jan-15	\$15,184,877.55	(303,697.55)		\$151,848.78		\$15,033,028.77	Jan-16
Feb-15	\$13,817,041.37	(276,340.83)		\$138,170.41		\$13,678,870.96	Feb-16
Mar-15	\$13,525,130.00	(270,502.60)		\$135,251.30		\$13,389,878.70	Mar-16
Apr-15	\$8,944,122.05	(178,882.44)		\$89,441.22		\$8,854,680.83	Apr-16
May-15	\$8,205,692.66	(164,113.85)		\$82,056.93		\$8,123,635.73	May-16
Jun-15	\$8,332,969.67	0.00		\$83,329.70		\$8,416,299.37	Jun-16
Jul-15	\$9,521,518.19	0.00		\$95,215.18		\$9,616,733.37	Jul-16
Aug-15	\$9,599,827.51	0.00		\$95,998.28		\$9,695,825.79	Aug-16
Total	129,095,203	(2,032,817.75)		\$1,290,952.03		\$130,386,155.14	

Ohio Power Rate Zone

	Current	2015	(1%)	2016	1%	Total	For 2015- 2016
Sep-14	\$11,149,727.83	(111,497.28)		111,497.28		11,149,727.83	Sep-15
Oct-14	\$9,927,768.12	(99,277.68)		99,277.68		9,927,768.12	Oct-15
Nov-14	\$12,146,275.29	(121,462.75)		121,462.75		12,146,275.29	Nov-15
Dec-14	\$18,108,360.21	(181,083.60)		181,083.60		18,108,360.21	Dec-15
Jan-15	\$21,631,338.96	(216,313.39)		216,313.39		21,631,338.96	Jan-16
Feb-15	\$19,818,276.89	(198,182.77)		198,182.77		19,818,276.89	Feb-16
Mar-15	\$19,359,438.58	(193,594.39)		193,594.39		19,359,438.58	Mar-16
Apr-15	\$12,894,049.91	(128,940.50)		128,940.50		12,894,049.91	Apr-16
May-15	\$10,308,837.57	(103,088.38)		103,088.38		10,308,837.57	May-16
Jun-15	\$10,467,376.59	-		104,673.77		10,572,050.36	Jun-16
Jul-15	\$11,360,826.21	-		113,608.26		11,474,434.47	Jul-16
15-Aug	\$11,692,498.67	-		116,924.99		11,809,423.66	Aug-16
Total	\$168,864,774.83	(1,353,440.73)		1,688,647.75		169,199,981.84	

Exhibit A.1.b

Dayton Power and Light

Rate Changes 2016	
Sep-14	\$ (1,062,258)
Oct-14	\$ (853,125)
Nov-14	\$ (971,943)
Dec-14	\$ (931,569)
Jan-15	\$ (875,928)
Feb-15	\$ (847,812)
Mar-15	\$ (896,893)
Apr-15	\$ (669,480)
May-15	\$ (497,548)
Jun-15	\$ (771,691)
Jul-15	\$ (866,241)
Aug-15	\$ (898,950)
Total	\$ (10,143,437)

Exhibit A.1.c

Duke

Billing Cycle End Date	Cost of Electricity	Rate of adjustment	Rate of Adjustment .08032	Total	
Sep-14	\$4,133,924	0.000%	\$332,037	\$4,465,961	Sep-15
Oct-14	\$2,835,455	0.000%	\$227,744	\$3,063,199	Oct-15
Nov-14	\$3,037,290	0.000%	\$252,703	\$3,289,993	Nov-15
Dec-14	\$4,043,747	0.000%	\$336,440	\$4,380,187	Dec-15
Jan-15	\$4,270,944	0.000%	\$355,343	\$4,626,286	Jan-16
Feb-15	\$3,923,296	0.000%	\$326,418	\$4,249,714	Feb-16
Mar-15	\$3,963,208	0.000%	\$329,739	\$4,292,946	Mar-16
Apr-15	\$3,020,378	0.000%	\$251,295	\$3,271,673	Apr-16
May-15	\$2,810,496	0.000%	\$233,833	\$3,044,329	May-16
Jun-15	\$3,698,184	0.000%	\$233,833	\$3,932,018	Jun-16
Jul-15	\$4,394,124	0.000%	\$352,936	\$4,747,060	Jul-16
Aug-15	\$4,393,484	0.000%	\$352,885	\$4,746,369	Aug-16
\$44,524,530			\$3,585,205	\$96,219,469	

Exhibit A.1.d

CEI

Billing Cycle End Date	Cost of Electricity	2015 0%	2016 4.9%	Total	
Sep-14	\$7,030,262	\$0	\$344,483	\$7,374,744	Sep-15
Oct-14	\$7,379,519	\$0	\$361,596	\$7,741,116	Oct-15
Nov-14	\$7,304,168	\$0	\$357,904	\$7,662,072	Nov-15
Dec-14	\$5,915,311	\$0	\$289,850	\$6,205,161	Dec-15
Jan-15	\$5,095,804	\$0	\$249,694	\$5,345,499	Jan-16
Feb-15	\$5,635,478	\$0	\$276,138	\$5,911,616	Feb-16
Mar-15	\$6,190,230	\$0	\$303,321	\$6,493,551	Mar-16
Apr-15	\$6,652,135	\$0	\$325,955	\$6,978,089	Apr-16
May-15	\$5,452,885	\$0	\$267,191	\$5,720,076	May-16
Jun-15	\$4,490,671	\$0	\$220,043	\$4,710,714	Jun-16
Jul-15	\$4,871,651	\$0	\$238,711	\$5,110,362	Jul-16
Aug-15	\$5,741,872	\$0	\$281,352	\$6,023,224	Aug-16
Total	\$71,759,985		\$3,516,239	75,276,224	

OE

Billing Cycle End Date	Cost of Electricity	2015 3.1%	2016 0.9%	Total	
Sep-14	\$11,651,626	\$ 361,200	\$104,864.63	\$12,117,691	Sep-15
Oct-14	\$12,099,956	\$ 375,099	\$108,899.60	\$12,583,954	Oct-15
Nov-14	\$11,901,196	\$ 368,937	\$107,110.77	\$12,377,244	Nov-15
Dec-14	\$9,618,448	\$ 298,172	\$86,566.03	\$10,003,185	Dec-15
Jan-15	\$8,048,111	\$ 249,491	\$72,433.00	\$8,370,035	Jan-16
Feb-15	\$8,890,387	\$ 275,602	\$80,013.48	\$9,246,002	Feb-16
Mar-15	\$10,109,960	\$ 313,409	\$90,989.64	\$10,514,359	Mar-16
Apr-15	\$10,421,073	\$ 323,053	\$93,789.66	\$10,837,916	Apr-16
May-15	\$8,587,195	\$ 266,203	\$77,284.75	\$8,930,682	May-16
Jun-15	\$6,854,172	\$ 212,479	\$61,687.55	\$7,128,339	Jun-16
Jul-15	\$7,412,233	\$ 229,779	\$66,710.10	\$7,708,723	Jul-16
Aug-15	\$9,246,962	\$ 286,656	\$83,222.66	\$9,616,841	Aug-16
Total	\$114,841,319	\$ 3,560,081	\$1,033,572	\$119,434,971	

TE

Billing Cycle End Date	Cost of Electricity	2015 .5%	2016 5.7%	Total	
Sep-14	\$3,980,433	\$19,902	\$226,884.69	\$4,227,220	Sep-15
Oct-14	\$4,164,952	\$20,825	\$237,402.25	\$4,423,179	Oct-15
Nov-14	\$4,046,208	\$20,231	\$230,633.87	\$4,297,073	Nov-15
Dec-14	\$3,047,648	\$15,238	\$173,715.92	\$3,236,602	Dec-15
Jan-15	\$2,607,216	\$13,036	\$148,611.32	\$2,768,864	Jan-16
Feb-15	\$2,811,055	\$14,055	\$160,230.16	\$2,985,341	Feb-16
Mar-15	\$3,249,755	\$16,249	\$185,236.04	\$3,451,240	Mar-16
Apr-15	\$3,512,533	\$17,563	\$200,214.37	\$3,730,310	Apr-16
May-15	\$2,821,949	\$14,110	\$160,851.08	\$2,996,910	May-16
Jun-15	\$2,216,284	\$11,081	\$126,328.19	\$2,353,694	Jun-16
Jul-15	\$2,526,970	\$12,635	\$144,037.29	\$2,683,642	Jul-16
Aug-15	\$3,228,607	\$16,143	\$184,030.59	\$3,428,780	Aug-16
Total	38,213,609.58	\$191,068	\$2,178,176	\$40,582,853	

Exhibit A.2

Cost of PIPP Adjustment for Projected Enrollment Increase

	Average Enrollment 9/14--8/15	Cost of PIPP	Average Cost of PIPP 9/14--8/15 (B/A)	Projected Annual Enrollment	Additional Cost of PIPP (D-A)*C	Total Adjusted Cost of PIPP (B+E)
	A	B	C	D	E	F
CSP	70,321	75,819,219	1,078	75,964	6,084,320	81,903,539
OP	78,484	103,756,112	1,322	85,486	9,257,064	113,013,176
DPL	39,434	30,164,974	765	40,404	742,229	30,907,203
Duke	29,043	24,078,845	829	30,416	1,138,155	25,217,000
CEI	60,694	45,212,754	745	61,708	755,135	45,967,889
OE	82,829	70,147,497	847	82,528	-254,916	69,892,581
TE	27,677	24,913,554	900	27,943	239,351	25,152,905
Total	388,482	374,092,954		404,449	17,961,339	392,054,293

Average PIPP Enrollment

	9/2010- 8/2011	9/2011- 8/2012	9/2012- 9/2013	9/2013-8/2014	9/2014- 8/2015	Projected 2016
CSP	51,301	58,899	63,427	66,866	70,321	75,964
OP	54,467	64,872	70,046	73,929	78,484	85,486
DPL	35,254	38,225	37,918	38,396	39,434	40,404
Duke	26,537	30,045	30,907	29,239	29,043	30,416
CEI	56,196	56,512	57,874	59,415	60,694	61,708
OE	82,195	81,330	81,451	81,972	82,829	82,528
TE	26,709	27,461	27,410	27,498	27,677	27,943
Total	332,659	357,344	369,033	377,315	388,482	404,449

Exhibit B

Allocation of Electric Partnership Program

	2016 Cost of PIPP	Percent Cost of PIPP	Allocated For EPP
CSP	\$81,903,539	20.89%	\$3,122,390
OP	\$113,013,176	28.83%	\$4,308,375
DPL	\$30,907,203	7.88%	\$1,178,268
Duke	\$25,217,000	6.43%	\$961,342
CEI	\$45,967,889	11.72%	\$1,752,423
OE	\$69,892,581	17.83%	\$2,664,499
TE	\$25,152,905	6.42%	\$958,899
Total	\$392,054,293	100.00%	\$14,946,196

Exhibit C**Allocation of Administrative Costs**

	Customers March 2015	Adm Costs per Customer	Administrative Costs
CSP	71,977	\$13.21	\$950,812
OP	80,989	\$13.21	\$1,069,860
DPL	39,722	\$13.21	\$524,725
Duke	29,441	\$13.21	\$388,914
CEI	61,916	\$13.21	\$817,907
OE	84,927	\$13.21	\$1,121,881
TE	28,643	\$13.21	\$378,372
Total	397,615		\$5,252,471

Exhibit D**PIPP Plus Evaluation**

	Cost of PIPP	Percent Cost of PIPP	Total Audit Cost	Allocated Audit Costs
CSP	\$81,903,538	0.2089	\$105,249	\$21,986
OP	\$113,013,176	0.2883	\$105,249	\$30,343
DPL	\$30,907,203	0.0788	\$105,249	\$8,294
Duke	\$25,217,000	0.0643	\$105,249	\$6,768
CEI	\$45,967,889	0.1172	\$105,249	\$12,335
OE	\$69,892,581	0.1783	\$105,249	\$18,766
TE	\$25,152,905	0.0642	\$105,249	\$6,757
	\$392,054,293	1.0000		\$105,249

Exhibit E

Universal Service Fund Account Balance

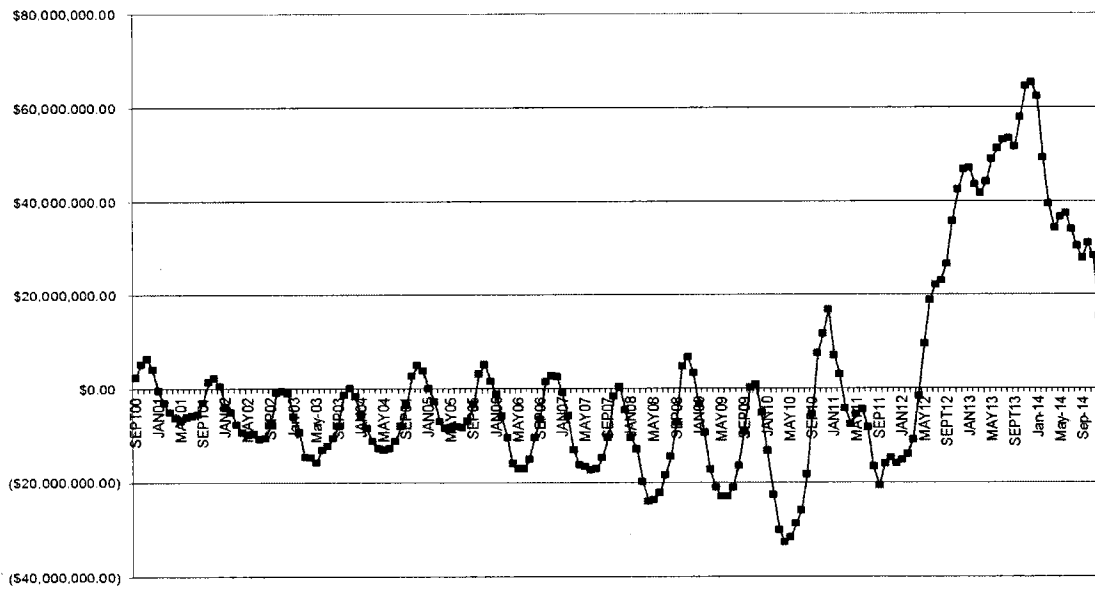


Exhibit F

Calculation of Annual Reserve Component

	Largest Monthly Cash Deficit	Reserve Required
CSP	15-Mar	-\$9,400,547
OP	15-Apr	-\$696,556
DPL	NA	\$0
Duke	15-Jan	-\$562,353
CEI	15-Dec	-\$9,411,809
OE	15-Dec	-\$17,310,091
TE	15-Dec	-\$9,960,582
Total		-\$47,341,937

Exhibit G

Allowance for Undercollection

Company	Required
CSP	\$445,236.00
OP	\$376,004.00
DPL	\$130,277.00
Duke	-\$160,587.90
CEI	-\$693,915.37
OE	\$1,184,765.84
TE	\$283,219.00
Total	\$1,564,998.57

Exhibit H

Universal Service Fund Account Balance

Balance
12/31/2015

CSP	(\$7,372,937)
OP	\$11,707,604
DPL	\$8,625,918
Duke	\$5,212,518
CEI	(\$9,411,809)
OE	(\$17,310,091)
TE	(\$9,960,582)
Total	(\$18,509,379)

Exhibit I

Revenue Requirement Summary

	CSP	OP	DPL	Duke
Cost of PIPP Plus	\$81,903,539	\$113,013,176	\$30,907,203	\$25,217,000
EPP/CE	\$3,122,390	\$4,308,375	\$1,178,268	\$961,342
Administration	\$950,812	\$1,069,860	\$524,725	\$388,914
Audit	\$21,986	\$30,343	\$8,294	\$6,768
Reserve	\$9,400,547	\$696,556	\$0	\$562,353
Adjustment for Undercollection	\$445,236	\$376,004	\$130,277	-\$160,588
Subtotal	\$95,844,510	\$119,494,314	\$32,748,767	\$26,975,789
Audit Finding	\$0	\$0	\$0	\$0
Account Balance 12/31	\$7,372,937	-\$11,707,604	-\$8,625,918	-\$5,212,518
Total	\$103,217,447	\$107,786,710	\$24,122,849	\$21,763,271

	CEI	OE	TE
Cost of PIPP Plus	\$45,967,889	\$69,892,581	\$25,152,905
EPP/CE	\$1,752,423	\$2,664,499	\$958,899
Administration	\$817,907	\$1,121,881	\$378,372
Audit	\$12,335	\$18,766	\$6,757
Reserve	\$9,411,809	\$17,310,091	\$9,960,582
Adjustment for Undercollection	-\$693,915	\$1,184,766	\$283,219
Subtotal	\$57,268,448	\$92,192,584	\$36,740,734
Audit Finding	\$0	\$0	-\$16,452
Account Balance 12/31	\$9,411,809	\$17,310,091	\$9,960,582
Total	\$66,680,257	\$109,502,675	\$46,684,863

Cost of PIPP Plus	
EPP/CE	\$392,054,293
Administration	\$14,946,196
Evaluation	\$5,252,471
Reserve	\$105,249
Adjustment for	\$47,341,938
Undercollection	\$1,564,998
Subtotal	\$461,265,144
Audit Finding	-\$16,452.00
Account Balance	
12/31	\$18,509,379
Total	\$479,758,071

Exhibit J


Uniform KWH Rate

Company	KWH Sales	Required Revenue	Indicated Costs/KWH
CSP	19,470,255,030	\$103,217,446	\$0.0053013
OP	24,522,303,385	\$107,786,709	\$0.0043955
DPL	14,062,755,782	\$24,122,849	\$0.0017154
Duke	20,363,549,338	\$21,763,271	\$0.0010687
CEI	18,563,995,100	\$66,680,257	\$0.0035919
OE	24,827,207,175	\$109,502,675	\$0.0044106
TE	10,468,291,863	\$46,684,863	\$0.0044596
Total	132,278,357,673	\$479,758,070	

KWH sales were sales reported for the last twelve months
(Sept 2014--Aug 2015)

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Application* has been served upon the following parties by first class mail, postage prepaid, and electronic mail this 30th day of October 2015.


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Case No(s). 15-1046-EL-USF

Summary: Application for USF Rider Adjustments electronically filed by Dane Stinson on behalf of Ohio Development Services Agency