BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

Case No. 15-1046-EL-USF

AMENDED APPLICATION

By its application in this docket of October 30, 2015, the Ohio Development Services Agency ("ODSA"), by its Director, David Goodman, petitioned the Public Utilities Commission of Ohio ("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"). Pursuant to Rule 4901-1-06, Ohio Administrative Code, ODSA hereby moves to amend its application as set forth below. As more fully described in the supplemental testimony of Susan M. Moser submitted herewith, this amended application reflects information that was not available to ODSA at the time the original application was prepared. Accordingly, ODSA respectfully requests the Commission to accept this amended application for filing.

As its amended 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 to 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 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

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

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

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.

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 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 \$110,256,937 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 Ohio Power Company ("OP") ⁵ and Duke

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.

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"), Dayton Power and Light Company ("DPL"), 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 the PBAB, proposes that the Duke rider rate be reduced so as to generate the required annual revenue indicated in the following table and that the CSP, DPL, CEI, OE and TE riders rates be increased so as to generate their respective indicated revenue targets. Although the following table shows that OP's test year revenues exceeded its indicated revenue target, OP's current rate actually must increase to collect the \$106,016,795 revenue requirement shown on Table II. As explained in paragraph 10 below, this is because the current rider rate (Table II) was designed to collect only \$103,268,952. OP's current revenue requirement has increased and the 2016 rider rate must increase to collect this additional amount.

TABLE I

Company	Test-Period USF Rider Revenue	Required Annual USF Rider Revenue	USF Rider Surplus/(Deficiency)
CSP	\$78,506,254	\$96,825,239	(\$18,318,985)
ОР	\$106,267,136	\$106,016,795	\$250,341
DPL	\$31,709,736	\$32,055,011	(\$345,275)
DUKE	\$31,151,032	\$19,684,932	\$11,466,100
CEI	\$42,711,031	\$63,978,442	(\$21,267,411)
OE	. \$53,516,166	\$107,640,747	(\$54,124,581)
TE	\$16,616,544	\$44,533,671	(\$27,917,127)
Totals	\$360,477,899	\$470,734,837	(\$110,256,937)

⁶ See In Re Ohio Development Services Agency, Case No. 14-1002-EL-USF (Opinion and Order, December 10, 2014), at 4.

- 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.
 - Cost of PIPP. The cost of PIPP component of the USF rider revenue a. 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. <u>Electric Partnership Program and Consumer Education Program Costs.</u>
 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. <u>Administrative Costs.</u> 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.

December 31, 2015 USF PIPP Account Balances. Because the USF rider d. 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. <u>PIPP Plus Program Audit Costs.</u> 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. <u>Audit Findings</u>. 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. <u>Aggregation of PIPP Plus Customers</u>. 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.

TABLE II

	Declining Block Riders						
	Current US	F Rider	Proposed U	JSF Rider			
Company	Above 833,0 First 833,000 Kwh Kwh		First 833,000 Kwh	Above 833,000 Kwh			
CSP	\$0.0049462	\$0.0001830	\$0.0059258	\$0.0001830			
OP	\$0.0061835	\$0.0001681	\$0.0063895	\$0.0001681			
DPL	\$0.0022928	\$0.0005700	\$0.0026925	\$0.0005700			
Duke	\$0.0020040	\$0.0004690	\$0.0010965	\$0.0004690			
CEI	\$0.0031614	\$0.0005680	\$0.0042748	\$0.0005680			
OE	\$0.0027121	\$0.0010461	\$0.0051158	\$0.0010461			
TE	\$0.0028512	\$0.0005610	\$0.0071340	\$0.0005610			

- 10. Consistent with Section 4928.52(B), Revised Code, the proposed USF rider rates set forth above for CSP, DPL, 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. Although Table I of this amended application shows that OP's test year revenues produced under its current USF rider rate would exceed its indicated revenue target, OP's current rate actually increases slightly as shown on Table II. This is because the rate that produced the \$106,267,136 test year revenue (Table I) under the current rider rate (Table II) was designed to collect \$103,268,952.7 OP's current revenue requirement increased and is designed to collect \$106,016,795. Thus, the proposed 2016 USF rider rate for OP has increased slightly and reflects the minimum increase necessary to produce the additional revenues required to satisfy its USF rider revenue responsibility. The proposed USF rider rate for Duke, which is lower than its current rider rate, also represents the minimum rate necessary to satisfy Duke's USF rider revenue responsibility. If its application is granted, ODSA will consent to the USF rider decreases for Duke as required by Section 4928.52(B), Revised Code.
- 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.

⁷ See *In Re Ohio Development Services Agency*, Case No. 14-1002-EL-USF (Opinion and Order, December 10, 2014), at 4.

- 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.
- 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,

Dane Stinson (0019101)

BRICKER & ECKLER LLP

100 South Third Street

Columbus, Ohio 43215-4291

Telephone: (614) 227-4854 Facsimile: (614) 227-2390 Email: dstinson@bricker.com

Special Counsel for

The Ohio Development Services Agency

Oct 14 -- Sept 15 Cost of PIPP

	Electrical Service	Pre-PIPP	PIPP Customer Portion	Payments to PIPP Arrears	Cost of PIPP
	Α	В	С	D	(A+B)-C-D
CSP	\$126,451,963	\$7,756,463	\$51,634,245	\$8,656,628	\$73,917,552
OP	\$167,540,776	\$8,781,223	\$63,335,654	\$10,899,998	\$102,086,347
DPL	\$69,462,106	\$3,139,483	\$30,649,474	\$2,716,672	\$39,235,443
Duke	\$44,283,283	\$3,436,580	\$21,302,758	\$6,169,088	\$20,248,017
CEI	\$72,278,284	\$5,615,703	\$33,779,461	\$1,835,002	\$42,279,524
OE	\$115,448,735	\$6,690,945	\$52,403,891	\$3,407,750	\$66,328,038
TE	\$38,357,141	\$2,707,710	\$17,112,284	\$1,239,338	\$22,713,229
Total:	\$633,822,288	\$38,128,107	\$270,217,767	\$34,924,476	\$366,808,150

Exhibit A.1

Adjusted Test-Period Cost of PIPP

	10/14-9/15 Cost of PIPP	2015 EDU Rate Changes	2016 EDU Rate Changes	Adjusted Test-Period Cost of PIPP
CSP	\$73,917,552	(\$1,813,689)	\$1,264,520	\$73,368,383
ОР	\$102,086,347	(\$1,241,943)	\$1,675,408	\$102,519,812
DPL	\$39,235,443	\$0	(\$2,129,501)	\$37,105,942
Duke	\$20,248,017	\$0.00	\$3,565,828	\$23,813,845
CEI	\$42,279,524	\$0.00	\$3,541,636	\$45,821,160
OE	\$66,328,038	\$3,578,911.00	\$1,039,039	\$70,945,988
TE	\$22,713,229.00	\$191,786.00	\$2,186,357	\$25,091,372
Total	\$366,808,150.31	\$715,065.00	\$11,143,287.00	\$378,666,503

Exhibit A.1.a

Columbus Southern Power Rate Zone

	Current	2015 2%	2016 1%	Total	For 2015-2016
		-			
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
Sep-15	\$8,313,215.08	0.00	\$83,132.15	\$8,396,347.23	Sep-16
Total	\$126,451,963.07	(1,813,688.65)	\$1,264,519.63	\$125,902,794.05	

Ohio Power Rate Zone

	Current	2015 1%	2016 1%	Total	For 2015-2016
Oct-14 Nov-14 Dec-14 Jan-15 Feb-15 Mar-15 Apr-15 May-15 Jun-15	\$9,927,768.12 \$12,146,275.29 \$18,108,360.21 \$21,631,338.96 \$19,818,276.89 \$19,359,438.58 \$12,894,049.91 \$10,308,837.57 \$10,467,376.59 \$11,360,826.21	-99,277.68 -121,462.75 (181,083.60) (216,313.39) (198,182.77) (193,594.39) (128,940.50) (103,088.38)	99,277.68 121,462.75 181,083.60 216,313.39 198,182.77 193,594.39 128,940.50 103,088.38 104,673.77 113,608.26 116,924.99	9,927,768.12 12,146,275.29 18,108,360.21 21,631,338.96 19,818,276.89 19,359,438.58 12,894,049.91 10,308,837.57 10,572,050.36 11,474,434.47 11,809,423.66	Oct-15 Nov-15 Dec-15 Jan-16 Feb-16 Mar-16 Apr-16 May-16 Jun-16 Jul-16
Aug-15 Sep-15	\$9,825,729.00		98,257.29	9,923,986.29	Sep-16
Total	\$167,540 <u>,776</u> .00	(1,241,943.46)	1,675,407.76	167,974,240.30	

Rate Changes 2016

-\$409,588
-\$461,078
-\$235,102
-\$28,147
-\$28,648
-\$94,032
-\$90,457
-\$46,721
-\$262,392
-\$292,394
-\$302,669
\$121,727
-\$2,129,501

Exhibit A.1.c

Duke

-			Rate of		
Billing Cycle	Cost of Electricity	Adj	ustment		
End Date			.08032	Total	For 2015-2016
Oct-14	\$ 2,835,454.86	\$	227,744	\$ 3,063,198.59	Oct-15
Nov-14	\$ 3,037,290.04	\$	252,703	\$ 3,289,992.57	Nov-15
Dec-14	\$ 4,043,747.39	\$	336,440	\$ 4,380,187.17	Dec-15
Jan-15	\$ 4,270,943.53	\$	355,343	\$ 4,626,286.03	Jan-16
Feb-15	\$ 3,923,295.79	\$	326,418	\$ 4,249,714.00	Feb-16
Mar-15	\$ 3,963,207.52	\$	329,739	\$ 4,292,946.39	Mar-16
Apr-15	\$ 3,020,377.98	\$	251,295	\$ 3,271,673.43	Apr-16
May-15	\$ 2,810,495.50	\$	233,833	\$ 3,044,328.73	May-16
Jun-15	\$ 3,698,184.44	\$	233,833	\$ 3,932,017.67	Jun-16
Jul-15	\$ 4,394,123.99	\$	352,936	\$ 4,747,060.03	Jul-16
Aug-15	\$ 4,393,484.43	\$	352,885	\$ 4,746,369.10	Aug-16
Sep-15	\$ 3,892,677.37	\$	312,660	\$ 4,205,337.22	Sep-15
Total	\$ 44,283,282.84	\$	3,565,828	\$ 47,849,110.92	

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	\$72,278,284	\$0	\$3,541,636	75,819,920	4
Sep-15	\$5,971,185	\$0	\$292,588	\$6,263,773	
Aug-15	\$6,652,135	\$0	\$325,955	\$6,978,089	Aug-16
Jul-15	\$6,190,230	\$0	\$303,321	\$6,493,551	Jul-16
Jun-15	\$5,635,478	\$0	\$276,138	\$5,911,616	Jun-16
May-15	\$5,095,804	\$0	\$249,694	\$5,345,499	May-16
Apr-15	\$5,915,311	\$0	\$289,850	\$6,205,161	Apr-16
Mar-15	\$7,304,168	\$0	\$357,904	\$7,662,072	Mar-16
Feb-15	\$7,379,519	\$0	\$361,596	\$7,741,116	Feb-16
Jan-15	\$7,030,262	\$0	\$344,483	\$7,374,744	Jan-16
Dec-14	\$5,741,872	\$0	\$281,352	\$6,023,224	Dec-15
Nov-14	\$4,871,651	\$0	\$238,711	\$5,110,362	Nov-15
Oct-14	\$4,490,671	\$0	\$220,043	\$4,710,714	Oct-15
Billing Cycle End Date	Cost of Electricity	2015 0%	2016 4.9%	Total	

OE

Billing Cycle					
End Date	Cost of Electricity	2015 3.1%	2016 0.9%	Total	
Oct-14	\$6,854,172	\$ 212,479	\$61,687.55	\$7,128,339	Oct-15
Nov-14	\$7,412,233	\$ 229,779	\$66,710.10	\$7,708,722	Nov-15
Dec-14	\$9,246,962	\$ 286,656	\$83,222.66	\$9,616,840	Dec-15
Jan-15	\$11,651,626	\$ 361,200	\$104,864.63	\$12,117,691	Jan-16
Feb-15	\$12,099,956	\$ 375,099	\$108,899.60	\$12,583,954	Feb-16
Mar-15	\$11,901,196	\$ 368,937	\$107,110.76	\$12,377,244	Mar-16
Apr-15	\$9,618,448	\$ 298,172	\$86,566.03	\$10,003,186	Apr-16
May-15	\$8,048,111	\$ 249,491	\$72,433.00	\$8,370,035	May-16
Jun-15	\$8,890,387	\$ 275,602	\$80,013.48	\$9,246,002	Jun-16
Jul-15	\$10,109,960	\$ 313,409	\$90,989.64	\$10,514,358	Jul-16
Aug-15	\$10,421,073	\$ 323,053	\$93,789.66	\$10,837,916	_
Sep-15	\$9,194,611	\$ 285,033	\$82,751.50	\$9,562,395	16-Sep
Total	\$115,448,735	\$ 3,578,911	\$1,039,039	\$120,066,684	

ΤE

Billing Cycle					
End Date	Cost of Electricity	2015 .5%	2016 5.7%	Total	
Oct-14	\$2,216,284	\$11,081	\$126,328.19	\$2,353,694	Oct-15
Nov-14	\$2,526,970	\$12,635	\$144,037.29	\$2,683,642	Nov-15
Dec-14	\$3,228,607	\$16,143	\$184,030.59	\$3,428,780	Dec-15
Jan-15	\$3,980,433	\$19,902	\$226,884.68	\$4,227,220	Jan-16
Feb-15	\$4,164,952	\$20,825	\$237,402.26	\$4,423,179	Feb-16
Mar-15	\$4,046,208	\$20,231	\$230,633.86	\$4,297,073	Mar-16
Apr-15	\$3,047,648	\$15,238	\$173,715.94	\$3,236,602	Apr-16
May-15	\$2,607,216	\$13,036	\$148,611.31	\$2,768,863	May-16
Jun-15	\$2,811,055	\$14,055	\$160,230.14	\$2,985,340	Jun-16
Jul-15	\$3,249,755	\$16,249	\$185,236.04	\$3,451,240	Jul-16
Aug-15	\$3,512,533	\$17,563	\$200,214.38	\$3,730,310	_
Sep-15	\$2,965,480	\$14,827	\$169,032.36	3149339.76	
Total	38,357,141	\$191,786	\$2,186,357	\$40,735,283	

Exhibit A.2

Cost of PIPP Adjustment for Projected Enrollment Increase

		COSLOI FIFF A	ajustinent ioi r	Tojected Emon	ment morease	
	Average Test Period Enrollment	Adjusted Test Period Cost of PIPP	Average Test Period Cost of PIPP (B/A)	Projected Annual Enrollment	Projected Additional Cost of PIPP (D-A)*C	Total Adjusted Cost of PIPP (B+E)
······································	Α	В	C	D	E	F
CSP	69,761	\$73,368,383	\$1,052	75,229	\$5,750,859	\$79,119,242
OP	77,958	\$102,519,812	\$1,315	84,654	\$8,805,016	\$111,324,827
DPL	39,178	\$37,105,942	\$947	40,052	\$827,776	\$37,933,718
Duke	28,931	\$23,813,845	\$823	30,061	\$930,379	\$24,744,224
CEI	60,496	\$45,821,160	\$757	61,466	\$734,323	\$46,555,483
OE	82,535	\$70,945,988	\$860	82,022	(\$441,312)	\$70,504,676
TE	27,577	\$25,091,372	\$910	27,732	\$140,847	\$25,232,220

Projected Average Annual PIPP Enrollment

401,215

\$16,747,887

\$395,414,390

			ojectea / (Fe.	~90 /		
	2011	2012	2013	2014	2015	Projected 2016
CSP	52,578	59,220	63,742	67,251	69,761	75,229
OP	56,120	65,308	70,363	74,387	77,958	84,654
DPL	35,738	38,310	37,881	38,520	39,178	40,052
Duke	26,966	30,272	30,871	29,113	28,931	30,061
CEI	56,743	56,408	57,918	59,647	60,496	61,466
OE	83,110	81,098	81,287	82,180	82,535	82,022
TE	27,057	27,440	27,323	27,546	27,577	27,732
Total	338,312	358,056	369,385	378,644	386,436	401,215

386,436

Total

\$378,666,503

Allocation of Electric Partnership Program

	2016	Percent	Allocated For
	Cost of PIPP	Cost of PIPP	<u>EPP</u>
CSP	\$79,119,242	0.2001	\$2,990,614
OP	\$111,324,827	0.2852	\$4,207,947
DPL	\$37,933,718	0.0959	\$1,433,850
Duke	\$24,744,224	0.0626	\$935,302
CEI	\$46,555,483	0.1177	\$1,759,742
OE	\$70,504,676	0.1783	\$2,664,993
TE	\$25,232,220	0.0638	\$953,748
Total	\$395,414,390		\$14,946,196

Exhibit C

Allocation of Administrative Costs

	Customers	Adm Costs	Administrative
***************************************	March 2015	per Customer	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

CSP
OP
DPL
Duke
CEI
OE
TE
Total

Cost of PIPP	Percent Cost of PIPP	Total Audit Cost	Allocated Audit Costs
\$79,119,242	0.2001	\$105,249	\$21,059
\$111,324,827	0.2815	\$105,249	\$29,632
\$37,933,718	0.0959	\$105,249	\$10,097
\$24,744,224	0.0626	\$105,249	\$6,586
\$46,555,483	0.1177	\$105,249	\$12,392
\$70,504,676	0.1783	\$105,249	\$18,767
\$25,232,220	0.0638	\$105,249	\$6,716
\$395,414,390	1.0000		\$105,249

Projection of Consolidated USF Account Balance

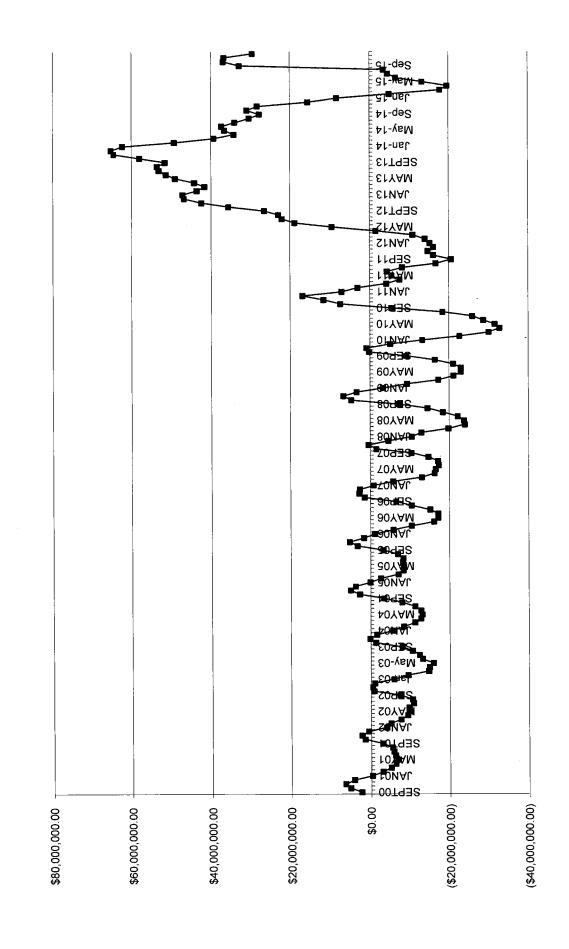


Exhibit F

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	-\$7,736,165
OE	15-Dec	-\$16,077,645
TE	15-Dec	-\$8,906,254
Total		-\$43,379,521

Exhibit G

Allowance for Undercollection

Company	Required
CSP	\$413,852
OP	\$342,754
DPL	\$175,436
Duke	-\$169,063
CEI	-\$639,413
OE	\$1,175,139
TE	\$166,559
Total	\$1,465,264

Exhibit H

Universal Service Fund Account Balance

Balance 12/31/2015

CSP	(\$3,929,112)
OP	\$11,654,781
DPL	\$8,022,815
Duke	\$6,783,384
CEI	(\$7,736,165)
OE	(\$16,077,645)
TE	(\$8,906,254)
Total	(\$10,188,198)

Revenue Requirement Summary

\$111,324,827 \$37,933,718 \$24,207,947 \$1,433,850 \$1,069,860 \$524,725 \$10,097 \$0 \$29,632 \$10,097 \$0 \$29,632 \$10,097 \$0 \$342,754 \$175,436 \$20 \$117,671,576 \$40,077,826 \$20 \$11,654,781 \$6,78 \$10,016,795 \$32,055,011 \$19,		CSP	ОР	DPL	Duke
\$950,614 \$4,207,947 \$1,433,850 \$950,812 \$1,069,860 \$524,725 \$21,059 \$29,632 \$10,097 \$9,400,547 \$696,556 \$0 \$413,852 \$342,754 \$175,436	Cost of PIPP Plus	\$79,119,242	\$111,324,827	\$37,933,718	\$24,744,224
\$950,812 \$1,069,860 \$524,725 \$10,097 \$29,632 \$10,097 \$10,097 \$29,632 \$10,097 \$0 413,852 \$342,754 \$417,671,576 \$40,077,826 \$22,896,112 \$111,654,781 \$106,016,795 \$32,055,011 \$19.	EPP/CE	\$2,990,614	\$4,207,947	\$1,433,850	\$935,302
\$9,400,547 \$696,556 \$10,097 \$0 \$29,632 \$10,097 \$0 \$0 \$0,540 \$0 \$0,540 \$0 \$0,540 \$0 \$0,540 \$0 \$0,540 \$0 \$0,540 \$0 \$0,540 \$0 \$0,540 \$0 \$0,540 \$0 \$0,540 \$0 \$0,540 \$0 \$0,540 \$0 \$0,540 \$0 \$0,550 \$0 \$0,540 \$0 \$0,550 \$0 \$0,540 \$0 \$0,550 \$0 \$0 \$0,540 \$0 \$0,540 \$0 \$0,550 \$0 \$0,540 \$0 \$0,540 \$0 \$0,550 \$0 \$0,540 \$0 \$0,550 \$0 \$0 \$0,540 \$0 \$0,550 \$0 \$0,540 \$0 \$0,550 \$0,55	Administration	\$950,812	\$1,069,860	\$524,725	\$388,914
\$9,400,547 \$696,556 \$0 \$413,852 \$342,754 \$175,436	Audit	\$21,059	\$29,632	\$10,097	\$6,586
\$413,852 \$342,754 \$175,436 \$2,896,127 \$117,671,576 \$40,077,826 \$2 \$0	Reserve	\$9,400,547	\$696,556	\$0	\$562,353
\$92,896,127 \$117,671,576 \$40,077,826 \$0 \$0 \$3,929,112 -\$11,654,781 -\$8,022,815 -\$6 \$96,825,239 \$106,016,795 \$32,055,011 \$	Adjustment for Undercollection	\$413,852	\$342,754	\$175,436	-\$169,063
\$0 \$0 \$3,929,112 -\$11,654,781 -\$8,022,815 \$96.825,239 \$106.016.795 \$32.055.011	Subtotal	\$92,896,127	\$117,671,576	\$40,077,826	\$26,468,316
\$3,929,112 -\$11,654,781 -\$8,022,815 \$96,825,239 \$106,016,795 \$32,055,011	Audit Finding	0\$	0\$	0\$	\$0.00
\$96,825,239 \$106,016,795 \$32,055,011	Account Balance 12/31	\$3,929,112	-\$11,654,781	-\$8,022,815	-\$6,783,383.67
	37	\$96,825,239	\$106,016,795	\$32,055,011	\$19,684,932

2.10 0010 3.42.0	ב כ	J O	
Sold The Pigo	\$46,555,483	\$70,504,676	\$25,232,220
EPP/CE	\$1,759,742	\$2,664,993	\$953,748
Administration	\$817,907	\$1,121,881	\$378,372
Audit	\$12,392	\$18,767	\$6,716
Reserve	\$7,736,165	\$16,077,645	\$8,906,254
Adjustment for Undercollection	-\$639,413	\$1,175,139	\$166,559
Subtotal	\$56,242,277	\$91,563,101	\$35,643,869
Audit Finding Account Balance 12/31	\$0 \$7,736,165	\$16,077,645	-\$16,452 \$8,906,254
Total	\$63,978,442	\$107,640,747	\$44,533,671

Exhibit J

Uniform kWh Rate

			Indicated
Company	KWH Sales	Required Revenue	Costs/KWH
CSP	19,495,465,443	\$ 96,825,238.70	\$ 0.0049666
OP	24,524,366,965	\$ 106,016,795.00	\$ 0.0043229
DPL	14,042,597,010	\$ 32,055,010.95	\$ 0.0022827
Duke	20,326,820,924	\$ 19,684,931.69	\$ 0.0009684
CEI	18,601,178,636	\$ 63,978,442.00	\$ 0.0034395
OE	24,780,770,282	\$ 107,640,747.28	\$ 0.0043437
TE	10,469,280,889	\$ 44,533,671.00	\$ 0.0042537
Total	132,240,480,149	\$ 470,734,837	

kWh sales were sales reported for the last twelve monhs (Oct 2014--Sept. 2015)

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Amended Application* has been served upon the following parties by first class mail, postage prepaid, and electronic mail this 27th day of November 2015.

Dane Stinson

Steven T. Nourse Matthew J. Satterwhite AEP Service Corporation 1 Riverside Plaza Columbus, Ohio 43215 stnouse@aep.com mjsatterwhite@aep.com

Randall V. Griffin
Judi L. Sobecki
The Dayton Power & Light Company
MacGregor Park
1065 Woodman Avenue
Dayton, Ohio 45432
Randall.Griffin@dplinc.com
Judi.Sobecki@dplinc.com

Elizabeth H. Watts Duke Energy Ohio, Inc. 155 East Broad Street Columbus, Ohio 43215 Elizabeth.Watts@duke-energy.com

Joseph P. Serio Ohio Consumers' Counsel 10 West Broad Street Suite 1800 Columbus, Ohio 43215-3485 serio@occ.state.oh.us William L. Wright
Section Chief, Public Utilities Section
Thomas W. McNamee
Assistant Attorney General
Public Utilities Commission of Ohio
180 East Broad Street, 6th Floor
Columbus, Ohio 43215
William.Wright@puc.state.oh.us
Thomas.McNamee@puc.state.oh.us

Sam Randazzo
Frank P. Darr
Matthew Pritchard
McNees, Wallace & Nurick
Fifth Third Center
Suite 910
21 East State Street
Columbus, Ohio 43215
sam@mwncmh.com
fdarr@mwncmh.com
mpritchard@mwncmh.com

Carrie M. Dunn
FirstEnergy Corp.
76 South Main Street
Akron, Ohio 44308
cdunn@firstenergycorp.com

Colleen L. Mooney
Ohio Partners for Affordable Energy
PO Box 1793
231 West Lima Street
Findlay, Ohio 45839-1793
cmooney@ohiopartners.org

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

Summary: Amended Application electronically filed by Dane Stinson on behalf of Ohio Development Services Agency