

**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. 17-1377-EL-USF

**OBJECTIONS OF DUKE ENERGY OHIO, INC. TO OHIO DEVELOPMENT
SERVICES AGENCY'S NOTICE OF INTENT TO FILE AN APPLICATION FOR
ADJUSTMENTS TO THE UNIVERSAL SERVICE FUND RIDERS**

The Ohio Development Services Agency (ODSA) initiated this matter on June 1, 2017 by filing an application and providing Notice Of Intent (NOI) to adjust the Universal Service Fund (USF) Rider. The Attorney Examiner established a procedural schedule on June 7, 2017, calling for objections to the Ohio Development Services Agency (ODSA) request by June 30, 2017. Duke Energy Ohio, Inc., (Duke Energy Ohio) respectfully provides the following objections.

The purpose of the hearing process before the Public Utilities Commission of Ohio (Commission) as stated by ODSA is to seek the Commission's approval of ODSA's annual USF rider rate adjustment for application to a billing cycle that begins in January of 2018. The NOI permits parties to raise objections as needed while allowing sufficient time resolve any issues prior to implementation of new rates.

Revised Code 4928.51 establishes the existence of the USF. Revised Code 4928.52 establishes, *inter alia*, that the USF shall be a rider on retail electric distribution service rates as such rates are determined by the Public Utilities Commission. To the extent the Director of ODSA, after consultation with the public benefits advisory board, determines a need to adjust the rider, the Director of the ODSA must file a petition with the Commission.

In 2010, at the express request of ODSA, Duke Energy Ohio implemented billing procedures to comply with ODSA's changes to the Percentage of Income Payment Plan Plus Program (PIPP Plus). These changes were unique to Duke Energy Ohio because, unlike other electric distribution utilities in Ohio, Duke Energy Ohio's billing system is designed to provide billing for both gas and electric service. Due to this unique status, in some instances, it is not possible to comply with the requirements of both Agencies at the same time.

In 2012, the Company received a letter from the Staff of the Commission indicating that the Staff believed that Company was in probable non-compliance with Commission rules. In 2013, at the request of the Staff of the Public Utilities Commission of Ohio, (Staff) and ODSA, the Company again adjusted accounting to facilitate compliance with Commission rules. The coordination of PIPP Plus changes to accommodate both gas and electric PIPP procedures was done in collaboration with representatives of the Staff and ODSA after advice and consent. The change that was implemented created an accounting anomaly that resulted in the USF fund under-reimbursing Duke Energy Ohio in the amount of \$1,560,871.49

Thus, to the extent ODSA intends to adjust the USF in this rider proceeding, without crediting Duke Energy Ohio the amount due it from the USF, Duke Energy Ohio hereby objects and states that the resulting budget would be overstated and therefore ODSA would be seeking additional funds unjustly and unreasonably.

Respectfully submitted,

Elizabeth H. Watts /dlg

Amy B. Spiller

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Elizabeth H. Watts (Counsel of Record)

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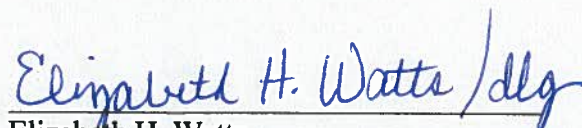
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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a copy of the foregoing Comments were served on the following parties of record by first class, U.S. mail, postage prepaid or electronic mail delivery this 30th day of June, 2017.


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Summary: Objection Objections of Duke Energy Ohio, Inc. to Ohio Development Services Agency's Notice of Intent to File an Application for Adjustments to the Universal Service Fund Riders electronically filed by Mrs. Debbie L Gates on behalf of Duke Energy Ohio Inc. and Spiller, Amy B and Watts, Elizabeth H