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August 28, 2017

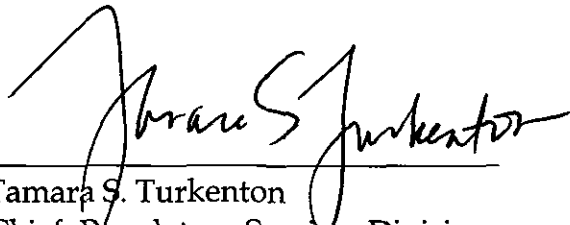
PUCO

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

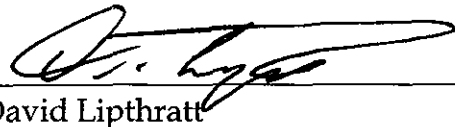
RE: *In the Matter of the Application of Duke Energy Ohio, Inc., to Set its Electric
Uncollectible Recovery Rate Under Rider UE-GEN, Case No. 17-1438-EL-UEx.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendation in regards to the application filed by Duke Energy Ohio, Inc. to set its electric uncollectible recovery rate under Rider UE-GEN, Case No. 17-1438-EL-UEx.



Tamara S. Turkenton
Chief, Regulatory Services Division
Public Utilities Commission of Ohio



David Lipthrott
Chief, Research and Policy Division
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

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Duke Energy Ohio, Inc.
Case No. 17-1438-EL-UEx (UE-GEN)

SUMMARY

On June 13, 2017, Duke Energy Ohio, Inc. (Company) filed an application in Case No. 17-1438-EL-UEx for approval to update its electric uncollectible recovery rider (Rider UE-GEN). The rider enables recovery of net uncollectible expense related to generation service. It is applicable to all retail jurisdictional customers, including those taking generation service from competitive retail electric service (CRES) providers, except for those customer accounts designated by CRES providers as not part of the Company's Purchase of Accounts Receivable (PAR) Program. Rider UE-GEN is bypassable with regard to dual billed customer accounts and customer accounts designated by CRES providers as not part of the PAR program, but is non-bypassable by all other retail customers, including standard service offer customers and customers designated by CRES providers as part of the PAR program.

The Company makes annual filings to Rider UE-GEN in order to true-up the rider to reflect actual uncollectible experience. The current rates, as established in Case No. 16-1259-EL-UEx, were approved on December 21, 2016 with an effective date of January 3, 2017. The rates are \$0.000734 per kWh for residential customers and \$0.31 per bill for non-residential customers. In its June 13, 2017 application, the Company proposes to charge residential customers \$0.000858 per kWh for residential customers and \$0.47 per bill for non-residential customers.

STAFF REVIEW

In its review, Staff examined the as-filed schedules for consistency with the Commission's Opinion and Orders in previous Rider UE-GEN cases and to ensure proper accounting treatment was applied. The audit consisted of a review of the financial statements regarding completeness, occurrence, presentation, valuation, allocation, and accuracy. Staff conducted this audit through a combination of document review, interviews, and interrogatories. Staff requested documentation as needed to determine that the costs were substantiated or to conclude that an adjustment was warranted.

CONCLUSION

Staff finds that the Company has adequately supported the information used in the determination of its proposed rates, and that the calculations used to determine the rates are reasonable. Staff recommends that the rates of \$0.000858 per kWh for residential customers and \$0.47 per bill for non-residential customers be adopted by the Commission.