BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the Ohio Department of Development for an Order Approving Adjustments to the Universal Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities.	)))))	Case No. 22-556-EL-USF

OHIO DEPARTMENT OF DEVELOPMENT NOTICE OF INTENT TO FILE AN APPLICATION FOR ADJUSTMENTS TO UNIVERSAL SERVICE FUND RIDERS

By its Opinion and Order of December 15, 2021, in Case No. 21-659-EL-USF, the Public Utilities Commission of Ohio ("Commission") granted the application of the Ohio Department of Development ("Development") for an order approving adjustments to the Universal Service Fund ("USF") riders of the state's jurisdictional electric distribution utilities ("EDUs"). In granting the application, the Commission adopted a November 24, 2021, stipulation and recommendation ("Stipulation") jointly submitted by Development and other parties to the proceeding.[1] In addition to recommending approval of the 2022 USF rider rates proposed in the application, the Stipulation required Development to file its next annual USF rider rate adjustment application not later than October 31, 2022 (Stipulation, Paragraph 10), a measure consistent with the Commission's orders in all prior Section 4928.52(B), Revised Code, USF rider rate adjustment proceedings. The Stipulation also provided for the continuation of the Notice of Intent ("NOI") process first approved by the Commission in Case No. 04-1616-EL-UNC (Opinion and Order, December 8, 2004), whereby Development is required to make a

[1] The signatory parties were Development, AES Ohio, Duke Energy Ohio, Ohio Power Company, and Industrial Energy Users – Ohio. Although not signatory parties, the following did not oppose the stipulation: Commission Staff, The Cleveland Electric Illuminating Company, Ohio Edison Company, The Toledo Edison Company, Ohio Energy Group and Office of the Ohio Consumers' Counsel ("OCC").

preliminary filing by May 31, 2022, setting out the methodology it will employ in developing the USF rider revenue requirements and rate design for its subsequent annual application (Stipulation, Paragraph 11).

The NOI process is intended to address the potential timing problem associated with securing Commission approval of Development's annual USF rider rate adjustment application sufficiently in advance of the EDU January billing cycles in order to implement the new rider rates at the outset of the annual collection period assumed in developing the new rider rates. Although the October 31 filing deadline provides the Commission with sufficient time to act prior to January 1 of the following year if the Development application is not contested, the signatories to the Stipulation recognized that this two-month interval may not be adequate if a party to the proceeding wishes to litigate issues raised in its objections to the application *(Id).* However, the signatories also recognized that simply advancing the filing deadline to assure that the new USF rider rates can take effect in January of the following year would require Development to calculate the *pro forma* USF rider revenue requirements proposed in the application based predominantly on estimated data, which might well produce a result that is not indicative of the revenue requirements that Development will ultimately propose once additional actual test-period data becomes available *(Id).* Thus, to afford an objecting party the opportunity to pursue methodological issues it may wish to raise, while avoiding imposing an unnecessary burden on Development, the Stipulation established the following process:

> On or before May 31, 2022, Development shall file with the Commission a notice of its intent to submit its annual USF rider adjustment application and shall serve the NOI on all parties to this proceeding. The NOI shall set forth the methodology Development intends to employ in calculating the USF rider revenue requirement and in designing the USF rider rates in preparing its 2022 USF rider rate adjustment application, and may also include such other matters as Development deems appropriate. Upon the filing of the notice of intent, the Commission will open the 2022 USF rider adjustment application docket and will

> establish a schedule for the filing of objections or comments, responses to the objections or comments, and, if a hearing is requested, a schedule for discovery, the filing of testimony, and the commencement of the hearing. The Commission will use its best efforts to issue its decision with respect to any objections raised not later than September 30, 2022. Development will conform its 2022 USF rider adjustment application to any directives set forth in the Commission's decision. If the order is not issued sufficiently in advance of the October 31, 2022 filing deadline to permit Development to incorporate such directives, Development will file an amended application conforming to the Commission's directives as soon as practicable after the order is issued.

Id.[2]

Pursuant to this provision of the Stipulation, Development hereby submits its notice of intent to submit its annual USF rider adjustment application on or before October 31, 2022. The methodology Development intends to employ in developing USF rider revenue requirement and rate design for purposes of its 2022 application are described below.

<u>USF Rider Revenue Requirement Methodology</u>:

The USF rider revenue requirement proposed for each EDU in Development's 2022application will consist of the following elements:

1. <u>Cost of PIPP</u>

The cost of the Percentage of Income Payment Plan ('PIPP") component of the USF rider revenue requirement will be based on the total cost of electricity consumed by the company's PIPP customers for the 12-month period January 2022 through December 2022 (the "test period"), plus pre-PIPP balances, less the total PIPP installment payment obligations of PIPP customers and all payments made on behalf of PIPP customers, including agency payments, to the extent that these payments are applied to outstanding PIPP arrearages over the same period.

[2] As noted in the Stipulation, the objections contemplated by this provision are objections relating to something other than mathematical accuracy of Development's calculations. Objections of that nature, which can almost certainly be resolved informally in timely manner under the current process, will still be entertained subsequent to the filing of the application itself (Stipulation, Paragraph 11, n. 2).

This methodology for determining the cost of PIPP is identical to the methodology approved in each USF proceeding since 2011.

In calculating the cost of PIPP, Development will utilize actual data available through August 2022, and projected data, based on the actual September-December 2021 experience, for the remaining months of the test period. If the timing permits, Development will file an amended application to incorporate additional actual test-period data that becomes available subsequent to the preparation of the initial application.

As in prior cases, Development will propose adjustments to the test-period cost of PIPP to annualize the impact of EDU rate changes that take effect during the test period, as well as any known post-test period EDU rate changes that will affect the cost of PIPP during the 2022 collection period. In addition, as in each USF proceeding since 2009, Development will propose an adjustment to capture the impact of the anticipated change in PIPP enrollment on the cost of PIPP during the 2023 collection period. The projected 2023 PIPP enrollment will be based on an analysis of the historical and most recent changes in PIPP enrollment to reflect enrollment trends.

2. Electric Partnership Program Costs

This USF rider revenue requirement component is intended to recover the cost of the low-income customer energy efficiency programs funded out of the USF pursuant to Sections 4928.55 and 4928.56, Revised Code. In all previous USF rider adjustment cases, the Commission has accepted the $14,946,196 allowance for Electric Partnership Program ("EPP") costs first proposed by Development when the initial USF riders were established in the EDU electric transition plan ("ETP") proceedings. Prior to 2009, expenditures for these programs did not reach the estimated levels, but Development was consistently forced to utilize the EPP surplus to cover shortfalls resulting from the amounts by which the actual cost of PIPP during the collection periods exceeded the test-period cost of PIPP built into the USF rider rates.

As a result of negotiations with the Office of the Ohio Consumers' Counsel ("OCC") in the NOI phase of Case No. 05-717-EL-UNC, Development and OCC entered into a settlement agreement (the "Development-OCC Settlement") whereby Development agreed to make certain changes in the methodology to be proposed for determining the USF rider revenue requirement in future proceedings.[3] Consistent with the Development-OCC Settlement, Development's proposed allowance for EPP costs in this case will be based on its projection of payments to EPP providers and the administrative costs associated with Development's oversight of the EPP during the 2021 collection period. The preliminary analysis supporting Development's current projection of state fiscal year 2022 EPP costs of $14,946,196 is set forth in attached Exhibit A. Development believes that this analysis fully supports the inclusion of an allowance for EPP costs in this amount in determining the total USF rider revenue requirement for purposes of this case. Development will reexamine this projection, calendar year expense projections and any prior year surplus, prior to filing its application, and will include an exhibit in its application setting forth the updated projection, if any. Development will allocate this component of the revenue requirement among the EDUs either based on their ratio of their respective costs of PIPP to the total cost of PIPP or, alternatively, allocated to the EDU based on the amount of each EPP provider grant expended in the EDU's service territory during the test period comprised of actual data through August or September and projected data from September or October through December.

[3] The terms of the Development-OCC Settlement are set forth in the Commission's December 14, 2005 opinion and order in Case No. 05-717-EL-UNC.

3. Administrative Costs

In establishing the original USF riders and those approved in Case No. 01-2411-EL-UNC, the Commission included an allowance of $1,932,561 for the administrative costs associated with low-income customer assistance programs to be included in the USF rider revenue requirement pursuant to Section 4928.52(A)(3), Revised Code. In the next four annual USF rider adjustment proceedings, Case Nos. 02-2868-EL-UNC, 03-2049-EL-UNC, 04-1616-EL-UNC, and 05-717-EL-UNC, the Commission accepted Development's $1,578,000 estimate as the allowance for administrative costs. However, as a part of the Development-OCC Settlement, Development agreed that, in future USF rider rate adjustment proceedings, Development's proposed allowance for administrative costs would be based on the administrative costs incurred during the test period, subject to such adjustment(s), plus or minus, for reasonably anticipated post-test period cost changes as may be necessary to assure, to the extent possible, that the administrative cost component of the USF rider revenue requirement will recover the administrative costs incurred during the collection year. Accordingly, the requested allowance for administrative costs proposed in Development's application in this case will be based on this methodology, adjusted for the state fiscal year and any prior unexpended administrative costs, and will be supported by testimony submitted in conjunction with the application. As in all prior USF rider rate adjustment proceedings, the requested allowance for administrative costs will be allocated among the EDUs based on the relative number of PIPP customer accounts as of the month of the test period exhibiting the highest PIPP customer account totals.

4. December 31, 2022 PIPP Account Balances

Because the USF rider rates are calculated based on historical sales and historical PIPP enrollment patterns, the USF riders will, in actual practice, either over-recover or under-recover the target revenue requirements during the collection period. Over-recovery creates a positive year-end PIPP USF account balance for the EDU in question, thereby reducing the amount needed to meet the USF rider revenue requirement target on a forward-going basis. Conversely, where under-recovery has created a negative year-end PIPP USF account balance, there will be insufficient cash available to Development to make the PIPP reimbursement payments due to the EDU. Thus, the amount of any existing positive year-end PIPP USF 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 year-end PIPP USF account balance must be added to the associated revenue requirement. In its application in this case, Development will request that its proposed USF riders be implemented on a bills-rendered basis effective January 1, 2023. Accordingly, the USF rider revenue requirement of each company will be adjusted by the amount of the company's projected December 31, 2023, PIPP account balance so as to synchronize the new riders with each EDU's PIPP USF account balance as of their effective date.

5. <u>Reserve</u>

Due, in large measure, to the weather-sensitive nature of electricity sales and variations in PIPP enrollment behavior, PIPP-related cash flows fluctuate throughout the year. These fluctuations will, from time-to-time, result in negative PIPP USF account balances. This means that Development may be unable to satisfy its monthly reimbursement obligation to the EDU on a timely basis. To address this situation, the Commission, in its order in Case No. 01-2411-EL-UNC, approved Development's proposal to include a component in the USF rider revenue requirement to establish a reserve to serve as a cushion in those months where there would otherwise be a deficiency in a given company's USF PIPP account balance. In an attempt to mitigate the impact on ratepayers, Development utilized various methods for calculating this cash working capital element of the USF rider revenue requirement over the 2001-2005 period.

However, none of these methodologies proved effective in eliminating USF reserve shortfalls during the collection period. Thus, in its application in Case No. 06-751-EL-UNC, Development abandoned these more conservative approaches, and the Stipulation adopted by the Commission in that case specified that the required reserve was to be based on the EDU's highest monthly deficit during the test period. This methodology was approved by the Commission in each subsequent annual USF rider rate adjustment proceeding. Development proposes that the reserve calculation be adjusted to incorporate three changes. First, Development will consider the highest monthly deficit during the test period for the EDUs in the aggregate rather than individually, because the funds are deposited in one USF account. Second, Development will consider the projected USF beginning year account balance in determining if a reserve is needed for the upcoming year. Third, Development will take into account other cash flow considerations based on its experience.

Prior to the implementation of electric PIPP Plus on November 1, 2010, Development was subject to carrying charges on monthly payments reimbursing the EDU for the cost of electricity delivered to PIPP customers that were not received by the EDU by the specified due date. Although the reserve component was designed to fully fund the EDU reserves on a *pro forma* basis by the end of the collection period, because USF cash flows fluctuate considerably over the course of the year, Development could incur such carrying charges from time to time, and, as a result, included an allowance for these interest costs as a component of the USF rider revenue requirement. Under the new rules, the due date for Development's monthly reimbursement payments to the EDUs has been significantly extended, and the interest rate used to compute carrying charges for late reimbursement payments has been reduced to the statutory interest rate applicable to late payments by state agencies pursuant to Section 126.30, Revised

Code. Accordingly, Development did not propose an allowance for interest costs in its recent applications in its cases, and reserves the right to propose such an allowance in this case, if appropriate.

6. Allowance for Undercollection

As in past applications, Development will propose to include a component in the USF rider revenue requirement to recognize that, due to the difference between amounts billed through the USF rider and the amounts actually collected from customers, the rider will not generate the target revenues. The proposed allowance for undercollection for each EDU will again be based on the actual collection experience of that company.

7. Allowance for EDU/USF Audit Costs

Consistent with the recommendation of the USF Rider Working Group, Development has previously caused audits[4] to be conducted of each EDU's PIPP-related accounting and reporting to assure that the Development-EDU interface was functioning in accordance with Development's expectations and to identify any systemic problems that could indicate that the cost of PIPP recovered from ratepayers through the USF riders of the respective EDUs had been overstated.

At this time, Development is anticipating proposing an allowance for EDU audit costs, or other third-party analyses related to the Universal Service Fund, in its application in this case, in an amount to be determined but estimated to be $99,000 for audits or analyses to be conducted in 2023 with respect to three of the EDUs. Development proposes to allocate this cost to each EDU being audited based upon the amount expended to audit each EDU.

[4] Although characterized as an "audit" in the initial RFP, the work performed by the firm awarded the contract was actually an "application of agreed-upon procedures" designed to test the subject EDU's performance in specific areas. However, the terms are used interchangeably herein.

8. Universal Service Fund Interest Offset

Section 4928.51(A), Revised Code, provides that interest on the USF shall be credited to the fund. Although the fund has, from time to time, generated interest income, Development, in the early years of the fund, was routinely forced to utilize such income to cover shortfalls resulting from the amounts by which the actual cost of PIPP during the collection periods exceeded the test-period cost of PIPP built into the USF rider rates or the interest was not available for the fund. *See, e.g.* Am. Sub. H.B. No. 64 at Section 512.10. Thus, historically, Development did not consider the availability of USF interest income in determining the USF rider revenue requirements. The Development-OCC Settlement in the NOI phase of Case No. 05-717-EL-UNC provided that, in developing the proposed USF rider revenue requirement in future USF rider rate adjustment applications, Development would offset the projected USF interest balance, if any, at the end of the test period so as to flow back any accumulated interest to customers over the collection period. To the extent interest is available at year end to be used as an offset in determining the USF rider revenue requirement, Development will include an interest offset to the USF revenue requirement in its application in this case.

9. Aggregation of PIPP Plus Customers

. On January 5, 2016, Development Director Goodman submitted a letter to the PUCO Chairman Porter requesting that the Commission design, manage and supervise the aggregation process for PIPP Plus customers. On March 2, 2016, the Commission issued its Finding and Order in Case No. 16-0247-EL-UNC, *In the Matter of the Implementation of Sections 4928.54 and 4928.544 of the Revised Code,* adopting a competitive auction process to procure the wholesale supply for the PIPP electric load. PIPP Plus customers' electric supply currently is being procured through the auction process. Pursuant to Section 4928.544(B) of the Revised Code, the Commission's reimbursed costs incurred for managing and supervising auctions are administrative costs of the program and will be included in the Administrative Costs set forth in section 3 above.

10. <u>USF Rider Rate Design Methodology</u>:

Development will propose to recover the annual USF rider revenue requirement for each EDU through a USF rider that incorporates a two-step declining block rate design of the type approved by the Commission in all prior Development USF rider adjustment applications. The first block of the rate will apply to all monthly consumption up to and including 833,000 Kwh. The second rate block will apply to all consumption above 833,000 Kwh per month. For each EDU, the rate per Kwh for the second block will be 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 will be set at the level necessary to produce the remainder of the EDU's annual USF rider revenue requirement. Thus, in those instances where 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, the rate for both consumption blocks will be the same.

WHEREFORE, consistent with the terms of the Stipulation approved by the Commission in Case No 21-659-EL-USF, Development respectfully requests that the Commission:

1. Accept this notice of intent for filing and open Development’s 2022 USF rider adjustment application docket;

2. Find that all jurisdictional Ohio electric distribution utilities are indispensable parties to this proceeding and join them as such;

3. Establish a schedule for the filing of motions to intervene, the filing of objections or comments regarding matters set forth in the notice of intent, the filing of responses to any such objections or comments, and, if a hearing is requested, a schedule for discovery, the filing of testimony, and the commencement of the hearing;

4. Use its best efforts to issue its decision with respect to issues raised not later than September 30, 2022 to permit Development to conform its 2023 USF rider adjustment application to Commission's resolution of those issues;

5. Cause a copy of all entries issued in this docket to be served upon all parties of record in Case No. 21-659-EL-USF.

Respectfully submitted on behalf of
Ohio Department of Development

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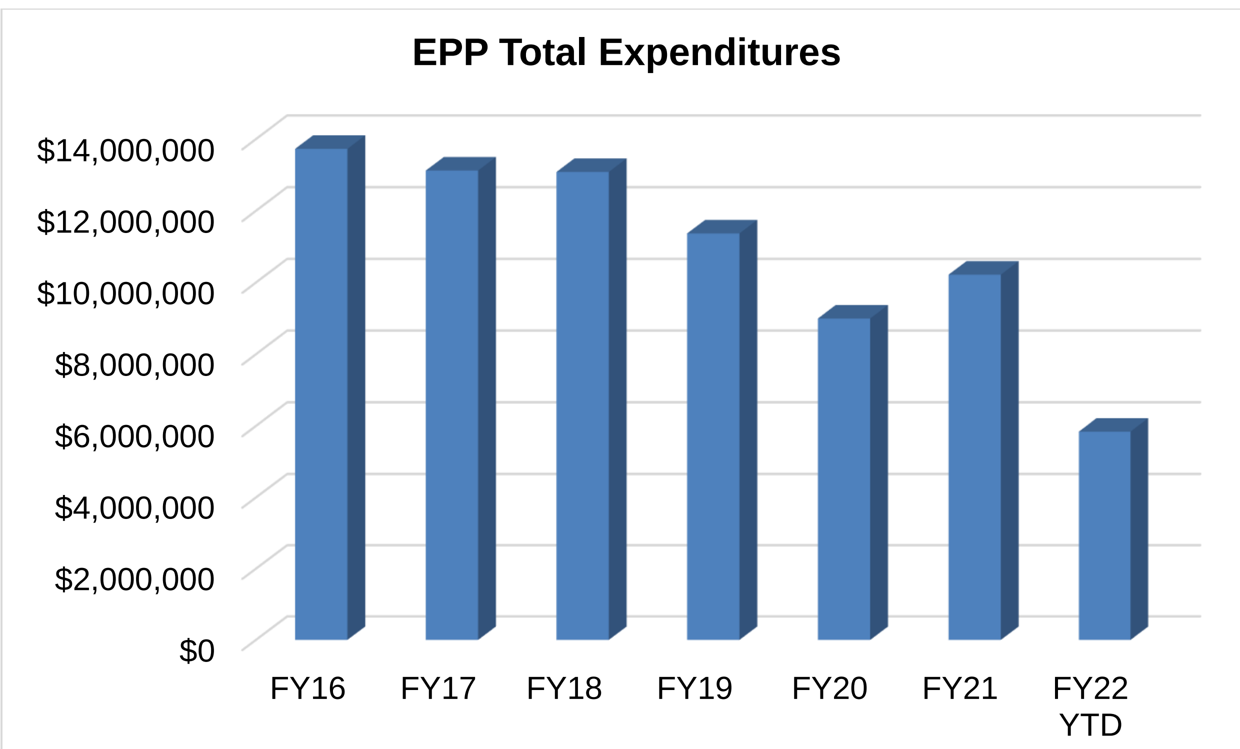
EXHIBIT A
Notice of Intent
Case No. 22-556-EL-USF

ELECTRIC PARTNERSHIP PROGRAM
Projected 2023 Costs

Based on its current projection of the cost of the Electric Partnership Program ("EPP") during the 2022 collection period, the Ohio Department of Development (Development) will again propose in its application in this case that an allowance of $14,946,196 for EPP costs be included in the Universal Service Fund ("USF") rider revenue requirement. This is the same allowance for EPP costs approved by the Commission in all prior USF rider rate adjustment proceedings and is consistent with the annual appropriation authorization for EPP sought by Development for inclusion in the 2022-2023 state biennium budget.

Like other components of the USF rider revenue requirement, the allowance for EPP costs proposed in Development's USF rider rate adjustment applications is an annual allowance. However, to conform to the state's budgeting process, Development tracks EPP costs on a fiscal year basis (July 1 to June 30), and, thus, has used fiscal year data as a surrogate for calendar year data in presenting the annual costs supporting its proposed allowance for EPP.

The following graph displays the total annual EPP expenditures for each of the last six fiscal years. As indicated, the FY 2022 bar represents the estimated year-to-date amount as of May 15, 2022.



In the early years of EPP, Development used accumulated unspent EPP funds to exceed the aggregate annual expense of $14,496,196. However, since FY 2010, Development has limited EPP funding to the budgeted amount. In FY 2017, FY 2018, and FY 2019 the expenditures saw a slight decrease from the FY 2016 expenditures. Additionally, in FY 2020 we saw a decrease in expenditures due to the COVID 19 pandemic. FY 2021 expenditures were higher than FY 2020 because EPP production was not halted during the program year as was the previous year. Development anticipates FY 2022 to be closer to the FY 2021 amount. Development will hold the expenditures to the budgeted amount in FY 2023. Unspent funds below the prior fiscal year's cap of $14,496,196 are used to decrease the aggregate EPP amount required in the succeeding fiscal year, thus decreasing the revenue requirement to the benefit of EDU ratepayers.

Table 1 shows the detail of the EPP expenditures for FY 2020, FY 2021 and FY 2022 through May 15, 2022, as well as the proposed EPP budget for FY 2023 submitted by Development in connection with the state's biennial budget process. The administrative expense component reflects the costs associated with the necessary interface between Development and the providers.

Table 1

ELECTRIC PARTNERSHIP PROGRAM (EPP)

		As of 06/30/2020	As of 06/30/2021	As of 05/15/2022	As of 05/15/2022	
		7/1/2019-6/30/2020	7/1/2020-6/30/2021	7/1/2021-6/30/2022	7/1/2022-6/30/2023	7/1/2023-6/30/2024
					BUDGET	BUDGET
A	TOTAL EPP REVENUE	$14,946,196.00	$14,946,196.00	$14,946,196.00	$14,946,196.00	$14,946,196.00
	ADJUSTMENTS APPLIED TO RATE CASE	$0.00	($3,405,939.22)	($170,584.69)		
				($4,346,194.44)	($1,603,511.84)	
					($201,018.72)	($4,526,247.67)
						($38,037.14)
	EPP REVENUE AFTER ADJUSTMENTS	$14,946,196.00	$11,540,256.78	$10,429,416.87	$13,141,665.44	$10,381,911.19
		Rate Case 2019	Rate Case 2020	Rate Case 2021	Rate Case 2022	Rate Case 2023
	ADJUSTMENTS TRANSFERRED IN FROM PREVIOUS RATE CASE	$0.00	$3,405,939.22	$4,516,779.13	$1,804,530.56	$4,564,284.81
	EPP COLLECTED	$14,946,196.00	$11,540,256.78	$10,429,416.87	$4,380,555.16	
	EPP TO BE COLLECTED	$0.00	$0.00		$ 8,782,110.28	
	TOTAL	$14,946,196.00	$14,946,196.00	$14,946,196.00	$14,967,196.00	$4,564,284.81
B	PROGRAM SERVICES EXPENSES	FINAL	FINAL	INTERIM	PROJECTION	PROJECTION
	PROVIDER GRANTS (EPP PROGRAM)	$8,512,108.18	$9,720,732.33	$5,841,233.00	$14,220,000.00	$14,220,000.00
	OBLIGATIONS	$0.00	$0.00	$8,378,767.00		
	SUBTOTALS	$8,512,108.18	$9,720,732.33	$14,220,000.00	$14,220,000.00	$14,220,000.00
C	OCA ADMINISTRATIVE EXPENSES					
	CONTRACT SERVICES/TRAIN/REG	$ 6,500.00	$0.00	$0.00	$50,000.00	$50,000.00
	PAYROLL	$ 282,765.58	$ 298,614.82	$ 293,315.68	$350,000.00	$350,000.00
	INDIRECT COSTS	$ 183,310.16	$ 188,688.31	$ 199,614.25	$223,265.00	$223,265.00
	GENERAL (SUPP/TRAV/COMM/IT MAINT)	$ 11,805.80	$ 7,697.11	$ 8,341.89	$102,931.00	$102,931.00
	EQUIPMENT	$0.00	$3,197.04	$0.00	$0.00	$0.00
	OBLIGATIONS	$0.00	$0.00	$ 186,887.04	$0.00	$0.00
	SUBTOTALS	$484,381.54	$498,197.28	$688,158.86	$726,196.00	$726,196.00
	ADM % OF TOTAL ADM EXPENSES	5.38%	4.88%	4.62%	4.86%	4.86%
D	TOTAL EXPENSES	$8,996,489.72	$10,218,929.61	$14,908,158.86	$14,946,196.00	$14,946,196.00
E	AVAILABLE BALANCE	$5,949,706.28	$4,727,266.39	$38,037.14	$0.00	$0.00
F	1ST ADJUSTMENTS TRANSFERRED OUT (INTERIM)	$ (4,346,194.44)	$ (201,018.72)	$ (38,037.14)		
		Rate Case 2021	Rate Case 2022	Rate Case 2023		
G	2ND ADJUSTMENTS TRANSFERRED OUT (FINAL)	($1,603,511.84)	($4,526,247.67)	$0.00	$0.00	$0.00
		Rate Case 2022	Rate Case 2023			

The objective of the EPP program is to reduce the electricity consumption of the targeted low-income population, which, in turn, will reduce the burden that the PIPP program imposes on all EDU ratepayers. The cost of PIPP Plus is expected to increase in the 2022 USF rate case (PUCO Case No. 21-659-EL-USF) which may be partially attributed to an increase in PIPP Plus participants' arrearages, and an increase in electrical service charges. The EPP program objective is to decrease energy usage through energy conservation education and cost-effective electric retrofits. The program is designed to decrease KWH usage.

Development continues to monitor the number of eligible EPP participants. Currently, there are approximately 29,200 identified eligible EPP customers. While the number of eligible customers represents an increase from the number of eligible customers in FY 2021, traditionally 11,000 customers are served annually. Development will continue to monitor the number of EPP eligible customers and adjust the program as needed to reflect the realities of the changing number of eligible customers.

Under the EPP rate design in the USF filing, the allocations to the utility service areas are calculated based on the ratio of individual utility's cost of PIPP Plus to the total cost of PIPP Plus for all utilities. Thus in the 2022 USF rate case (PUCO Case No. 21-659-EL-USF), the EPP allocations for AEP, DP&L, Duke, CEI, Ohio Edison, and Toledo Edison increased. However, unspent funds from EPP FY 2020 allowed development to decrease the aggregate EPP amount required to $13,141,665, thus decreasing the revenue requirement to the benefit of EDU ratepayers.

In addition, under the rules, PIPP Plus customers make their standard installment payment each month, not just during the heating season. Because of the changes made to PIPP, all energy savings achieved will reduce the cost of PIPP, thereby benefitting EDU ratepayers.

Development believes that the continuation of the $14,946,196 allowance for EPP costs is reasonable. This funding level will enable the providers to help over 11,000 eligible Ohioans, without increasing the cost to ratepayers. As explained in the Notice of Intent, Development will reexamine these projections prior to filing its application, and, if the updated projections suggest that the $14,946,196 allowance is no longer appropriate, Development will revise the requested allowance at that time.

Therefore, consistent with the objective of the budgeting process, Development believes that its FY 2023 budget for EPP reasonably reflects the level of EPP expenditures that will be made in the coming year and, represents the appropriate basis for establishing the allowance for EPP costs in this case.

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on this 27th day of May 2022. The PUCO's e-filing system will electronically serve notice of the filing of this document on counsel for all parties. I further certify that a true copy of the foregoing *Notice of Intent* has been served upon the following parties by electronic mail this 27th day of May 2022.

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