

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY OHIO, INC., TO ADJUST
AND SET ITS ELECTRIC UNCOLLECTIBLE
RECOVERY RATE FOR RIDER UE-ED.

CASE NO. 22-604-EL-UEX

FINDING AND ORDER

Entered in the Journal on October 5, 2022

I. SUMMARY

{¶ 1} The Commission finds that Duke Energy Ohio's application to set its electric uncollectible recovery rates for Rider UE-ED should be approved.

II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke) is an electric light company as defined in R.C. 4905.03 and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} On July 8, 2009, the Commission approved a stipulation, which, among other things, established an electric distribution uncollectible expense rider (Rider UE-ED). *In re Duke Energy, Inc.*, Case Nos. 08-709-EL-AIR, et al. (2009 Rate Case), Opinion and Order (July 8, 2009). Rider UE-ED is designed to recover uncollectible expenses incurred by Duke that are in excess of those recovered in base rates, as well as all percentage of income payment plan installment payments not recovered through the universal service fund rider or from the customer net of any unused low-income credit funds. Rider UE-ED was initially set at \$0.00 and is subject to an annual review process.

{¶ 4} On November 10, 2010, the Commission approved Duke's initial application to set rider UE-ED and authorized Duke to create a regulatory asset to defer variances in uncollectible expenses in future periods for recovery or refund in future proceedings to adjust Rider UE-ED. *In re Duke Energy Ohio, Inc.*, Case Nos. 10-912-EL-UEX, et al., Finding and Order (Nov. 10, 2010).

{¶ 5} Duke's current Rider UE-ED rates for residential customers of \$0.000857 per kilowatt hour (kWh) and for nonresidential customers a charge of \$0.45 per bill were approved by Finding and Order issued January 12, 2022, in *In re Duke Energy Ohio, Inc.*, Case No. 21-568-EL-UEx.

{¶ 6} On June 30, 2022, pursuant to the stipulation in the *2009 Rate Case*, Duke filed an application in this case requesting authority to adjust its Rider UE-ED rates for residential customers to \$0.000510 per kWh and for nonresidential customers to \$0.22 per bill. According to Duke, these rates reflect the projected total incremental unrecovered balance as of March 31, 2023, which is expected to be approximately \$3,690,443 for residential customers and \$191,902 for nonresidential customers. Duke explains that the uncollectible expenses eligible for recovery through Rider UE-ED will be those expenses generated by the class of customers paying the uncollectible expense rider. In addition, Duke requests the Commission clarify that Duke has continued authority to create a regulatory asset to defer variances in uncollectible expenses in future periods for recovery or refund in future proceedings.

{¶ 7} On September 1, 2022, Staff filed its comments, stating that it audited Duke's schedules for consistency with the Commission's directives. Through a combination of document review, interviews, and interrogatories, Staff reviewed Duke's financial statements for completeness, occurrence, presentation, valuation, allocation, and accuracy. During its review, Staff found that the Company has adequately supported the information used in the determination of the overall revenue requirement for its proposed rates and that the calculations used to determine the rates are, generally, reasonable. Accordingly, Staff recommends that the Commission adopt the Rider UE-ED rates as proposed in Duke's application.

{¶ 8} Upon review of the application and Staff's review, the Commission finds that Duke's application is reasonable and in the public interest and should be approved. Accordingly, Duke should be authorized to change the rates for Rider UE-ED to \$0.000510

per kWh for residential customers and \$0.22 per bill for nonresidential customers. Duke is also authorized to continue to create a regulatory asset to defer variances in uncollectible expenses in future periods for recovery or refund in future proceedings to adjust Rider UE-ED. The current and proposed rates are as follows:

Customer Class	Current Rate	Proposed Rate	Proposed Decrease
Residential	\$0.000857 per kWh	\$0.000510 per kWh	\$0.000347 per kWh
Nonresidential	\$0.45 per bill	\$0.22 per bill	\$0.23 per bill

III. ORDER

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That Duke's application be approved, and Duke be authorized to adjust the rates for Rider UE-ED. It is, further,

{¶ 11} ORDERED, That Duke be authorized to continue to create a regulatory asset to defer variances in uncollectible expenses in future periods for recovery or refund in future proceedings to adjust Rider UE-ED. It is, further,

{¶ 12} ORDERED, That Duke be authorized to file two complete copies of tariffs in final form consistent with this Finding and Order. Duke shall file one copy in this case docket and one copy in its TRF docket. It is, further,

{¶ 13} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which final tariffs are filed with the Commission. It is, further,

{¶ 14} ORDERED, That Duke shall notify all affected customers via a bill message, a bill insert, or a separate mailing within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and

Enforcement Department, Reliability and Service Analysis Division, at least 10 days prior to its distribution to customers. It is, further,

{¶ 15} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 16} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair
M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

NJW/mef

**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on**

10/5/2022 3:02:52 PM

in

Case No(s). 22-0604-EL-UEX

Summary: Finding & Order finding that Duke Energy Ohio's application to set its electric uncollectible recovery rates for Rider UE-ED should be approved electronically filed by Heather A. Chilcote on behalf of Public Utilities Commission of Ohio