BEFORE

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Application of The Dayton Power and Light Company for Approval of Certain Accounting Authority. | )  )  ) | Case No. 20-650-EL-AAM |
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| In the Matter of the Application of The Dayton Power and Light Company for Approval of its Temporary Plan for Addressing the COVID-19 State of Emergency. | )  )  )  )  ) | Case No. 20-651-EL-UNC |
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| In the Matter of the Application of The Dayton Power and Light Company for Waiver of Tariffs and Rules Related to the COVID-19 State of Emergency. | )  )  )  ) | Case No. 20-652-EL-WVR |
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| In the Matter of the Application of The Dayton Power and Light Company for Approval of Revised Contract with Certain Customers and Reasonable Arrangement Related to the COVID-19 State of Emergency. | )  )  )  )  )  ) | Case No. 20-755-EL-AEC |

**COMMENTS OF INTERSTATE GAS SUPPLY, INC.**

On March 12, 2020, the Commission issued an Entry that, due to the declaration of a state of emergency, directed public utilities “to review their service disconnection policies, practices, and tariff provisions and to promptly seek any necessary approval to suspend otherwise applicable requirements that may impose a service continuity hardship on residential and nonresidential customers or create unnecessary COVID-19 risks associated with social contact.” *In the Matter of the Proper Procedures and Process for the Commission’s Operations and Proceedings During the Declared State of Emergency and Related Matters,* Case No. 20-591-AU-UNC, Entry (Mar. 12, 2020).

In response, on March 23, 2020, and as supplemented on April 15, 2020, The Dayton Power and Light Company (“DP&L”) filed an application (“Application”) in these proceedings with the purpose of implementing the Commission’s directives in the State of Emergency Proceedings. In its Application, DP&L seeks, among other things, the authority to track and defer the recovery of its uncollectible expenses.[[1]](#footnote-2) Specifically, DP&L states “as part of the package of emergency ratemaking measures under R.C. 4909.16, the Company will continue to track and defer, for later recovery those uncollectible costs.”[[2]](#footnote-3)

Currently, DP&L’s base distribution rates do not include the recovery of any uncollectible expenses, nor does DP&L recover uncollectible expenses through a rider mechanism.[[3]](#footnote-4) However, previously in effect prior to DP&L’s withdrawal of its Third Electric Security Plan (“ESP 3”), DP&L did have an Uncollectible Rider to provide for the recovery of these expenses.[[4]](#footnote-5) As approved by the Commission, DP&L’s Uncollectible Rider recovered uncollectible expenses on a nonbypassable basis with the exception of the bad debt associated with default service generation receivables, which was recovered on a bypassable basis.[[5]](#footnote-6) In light of DP&L’s Application and this prior commitment, IGS respectfully requests that, should the proposed deferral mechanism be approved, the Commission direct DP&L to track, defer, and recover the unexpected uncollectible costs associated with default service generation receivables through a bypassable mechanism.

If DP&L collects uncollectible expenses associated with default service generation through distribution rates or some other nonbypassable charge, shopping customers in the DP&L territory are paying twice for generation bad debt: once through distribution rates paid to DP&L and once through generation rates paid to their supplier. Indeed, as CRES Suppliers also incur bad debt due to unpaid generation expenses, CRES Suppliers must pass along these costs to their customers through rates.

However, this disparity can easily be remedied by only collecting the default service bad debt from those customers receiving default service. Then shopping customers would only be responsible for their Supplier’s bad debt.

Further, proper allocation of these unexpected costs will avoid increased hardships to shopping customers, consistent with the spirit of the Commission’s March 12, 2020 Order. Finally, properly allocating the generation related uncollectible expenses furthers state policy to ensure “nondiscriminatory retail electric service” and “the availability of unbundled and comparable retail electric service” to customers.[[6]](#footnote-7)

Therefore, IGS requests that any deferral mechanism approved by the Commission would separate the uncollectible expenses associated with DP&L’s default service generation.

Respectfully submitted,

*/s/ Bethany Allen\_\_\_\_\_\_\_\_\_*

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**CERTIFICATE OF SERVICE**

I certify that these *Comments of Interstate Gas Supply, Inc.* were filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on May 4, 2020. The Commission’s e-filing system will electronically serve notice of the filing of this document on the parties subscribed to these proceedings. Additionally, notice was provided to the parties listed below.

*/s/ Bethany Allen\_\_\_\_\_\_\_\_\_*

Bethany Allen

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1. Application of DP&L (Mar. 23, 2020) at 6. [↑](#footnote-ref-2)
2. *Id.* [↑](#footnote-ref-3)
3. *See In the Matter of the Application of The Dayton Power and Light Company to Increase its Rates for Electric Distribution*, Case Nos. 15-1830-EL-AIR, et al., Staff Report (Mar. 12, 2018) at 15 and 111; *In the Matter of the Application of The Dayton Power and Light Company for a Finding That Its Current Electric Security Plan Passes the Significantly Excessive Earnings Test and More Favorable in the Aggregate Test in R.C. 4928.143(E),* Case No. 20-680-EL-UNC, Test. of Gustavo Garavaglia (Apr. 1, 2020) at 6-7. [↑](#footnote-ref-4)
4. *See In the Matter of the Application of the Dayton Power and Light Company to Establish a Standard Service Offer in the Form of an Electric Security Plan*, Case Nos. 16-395-EL-SSO, et al., Opinion and Order (Oct. 20, 2017) at 14. [↑](#footnote-ref-5)
5. *Id.* [↑](#footnote-ref-6)
6. R.C. 4928.02(H). [↑](#footnote-ref-7)