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Separation Plan.

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	BEFOR	Case No. 08-1094-EL-SSOP
In the Matter of the Application of The Dayton Power and Light Company for Approval of Its Electric Security Plan.)	Case No. 08-1094-EL-SSOP
In the Matter of the Application of the Dayton Power and Light Company for Approval of Revised Tariffs.)	Case No. 08-1095-EL-ATA
In the Matter of the Application of the Dayton Power and Light Company for Approval of Certain Accounting Author Pursuant to Ohio Rev. Code § 4905.13.)) ity)	Case No. 08-1096-EL-AAM
In the Matter of the Application of The Dayton Power and Light Company for Approval of Its Amended Corporate)	Case No. 08-1097-EL-UNC

MOTION TO ESTABLISH A PROCEDURAL SCHEDULE AND HEARING DATE BY THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

The Office of the Ohio Consumers' Counsel ("OCC"), moves the Public Utilities Commission of Ohio ("PUCO" or "Commission"), pursuant to Ohio Adm. Code 4901-1-12 and 4901-1-14, to establish a procedural schedule and a hearing date in the above-captioned cases. A procedural schedule and hearing are needed to ensure that the revised Advanced Metering Infrastructure ("AMI") and Smart Grid proposals filed by Dayton Power and Light Company ("DP&L") pursuant to the February 24, 2009 Stipulation and Recommendation ("Stipulation"), and the related Infrastructure Investment Rider ("IIR") required under the June 24, 2008 Opinion and Order, are reasonable and prudent.

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The reasons for granting OCC's Motions are more fully set forth in the attached Memorandum in Support.

Respectfully submitted,

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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The Dayton Power and Light Company for Approval of Its Electric Security Plan.)	Case No. 08-1094-EL-SSO
In the Matter of the Application of the Dayton Power and Light Company for Approval of Revised Tariffs.)	Case No. 08-1095-EL-ATA
In the Matter of the Application of the Dayton Power and Light Company for Approval of Certain Accounting Authority Pursuant to Ohio Rev. Code § 4905.13.)))	Case No. 08-1096-EL-AAM
In the Matter of the Application of The Dayton Power and Light Company for Approval of Its Amended Corporate Separation Plan.)	Case No. 08-1097-EL-UNC

MEMORANDUM IN SUPPORT

I. INTRODUCTION

Paragraph 4(b) of the February 24, 2009 Stipulation filed in these proceedings establishes September 1, 2009, as the deadline for DP&L to submit independent business cases for its AMI and Smart Grid proposals.¹ Paragraph 4(c) of the Stipulation provides that Staff will endeavor to complete its review of the Infrastructure Investment Rider ("IIR") related to those proposals in the fourth quarter of 2009 so that the rider may be implemented by January 1, 2010.² Otherwise, the Stipulation is silent as to procedures related to AMI, Smart Grid, and IIR authorization.

¹ Stipulation at ¶4(b).

² Stipulation at $\P4(c)$.

On June 24, 2009, the Commission issued its Opinion and Order in the abovecaptioned proceedings that adopted the terms of the parties' February 24, 2009 Stipulation. Regarding AMI and Smart Grid, the Opinion and Order states:

DP&L shall present to the Commission independent business cases for its AMI and Smart Grid plans for review and approval. DP&L will delay implementation of its Infrastructure Investment Rider until reviewed by Staff and approved by the Commission. The IIR will recover any prudently incurred costs related solely to DP&L's approved AMI and Smart Grid plans.³

Thus, neither the Stipulation nor the Opinion and Order establish a detailed procedural schedule by which interested parties might participate to assure that DP&L satisfies its obligations under the Stipulation and Opinion and Order and recovers only "prudently incurred costs related to DP&L's approved AMI and Smart Grid plans."

II. ARGUMENT: A Procedural Schedule Should Be Established To Help Ensure That DP&L Adheres To The Provisions In The Stipulation And Is Allowed To Recover Only Prudently Incurred AMI And Smart Grid Costs.

The Commission should establish a procedural schedule that affords interested parties the opportunity for a hearing related to the costs and benefits of the Company's AMI and Smart Grid business cases. Such a procedural schedule and hearing will assist the Commission in its evaluation of DP&L's revised AMI and Smart Grid proposals, help ensure that DP&L adheres to the provisions in the Stipulation, and provide a process that properly involves interested parties regarding these matters

Recent precedent exists for the establishment of the procedural schedule requested in OCC's Motion. In an August 19, 2009 Entry in a current Duke Energy Ohio case involving the establishment of riders related to Duke's "SmartGrid" deployment, the

³ Opinion and Order at 5, Part II, subpart (4).

⁴ Id.

Commission established a procedural schedule that set dates/deadlines for a technical conference, the filing of comments and reply comments, a hearing date, the filing of intervenor testimony and the filing of supplemental testimony.⁵

OCC requests that the Commission establish a similar procedural schedule in the instant proceeding to ensure that interested Signatory Parties have both a forum and an opportunity to provide DP&L and the Commission information, advice, comments, and recommendations related to the costs and benefits of the AMI and Smart Grid business cases. The procedural schedule should provide for the review of DP&L's proposals in the fourth quarter of 2009 and prior to any implementation of the IIR. Specifically, OCC requests that the Commission establish the following procedural schedule:

- (a) Technical conference October 1, 2009;
- (b) Filing of comments on the proposals by Staff and intervenors October 27, 2009;
- (c) Filing of reply comments November 3, 2009;
- (d) Filing of intervenor testimony November 17, 2009;
- (e) Hearing date December 7, 2009.

A hearing may ultimately not be necessary in this proceeding, but OCC is requesting that a hearing date be scheduled to ensure that the parties have adequate time to prepare, in the event a hearing is needed.

The need for such a procedural schedule at this time is underscored by prior events related to this case. Specifically, pursuant to the Stipulation and prior to the September 1, 2009 filing deadline for its AMI and Smart Grid business cases, DP&L was required to "consult with interested Signatory Parties to seek their advice with regard to

⁵ In re Duke Energy SmartGrid Application, Case Nos. 09-543-GE-UNC, et al., Entry at 4, ¶13.

the costs and benefits of the Company's AMI and Smart Grid business cases." On July 23, 2009, DP&L presented a power point presentation to OCC regarding its AMI and Smart Grid. OCC is aware that DP&L made similar presentations to other interested parties and to the Commission's Staff at other times around July 23, 2009. While DP&L's power point presentation was a helpful overview of DP&L's proposals and provided OCC with summaries of projected costs and benefits, the power point presentation did not provide OCC with specific data regarding costs and benefits. The July events did not permit OCC or other interested parties to provide input regarding the details of the Company's proposals.

Specific and necessary details regarding DP&L's proposals s were provided in the approximately 400 pages of schedules and workpapers filed with the Commission on August 4, 2009. Now that the Company has presented its *complete* AMI and Smart Grid business cases, a procedural framework should be set that provides OCC and other interested parties a meaningful opportunity to offer "advice with regard to the costs and benefits of the Company's AMI and Smart Grid business cases" as agreed to in the Stipulation. Moreover, a hearing would allow the interested Signatory Parties to provide the Company and the Commission testimony, other evidence, and expert opinions regarding the costs and benefits of the Company's AMI and Smart Grid business cases.

Further, interested parties should be allowed to offer information input, advice, comments, and recommendations regarding DP&L's related Infrastructure Investment Rider ("IIR"). Pursuant to the Stipulation, the IIR will be reviewed by the Commission in the fourth quarter of 2009 and implemented January 1, 2010. The IIR is intended to

⁶ Stipulation at ¶4(b).

⁷ Stipulation at ¶4(b).

allow DP&L to "recover any prudently incurred costs related solely to the Company's AMI and/or Smart Grid plans." Because DP&L's residential customers will bear a substantial share of the costs related to these programs, OCC should be allowed to offer information, advice, comments, and recommendations regarding such costs. In addition, OCC's information, advice, comments, and recommendations (along with that of other interested parties) will assist the Commission in its analysis of DP&L's proposals.

III. CONCLUSION

As discussed above, the Commission should establish a detailed procedural schedule and hearing date regarding DP&L's AMI and Smart Grid proposals, and the related IIR. The Commission will benefit from the information, advice, comments, and recommendations provided by OCC and other interested parties. Providing for a hearing involving interested parties will help ensure that the provisions in the Stipulation are fulfilled as intended. The Commission should grant OCC's Motion.

Respectfully submitted,

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⁸ Stipulation at ¶4(c).

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Motion to Establish a Procedural Schedule and a Hearing Date has been served upon the below-stated parties, via electronic transmission⁹ this 4th day of September, 2009.

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⁹ See Entry dated November 26, 2008 at 2.