

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The)
Dayton Power and Light Company to) Case No. 11-547-EL-RDR
Update its Transmission Cost Recovery)
Rider and PJM RPM Rider.)

FINDING AND ORDER

The Commission finds:

- (1) The Dayton Power & Light Company (DP&L) is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) The Commission approved DP&L's transmission cost recovery rider (TCRR) and PJM Reliability Pricing Model (RPM) rider by finding and orders issued on May 27, 2009, and November 18, 2009, in *In the Matter of The Dayton Power and Light Company for Approval of its Transmission Cost Recovery Rider*, Case No. 09-256-EL-UNC.
- (3) Rule 4901:1-36-03(B), Ohio Administrative Code (O.A.C.), requires each electric utility with an approved TCRR to update the rider pursuant to a schedule set forth by Commission order. The Commission ordered DP&L to file its annual update to the TCRR on February 15, for rates to become effective on May 1, by entry issued on April 15, 2009, in *In the Matter of the Adoption of Rules for Standard Service Offer, Corporate Separation, Reasonable Arrangements, and Transmission Riders for Electric Utilities Pursuant to Sections 4928.14, 4928.17, and 4905.31, Revised Code, as Amended by Amended Substitute Senate Bill No. 221*, Case No. 08-777-EL-ORD.
- (4) On February 15, 2011, DP&L filed an application to update its TCRR and PJM RPM rider.
- (5) On April 7, 2011, Commission Staff filed its review and recommendation regarding DP&L's application. Staff found that the proposed rates in the updated riders will be effective from May 1, 2011, through April 30, 2012. According to Staff, the updated riders will generate combined revenues for the May 1, 2011, through April 30,

2012, timeframe that are \$13 million lower than the revenues that would be collected under current rates for the same time frame.

In its review of the TCRR, Staff found that the total revenue to be collected during the May 2011 through April 2012 period is approximately \$58.4 million, including \$13.3 million of under-recovered costs from the last period. Staff determined that the total revenue to be collected during the May 2011 through April 2012 time frame under the PJM RPM rider is approximately \$12.7 million. Staff also found that DP&L has modified its allocation methodology to better align the various costs and credits with the classes and customers responsible for creating those costs.

Staff concluded that the TCRR and PJM RPM rider appropriately included only those costs and credits incurred by DP&L as a result of serving its retail customers in Ohio and, accordingly, Staff recommends that the Commission approve DP&L's updated filing for bills rendered beginning May 1, 2011.

- (6) The Commission finds that DP&L's updated TCRR and PJM RPM rider are consistent with Section 4928.05(A)(2), Revised Code, and Chapter 4901:1-36, O.A.C., as well as the stipulation in DP&L's electric security plan proceeding, *In re Dayton Power and Light Co.*, Case No. 08-1094-EL-SSO, do not appear to be unjust or unreasonable, and should be approved. Therefore, the Commission finds that it is unnecessary to hold a hearing in this matter.
- (7) The Commission finds that DP&L's updated TCRR and PJM RPM rider should become effective May 1, 2011.

It is, therefore,

ORDERED, That the application filed by DP&L be approved. It is, further,

ORDERED, That DP&L file, in final form, four complete copies of tariffs consistent with this Finding and Order. One copy shall be filed with this case docket, one shall be filed with the Applicant's TRF docket, and the remaining two copies shall be designated for distribution to the Rates and Tariffs Division of the Commission's Utilities Department. DP&L shall also update its tariffs previously filed electronically with the Commission's Docketing Division. It is, further,

ORDERED, That the effective date of the new tariffs shall be a date not earlier than May 1, 2011, and the date upon which four complete printed copies of final tariffs are filed with the Commission. The new tariffs shall be effective for bills rendered on or after such effective date. It is, further,

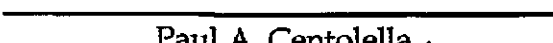
ORDERED, That DP&L shall notify all affected customers via a bill message or via a bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least 10 days prior to its distribution to customers. It is, further,

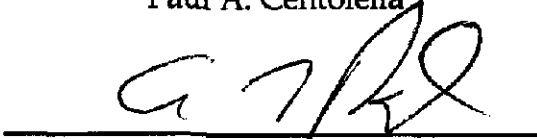
ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule or regulation. It is, further,


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


THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Paul A. Centolella


Andre T. Porter


Steven D. Lesser


Cheryl L. Roberto

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Betty McCauley
Secretary