

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The )  
Dayton Power and Light Company to ) Case No. 11-2598-EL-RDR  
Update its Energy Efficiency Rider. )

FINDING AND ORDER

The Commission finds:

- (1) The Dayton Power and Light Company (DP&L) is a public utility by virtue of Section 4905.02, Revised Code, and an electric light company as defined by Section 4905.03(A)(3), Revised Code. DP&L is therefore subject to the jurisdiction of the Commission pursuant to Sections 4905.04 and 4905.05, Revised Code.
- (2) Section 4928.66, Revised Code, requires that, beginning in 2009, all electric distribution utilities shall implement energy efficiency programs to meet annual energy efficiency and peak demand reduction benchmarks.
- (3) By opinion and order issued in Case No. 08-1094-EL-SSO, *et al.* on June 24, 2009, the Commission adopted a stipulation and recommendation (stipulation) approving DP&L's non-AMI infrastructure enabled energy efficiency and peak demand reduction programs. Pursuant to the stipulation, DP&L was authorized to recover actual costs necessary to achieve compliance with its energy efficiency and peak demand reduction targets, as well as estimated costs to be incurred for programs that do not require AMI infrastructure to be in place for implementation. The stipulation provides that costs and revenues associated with these programs are to be trued up on a two-year basis, with the first true-up filing to be made by April 30, 2011.
- (4) On April 29, 2011, DP&L submitted its application to update its energy efficiency rider (EER). In support of its application, DP&L attached schedules summarizing its proposed EER rates, including an analysis of the current and proposed EER revenues, its residential and non-residential reconciliation rates, and its pre-implementation rate. In addition, DP&L provided its projected residential and non-residential rates, a typical bill comparison and copies of its current and proposed tariff schedules.

- (5) In its application, DP&L explains that the proposed EER rates include a reconciliation to account for under and over recovery of costs during the two-year period, as well as re-implementation costs that were designed to be recovered over a three-year period but not yet fully recovered, and a projection of costs and customer participation levels going forward. In addition, DP&L notes that it is applying carrying charges of 5.86 percent based on the cost of debt, pursuant to the stipulation.

Further, DP&L avers that the increases proposed in the true-up are the result of DP&L's ability to refine its estimates of participation levels, along with demand and energy reductions and costs. DP&L explains that its previous estimates were based on data from other utilities' programs and filings which DP&L utilized to develop its initial portfolio. DP&L asserts that it now has better data from its experience with its own customer base. In addition, DP&L maintains that programs necessary to meet its annual target increase are becoming more robust and expensive to implement, and thus the costs associated with investments in energy efficiency projects to be recovered through EER are expected to increase.

- (6) On September 29, 2011, Staff filed comments on DP&L's application. Staff explains that the residential EER rate will increase from the previous rates, with average residential customers expected to see an increase of 1.8 percent, while non-residential customers increases will vary between 0.1 to 0.5 percent. Staff notes that the lower increases associated with non-residential customers are the result of non-residential program and rebate costs being lower in total dollars, as well as the fact that non-residential customers' costs are spread through higher consumption projections, resulting in a discrepancy between residential and non-residential customers. Based on its review of DP&L's application, Staff concludes that the recommended rate changes are acceptable and recommends that the application be approved.
- (7) The Commission finds that DP&L's proposed rates in the updated EER are consistent with the stipulation approved by the Commission in Case No. 08-1094-EL-SSO, *et al.*, and do not appear to be unjust or unreasonable. Further, the Commission finds that it is not necessary to hold a hearing in this matter. Accordingly, DP&L's application to update its EER should be approved.

- (8) On May 17, 2011, the Ohio Environmental Council (OEC) filed a motion to intervene. No party filed a memorandum contra the motion to intervene. The Commission finds that the motion to intervene is reasonable and should be granted.

It is, therefore,

ORDERED, That DP&L's application to update its EER be granted in accordance with finding (7). It is, further,

ORDERED, That OEC's motion to intervene be granted in accordance with finding (8). 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.

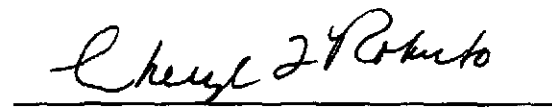
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Todd A. Snitchler, Chairman

  
Paul A. Centolella

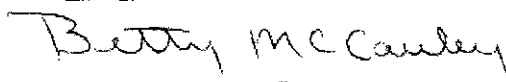
  
Steven D. Lesser

  
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JJT/sc

Entered in the Journal **OCT 18 2011**

  
Betty McCauley  
Secretary