BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Review of Chapter 4901:1-10, Ohio Administrative Code, Regarding Electric Companies.	)))	Case No. 12-2050-EL-ORD

COMMENTS OF
THE DAYTON POWER AND LIGHT COMPANY

The Dayton Power and Light Company ("DP&L" or "the Company") appreciates the opportunity to provide comments in response to the Entry dated November 7, 2012 in which the Public Utilities Commission of Ohio ("Commission" or "PUCO") solicited interested parties' comments on proposed changes relating to the Commission's electric companies rules. The Commission solicited general comments on policy questions as set forth in the entry itself, as well as invited feedback on the proposed changes to the text of the existing rules. DP&L's comments with respect to changes to the Electric Service Safety Standards are set forth in part I below and DP&L's comments with respect to policy questions and rule changes in connection with Net metering are set forth in part II.

I. Electric Service Safety Standards

4901:1-10-07(B) Outage Reports

DP&L does not oppose this change as long as the format and medium for communicating to the outage coordinator is determined in advance and does not change with each designee. The format and form of communication needs to be consistent.

4901:1-10-09(B) Minimum Customer Service Levels

DP&L suggests that ASA should be an annual target rather than a monthly target. Phone call volume is seasonal and changes with regulatory programs (Winter Rules, PIPP) and storms. In addition, Electric Choice has increased volume into DP&L's call center and the call volume can vary with marketing activity of CRES providers. With more and more CRES providers marketing to customers in the State, customer confusion has driven additional call volume. Further, the change to an annual standard is consistent with the reliability standards prescribed in 4901:1-10-10.

4901:1-10-10(B)(4)(b) Distribution System Reliability

DP&L supports Staff's proposed modification to the customer perception survey as it is difficult to gauge economic impacts as an input into establishing reliability standards.

4901:1-10-10(E) Distribution System Reliability

DP&L supports the proposed change. An EDU should not be penalized for missing different targets two consecutive years.

4901:1-10-11(F) Distribution Circuit Performance

DP&L suggests that the Commission add the following language:

> Electric utilities shall take sufficient remedial action to ~~cause each listed circuit to be removed from the list within two years~~make sure that no circuit is listed on three consecutive reports for the same cause. The inclusion of a given circuit in the report under paragraph (C) of this rule for three consecutive reporting periods shall create a rebuttable presumption of a violation of this rule.

DP&L would like Staff to consider the causes of the circuit's appearance on the list as well as the utility's mitigation plan. In many cases, the appearance of the circuit on the list in multiple years is the result of different causes some of which are outside the control of the EDU.

4901:1-10-12(F)(3) Provision of Customer Rights and Obligations

DP&L suggests that verbal permission be permitted as authorization since all calls are recorded. This will mitigate the burden that the utility is subjected to in managing written documentation.

4901:1-10-12(L) Provision of Customer Rights and Obligations

DP&L suggests that the PUCO first allow EDU's to refer customers to their website for generation resource mixes and environmental characteristics of the utility. If the customer then requests a hardcopy, then the EDU shall provide a hardcopy to the customer via US mail. DP&L proposes the following modification:

A statement that customers have the right to obtain the approximate generation resource mix and environmental characteristics in accordance with Rule 4901:1-10-31. The statement shall include a notification that customers shall be provided a link to the EDU's website containing the information, or at the request of the customer, provide a hardcopy of the data at no cost to the customer.

4901:1-10-14(C)(1)(b) Establishment of Credit for Applicants and Customers.

DP&L opposes Staff's recommendation advocating the use of the applicant's employer and length of service, reference letters and substantive credit cards as a means for establishing credit worthiness when the customer does not provide a social security number. DP&L currently uses the customer's social security number as an identifier as well as a fraud detector via a third party verification system. Without the customer's social security number, it is difficult to ascertain an accurate identification of a customer solely relying on credit cards. In addition, utilizing length of employment would require the utility to have resources to verify the information provided by the customer. Using a credit score is a better indicator of the customer's payment behavior and can be done while the customer is on the phone. Verifying employment information would delay granting service to the customer

4901:1-10-14(C)(2)(c) Establishment of Credit for Applicants and Customers.

DP&L recommends that language be included to put the burden on the customer for presenting prior utility documents that verifies the customer had an open, non-delinquent account with an electric utility. In the event DP&L is not satisfied with the information provided, the Company recommends that it retain the option to require additional information in part (C) of this rule.

4901:1-10-14(C)(3) Establishment of Credit for Applicants and Customers.

DP&L recommends that language be included to exclude customers that are on the PIPP or Graduate PIPP programs or have PIPP arrears, from qualifying as guarantors. Further, DP&L recommends that if a guarantor earns poor credit on an account while being the guarantor, the Company be permitted to cancel the guarantor relationship and bill the previously guaranteed customer a deposit.

4901:1-10-14(E)(1) Establishment of Credit for Applicants and Customers.

DP&L recommends that the deposit amount should be raised to 200% of the average monthly customer billing to maintain consistency with the guarantor's obligation to pay for a 60 day supply of service.

4901:1-10-14(G)(2) Establishment of Credit for Applicants and Customers

DP&L recommends that the deposit amount should be raised to 200% of the average monthly customer billing to maintain consistency with the guarantor's obligation to pay for a 60 day supply of service. The current deposit amount is not sufficient to secure the account if the customer does not pay their previous and final bills. Further, Residential collections cannot start until a bill shows as past due on the following bill. In the winter,

the service cannot be disconnected for a minimum of 24-27 days, thereby, enabling the customer to build up more arrears. A deposit of 200% of the average bill would better position DP&L to be properly compensated for assuming this risk.

4901:1-10-14(G)(2)(b) Establishment of Credit for Applicants and Customers

DP&L recommends reinstating the original language for 4901:1-10-14(G)(2)(b). DP&L notes that at times customers do not get disconnected, but receive disconnect notices. Disconnect notices indicate a customer as a credit risk to the Company. DP&L notes that the Company is not properly compensated if it must wait for a service disconnection to assess a security deposit on a customer.

4901:1-10-14(J) Establishment of Credit for Applicants and Customers

DP&L notes that 3 percent is an unreasonable rate given rates today. This rate should best reflect the opportunity cost to the customer, for example the average national savings account rate. In addition, DP&L recommends that this benchmark rate be adjusted annually to reflect changes in economic conditions.

4901:1-10-14(M)(2) Establishment of Credit for Applicants and Customers

DP&L recommends striking this addition as this modification will put additional burden on the Company by requiring DP&L to keep and manage a guarantor file. More importantly, it will delay the process of beginning service for customers requiring a guarantor as DP&L will now have to wait for a signed guarantor agreement.

4901:1-10-14(M)(5) Establishment of Credit for Applicants and Customers

DP&L opposes this amendment as this would allow the guarantor to be released from

the guarantor agreement, when the guaranteed account has been issued a disconnect notice. In addition, DP&L recommends that when the guarantor is subject to disconnection for the guarantor's usage charges, the Company may discontinue the guarantor's agreement regarding the guaranteed account, unless the guaranteed account has been issued a disconnect notice. Further, DP&L may retain the right to automatically bill the guaranteed account a security deposit when the guarantor has been released allowing the customer to obtain another guarantor or another form of acceptable security to avoid paying a deposit. Notification periods prolong the risk to DP&L and will result in additional cost to notify and monitor notifications. DP&L currently notifies both the guarantor and the guaranteed account when the guarantor has been released from the guarantor agreement under any circumstance.

4901:1-10-17(B) Payment schedule and disconnection procedures for nonpayment by nonresidential customers.

DP&L recommends the following modification to Staff's proposed amendment to avoid establishing an exact time within the rule, thus allowing utilities to disconnect up until the time the utilities perform same day reconnects.

The utility may disconnect service, after at least five days notice, during normal business hours. However, no disconnection for nonpayment shall be made after the time set forth by the utility to schedule a same day reconnectionon the day preceding a day on which all services necessary for the customer to arrange and the utility company to perform reconnection are not regularly performed

4901:1-10-20 (B)(3) Fraudulent act, tampering, and theft of service.

DP&L recommends that utility should be permitted to deliver its decision to the customer via telephone.

4901:1-10-20 (C) Fraudulent act, tampering, and theft of service.

DP&L notes that it appears Staff erroneously references section (O) of rule 4901:1-01 when Staff should reference section (Q).

4901:1-10-22(B)(8) Electric utility customer billing and payments.

DP&L notes that for those customers billed using an interval meter, parts (a) and (b) above are not able to be provided. The interval meter provides consumption. DP&L recommends that in the case of a real time pricing rate, the consumption for each respective pricing period should be available to customers via the web or displayed on the bill.

4901:1-10-22(I) Electric utility customer billing and payments

In the case of landlord-tenant relationships, landlords frequently ask that service be automatically transferred to the landlord's account when a tenant closes his or her account. It is not uncommon that the landlord account taking over service/payment obligations is a commercial account. In order to accommodate the needs of these landlords, DP&L proposes making the following changes to the new section 10-22(I):

> Subject to the provisions in this section, the utility may transfer the unpaid balances of a customer's previously rendered final bills to a subsequent bill for a like service account in the name of that same customer. Except when otherwise requested in the context of a landlord-tenant context in which a landlord requests that service of a tenant be automatically transferred to the landlord's account when the tenant closes the tenant's account, the transfer of bills is limited to like service, for example, residential to residential, commercial to commercial, gas to gas, and electric to electric. A landlord may request residential service be transferred to a commercial account. Such transferred final bills, if unpaid will be part of the past due balance of the transferee account and subject to the Company's collection and disconnection procedures which are governed by Chapters 4901:1-10 and 4901:1-18 of the Ohio Administrative Code. Any transfer of accounts shall not affect the residential customer's right to elect and maintain an extended payment plan for service under Rule 4901:1-18-10 of the Ohio Administrative Code.

4901:1-10-24 Customer safeguards and information

DP&L recommends the following modification to 10-24(G):

Each electric utility shall develop, update, and maintain a list of certified CRES providers that are actively seeking residential customers within the electric utility's service territory. Where CRES providers are actively seeking residential customers, the electric utility shall disclose such lists on the electric utility's website or provide such lists to:

4901:1-10-27(E)(1)(e) Inspection, maintenance, repair, and replacement of transmission and distribution facilities (circuits and equipment).

DP&L recommends the elimination of the annual inspection program dedicated to Line Capacitors. Due to the nature of capacitor related failures and their tendency to fail without indication, DP&L recommends performing these inspections with remote monitoring capabilities in SCADA equipment.

4901:1-10-27(E)(1)(g) Inspection, maintenance, repair, and replacement of transmission and distribution facilities (circuits and equipment).

DP&L suggests that the Commission move to monthly substation inspections with no inspection interval exceeding sixty calendar days between inspections. With security cameras and supervisory control DP&L questions the necessity of 40 days between inspections. In the event of a storm, the sixty days allows EDU's the flexibility of complete the inspections on a monthly basis and focus on customer restoration.

4901:1-10-27(E)(4) Inspection, maintenance, repair, and replacement of transmission and distribution facilities (circuits and equipment).

DP&L strongly opposes the proposed changes to the rule, and the new language should be deleted. Setting an arbitrary deadline can lead to a waste of resources. An EDU

prioritizes the remediation of deficiencies found during inspections based on experience and knowledge of operating a distribution system. To dictate that an EDU should resolve minor deficiencies that do not impact safety or reliability, within an arbitrary time frame is unnecessary, unreasonable and a very poor use of resources.

4901:1-10-29(F) Coordination with competitive retail electric service (CRES) providers.

DP&L recommends adding the following section after (E):

Do Not Switch. Residential customers can request that the EDU put a block on their account that would prohibit their account from switching to a CRES provider.

DP&L has received numerous customer requests that the utility prevent the customer from switching to a CRES provider because of customer confusion about switching, leading to termination fees and multiple switches within in a year that may end up preventing the customer from saving money.

4901:1-10-29(F)(1)(c) Coordination with competitive retail electric service (CRES) providers.

DP&L recommends the following modification to maintain consistency with the CRES rules:

That residential and small commercial customers have seven business days from the postmark date on the notice to contact the electric utility to rescind the enrollment request or notify the electric utility that the change of service provider was not requested by the customer.

4901:1-10-32 Cooperation with certified governmental aggregators

DP&L identifies that the Company is not always able to identify with 100% accuracy the customers that fall within a governmental aggregation. DP&L proposes the following

edit to 10-32(A):

Each electric utility shall cooperate with governmental aggregators to facilitate the proper formation and functioning of governmental aggregations. Upon the request of a certified governmental aggregator or certified electric services company under contract with the governmental aggregator, the electric utility shall provide for all customers known to be residing within the governmental aggregator's boundaries, including those customers who have opted off the pre-enrollment list, the following information:

4901:1-10-33(C)(5) Consolidated billing requirements.

DP&L notes that for those customers billed using an interval meter, parts (a) and (b) are not able to be provided. The interval meter provides consumption. DP&L recommends that in the case of a real time pricing rate, the consumption for each respective pricing period should be available to customers via the web or displayed on the bill.

4901:1-10-33(C)(17) Consolidated billing requirements.

DP&L recommends that Section (17) be consistent with Section 4901:1-10-22(B)(21) and thus, proposes the following modification:

At a minimum, definitions for the following terms, or like terms used by the company, if applicable: customer charge, delivery charge, estimated reading, generation charge, kilowatt hour, ~~shopping incentive or shopping credit,~~ and late payment charge~~, and transition charge~~.

4901:1-10-33(D)(4) Consolidated billing requirements.

DP&L recommends the following modifications since some of the terms are no longer applicable;

Specific tariffed charges to the extent applicable: customer charge, delivery charge~~, transition charge, shopping incentive or shopping credit,~~ and other conceptually similar tariffed charges.

4901:1-10-33(J)(6) Consolidated billing requirements.

DP&L states that the reference to Section 4901:1-10-22 (F) should reference Section 4901:1-10-22 (E) instead.

II. Net metering

GENERAL COMMENTS

A. The proposed revisions seek to clarify the definition of "intend primarily to offset part or all of a customer-generator's requirements for electricity", as found in 4928.01(31)(a) of the Revised Code. The clarification to the definition would include a presumption that a customer-generator that generates less than one hundred and twenty percent of the customer-generator's requirements for electricity intends "primarily to offset" part or all of the customer-generator's requirements for electricity. This presumption is proposed because the Commission and staff recognize that a customer-generator could generate in excess of the customer-generator's consumption while actually intending only to offset all of the customer-generator's requirements for electricity. The Commission and Staff further recognize the need to allow customer-generator's to engage in energy efficiency measures without becoming excessive generators. The Commission seeks comments on whether setting this presumption promotes the public policy of the state of Ohio and whether it could be appropriately and fairly applied to customer-generators (Entry, ¶10b).

DP&L understands that customers cannot size their generation system to exactly offset their usage in every single month. Therefore, it is supportive of some size threshold for net metering customers. It can be debated if 120% of current usage should be the right threshold. Purposely installing generation that well exceeds customer usage requirements, such that one is to be consistently paid for generating excess electricity, signals a clear violation of the spirit of the law and clearly does not qualify for net metering.

Although the Staff suggests that a customer-generator that generates less than one hundred and twenty percent of the customer-generator's requirements for electricity

intends "primarily to offset" part or all of the customer-generator's requirements for electricity, DP&L believes this is the wrong formula. Speaking only from DP&L's perspective, the utility does not measure what a net metering system generates, only what flows through the utility's meter. Therefore the Company proposes an alternative: A customer-generator that delivers electricity to the utility that is less than one hundred and ten percent of electricity that the utility delivers to the customer-generator, for any 12 month period, shall be considered primarily intending to offset part or all of its requirements for electricity, and will not be considered an excessive-generator. Those that exceed the threshold should be considered an excessive-generator.

B. The Commission seeks comments on the proposed revision to clarify a customer-generator's "requirements for electricity" as the customer-generator's average annual electricity consumption over the previous three years, using the annual period of June 1 to May 31 (Entry, ¶10c).

DP&L believes strongly that "requirements for electricity" has the meaning of both energy (kWh) and demand (kW). Historical energy and demand data should be used when determining the customer-generator's requirements for electricity and for sizing of the net metering system. The Company offers further explanation in *§4901:1-10-28(B)(7)* of DP&L's comments.

The Company proposes changing the review period from June 1 to May 31 to a 3 year average using the most recent 36 months from the time the customer submits the application for net metering.

Also, DP&L proposes that the customer-generator's average annual electricity consumption be used solely for the purpose of sizing the generation system according to the customer's needs. Instead of using the customer-generator's "requirements for

electricity" to determine if they are an excessive generator, DP&L presents an alternative method, which is described in more detail in *§4901:1-10-28(B)(6)* of DP&L's comments.

C. The Commission seeks comments on the proposed revision to clarify the definition of the customer-generator's premises. The clarified definition would recognize that a customer-generator's premises includes lots or areas contiguous to the lots or areas owned, operated, leased, or otherwise controlled by the customer-generator (Entry, ¶10e).

DP&L believes the staff's proposed clarification of a customer-generator's premises is vague and will lead to confusion and frequent dispute as to whether or not a customer qualifies for net metering. DP&L proposes the following language:

> "A net metering system must be located on the customer-generator's premises on which the metering point is located. A customer-generator's premises includes areas or lots owned, operated, leased, or otherwise controlled by the customer-generator that are contiguous to the lot or area on which the metering point is located, exclusive of easements, public thoroughfares, transportation rights-of-way, or utility rights-of-way. Areas or lots will be determined by public records."

DP&L seeks to clarify that the customer-generator's premises should be the area or lot on which the meter is located and also owned, operated, leased, or controlled contiguous properties to that area or lot only. Staff's proposed rules are vague, and could imply that premises could include <u>any</u> area owned, operated, leased, or otherwise controlled by the customer-generator, with no reference to a metering point. Further, the Company suggests that Staff consider further language to clarify that locating a generator miles away from the meter in which the energy is consumed is not net metering. Such as situation would create customer owned distribution lines which is well beyond the intent of net metering provisions of the Revised Code and would lead to a whole new body of PUCO regulations for customer-owned distribution systems.

D. The Commission further seeks comments on whether specific definitions of the acceptable technologies for net metering should be included in this rule. Specifically, whether the rule should contain a definition for microturbine technology and at what capacity or under what circumstances, if any, is a

microturbine generator different from a traditional turbine generator (Entry, ¶10f).

First, DP&L questions the need for a definition of "microturbine" in 4901:1-10-28. Second, the Company believes that the proposed definition of "microturbine" in incorrect. The definition of microturbine should contain the language "small combustion turbines with outputs of 25-500 kilowatts (kW)"[1], at minimum.

E. The Commission further seeks comments on whether virtual net metering and aggregate net metering could be implemented in Ohio without violating Section 4928.01 or Section 4928.67 of the Revised Code and whether virtual net metering and aggregate net metering would promote the public policy of the state (Entry, ¶10g).

Although DP&L knows the basic definitions of virtual net metering and aggregate net metering, the Company would like to know exactly how the Commission envisions both virtual net metering and aggregate net metering and clarity on how these policies would be administered.

That being said, DP&L strongly believes that net metering should be limited to a specific customer and more specifically to a single meter point and a single bill account. The idea of generating electricity that can be applied to different metered accounts, and even at different locations, goes against many of the concepts in the current and proposed rules, such as paragraph (B)(5), which is in regard to the customer-generator's premises. This blurs the line between net metering customer and small power producer.

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[1] *US Department of Energy, Office of Energy Efficiency & Renewable Energy, Industrial Distributed Energy,* http://www1.eere.energy.gov/manufacturing/distributedenergy/microturbines.html

Section 4928.67(B)(3)(a) states that "the electric utility shall measure the net electricity produced or consumed during the billing period, in accordance with normal metering practices. Readings at one meter being applied to multiple other meters, both on-site and off-site, is not normal metering practices and violates ORC §4928.67.

Finally, DP&L urges the Commission to reject the idea of virtual net metering and aggregate net metering as it would be burdensome from a billing perspective, could create customer generator liabilities, and would likely be expensive to administer.

TEXTUAL COMMENTS

A. 4901:1-10-28(B) Standard Net Metering

1. 10-28(B)(3)

DP&L seeks to add the following language to how the electric utility's tariff for net metering shall be structured:

> "The electric utility's tariff for net metering shall be identical in rate structure, all retail rate components, and any monthly charges, to the tariff to which the same customer would be assigned if that customer were not a customer-generator. Such terms shall not change simply because a customer becomes a customer-generator. However, if the electric utility's tariffs contain a maximum charge provision, such a provision shall not apply to net metering customers. The tariff shall also contain provisions on the procedures the electric utility will take in working with and handling a customer-generator that becomes an excessive-generator."

DP&L's Secondary and Primary rates have an additional billing step called 'maximum charge.' The maximum charge acts as a cap, establishing the highest rate in cents per kWh we will charge a customer for certain components. It is a protection that limits excessive demand charges. It was designed to help customers with poor load factors (low usage and high demand). It was not intended for net metering customers to take advantage of.

2. 10-28(B)(3)

The last sentence of paragraph (B)(3) states "The tariff shall also contain provisions on the procedures the electric utility will take in working with and handling a customer-generator that becomes an excessive-generator." DP&L proposes that excessive-generator customers should be removed from the net metering tariff and billed only for the electricity that the utility delivers to the customer.

The utility will use a rolling 12 months methodology to determine if a customer-generator is an excessive-generator. After the first 12 months that the customer-generator is on the net metering tariff, the utility will review the previous 12 months of data, and every month thereafter, to determine if the customer-generator is an excessive-generator. A customer-generator that delivers electricity to the utility that is less than one hundred and ten percent of electricity that the utility delivers to the customer-generator, for any 12 month period, shall be considered primarily intending to offset part or all of its requirements for electricity, and will not be considered an excessive-generator and will remain on the net metering tariff. A customer-generator that delivers electricity to the utility that is more than one hundred and ten percent of electricity that the utility delivers to the customer-generator, for any 12 month period, shall be considered not primarily intending to offset part or all of its requirements for electricity, and will be considered an excessive-generator and will be removed from the net metering tariff and billed only for the electricity that the utility delivers to the customer. Customer-generators that are deemed excessive-generators will be removed from the net metering tariff for a minimum of 12 months. If after a minimum of 12 months the customer-generator is not an excessive-generator, the customer will be permitted to return to the net metering tariff, if

they choose to do so. The rolling 12 month review will begin again as soon as the customer-generator is placed back on the net metering tariff.

3. 10-28(B)(5)

DP&L suggests the Staff's language is not clear enough and proposes the following language:

> "A net metering system must be located on the customer-generator's premises on which the metering point is located. A customer-generator's premises includes areas or lots owned, operated, leased, or otherwise controlled by the customer-generator that are contiguous to the lot or area on which the metering point is located, exclusive of easements, public thoroughfares, transportation rights-of-way, or utility rights-of-way. Areas or lots will be determined by public records."

DP&L seeks to clarify that the customer-generator's premises should be the area or lot on which the meter is located and also owned, operated, leased, or controlled contiguous properties to that area or lot only. Staff's proposed rules are vague, and could imply that premises could include <u>any</u> area owned, operated, leased, or otherwise controlled by the customer-generator, with no reference to a metering point.

4. 10-28(B)(6)

DP&L offers the following methodology change to determining "requirements for electricity" and what constitutes an excessive-generator in its revision to paragraph (B)(6):

> "A customer-generator must intend primarily to offset part or all of the customer-generator's requirements for electricity. ~~A customer-generator that annually generates less than one hundred and twenty percent of its requirements for electricity is presumed to be primarily intending to offset part or all of its requirements for electricity.~~ <u>A customer-generator that delivers electricity to the utility that is less than one hundred and ten percent of electricity that the utility delivers to the customer-generator, for any 12 month period, shall be considered primarily intending to offset part or all of its requirements for electricity, and will not be considered an excessive-generator. This criteria excludes customer-generators that have been removed from the utility's net metering tariff, as required in 4901-10-28(B)(3)."</u>

Staff's proposed methodology is flawed in that utilities do not measure what a net metering system generates, only what flows through the utility's meter. Additionally, DP&L is unsure how the customer-generator's requirements for electricity could be used to determine intention. The three year average of the customer's historical electricity consumption discussed in paragraph (B)(7) should not be used to determine if a customer-generator is an excessive-generator. This three year average should only be used for determining the appropriate size of the net metering system.

5. 10-28(B)(7)

Paragraph (B)(7) states "A customer-generator's requirements for electricity is the average amount of electricity consumed annually by the customer-generator over the previous three years, using the annual period of June 1 to May 31."

DP&L believes strongly that "requirements for electricity" has the meaning of both energy (kWh) and demand (kW). Customers are billed on both energy and demand. The Company's equipment must be sized according to the customer, which takes into account the customer's demand. DP&L has an obligation to meet safety standards and ensure reliable electric distribution service to all of its customers. Sizing only on kWh has the potential to allow for over-sizing of facilities, which may undermine the Company's obligation to meet those safety standards and provide reliable electric distribution service. Historical energy and demand data should be used when determining the customer-generator's requirements for electricity and for sizing of the net metering system.

Also, the Company proposes changing the review period from June 1 to May 31 to a 3 year average using the most recent 36 months from the time the customer submits the application for net metering. This ensures the most up to date information is used to determine the appropriate size of the facility.

Finally, the last sentence of paragraph (B)(7) states "If the electric utility does not have the data or cannot calculate the average amount of electricity consumed annually over the previous three years, such as in instances of new construction or vacant properties, the electric utility shall use any available consumption data to estimate the customer-generator's annual electricity consumption and provide the estimation data to the customer-generator." The Company holds the position that utilities should not have the burden of predicting consumption. There are many variances, such as a customer's unique usage habits and intentions of facilities, which would make it very difficult to predict consumption. Customers should have the burden of proof to present construction packets and usage estimates to the utility to demonstrate their net metering facility is not oversized.

6. 10-28(B)(8)(b)

Paragraph (B)(8)(b) states "If a customer's existing meter needs to be reprogrammed or set up for the customer to become a customer-generator or to accommodate net metering, the electric utility shall not charge the customer for the reprogramming or setup of the existing meter." DP&L disagrees with this proposed addition to the rules. It is reasonable and justifiable that a labor charge be associated with the reprogramming or set up of an existing meter should be charged to the customer that causes the cost to be incurred. The utility's existing meter would be sufficient and would not need to be reprogrammed if wasn't for the customer's desire to net meter. Therefore, it should be the responsibility of the customer to reimburse the Company for their labor time.

7. 10-28(B)(9)(c)

First, the language regarding excess generation that is present in the current rules should remain largely unchanged, except for the proposals below. DP&L believes that the current rules are adequate and easy to interpret.

Second, DP&L would like the word "monetary" to precede "credit" in every instance in this section. It is important to clarify that the utility will issue a monetary credit in the amount of the excess generation at the current base generation rate, to the customer-generator for the next monthly billing period. If the word "monetary" is not included it may be incorrectly inferred that the credit is in kilowatt-hours.

Third, DP&L seeks to clarify that an additional billing account need not be set up just for the purpose of recording the excess generation monetary credit. The Company currently issues a monetary credit on excess generation in a given monthly billing period that simply "rolls over" to the next monthly billing period. An additional billing account for every net metering customer would be burdensome and hold no real value and will overstate the number of customers a utility has on its system. Further a separate account would cause the utility to incur additional administrative costs and would require the utility to charge a customer charge for that account to maintain and issue a monthly statement.

8. 10-28(B)(10)

DP&L seeks clarification on several issues in paragraph (B)(10). First, the reference to competitive retail electric service (CRES) providers is out of place. The utility should not issue a refund based on generation to customers that have chosen to receive generation for a CRES provider. If customers do not pay the utility for generation, they should not receive credit from the utility for generation.

If Staff's proposed language has the meaning that credit will be given by the utility on behalf of CRES providers, DP&L opposes this as it would be burdensome, and in some cases, not feasible as the utility may not know the CRES Provider's rates in a dual or bill ready scenario. Issuing credits on excess generation for shopping customers is and should remain the responsibility of the CRES provider supplying the customer's generation.

Finally, in regard to the last sentence in paragraph (B)(10), the Company again believes that the current language is appropriate and sufficient. In DP&L's experience, most customer-generators do not ask for a refund and are content with "rolling" the credit and applying it to the next monthly billing period. The rules should not force DP&L to issue refunds as it would be burdensome, unnecessary.

9. 10-28(B)(11)

DP&L contends that there is one exception to 4901:1-10-28(B)(11). Customer-generators should be charged for their use of the electric utility's distribution system on excess generation that is fed back to the system. Under the current provisions, customer-generators with excess generation use the distribution system at no cost, and the utility receives little to no benefit. The Company presents two options to resolve this: 1) Customer-generators would be billed on the monthly excess generation at the electric utility's base distribution rate; or 2) The Commission would allow the utility to recover the lost distribution charges from excess generation to be recovered through a nonbypassable distribution rider assessed to all customers.

DP&L offers the following addition to paragraph (B)(11):

> "In no event shall the electric utility impose on the customer-generator any charges that relate to the electricity the customer-generator feeds back to the

system, with the exception of excess generation, which shall be charged at the utility's base distribution rate."

10. 10-28(C)(3)

It is DP&L's position that the hospital net metering tariff language should be identical to the standard net metering tariff language. The language in 4901:1-10-28(C)(3) should read:

> "The electric utility's tariff for hospital net metering shall be identical in rate structure, all retail rate components, and any monthly charges, to the tariff to which the hospital would be assigned if the hospital were not a customer-generator."

The customer-generated electricity should not be based on market value at the time it is generated. As stated earlier, utilities do not measure what a net metering system generates, only what flows through the utility's meter.

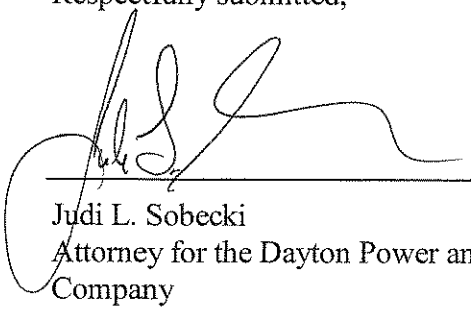
11. 10-28(C)(6)(b)

The customer-generated electricity should not be based on market value at the time it is generated. As stated earlier, utilities do not measure what a net metering system generates, only what flows through the utility's meter.

III. Conclusion

DP&L appreciates the opportunity to provide comments and urges the Commission to adopt the recommendations set forth above.

Respectfully submitted,



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Summary: Comments electronically filed by Mr. Robert J Adams on behalf of The Dayton Power and Light Company