

FILE



**Public Utilities  
Commission**

John R. Kasich, Governor  
Thomas W. Johnson, Chairman

**Commissioners**

Steven D. Lesser  
Asim Z. Haque  
Lynn Slaby  
M. Beth Trombold

April 22, 2014

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus OH 43215

RE: *In the Matter of the Application of the Dayton Power and Light Company to Update its  
Economic Development Rider, Case No. 14-401-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the application filed by The Dayton Power and Light Company to update its Economic Development Rider, in Case No. 14-401-EL-RDR.

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PUCO

Sincerely,

A handwritten signature in black ink, appearing to read 'Tamara S. Turkenton'.

Tamara S. Turkenton  
Chief, Accounting & Electricity Division  
Public Utilities Commission of Ohio

Enclosure  
Cc: Parties of Record

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
Technician JML Date Processed APR 22 2014

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**The Dayton Power and Light Company**  
**Case No. 14-401-EL-RDR**

**SUMMARY**

The Commission approved The Dayton Power and Light Company's (DP&L) Economic Development Rider (EDR) in Case No. 08-1094-EL-SSO, et al, by Opinion and Order dated June 24, 2009.

On March 31, 2014, DP&L filed an application to update its Economic Development Rider (EDR). The proposed EDR includes charges that will provide the utility the opportunity to timely recover costs resulting from the Commission-approved reasonable arrangements in Case No. 10-734-EL-AEC with Caterpillar Inc. and in Case No. 11-1163-EL-AEC with Wright-Patterson Air Force Base.

The proposed rates are expected to provide recovery of approximately \$7.23 million in costs over the next twelve months which results in an increase to current rates beginning May 2014. The proposed rates include projected costs of approximately \$6.91 million and approximately \$0.32 million in under recovered costs.

DP&L requests that the updated rates be made effective on a bills-rendered basis with the company's first billing cycle for May 2014.

**STAFF REVIEW AND RECOMMENDATIONS**

The Company included in its application labor cost (actual and forecasted) as part of the total administrative expenses used to calculate the revenue requirement. Staff has reviewed the labor cost and believes such labor is already included in base rates and is non-incremental in relation to the EDR. Therefore, Staff recommends the removal of the labor and associated carrying charges from the EDR, which results in a reduction of \$64,730 from the EDR revenue requirement.

Staff finds the proposed EDR charges reflect the current and projected costs resulting from reasonable arrangements approved by the Commission, with the exception as noted above, and recommends approval of the application in accordance with the adjustment recommended above.