

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of The Dayton Power	:	Case No. 14-1084-EL-UNC
and Light Company's Planned Sale	:	
of East Bend Unit 2	:	

**COMMENTS
SUBMITTED ON BEHALF OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO**

On June 13, 2014 The Dayton Power and Light Company (DP&L or Company) filed an application for approval of the transaction under which it would sell to Duke Energy Kentucky, Inc. (DEK) its interest in the power plant and related facilities known as East Bend Unit 2. The Company filed a Corrected Exhibit on June 19, 2014. Pursuant to a July 17, 2104 Attorney Examiner Entry, interested parties were directed to file comments in response to the application no later than September 1, 2014.

After reviewing the Application and conducting an investigation of the terms and conditions under which the transaction has been proposed, Staff is not opposed to the sale of the East Bend Unit 2 to DEK.

Staff notes that the East Bend Unit 2 transaction would include the transfer of all liabilities to DEK, save for those associated with property taxes incurred while DP&L owns East Bend Unit 2. Therefore, Staff's concern which generated its previous recommendation to the Commission in 13-2420-EL-UNC, to deny DP&L's request to maintain future liability and recovery of any costs associated therewith, has been satisfied in this case. (Staff Comments at page 3.)

Though initially requested in its Application, DP&L has indicated to Staff through discovery that it no longer seeks recovery of any transaction costs. Such a position satisfies Staff's previously stated concern in 13-2420-EL-UNC regarding transaction costs and their recoverability from electric distribution utility customers. Staff recommends that the Commission formally reject DP&L's request for recovery of any transaction or financing costs from electric distribution utility customers. (Staff Comments at pages 3-4.)

Staff recommends that the Commission take into consideration any proceeds received from this sale, including the return of prepaid expenses, in its decision regarding DP&L's request in 13-2420-EL-UNC to retain debt associated with the generation assets.

Staff does not believe an evidentiary hearing is necessary for approval of this Application. However, Staff recommends that the Commission specifically indicate that it finds for purposes of this specific transaction that a hearing is not necessary but that its finding with respect to this Application should in no way be extended to a global waiver of an evidentiary hearing for future generation asset transfers. The procedural requirements associated with each application to transfer a generation asset should be determined by the specifics of the application.

Lastly, Staff recommends that the Commission require DP&L to inform the Commission of the details of the transaction within five days of the closing and the final settlement of post-closing costs within 90 days of the closing.

Respectfully submitted,

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Ohio Attorney General

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/s/ Thomas W. McNamee

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PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Comments** submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by email, upon the following Parties of Record, this 29th day of August, 2014.

/s/ Thomas W. McNamee

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Assistant Attorney General

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Summary: Comments electronically filed by Mrs. Tonnetta Y Scott on behalf of PUCO