

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
The Dayton Power and Light Company) Case No. 15-43-EL-RDR
to Update its Reconciliation Rider)
Nonbypassable.)

FINDING AND ORDER

The Commission finds:

- (1) The Dayton Power and Light Company (DP&L) is an electric distribution utility as defined in R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.
- (2) R.C. 4928.141 provides that an electric distribution utility shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.
- (3) On September 4, 2013, the Commission issued an Opinion and Order authorizing DP&L's proposed ESP through 2017, with modification. *In re The Dayton Power and Light Co.*, Case No. 12-426-EL-SSO, et al., Opinion and Order (Sept. 4, 2013). Included in the ESP was a reconciliation rider - non-bypassable (RR-N), which would recover any deferred balance that exceeds 10 percent of the base amount of riders FUEL, Reliability Pricing Model (RPM), Alternative Energy Rider (AER), and Competitive Bid True-up Rider (CBT). *Id.* at 35. The RR-N is a non-bypassable rider that recovers the deferral balance that exceeds 10 percent of the base amounts of the FUEL, RPM, AER, and CBT riders from all of DP&L's distribution customers. However, the FUEL, RPM, AER,

and CBT riders are bypassable riders that recover their respective costs from DP&L's SSO customers. In the ESP proceeding, DP&L proposed the RR-N to prevent the situation of having too few remaining SSO customers to cover the costs of a large deferral balance, so it requested that a portion of the deferral balance be shifted to a nonbypassable rider to ensure that DP&L would be capable of recovering its costs. *In re The Dayton Power and Light Co.*, Case No. 12-426-EL-SSO, et al., Opinion and Order (Sept. 4, 2013) at 34. Each quarter, DP&L files an application with the Commission to update the RR-N. The Commission approved DP&L's second, third, fourth, and fifth applications to update its RR-N on August 20, 2014; November 20, 2014; February 25, 2015; and May 20, 2015, respectively. On July 17, 2015, DP&L filed its sixth application to update its RR-N; however, that application became moot on October 16, 2015, when DP&L filed its seventh application to update the RR-N.

- (4) On October 16, 2015, DP&L filed its seventh application to update its RR-N. DP&L's application includes a deferral balance exceeding the 10 percent threshold of the base amount of the FUEL rider in the amount of \$9,516,932, and the RPM rider in the amount of \$435,036. Additionally, the application includes a reconciliation of \$1,381,984 from a prior period and carrying costs of \$33,753. DP&L applied carrying charges of 4.943 percent to the total amount of the balance exceeding 10 percent of the base amount of the FUEL and RPM riders. Applying this amount to the RR-N, along with a gross revenue conversion factor, DP&L's application proposed to recover \$8,665,684 through the RR-N.
- (5) On November 17, 2015, Staff filed its Review and Recommendations on DP&L's seventh application to update the RR-N. Staff recommends that the Commission deny DP&L's seventh application to update the RR-N. Staff asserts that DP&L should recover the full balance of the proposed RR-N amounts through the respective bypassable riders, in this case the FUEL and RPM riders.

Additionally, Staff recommends that DP&L be allowed to extend the FUEL and RPM riders for up to six months to recover the remaining balances of the riders. Staff recommends that the Commission direct DP&L to work with Staff regarding the conclusion of the RR-N, including the associated timelines with the wrap-up periods of the underlying bypassable riders. Finally, Staff asserts that the RR-N should be updated to credit the prior period reconciliation amount already collected from customers.

- (6) Upon review of DP&L's application to update its RR-N and Staff's recommendations, the Commission finds that DP&L's seventh application to update the RR-N should be denied. The Commission agrees with Staff that DP&L should recover the full balance of the proposed RR-N amounts through the FUEL and RPM riders, and that each rider may be extended for a period of up to six months. Additionally, we find that DP&L should work with Staff regarding the conclusion of the RR-N, including any associated credits to customers and the associated timelines with the wrap-up period for the underlying riders. Accordingly, the Commission finds that DP&L's application to update its RR-N be denied.


It is, therefore,

ORDERED, That DP&L's seventh application to update its RR-N be denied, in accordance with Finding (6). 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, rules, or regulation. It is, further,

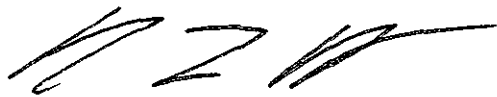
ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

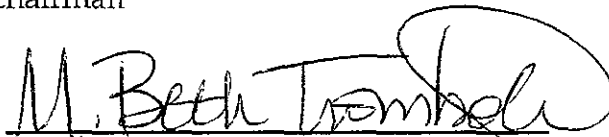


Andre T. Porter, Chairman

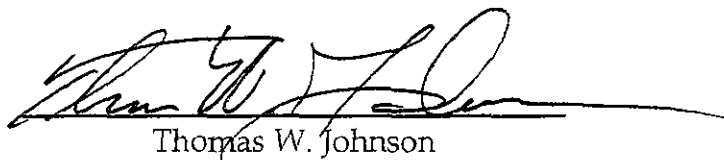
Lynn Slaby



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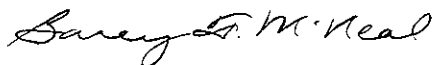
M. Beth Trombold



Thomas W. Johnson

BAM/sc

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Barcy F. McNeal
Secretary