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Commissioners

Asim Z. Haque Lynn Slaby M. Beth Trombold Thomas W. Johnson

April 4, 2016

Docketing Division Public Utilities Commission of Ohio 180 East Broad Street Columbus OH 43215 2016 APR -4 PH 1:28

RE: In the Matter of the Application of the Dayton Power and Light Company to Update its Economic Development Rider, Case No. 16-571-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. 16-571-EL-RDR.

Tarnara S. Turkenton

Chief, Regulatory Services Division Public Utilities Commission of Ohio David Lipthratt

Chief, Research and Policy Division Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

The Dayton Power and Light Company Case No. 16-571-EL-RDR

SUMMARY

On March 17, 2016, The Dayton Power and Light Company (DP&L) submitted an application to update its Economic Development Rider (EDR) pursuant to the Commission's Finding and Order in Case No. 11-4503-EL-RDR, et al., dated October 26, 2011.

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. 14-1217-EL-AEC with Wright-Patterson Air Force Base.

The proposed rates are expected to provide recovery of \$2,153,488 in costs from May 2016 through October 2016. The proposed rates include \$2,051,202 of forecasted costs through October 31, 2016 and \$102,285 of under-recovered costs through February 29, 2016. The proposed rates will result in a \$0.15 per month increase on a 1,000 kWh residential customer's bill. DP&L requests that the updated rates be made effective on a bills-rendered basis with the Company's first billing cycle for May 2016.

STAFF REVIEW AND RECOMMENDATIONS

The Staff's investigation was designed to ensure that the Company's policies and practices comport with sound ratemaking principles and Commission policies, confirm that its books and records are reliable sources of cost data, and ultimately determine if the Application request is just and reasonable. Based on that investigation, the Staff concludes that the proposed EDR rates reflect the current and projected costs through October 31, 2016.

CONCLUSION

The Staff finds the proposed EDR charges reflect the current and projected costs resulting from reasonable arrangements approved by the Commission, and recommends approval of the application for rates to become effective on a bills-rendered basis with the Company's first billing cycle for May 2016.