

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Joint Application)	
of The Dayton Power and Light)	
Company and Wright-Patterson Air)	Case No. 14-1217-EL-AEC
Force Base for an Extension of a)	
Unique Arrangement.)	

**JOINT APPLICATION OF THE DAYTON POWER AND LIGHT COMPANY
AND WRIGHT-PATTERSON AIR FORCE BASE FOR AN EXTENSION OF A
UNIQUE ARRANGEMENT**

The Dayton Power and Light Company (“DP&L” or “the Company”) and Wright Patterson Air Force Base (“WPAFB” or “the Base”) respectfully request, pursuant to §4905.31 of the Ohio Revised Code (“O.R.C.”) and §4901:1-38-05 of the Ohio Administrative Code (“O.A.C.”), a finding and order by the Public Utilities Commission of Ohio (“Commission”) approving an extension of the Unique Arrangement attached as Exhibit A. This is an extension is for the existing Unique Arrangement between WPAFB and DP&L, which was approved by the Commission by Opinion and Order dated October 22, 2014 in this docket. Joint Applicants further request consideration of this Application, and seek a decision before October 1, 2017.

In support of this Application DP&L and WPAFB state as follows:

1. WPAFB, which is located within DP&L’s certified service territory, is a customer of DP&L taking service under the High Voltage tariff. WPAFB is Ohio’s largest single-site employer, employing approximately 28,000 employees who live and work within the Dayton region. WPAFB’s presence in the Dayton-area is estimated to contribute approximately \$4.4 billion to the local economy each year.

2. Through the duration of this Unique Arrangement, WPAFB is planning to provide facility expansions to accommodate approximately an additional 1,700 positions across the installation. Additionally, each organization assigned to WPAFB typically brings additional jobs with the award of contracts.

3. WPAFB continues to invest significant dollars in Ohio. From Fiscal Year 2015 through 31 March 2017, WPAFB has awarded more than 500 facility and infrastructure capital improvement projects worth more than \$182 million dollars. For the remaining portion of Fiscal Year 2017, WPAFB has an additional 200 capital improvement projects planned that are, in the aggregate, valued at more than \$200 million to support WPAFB mission requirements. In addition, Fiscal Year 2017 National Defense Authorization Act (NDAA) authorizes \$12.6 million to consolidate Entry Control Points (ECPs) at WPAFB and an additional \$14.4 million for facilities upgrades, equipment installation, and other projects that increase energy efficiency and approximately \$1.1 billion for Air Force Research and Development projects and programs controlled from the Air Force Research Laboratory (AFRL) at WPAFB. In December 2016, a 5 year contract valued at approximately \$76.5 million was awarded to provide additional construction and maintenance work at WPAFB. A \$29.5 million Foreign Material Exploitation facility for the National Air and Space Intelligence Center is planned for completion in 2017 and a \$6.6 million Satellite Pharmacy was awarded with construction to be completed Jan 2019.

4. In the Opinion and Order issued on October 22, 2014, the Commission approved a unique arrangement pursuant to O.R.C. §4905.31 for a 36 month term ending December 31, 2017.

5. WPAFB and the Company seek approval of this Application from this Commission. If the Application is approved, WPAFB will take service under DP&L's approved Distribution, Transmission, and Generation tariffs. WPAFB will receive a 11% discount on total monthly charges for up to 36 months (2018-2020).

6. WPAFB and DP&L both ask that the Commission approve the recovery of costs associated with this Unique Arrangement including one hundred percent of the "Delta revenues," as defined by O.A.C. §4901:1-38-01(C) and as permitted under O.R.C. §4905.31(E) and O.A.C. §4901:1-38-08, through DP&L's existing Economic Development Rider ("EDR").

7. O.A.C. §4901:1-38-05(A)(1), requires a demonstration that a proposed Unique Arrangement does not violate O.R.C. §4905.33 and §4905.35. The parties represent that this arrangement is not anti-competitive or discriminatory, and is a lawful arrangement authorized by O.R.C. §4905.31.

8. O.A.C §4901:1-38-05(C) requires the applicant to describe how the arrangement furthers the policy of the State of Ohio as embodied in O.R.C. §4928.02. It is anticipated that the savings realized by WPAFB as a result of this Unique Arrangement will free up funds that can be used to support other programs at WPAFB.

9. Finally, O.A.C §4901:1-38-05(A)(2) provides that "the commission may fix a time and place for hearing if the application appears to be unjust or unreasonable." Thus, a hearing is not required unless the Application appears to be unjust or unreasonable. The dramatic positive financial impact that WPAFB has on the Ohio economy, both from the perspective of direct, highly-skilled jobs, as well as the secondary and tertiary benefits flowing to Ohio from indirect and support jobs justifies access to the Unique Arrangement provision provided by Ohio law and stated Ohio

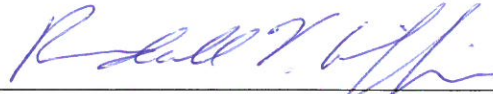
energy policy. When balancing the proposed discount against the overwhelmingly positive economic impact of WPAFB to the Dayton region and Ohio, this Unique Arrangement is not unjust or unreasonable, and as a result the Joint Applicants would urge the Commission to exercise its discretion and expeditiously approve this Application without a hearing.

CONCLUSION

For the reasons stated above, this Application for Extension and the Unique Arrangement with WPAFB is just and reasonable and therefore good cause exists for approval requested by DP&L in this Application without the need for a hearing. Consequently, DP&L and WPAFB respectfully request an expedited Order from the Commission approving this Application and specifically finding that:

1. The arrangement continues to help fulfill the policies of the state of Ohio, as set forth in O.R.C. §4928.02;
2. The Unique Arrangement attached as Exhibit A is just and reasonable; and
3. One hundred percent of the Delta revenues as described herein are recoverable through DP&L's EDR.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Randall Griffin", written over a horizontal line.

Randall Griffin (0080499)
The Dayton Power and Light Company
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Dayton, OH 45432
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Facsimile: (937) 259-7178
Email: randall.griffin@aes.com

Attorney for The Dayton Power and Light
Company

And

A handwritten signature in blue ink, appearing to read "Thomas J. Menza", written over a horizontal line.

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**UNIQUE ARRANGEMENT BETWEEN
THE DAYTON POWER AND LIGHT COMPANY**

AND

**UNITED STATES OF AMERICA
WRIGHT PATTERSON AIR FORCE BASE, OHIO**

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ARRANGEMENT

THIS ARRANGEMENT (“Arrangement”) is made and entered into this ____ day of _____, 2017 by and between The Dayton Power and Light Company (“DP&L”) and The United States of America, Wright Patterson Air Force Base, (“WPAFB”). Each being individually a “Party” and collectively referred to as the “Parties.”

WITNESSETH

WHEREAS, DP&L is a regulated public utility subject to the authority of the Public Utilities Commission of Ohio (PUCO); and

WHEREAS, under Section 4905.31 of the Ohio Revised Code (“R.C.”), a utility and a customer may enter into any financial device practicable or advantageous to the Parties interested, including a device to recover costs incurred, such as revenues foregone, in conjunction with any economic development and job retention program of the utility; and

WHEREAS, under Section 4901:1-38-05 of the Ohio Administrative Code (“OAC”), the Commission has the authority to approve a unique arrangement between a utility and a customer; and

WHEREAS, WPAFB, which is located within DP&L’s certified service territory, is Ohio’s largest single-site employer, employing approximately 28,000 people who live and work within the Dayton region. WPAFB’s annual economic impact within Ohio is now estimated to contribute approximately \$4.4 billion to the local Dayton-area economy. Throughout the duration of this unique arrangement, WPAFB is planning to provide facility investments for approximately an additional 1,700 positions across the installation; and

WHEREAS, WPAFB desires to ensure favorable economic conditions exist by maintaining a long-term, reliable supply of electric generation at reasonable and predictable prices for use at the Installation; and

WHEREAS, WPAFB and DP&L have a unique long-term integrated relationship, which includes a familiarity with each other’s operations and unique needs, as well as the 50-year contract between DP&L and WPAFB for the purchase, ownership, operation and maintenance of the electrical distribution assets located on WPAFB premises; and

WHEREAS, WPAFB desires to enter into a reasonable arrangement with DP&L which would be mutually beneficial to the Parties and financially beneficial to Ohio rate payers by providing for reliable, safe electric service at a reasonable, predictable price; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the Parties hereto agree as follows:

SECTION 1 – DEFINITIONS

Whenever used herein, the following terms shall have the respective meanings set forth

below, unless a different meaning is plainly required by the context.

- 1.1 “Consolidated Bill” is an electric utility service invoice that includes both regulated distribution charges from DP&L along with charges for unregulated service including electric generation and transmission from DP&L.
- 1.2 “Delta Revenue” shall have the same meaning as set forth in section 4901:1-38-01(C) of the Ohio Administrative Code.
- 1.3 “Designated Representative” shall mean the individual(s) (primary or backup) designated by WPAFB as a single point of communication between DP&L and WPAFB.
- 1.4 “Electric Power Service” shall mean service under the DP&L P.U.C.O. No. 17 Standard Offer Rate Schedules applicable to WPAFB’s Installation.
- 1.5 “Installation” shall mean WPAFB’s premises identified under Appendix A.
- 1.6 “Monthly Billing Demand” shall mean that demand defined under Section 5.1.
- 1.7 “Party” shall mean WPAFB or DP&L individually, and “Parties” shall mean WPAFB and DP&L collectively.
- 1.8 “PUCO” shall mean the Public Utilities Commission of Ohio or its successor.
- 1.9 “P.U.C.O. No. 17 Electric Service Tariffs” or “Tariffs” refers to the DP&L Electric Service Schedule of Rates, Classifications, Rules and Regulations, or successors to said schedules, as approved by and on file with the PUCO at the point in time at which said schedules shall be applied hereunder, or specific versions of said schedules as set forth herein.
- 1.10 Terms such as “hereof,” “herein,” “hereunder,” and other similar compounds of the word “here” shall mean and refer to this entire Arrangement rather than any particular part.
- 1.11 Certain other definitions, as required, appear in subsequent parts of this Arrangement.

SECTION 2 – APPLICABILITY

- 2.1 Applicability – This Arrangement shall apply to the Installation identified under Appendix A.
- 2.2 Operational Relationships – WPAFB represents that it owns, or operates under a lease arrangement, the Installation identified under Appendix A. WPAFB will promptly notify DP&L of any changes in ownership or in the operational relationship that exists between WPAFB and the Installation served under this Arrangement.

SECTION 3 – TERM

3.1 Term – “Term” shall mean the total period of time that this Arrangement shall remain in effect, as set forth herein. This Arrangement shall remain in effect from January 1, 2018 through December 31, 2020.

SECTION 4 – ELECTRIC SERVICE REQUIREMENTS

4.1 Electric Power Service Required – Subject to the terms and conditions set forth herein, DP&L agrees to provide to WPAFB, during the Term of this Arrangement, and WPAFB agrees to accept and pay for, all of the electric generation, transmission and distribution service required by the Installation identified under Appendix A.

SECTION 5 –RATES & CHARGES

5.1 Monthly Billing Demand – The Installation’s “Monthly Billing Demand” shall be the Billing Demand as defined on Electric Distribution Tariff Sheet No. D22 or its successor.

5.2 Rates – The cost for electric power service will be calculated based upon the customer’s monthly energy charges on all kilowatt-hours consumed and demand charges on all Monthly Billing Demand according to the applicable DP&L P.U.C.O. No. 17 Electric Distribution Service Sheet No. D22, Electric Transmission Service Sheet Nos. T8, and Electric Generation Service Sheet No. G15 or any substantially equivalent replacements thereof and all other charges and riders which are billed by DP&L to standard service offer customers as approved by the PUCO. The above notwithstanding, the final price WPAFB receives shall be as follows:

The then effective Electric Distribution Service, Electric Transmission Service and Electric Generation Service Standard Offer rates and all additional riders (excluding Excise Tax Surcharge Rider) as provided for in Tariff Sheet Nos. D22, T8, and G15, or any substantially equivalent replacement thereof, as approved by the PUCO, less 11%.

DP&L will seek to recover all Delta Revenue associated with this Arrangement in accordance with Ohio law, and the provision of service at the rates specified herein is conditioned upon DP&L’s recovery of Delta Revenue over the Term of this Arrangement.

All billing, payment, and other terms of service shall be in accordance with the contractual document FA8601-17-C-_____ TBD(The completed contract number will be assigned subsequent to PUCO approval and approval by the WPAFB Operational Contracting Branch) and any obligations of each Party not addressed herein, shall be in accordance with DP&L’s P.U.C.O. Volume 17 Tariffs. The contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613). DP&L shall proceed diligently with performance of this contract, pending final resolution of any dispute arising under the contract.

The Rates described in this Section do not apply for service rendered after December 31, 2020, and will take effect for service rendered beginning January 1, 2018 following a PUCO order granting approval of this Arrangement.

The rates under this section may be renegotiated and modified if WPAFB elects to receive electric supply from a Competitive Retail Electric Supplier.

SECTION 6 – PUCO JURISDICTION

6.1 PUCO Approval – WPAFB understands and agrees that this Arrangement is subject to approval and ongoing jurisdiction of the PUCO. DP&L shall file this Arrangement with the PUCO, the Arrangement will be posted on the PUCO’s docketing information system, will be accessible through the internet, and will therefore be publicly available.

SECTION 7 – REPORTING

7.1 Annual Report – For each year that the Arrangement between WPAFB and DP&L is in effect, WPAFB shall submit to DP&L and the Staff of the PUCO an annual report which complies with the requirements set forth in Section 4901:1-38-06 of the Ohio Administrative Code.

SECTION 8 – NOTICES

8.1 Notices – Unless otherwise provided under this Arrangement, all notices and communication shall be deemed given to a Party if made by registered or certified mail.

8.2 Designated Representative – For purposes of administering this Arrangement, WPAFB’s Designated Representative shall be:

Energy Management Center
88 CEG/CE
1450 Littrell Road
WPAFB, OH 45433-5209
(937) 257-4514

8.3 Invoice and Payment – Notices related to invoicing and payments shall be handled in accordance with the “Invoice and Payment” provision Contract FA8601-17-C-_____.

8.4 DP&L – All correspondence from the WPAFB to DP&L shall be made to:

Kelly Millhouse
The Dayton Power and Light Company
1900 Dryden Road
Dayton, OH 45439
(937) 331-4718

Scott Michaelson
The Dayton Power and Light Company
1900 Dryden Road
Dayton, OH 45439

SECTION 9 – BILLING & PAYMENT

9.1 Billing - The charges pursuant to this Arrangement shall be a Consolidated Bill to include electricity distribution, generation and transmission issued on a monthly basis by DP&L.

9.2 Payment – Payment of the total amount of the bill shall be due to DP&L, and must be received by DP&L or an authorized agent by the date shown on WPAFB's bill. All bills are subject to future adjustment attributable to any corrected usage readings, balancing charges or any other adjustment attributable to any preceding month.

SECTION 10 – METERING

10.1 Voltage Level – Nothing herein is intended to modify, reduce, or increase the obligations that DP&L has with respect to delivery, metering or other utility services that it provides other than the preparation of a Consolidated Bill and the appropriate division of collected amounts. It is therefore the Parties' understanding that DP&L will continue to meter the load at the voltage level at which WPAFB currently receives service for purposes of administering and billing this Arrangement. The terms and conditions contained herein are premised upon receiving service at the voltage level specified in Appendix A. No changes in service type or voltage level at the Installation served after the signing of this Arrangement shall be made except to the extent made in conformance with notice and other requirements that DP&L may require under its PUCO approved tariff. Notice of any such changes shall also be provided to DP&L.

10.2 Metering and Accuracy – DP&L shall be responsible for all metering of electricity supplied to WPAFB at the point of delivery to WPAFB's Installation. Metering and metering agency shall be in accordance with DP&L's P.U.C.O. No. 17 Electric Distribution Service Rules and Regulations.

10.3 Metering Changes – Nothing provided herein shall preclude the Parties from making separate written arrangements for special metering equipment.

SECTION 11 – MISCELLANEOUS

11.1 Binding Nature – The terms, conditions, and covenants of this Arrangement shall be binding upon and shall inure to the benefit of each of the Parties hereto, their successors, and assigns.

11.2 Waiver – Failure of either Party to enforce, at any time or for any period of time, any provision of this Arrangement shall not be construed as a waiver of any provision or the right of either Party to enforce each and every provision of this Arrangement.

11.3 Severability – The Parties understand and agree that the terms and conditions set forth herein constitute an overall rate and service package that may not be acceptable if any individual term or condition of this Arrangement is eliminated, or modified. In the event that any term or

condition of this Arrangement is deemed to be illegal, void, unreasonable, or unenforceable, notwithstanding, either Party may choose to terminate this Arrangement without further obligation hereunder provided that the Parties agree to work in good faith to first amend this Arrangement to the extent necessary to accommodate its continued effectiveness. Where conflicting provisions of any applicable law or regulation may be waived, they are hereby waived by the Parties hereto to the fullest extent possible such that this Arrangement shall be enforced as written. It is further mutually agreed between the Parties that this Arrangement is at all times subject to the applicable state and federal laws and regulations governing the providing of the utility services contemplated by this Arrangement.

11.4 Headings – The heading and subheadings used in this Arrangement are for convenience and reference purposes only and shall in no way effect the meaning or interpretation of the provisions of this Arrangement.

11.5 Confidentiality – DP&L believes that portions of this Arrangement are proprietary and include confidential information and trade secrets. The rates, terms and conditions of this Arrangement (“Confidential Matter”) shall be for the sole and exclusive use of the Parties, and subject to the provisions set forth below, neither of the Parties shall publish, disclose, or otherwise divulge the Confidential Matter to any person at any time without the prior written consent of the other Party unless the release of said Confidential Matter is pursuant to a requirement imposed by any governmental or judicial body of competent jurisdiction. When either of the Parties receives from any other entity or person a request for Confidential Matter, not then in the public domain, it shall inform the other of such request as soon as reasonable practicable. WPAFB agrees to comply with all the laws and regulations pertaining to release of information under the Freedom of information Act.

11.6 Entire Arrangement – This Arrangement and the terms and conditions contained in Contract FA8601-17-C-_____ TBD (The completed contract number will be assigned subsequent to PUCO approval and approval by the WPAFB Operational Contracting Branch), and any written agreements regarding metering the Parties may enter pursuant to Section 10.3, constitute the entire arrangement between the Parties with respect to the matters set forth herein. This Arrangement supersedes any previous arrangement between the Parties, whether written or oral.

11.7 Limit of Liability – To the extent permitted by law, each Party’s liability will be limited to direct actual damages only. Such direct actual damages will be the sole and exclusive remedy and all other remedies or damages at law or in equity are waived. Neither Party will be liable for any consequential, incidental, punitive, exemplary or indirect damages, lost profits or business interruption damages, by statute, in tort or contract, or otherwise with respect to or arising out of this Arrangement, or the alleged breach of this Arrangement.

IN WITNESS WHEREOF, the Parties hereto have caused this Arrangement to be executed by their proper officers, duly authorized on that behalf, as of the date and year first written above.

For: **THE DAYTON POWER AND LIGHT COMPANY**

By: _____

Name: Thomas A. Raga

Its: President, Dayton Power & Light

For: **UNITED STATES OF AMERICA, WRIGHT-PATTERSON AIR
FORCE BASE**

By: _____

Name: DAVID A. PERKINS

Its: Director, 88th Civil Engineer Directorate

APPENDIX A
WPAFB SERVICE LOCATION SPECIFICATIONS

Installation Name and Address	Voltage Level
Wright Patterson Air Force Base 88 CEG/CE Area A 1450 Littrel Road Wright-Patterson AFB, OH 45433	69 kv

This foregoing document was electronically filed with the Public Utilities

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8/23/2017 10:23:30 PM

in

Case No(s). 14-1217-EL-AEC

Summary: Application for an extension of an Unique Arrangement electronically filed by Mrs. Jessica E Kellie on behalf of The Dayton Power and Light Company