



**Public Utilities
Commission**

Asim Z. Haque, Chairman

Commissioners

M. Beth Trombold
Thomas W. Johnson
Lawrence K. Friedeman
Daniel R. Conway

RECEIVED-DOCKETING DIV
2018 FEB 27 PM 12:38

PUCO

February 27, 2018

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

RE: *In the Matter of the Review of the Competitive Bid True-Up Rider contained in the
Tariffs of Dayton Power and Light Company, Case No. 16-36-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the
transition from the Competitive Bid True-Up Rider to its replacement the Standard
Offer Rate in Case No. 16-36-EL-RDR.

Tamara S. Turkenton
Director, Rates and Analysis Dept.
Public Utilities Commission of Ohio

David Lipthrott
Chief, Research and Policy 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 AS Date Processed 2/27/18

180 East Broad Street
Columbus, Ohio 43215-3793

(614) 466-3016
www.PUCO.ohio.gov

An equal opportunity employer and service provider

**Dayton Power and Light Company
Case No. 16-36-EL-RDR (CBT)**

Background

On September 4, 2013, in Case No. 12-426-EL-SSO, the Commission issued its Opinion and Order authorizing an Electric Security Plan (ESP) for The Dayton Power and Light Company (DP&L), which included a Competitive Bid True-Up (CBT) Rider. The CBT Rider is intended to allow DP&L to recover the difference between amounts paid to suppliers for the delivery of SSO supply, as a result of the Competitive Bidding Process (CBP) auction(s), and amounts billed to SSO customers through the Competitive Bidding (CB) Rate. This Rider also recovers costs associated with administering and implementing the CBP, including CBP auction costs, CBP consultant fees, Commission consultant fees, audit costs, and supplier default costs (if any).

On October 20, 2017, in Case No. 16-395-EL-SSO, the Commission issued its Opinion and Order authorizing the Company's most recent ESP. The filing authorized DP&L to implement a bypassable Standard Offer Rate (SOR) that will be based on the competitive bid auctions and replace the current CBT rider.

DP&L updates Rider CBT on a quarterly basis, which is subject to an annual audit by Staff. Rider CBT in Case No. 16-36-EL-RDR was eliminated on September 1, 2016. Rider SOR, which replaced rider CBT, went into effect on November 1, 2017. During the transition period (September 1, 2016 to November 1, 2017) the Company continued to charge the latest approved CBT tariff rate of \$ 0.058489 per kWh. On November 1, 2017, the Company began collecting Rider SOR at a rate of \$0.0544632 per kWh.

Staff Review

Staff reviewed the period of January 1, 2016 through November 1, 2017. As part of this review, Staff examined for consistency with Commission's Opinion and Orders in previous CBT cases and to ensure proper accounting treatment was applied. The audit consisted a review of the financial statements for completeness, occurrence, presentation, valuation, allocation, and accuracy. Specifically, Staff reviewed supplier charges, consultant fees, revenues collected under Riders CB and CBT as well as the Company's calculation of carrying charges and the gross up revenue conversion factor. In addition, Staff reviewed the transition from Rider CBT to Rider SOR. Staff confirmed that the correct balance was rolled into Rider SOR and confirmed the tariffed revenues and the expenses associated with the auctions during the transition.

Conclusion

Staff has reviewed the eliminated CBT Rider and confirmed the starting balance of Rider SOR, and is satisfied that the filings are both consistent with and in compliance with the Commission's orders.