BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The Dayton Power and Light Company for an Increase in its Electric Distribution Rates.	)))	Case No. 15-1830-EL-AIR
In the Matter of the Application of The Dayton Power and Light Company for Accounting Authority.	)))	Case No. 15-1831-EL-AAM
In the Matter of the Application of The Dayton Power and Light Company for Approval of Revised Tariffs.	)))	Case No. 15-1832-EL-ATA

OBJECTIONS TO THE STAFF REPORT AND SUMMARY OF MAJOR ISSUES OF RETAIL ENERGY SUPPLY ASSOCIATION

In accordance with R.C. 4909.19(C), Ohio Adm. Code 4901-1-28(B), and the Commission's March 14, 2018 Entry in this docket, the Retail Energy Supply Association (RESA) submits its Objections to the Staff Report and Summary of Major Issues.

OBJECTIONS TO STAFF REPORT

I. OPERATING INCOME AND RATE BASE

Objection No. 1: RESA objects to Staff's recommended revenue requirements (Staff Report at 7) based on the flow-through effect of RESA's Objection Nos. 6 and 7 below.

Objection No. 2: RESA objects to Staff's calculation of rate base and operating income (Staff Report at 8-17) based on the flow-through effect of RESA's Objection Nos. 6 and 7 below.

Objection No. 3: RESA objects to Staff's recommendation to calculate DP&L's federal income tax expense using a 35 percent rate (Staff Report at 17; Schedule C-4). Due to the recently adopted 21 percent federal tax rate, DP&L's operating and income and rate base calculations should reflect the new rate effective January 1, 2018.

II. RATES AND TARIFFS

Objection No. 4: RESA objects to Staff's recommendation for approval of DP&L's proposal to incorporate LED service into a number of riders (Staff Report at 26-27.) LED technology is widely available in the competitive market and should not be subsidized by distribution rates. To the extent the PUCO would like to incent additional use of LED the better approach is to expand the use of rebates for energy efficiency in a competitively neutral manner.

Objection No. 5: RESA objects to Staff's failure to recommend the elimination of DP&L's switching fee rider (Staff Report at 27). Non-substantive changes were proposed to the tariff sheet but Staff has not performed an evaluation of the fee to determine if it is excessive or unreasonable.

Objection No. 6: RESA objects to Staff's recommendation that only the PUCO/OCC assessment expense be recovered through a bypassable charge (Staff Report at 28). An evaluation of the costs associated with the provision of the standard service offer is required by the Stipulation approved in Case No. 16-395-EL-SSO, but DP&L has claimed that such an evaluation is "cost-prohibitive." Therefore, Staff is unable to provide an independent analysis by which to make a comprehensive recommendation.

Objection No. 7: RESA objects to Staff's acceptance of DP&L's Cost of Service Study (COSS). (Staff Report at 29-30.) The COSS does not properly identify DP&L's total costs, and does not properly functionalize, classify, or allocate those costs. DP&L's standard service offer (SSO) rates should recover all costs incurred to provide SSO service, and not simply function as a pass-through of energy and capacity costs. DP&L incurs additional non-commodity costs to serve SSO customers, including technology costs, call center operations, and other overhead. CRES suppliers incur the same type of non-commodity costs. Shopping customers therefore effectively pay these costs twice: first through DP&L's distribution rates, and again in the CRES supplier's charges. DP&L's non-commodity costs should be unbundled from distribution rates and recovered though SSO rates to ensure unbundled, comparable retail electric service to customers.

Objection No. 8: RESA objects to Staff's failure to review and address the supplier charges contained in DP&L's Supplier Tariff. Neither DP&L nor Staff have established a cost justification for this fee, or otherwise established that the fee is just and reasonable. Therefore, the fee should be eliminated.

III. MANAGEMENT AND OPERATIONS REVIEW

Objection No. 9: RESA objects to Staff's failure to review DP&L's ability to accommodate energy usage data access to suppliers (Staff Report at 52).

SUMMARY OF MAJOR ISSUES

Major Issue No. 1: Operating Income

DP&L's operating income and rate base calculations should be adjusted to reflect the 21 percent federal tax rate effective January 1, 2018.

Major Issue No. 2: Rates and Tariffs

DP&L should be directed to conduct an analysis of its costs associated with providing a standard service offer and such costs should be unbundled and reallocated to default customers.

Major Issue No. 3: Rates and Tariffs

The calculation of DP&L's switching fee and historical usage data access fee should be evaluated and eliminated if found to be excessive and unreasonable.

Dated: April 11, 2018

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Objections to Staff Report was served by electronic mail this 11th day of April, 2018 to the following:

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