



**Public Utilities
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October 3, 2018

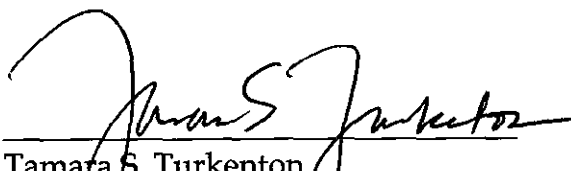
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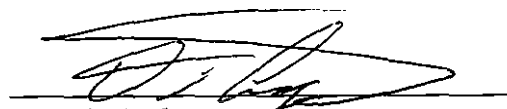
Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

RE: *In the Matter of the Application of The Dayton Power and Light Company to Update its
Distribution Modernization Rider, Case No. 18-1388-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the
Application of The Dayton Power and Light Company to update its Distribution
Modernization Rider, Case No. 18-1388-EL-RDR.


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


David Lipthratt
Chief, Research and Policy Division
Public Utilities Commission of Ohio

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Enclosure
Cc: Parties of Record

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The Dayton Power and Light Company
Case No. 18-1388-EL-RDR

SUMMARY

On September 17, 2018, The Dayton Power and Light Company (DP&L) submitted an application to update its Distribution Modernization Rider (DMR) pursuant to the Commission's Finding and Order dated October 20, 2017 in Case No. 16-395-EL-SSO.

The DMR became effective November 1, 2017, and is updated annually. The DMR shall be in effect for a three year period unless a two-year extension is applied for by the Company and approval is granted by the Commission. The DMR is designed to recover \$105,000,000 annually. The DMR rates to become effective November 1, 2018 shall be identical to the rates listed in Exhibit A, attached to the Amended Stipulation and Recommendation (Amended Stipulation) filed in Case No. 16-395-EL-SSO on March 13, 2017, and approved by the Commission by Finding and Order Dated on October 20, 2017.

DP&L has proposed new tariff language that clarifies that the Rider is subject to reconciliation, including, but not limited to, refunds to customers, based upon the results of audits as approved by the Commission.

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 DMR rates accurately reflect the intent of the Commission's Order in Case No. 16-395-EL-SSO. Staff recommends approval of the proposed tariff language clarifying that the rider is subject to reconciliation, including, but not limited to, refunds to customers, based upon the results of audits as approved by the Commission. Separate reviews will be conducted to ensure the DMR revenues are used in a manner consistent with the Amended Stipulation.

CONCLUSION

The Staff finds the proposed DMR rates should be approved and become effective on November 1, 2018.