

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
The Dayton Power and Light Company)	
to Update its Distribution Decoupling)	Case No. 18-1605-EL-RDR
Rider)	
)	

**APPLICATION OF THE DAYTON POWER AND LIGHT COMPANY
TO UPDATE ITS DISTRIBUTION DECOUPLING RIDER**

The Dayton Power and Light Company (“DP&L” or “the Company”) hereby submits this Application to update its Distribution Decoupling Rider (“DDR”) pursuant to the Opinion and Order of the Public Utilities Commission of Ohio (“PUCO” or “Commission”) dated September 26, 2018, in Case Nos. 15-1830-EL-AIR, *et al.* (“Distribution Rate Case”), October 20, 2017, in Case Nos. 16-395-EL-SSO, *et al.* (“ESP III”), and October 27, 2017 in Case No. 17-1398-EL-POR, *et al.*

In support of this Application DP&L states as follows:

1. By Opinion and Order dated September 26, 2018, in Case Nos. 15-1830-EL-AIR, *et al.*, the Commission approved the Distribution Rate Case Stipulation and Recommendation, which includes a provision that DP&L shall be permitted to implement a new decoupling methodology through its previously approved Decoupling Rider.¹ The Opinion and Order provides the following regarding the implementation of the new decoupling methodology:

- a. Revenue Decoupling shall employ a revenue per customer (RPC) methodology and is applicable to tariff classes D17, D18, and D19 only;

¹ Distribution Rate Case Opinion and Order, at III.(3).

- b. Beginning on January 1, 2019, the Decoupling Rider will be effective with a rate (or credit) calculated by taking the difference between the Stipulated Revenue Requirement applicable to tariff classes D17, D18, and D19 and the Allowed Revenue Requirement. The Allowed Revenue Requirement will be calculated by multiplying the number of customers as of September 30, 2018, by the RPC shown in Exhibit 4 (included on Schedule A-1 of this filing);
- c. The Decoupling Rider deferral balance (over or under) will include carrying costs at DP&L's Stipulated Cost of Debt (4.8%);
- d. The Decoupling Rider tariffs will be automatically implemented 60 days after the filing of the Company's Decoupling Rider filings, unless suspended by the Commission, and the Rider is subject to reconciliation or adjustment, including increases or refunds;
- e. The Decoupling Rider will be charged based on the percentage of base distribution revenue for each applicable tariff class individually; and
- f. Pursuant to the Stipulation approved by the Commission in Case No. 17-1398-EL-POR, with the implementation of this distribution rate case, DP&L shall not be entitled to double collect the same revenue reductions through lost distribution revenues and decoupling charges simultaneously.

2. By way of this application, DP&L seeks to update its DDR with a change to its methodology, as authorized by the Distribution Rate Case Order described above.

3. In support of this Application to update the DDR rates, the following Schedules are attached:

Schedule A-1 Calculation of Decoupling Costs and Percentage Rates
Workpapers

4. The updated DDR, as stated above, will be charged to customers based on the percentage of base distribution revenue (customer's charges for base distribution service) for each applicable tariff class individually. The percentage of base distribution revenue to be charged to the applicable customers for the period January 1, 2019 through December 31, 2019, are as follows:

Residential (D17)	4.49%
Residential Heating (D18)	6.31%
Secondary (D19)	4.85%

5. The DDR rates for this filing include a reconciliation of the deferral balance and a calculation of the current decoupling costs (Allowed Revenue Requirement minus Stipulated Revenue Requirement) as contained within the Distribution Rate Case Order. DP&L is applying carrying charges at 4.8% based on the most recently approved cost of debt, to any deferred balances. Finally, the DDR will be trued-up on an annual basis, as stated in the Distribution Rate Case Order.

6. DP&L's updated rates included in the DDR, as reflected in Schedule A-1 and as supported by the Workpapers, are just and reasonable and implementation should be approved.

WHEREFORE, DP&L respectfully requests that the Commission approve its Application with updated tariff rates for its DDR to be made effective on a bills-rendered basis with the Company's first billing unit beginning in January 2019.

Respectfully submitted,

/s/ Michael J. Schuler

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Fifth Revised Sheet No. D32
Cancels
Fourth Revised Sheet No. D32
Page 1 of 1

P.U.C.O. No. 17
ELECTRIC DISTRIBUTION SERVICE
DISTRIBUTION DECOUPLING RIDER

DESCRIPTION:

The Distribution Decoupling Rider (DDR) recovers the costs related to the changes in the number of customers utilizing the distribution system. This change may result in either a charge or credit to residential and secondary customers.

APPLICABLE:

This Rider will be assessed on the total dollar amount billed under the Electric Distribution Service Tariff Sheets D17-D19, effective on a bills-rendered basis beginning January 1, 2019 on all Customers served under Tariff Sheets D17-D19 based on the following percentage rates for each individual class.

CHARGES:

Residential	4.49%
Residential Heating	6.31%
Secondary	4.85%

TERMS AND CONDITIONS:

The rates charged under this tariff shall be updated annually. This Rider is subject to reconciliation, including but not limited to, refunds to customers, based upon the results of audits as approved and ordered by the Commission.

Filed pursuant to the Opinion and Order in Case No. 18-1605-EL-RDR dated _____, 2018 of the Public Utilities Commission of Ohio.

Issued _____, 2018

Effective January 1, 2019

Issued by
CRAIG L. JACKSON, President and Chief Executive Officer

THE DAYTON POWER AND LIGHT COMPANY
MacGregor Park
1065 Woodman Dr.
Dayton, Ohio 45432

Fourth Revised Sheet No. D32
Cancels
Third Revised Sheet No. D32
Page 1 of 1

P.U.C.O. No. 17
ELECTRIC DISTRIBUTION SERVICE
DISTRIBUTION DECOUPLING RIDER

DESCRIPTION:

The Distribution Decoupling Rider (DDR) recovers the costs related to the changes in the number of customers utilizing the distribution system. This change may result in either a charge or credit to residential and secondary customers.

APPLICABLE:

This Rider will be assessed on the total dollar amount billed under the Electric Distribution Service Tariff Sheets D17-D19, effective on a bills-rendered basis beginning November 1, 2018 on all Customers served under Tariff Sheets D17-D19 based on the following percentage rates for each individual class.

CHARGES:

Residential	0.00%
Residential Heating	0.00%
Secondary	0.00%

All modifications to the DDR are subject to Commission approval.

TERMS AND CONDITIONS:

The rates charged under this tariff shall be updated annually. This Rider is subject to reconciliation, including but not limited to, refunds to customers, based upon the results of audits as approved and ordered by the Commission.

Filed pursuant to the Opinion and Order in Case No.15-1830-EL-AIR dated September 26, 2018 of the Public Utilities Commission of Ohio.

Issued September 28, 2018

Effective October 1, 2018

Issued by
CRAIG L. JACKSON, President and Chief Executive Officer

The Dayton Power and Light Company
Case No. 18-1605-EL-RDR
DDR - Calculation of Decoupling Costs and Percentage Rates
January 2019 - December 2019

Data: Actual & Estimated

Type of Filing: Original

Work Paper Reference No(s): WPA-1

Sch A-1

Page 1 of 1

RPC CALCULATION					
Sheet No. (A)	Tariff Class Description (B)	Test Year Customers (C) (C-11)	Approved Revenue Allocation (D)	Approved Base Distribution Revenue (E) (E) = (G)*(D)	Test Year RPC (F) (F) = (E)/(C)
D22	High Voltage	9	0.05%	\$ 123,976	
D20	Primary	462	6.59%	\$ 16,340,023	
D21	Primary Substation	8	0.35%	\$ 867,831	
D17	Residential	346,652	46.20%	\$ 114,554,916	\$ 330.46
D18	Residential Heat	111,160	20.18%	\$ 50,035,481	\$ 450.12
D19	Secondary	56,858	25.15%	\$ 62,359,875	\$ 1,096.77
D25	Street Lighting	223	0.35%	\$ 867,831	
D23	Private Outdoor Lighting	-	1.12%	\$ 2,777,060	
Applicable Customer Classes		(G) Stipulated Rev. Requirement		\$ 247,951,788	
Revenue Requirement of Applicable Customer Classes				\$ 226,950,272	

DDR RATE CALCULATION																		
Customers as of <u>9/30/2018</u> (H) Internal Records	Allowed Revenue Requirement <u>(RPC * Meters)</u> (I) (I) = (F)*(H)	Base D Revenue (Surplus)/ Deficit (J) (J) = (I)-(E)	Allocated Balance & <u>Carrying Costs</u> (K) WPA-1	Total Recovery by Class (L) (L) = (J)+(K)*1.0026	Proposed Decoupling Rider Rate (%) (M) (M) = (L)/(E)													
350,691	\$ 115,889,648	\$ 1,334,731	\$ 3,796,948	\$ 5,145,022	4.49%													
114,407	\$ 51,497,024	\$ 1,461,544	\$ 1,687,222	\$ 3,156,952	6.31%													
57,719	\$ 63,304,189	\$ 944,315	\$ 2,074,066	\$ 3,026,228	4.85%													
<table><tr><td>Allowed Rev. Requirement</td><td>\$ 230,690,862</td></tr><tr><td>Decoupling Cost</td><td>\$ 3,740,590</td></tr><tr><td>Deferral Balance</td><td>\$ 7,299,341</td></tr><tr><td>Carrying Charges</td><td>\$ 258,895</td></tr><tr><td>CAT Gross-up Factor</td><td>1.0026</td></tr><tr><td>Total to be recovered</td><td>\$ 11,328,203</td></tr></table>							Allowed Rev. Requirement	\$ 230,690,862	Decoupling Cost	\$ 3,740,590	Deferral Balance	\$ 7,299,341	Carrying Charges	\$ 258,895	CAT Gross-up Factor	1.0026	Total to be recovered	\$ 11,328,203
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The Dayton Power and Light Company
Case No. 18-1605-EL-RDR
DDR - Calculation of Carrying Charges
November 2017 - December 2019

Data: Actual & Estimated

Type of Filing: Original

Work Paper Reference No(s).: None

WPA-1

Page 1 of 1

Line	Period	MONTHLY ACTIVITY								CARRYING COST CALCULATION	
		First of	Decoupling	Amount	NET	End of Month	Carrying	End of	Less:	Total	
		Month		Collected		before	Cost	Month	One-half Monthly	Applicable to	
		<u>Balance</u>	<u>Costs</u>	<u>(CR)</u>	<u>AMOUNT</u>	<u>Carrying Cost</u>	<u>Cost</u>	<u>Balance</u>	<u>Amount</u>	<u>Carrying Cost</u>	
		(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
				(E) = (D) + (E)	(G) = (C) + (F)	(H) = (K) * (COD% / 12)	(I) = (G) + (H)	(J) = - (F) * 0.5	(K) = (G) + (J)		
1	Nov-17	\$ -	\$ 1,936,845	\$ (985,650)	\$ 951,195	\$ 951,195	\$ 1,959.07	\$ 953,154	\$ (475,598)	\$ 475,598	
2	Dec-17	\$ 953,154	\$ 1,948,764	\$ (1,249,992)	\$ 698,772	\$ 1,651,926	\$ 5,365.38	\$ 1,657,292	\$ (349,386)	\$ 1,302,540	
3	Jan-18	\$ 1,657,292	\$ 1,925,753	\$ (1,750,228)	\$ 175,525	\$ 1,832,817	\$ 7,188.17	\$ 1,840,005	\$ (87,763)	\$ 1,745,054	
4	Feb-18	\$ 1,840,005	\$ 1,927,585	\$ (1,502,576)	\$ 425,010	\$ 2,265,015	\$ 8,454.63	\$ 2,273,469	\$ (212,505)	\$ 2,052,510	
5	Mar-18	\$ 2,273,469	\$ 1,960,989	\$ (1,230,334)	\$ 730,655	\$ 3,004,124	\$ 10,869.64	\$ 3,014,994	\$ (365,328)	\$ 2,638,797	
6	Apr-18	\$ 3,014,994	\$ 1,969,546	\$ (1,186,550)	\$ 782,996	\$ 3,797,990	\$ 14,031.91	\$ 3,812,022	\$ (391,498)	\$ 3,406,492	
7	May-18	\$ 3,812,022	\$ 1,983,200	\$ (1,032,730)	\$ 950,470	\$ 4,762,493	\$ 17,659.93	\$ 4,780,152	\$ (475,235)	\$ 4,287,257	
8	Jun-18	\$ 4,780,152	\$ 2,007,571	\$ (1,248,649)	\$ 758,921	\$ 5,539,074	\$ 21,253.31	\$ 5,560,327	\$ (379,461)	\$ 5,159,613	
9	Jul-18	\$ 5,560,327	\$ 2,018,112	\$ (1,436,258)	\$ 581,854	\$ 6,142,181	\$ 24,102.29	\$ 6,166,283	\$ (290,927)	\$ 5,851,254	
10	Aug-18	\$ 6,166,283	\$ 2,018,479	\$ (1,389,784)	\$ 628,695	\$ 6,794,978	\$ 26,694.80	\$ 6,821,673	\$ (314,347)	\$ 6,480,631	
11	Sep-18	\$ 6,821,673	\$ 1,718,949	\$ (1,357,022)	\$ 361,927	\$ 7,183,600	\$ 28,845.03	\$ 7,212,445	\$ (180,964)	\$ 7,002,636	
12	Oct-18	\$ 7,212,445	\$ -	\$ -	\$ -	\$ 7,212,445	\$ 28,849.78	\$ 7,241,295	\$ -	\$ 7,212,445	
13	Nov-18	\$ 7,241,295	\$ -	\$ -	\$ -	\$ 7,241,295	\$ 28,965.18	\$ 7,270,260	\$ -	\$ 7,241,295	
14	Dec-18	\$ 7,270,260	\$ -	\$ -	\$ -	\$ 7,270,260	\$ 29,081.04	\$ 7,299,341	\$ -	\$ 7,270,260	
15	Jan-19	\$ 7,299,341	\$ 3,740,590	\$ (941,569)	\$ 2,799,021	\$ 10,098,362	\$ 34,795.41	\$ 10,133,158	\$ (1,399,511)	\$ 8,698,852	
16	Feb-19	\$ 10,133,158	\$ -	\$ (941,569)	\$ (941,569)	\$ 9,191,589	\$ 38,649.49	\$ 9,230,238	\$ 470,784	\$ 9,662,373	
17	Mar-19	\$ 9,230,238	\$ -	\$ (941,569)	\$ (941,569)	\$ 8,288,669	\$ 35,037.82	\$ 8,323,707	\$ 470,784	\$ 8,759,454	
18	Apr-19	\$ 8,323,707	\$ -	\$ (941,569)	\$ (941,569)	\$ 7,382,138	\$ 31,411.69	\$ 7,413,550	\$ 470,784	\$ 7,852,923	
19	May-19	\$ 7,413,550	\$ -	\$ (941,569)	\$ (941,569)	\$ 6,471,981	\$ 27,771.06	\$ 6,499,752	\$ 470,784	\$ 6,942,766	
20	Jun-19	\$ 6,499,752	\$ -	\$ (941,569)	\$ (941,569)	\$ 5,558,184	\$ 24,115.87	\$ 5,582,299	\$ 470,784	\$ 6,028,968	
21	Jul-19	\$ 5,582,299	\$ -	\$ (941,569)	\$ (941,569)	\$ 4,640,731	\$ 20,446.06	\$ 4,661,177	\$ 470,784	\$ 5,111,515	
22	Aug-19	\$ 4,661,177	\$ -	\$ (941,569)	\$ (941,569)	\$ 3,719,608	\$ 16,761.57	\$ 3,736,370	\$ 470,784	\$ 4,190,392	
23	Sep-19	\$ 3,736,370	\$ -	\$ (941,569)	\$ (941,569)	\$ 2,794,801	\$ 13,062.34	\$ 2,807,863	\$ 470,784	\$ 3,265,585	
24	Oct-19	\$ 2,807,863	\$ -	\$ (941,569)	\$ (941,569)	\$ 1,866,294	\$ 9,348.31	\$ 1,875,643	\$ 470,784	\$ 2,337,079	
25	Nov-19	\$ 1,875,643	\$ -	\$ (941,569)	\$ (941,569)	\$ 934,074	\$ 5,619.43	\$ 939,693	\$ 470,784	\$ 1,404,858	
26	Dec-19	\$ 939,693	\$ -	\$ (941,569)	\$ (941,569)	\$ (1,876)	\$ 1,875.64	\$ 0	\$ 470,784	\$ 468,909	
27											
28		Total Carrying Charges Jan '19 through Dec '19					\$	258,895			

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Case No(s). 18-1605-EL-RDR

Summary: Application of The Dayton Power and Light Company to Update its Distribution
Decoupling Rider
electronically filed by Mr. Tyler A. Teuscher on behalf of The Dayton Power and Light
Company