

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY TO UPDATE ITS STANDARD
OFFER RATE TARIFFS.

CASE NO. 19-841-EL-RDR

ENTRY

Entered in the Journal on September 26, 2019

{¶ 1} The Dayton Power and Light Company (DP&L or Company) is a public utility and an electric distribution utility as defined in R.C. 4905.02 and R.C. 4928.01(A)(6), respectively. Therefore, DP&L is subject to this Commission's jurisdiction.

{¶ 2} R.C. 4928.141 provides that an electric distribution utility shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric service, including a firm supply of electric generation service. The SSO may be established as a market rate offer under R.C. 4928.142 or an electric security plan (ESP) under R.C. 4928.143.

{¶ 3} As part of DP&L's most recent ESP proceeding, the Commission approved a new bypassable standard offer rate (SOR), to be based on competitive bid auctions. *In re Dayton Power and Light Co.*, Case No. 16-395-EL-SSO (*ESP III*), Opinion and Order (Oct. 20, 2017). Pursuant to *ESP III*, the SOR now includes an alternative energy rate (AER) component, a reconciliation component, and an unbilled fuel component. Additionally, pursuant to DP&L's most recent base distribution rate case, the SSO generation revenue percentage of the PUCO/OCC assessment fees are to be recovered through an appropriate bypassable rider. *In re Dayton Power and Light Co.*, Case No. 15-1830-EL-AIR (*Rate Case*), Opinion and Order (Sept. 26, 2018) at ¶32. The Commission clarified, however, that the chosen rider may recover "adjusted test year expenses only." *Rate Case* at ¶32. The SOR was determined to be an appropriate bypassable rider and, therefore, DP&L has been collecting the SSO generation revenue percentage of the assessment fee through the SOR as part of the rider's reconciliation component.

{¶ 4} On April 15, 2019, in this proceeding, DP&L filed an application to update its SOR tariffs; the Company filed a revised application on May 3, 2019. The proposed tariffs included SOR and percentage of income payment plan generation rates. On May 14, 2019, Staff filed its Review and Recommendations, which ultimately recommended that the revised tariffs be approved subject to Staff's continued review of the reconciliation component of the SOR and any resulting adjustments.

{¶ 5} By Finding and Order issued May 29, 2019, the Commission approved the annual update of the SOR effective June 1, 2019. In approving the tariffs, the Commission noted that the SOR is subject to reconciliation, including refunds to customers, based upon audits ordered by the Commission. And, based on Staff's recommendation, the Commission ordered DP&L to provide Staff with quarterly updates regarding the balances collected under the rider in order to allow further audit of the reconciliation and AER components of the SOR. *In re Dayton Power and Light Co.*, Case No. 19-841-EL-RDR, Finding and Order (May 29, 2019). Pursuant to the Commission's May 29, 2019 Finding and Order, DP&L filed the proposed tariffs in final form on May 30, 2019.

{¶ 6} On September 6, 2019, Staff filed a second Review and Recommendation in this proceeding. Therein, Staff explains that, in October 2018, DP&L began recovering \$56,289 per month for the PUCO/OCC assessment fees through the bypassable SOR. Staff states that it reviewed the revenue percentage calculated by the Company and agrees that it conforms to Staff's recommendation in the *Rate Case*. Staff, however, also verified through a Data Request with the Company that the entire test-year amount of the PUCO/OCC assessment fees (\$1,986,667) is collected through base rates. Staff determined that, because DP&L did not adjust the PUCO/OCC assessment expense collected in base rates to exclude the percentage of expenses related to SSO generation revenue, there are no adjusted test year expenses to recover. Therefore, Staff concludes that any additional amount recovered through the SOR would constitute a double recovery of a portion of the PUCO/OCC assessment fees and expresses its concern that this double recovery would be harmful to

consumers and violate the Commission's Order in the *Rate Case*. Accordingly, Staff recommends that all PUCO/OCC assessment fees collected through the bypassable SOR be credited back to the consumers through the same rider.

{¶ 7} In order to assist the Commission in its review of DP&L's SOR in light of Staff's September 6, 2019 Review and Recommendation, the attorney examiner finds that the following procedural schedule should be established:

(a) October 18, 2019 – Deadline for filing initial comments.

(b) October 28, 2019 – Deadline for filing reply comments.

{¶ 8} It is, therefore,

{¶ 9} ORDERED, That the procedural schedule set forth in Paragraph 7 be adopted.
It is, further,

{¶ 10} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/Patricia A. Schabo

By: Patricia A. Schabo
Attorney Examiner

JRJ/hac

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Summary: Attorney Examiner Entry setting forth procedural schedule electronically filed by Heather A Chilcote on behalf of Patricia Schabo, Attorney Examiner, Public Utilities Commission