

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND
LIGHT COMPANY TO UPDATE ITS
RECONCILIATION RIDER.

CASE NO. 19-1776-EL-RDR

FINDING AND ORDER

Entered in the Journal on October 23, 2019

I. SUMMARY

{¶ 1} The Commission finds that the Dayton Power & Light Company's application to update its reconciliation rider should be approved.

II. DISCUSSION

{¶ 2} The Dayton Power & Light Company (DP&L or the Company) is a public utility, an electric light company, and an electric distribution utility as defined in R.C. 4905.02, R.C. 4905.03(C), and R.C. 4928.01(A)(6), respectively. Therefore, DP&L is subject to the jurisdiction of this Commission.

{¶ 3} On October 20, 2017, the Commission approved, with modifications, DP&L's application for an electric security plan (ESP) under R.C. 4928.143. *In re the Application of Dayton Power and Light Co. to Establish a Std. Serv. Offer in the Form of an Electric Security Plan*, Case No. 16-395-EL-SSO (*ESP III*), Opinion and Order (Oct. 20, 2017). As part of the approved ESP, the Commission authorized DP&L to recover or credit the net proceeds of selling Ohio Valley Electric Corporation (OVEC) energy and capacity into the PJM marketplace and OVEC costs through its reconciliation rider (RR). *ESP III* at ¶ 14, 63, 119.

{¶ 4} In July 2019, the 133rd General Assembly passed Amended Substitute House Bill Number 6 (Am.Sub.H.B. 6), which enacted R.C. 4928.148 effective October 22, 2019. Pursuant to this newly enacted statute, on January 1, 2020, any mechanism authorized by the Commission prior to October 22, 2019, for recovery of prudently incurred costs related to a legacy generation resource—including OVEC—shall be replaced by a nonbypassable rate mechanism established by the Commission for recovery of those costs through

December 31, 2030, from customers of all electric distribution utilities in Ohio. DP&L's reconciliation rider is one such pre-existing mechanism; thus, pursuant to R.C. 4928.148, the RR must be replaced by the statute's prescribed mechanism on January 1, 2020.¹

{¶ 5} On September 16, 2019, DP&L filed an application to update the RR. Citing to Am.Sub.H.B. 6, the Company explains that its application seeks to update the RR only through December 2019. DP&L further explains that the schedules and work papers necessary to update the rider are attached to the application. As demonstrated in one of the attachments, DP&L projects that the bill impact of the RR rate for a typical residential customer using 1000 kilowatt hours (kWh) per month will be an increase of \$0.43 per month for November 2019 and December 2019. The Company represents that its updated RR rates are just and reasonable and should be approved. The proposed tariffs reflect the following rate increase for residential customers:

Customer Class	Current Rate	Proposed Rate	Proposed Increase
Residential	\$0.0006822 per kWh	\$0.0011120 per kWh	\$0.0004298 per kWh
Residential (1,000 kWh)	\$0.68 per bill	\$1.11 per bill	\$0.43 per bill

{¶ 6} On September 26, 2019, Staff filed a review and recommendation regarding DP&L's application to update its RR. According to Staff, the Company proposes to recover \$2,184,472 from November 1, 2019, through December 31, 2019. The proposed amount includes \$1,857,851 of forecasted costs and an estimated \$326,621 of under-recovered costs through October 31, 2019. Staff explains that, although the RR as approved in *ESP III* is to be updated annually, the application reflects rates designed to collect the forecasted net costs only during November and December 2019; further, should the statutorily anticipated

¹ On September 26, 2019, the Commission initiated the process by which this nonbypassable rate mechanism will be established and invited comments from interested stakeholders regarding the same. *In the Matter of Establishing the Nonbypassable Recovery Mechanism for Net Legacy Generation Resource Costs Pursuant to R.C. 4928.148*, Case No. 19-1808-EL-UNC, Entry (Sept. 26, 2019).

replacement recovery mechanism not be in effect on January 1, 2020, DP&L will update its filing to develop rates for recovery of projected costs from January 2020, through October 31, 2020. Based on its investigation, Staff concludes that DP&L's proposed RR rates accurately reflect the intent of the Commission's Order in *ESP III* for November and December 2019, and that separate reviews will be conducted to ensure the appropriateness of the OVEC costs and/or credits included in the rider. Ultimately, Staff recommends approval of the application, with rates to become effective on November 1, 2019.

III. CONCLUSION

{¶ 7} The Commission finds that DP&L's application to update its RR is consistent with *ESP III* and R.C. 4928.148, does not appear to be unjust or unreasonable, and should be accepted. Additionally, the Commission finds that it is unnecessary to hold a hearing in this matter. The Commission finds that DP&L's updated RR should become effective on November 1, 2019.

IV. ORDER

{¶ 8} It is, therefore,

{¶ 9} ORDERED, That DP&L's application be approved, and DP&L be authorized to adjust the rates for its RR, in accordance with Paragraph 7. It is, further,

{¶ 10} ORDERED, That DP&L be authorized to file two complete copies of tariffs in final form consistent with this Finding and Order. DP&L shall file one copy in this case docket and one copy in its TRF docket. It is, further,

{¶ 11} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

{¶ 12} ORDERED, That DP&L shall notify customers via a bill message or bill insert within 30 days of the effective date of the tariffs. Additionally, DP&L shall submit a copy

of the customer notice to the Commission's Service Monitoring and Enforcement Department prior to its distribution to customers. It is, further,

{¶ 13} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 14} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

COMMISSIONERS:

Approving:

Sam Randazzo, Chairman
M. Beth Trombold
Daniel R. Conway
Dennis P. Deters

PAS/hac

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Case No(s). 19-1776-EL-RDR

Summary: Finding & Order that the Commission finds that the Dayton Power & Light Company's application to update its reconciliation rider should be approved electronically filed by Docketing Staff on behalf of Docketing