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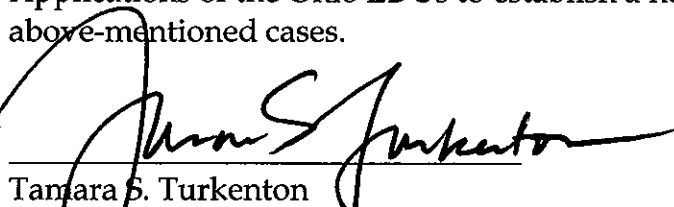
December 12, 2019

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Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215RE: *In the Matter of the Applications of the Ohio EDUs for Approval to Establish a New
Legacy Generation Rider,**First Energy - Ohio EDUs
Duke Energy Ohio, Inc.
The Dayton Power and Light Company
Ohio Power Company**Case No. 19-2121-EL-ATA
Case No. 19-2123-EL-ATA
Case No. 19-2133-EL-ATA
Case No. 19-2135-EL-ATA*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations regarding the
Applications of the Ohio EDUs to establish a new Legacy Generation Rider in the
above-mentioned cases.

Tamara S. Turkenton
Director, Rates and Analysis Dept.
Public Utilities Commission of OhioThis is to certify that the images appearing are an
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Enclosure

Cc: Parties of Record

STAFF REVIEW AND RECOMMENDATIONS

**First Energy (Ohio EDUs)
Duke Energy Ohio, Inc.
The Dayton Power and Light Company
Ohio Power Company**

**Case No. 19-2121-EL-ATA
Case No. 19-2123-EL-ATA
Case No. 19-2133-EL-ATA
Case No. 19-2135-EL-ATA**

Background

On July 23, 2019, Am. Sub H.B.6 (H.B.6) was signed into law requiring the Commission to establish a nonbypassable rate mechanism for retail recovery of prudently incurred costs related to a legacy generation resource for the period up to December 31, 2030 (R.C. 4928.148). H.B. 6 became effective October 22, 2019.

On September 25, 2019, Staff filed comments detailing the mechanics of a proposed nonbypassable Legacy Generation Resource rider (LGR).

On September 26, 2019, the Commission issued an Entry requesting all interested parties to provide comments by October 17, 2019 and reply comments by October 28, 2019, regarding the September 25, 2019 Staff proposal.

Initial Comments by various parties were filed on October 17, 2019 and reply comments were filed on October 28, 2019.

On November 21, 2019, the Commission issued an Entry establishing a replacement nonbypassable rate mechanism for the retail recovery of net legacy generation resource costs pursuant to R.C. 4928.148 for the period beginning January 1, 2020 and extending up to December 31, 2030. The Entry Ordered the Electric Distribution Utilities (EDUs) to file proposed tariffs by December 9, 2019, subject to review and approval by the Commission.

All EDUs filed their proposed LGR tariffs on December 9, 2019. Duke Energy Ohio, Inc. (Duke-OH), the Dayton Power and Light Company (DP&L) and Ohio Power Company (OPCo) filed amended or refiled tariffs on December 10, 2019.

Staff Review and Recommendations

Staff has reviewed the proposed LGR tariffs filed on December 9, 2019 and amended/refiled on December 10, 2019 and believes that the tariffs comply with the Commission's Entry on November 21, 2019.

Prior to the December 9, 2019 EDU filings Staff was provided the necessary data from each EDU to calculate the LGR Part A Rate to be charged by each EDU from January 1, 2020 through June 30, 2020. The Part A rate to be collected by each EDU will be as follows:

Residential \$0.50 per month

Non-Residential \$0.000749/kwh for the first 833,000 kWhs of usage each month

The LGR Part B rates are EDU specific and the initial Part B rate includes only the estimated balance as of December 31, 2019 for each EDUs current OVEC-related Rider. DP&L estimates a zero-balance related to its Reconciliation Rider as of December 31, 2019. OPCo estimates its current Purchase Power Rider will have a balance of \$768,898 as of December 31, 2019, and this amount will be recovered through its LGR Part B rates during the first six-month period. Duke-OH estimates its current Price Stabilization Rider will have a balance of \$13,880,309 as of December 31, 2019. This amount will be recovered over a twelve-month period in Duke-OH's LGR Part B rates. Beginning January 1, 2020, the current OVEC-related EDU tariffs shall be eliminated.

Staff's review and recommendations regarding the Part A and Part B rates are based on data provided by the EDUs. Such data will be subject to future audits, including an evaluation of the ongoing prudence and reasonableness of OVEC EDU actions, pursuant to R.C. 4928.148(A)(1).

Conclusion

The Staff recommends that the proposed LGR tariffs filed on December 9, 2019 and amended/refiled on December 10, 2019, should be approved and become effective January 1, 2020.