BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the matter of the Application of The Dayton Power & Light Company to Increase its Rates for Electric Distribution Rates	))))	Case No. 20-1651-EL-AIR
In the Matter of the Application of The Dayton Power & Light Company for Accounting Authority	)))	Case No. 20-1652-EL-AAM
In the Matter of the Application of The Dayton Power & Light Company for Approval of Revised Tariffs.	)))	Case No. 20-1653-EL-ATA

OBJECTIONS TO STAFF REPORT OF INVESTIGATION
FILED BY OHIO ENVIRONMENTAL COUNCIL

OBJECTIONS TO STAFF REPORT

Pursuant to Ohio Revised Code 4901.19(C) and Ohio Admin. Code 4901:1-1-28, the Ohio Environmental Council ("OEC") submits the following objections to the Public Utilities Commission of Ohio ("Commission" or "PUCO") Staff Report of Investigation filed on July 26, 2021.

These cases address the increase in electric distribution rate charges that Dayton Power & Light d/b/a AES Ohio ("DP&L" or "Company") proposes to collect from its customers. The OEC objections identify elements of the Staff Report that are unjust, unreasonable, or unlawful, and satisfy the specificity requirements of Ohio Admin. Code 4901:1-1-28. The OEC's objections identify matters in the Staff Report where Staff has made recommendations that result in rates or service terms that contravene what is just, reasonable, and lawful for customers in DP&L's territory. The objections also identify where the Staff Report has failed to make recommendations sufficient to produce rates or service terms that are just, reasonable, and lawful for customers in DP&L's territory.

The lack of an objection to any aspect of the Staff Report does not preclude OEC from cross-examination or introduction of evidence or argument-related issues if Staff reverses, modifies, or withdraws its position on any issue contained in the Staff Report. OEC also reserves the right to amend and/or supplement their objections if PUCO Staff reverses, modifies, or withdraws its position, at any time prior to the closing of the record, on any issue contained in the Staff Report.

The OEC also reserves the right to file expert testimony, produce fact witnesses, and introduce additional evidence. Further, any witness called by the OEC also reserves the right to amend and/or supplement testimony if Staff reverses, modifies, or withdraws its position on any issue contained in the Staff Report.

OBJECTION 1: The Staff Report unreasonably rejects, with no rationale, DP&L's proposed Demand Side Management programs.

The OEC objects that the Staff Report is unjust and unreasonable by recommending DP&L's Demand Side Management be eliminated from the proposal, with no explanation as to why. As proposed in the Application (Schedule C-3.25 and WPC-3.25), the Company has requested to include $11,928,167 in the test year operating expenses to support the proposed demand side management (DSM) customer programs. According to Company testimony, DP&L's Demand Side Management ("DSM Plan"), while scaled back, is "cost effective (i.e., the benefits exceed costs): (1) they reduce greenhouse gases and other environmental pollutants; (2) the associated expenditures stimulate the Ohio economy; and (3) they promote the policies of the State of Ohio."[1]

[1]Direct Testimony of Stephanie Campbell at 2-3.

The Staff Report provides no explanation whatsoever for their recommendation that customers should be denied access to the cost-effective electric service through DSM programs, despite the fact that the proposal is narrower in scope than prior programs, contains no shared savings request by the Company, and the proposal "relies on cost-effective programs that generate total benefits for customers of $23.7 million annually".[2] These programs advance the State's policy objectives under R.C. 4905.70 which directs the Commission to "initiate programs that will promote and encourage conservation of energy and a reduction in the growth rate of energy consumption", as well as and R.C. 4928.02(D), which encourages innovation and market access for various energy consumption measures. While the Staff Report details why it will not approve the Company's alternative request for deferral, there is zero explanation for why the DSM plan is being rejected,[3] and the exclusion of the DSM program is unreasonable and unlawful.

OBJECTION 2: The Staff Report fails to recognize the benefits of energy efficiency for Ohioans by failing to support expansion of the DSM Plan.

Staff's recommendation to remove the DSM program in its entirety is unreasonable, because the efficiency components of the DP&L proposal should actually be expanded, rather than eliminated, in order to provide robust benefits for Ohioans in DP&L's territory and promote energy conservation pursuant to state policy.[4] DP&L's proposed DSM Plan is an extremely small program at just $11,928,167, including administrative costs, and yet is still cost-effective.[5] Increased investment in efficiency programs will allow Ohioans to receive even greater benefits as the efficiency programs have system-wide benefits that reduce costs for all Ohioans.

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[2] *Id. at* 4.
[3] Staff Report at 17.
[4] Ohio Rev. Code 4905.70. *See also* Ohio Rev. Code 4928.02.
[5] Direct Testimony of Jon Williams, at 5.

The efficiency components of the DSM Plan contain important benefits for Ohioans, and should not be eliminated but rather expanded, and the OEC recommends a robust DSM Plan expanding on energy efficiency, rather than eliminating it completely as the Staff Report has done.

OBJECTION 3: The Staff Report fails to recommend that DP&L propose time-of-use rates for its residential customers in order to maximize benefits.

The Staff Report addresses the rate design proposals submitted by DP&L[6], but fails to recommend that the Company include a robust plan for time-of-use rates for residential and small business customers that makes it easy for customers to understand and obtain the benefits, despite the fact that the Company is beginning to roll out the infrastructure to permit this. The PUCO has signaled support for implementation of time-of-use rates for residential and small businesses[7], and the DP&L case at hand provides an important opportunity to implement rate design that will have benefits system-wide as well as for individual customers. Time-of-use tariffs, when properly designed, can encourage people to shift their energy usage to ensure their utility is able to purchase less power at times of peak demand, saving customers money and reducing reliance on dirty fossil fuels. Staff should have recommended DP&L revise it's proposal to provide a time-of-use tariff for residential and small business customers with on and off peak hours that correspond with peak demand. Staff's failure to include such a recommendation is unreasonable, and should be revised.

MAJOR ISSUES

Pursuant to Revised Code Section 4903.083, OEC proposes the following summary of major issues in these cases:

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[6] Staff Report at 25-28.
[7] See PowerForward: A Road Map to Ohio's Electricity Future, at 30-31, *available at https://puco.ohio.gov/wps/wcm/connect/gov/38550a6d-78f5-4a9d-96e4-d2693f0920de/PUCO+Roadmap.pdf.*

1. Failure to include DSM programs, and expand them to be more robust, as required by R.C. 4905.70 and encouraged under R.C. 4928.02(D).

2. Failure to require DP&L to provide a robust time-of-use rate for residential and small business customers.

Respectfully Submitted,

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Counsel for the Ohio Environmental Council

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served upon all parties of record via electronic mail on August 25, 2021.

/s/Miranda Leppla (0086351)
Miranda Leppla