BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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

THE OHIO HOSPITAL ASSOCIATION'S REPLY POST-HEARING BRIEF

I. Introduction

The Ohio Hospital Association ("OHA") submits this reply post-hearing brief to respond to several intervening parties' initial post-hearing briefs.

II. Law and Argument

A. Various parties in this case, including OHA, agree that the Commission should not permit the Company to increase its rates because the Company is still operating under ESP 1.

OHA agrees with the intervening parties[1] who argue that the ESP I Stipulation required that AES Ohio d/b/a Dayton Power & Light's ("AES Ohio" or "Company") base distribution rates remain frozen during the term of ESP I. Because the Company is still operating under ESP I, the Commission should not grant the Company's application for a rate increase. OHA agrees with

[1] These parties include Staff, the Ohio Consumers' Counsel ("OCC)", the Ohio Manufacturers' Association Energy Group ("OMAEG"), Industrial Energy Users of Ohio ("IEU-Ohio"), and the Kroger Co. ("Kroger").

Staff that it is unfair to determine that only some of the terms and conditions of ESP I are applicable, where others are not.[2]

If the Commission does not determine that the Company's current rates shall remain frozen, the Commission should adopt an increase no higher than the mid-range of Staff's recommended rate increase. In addition, if the Commission chooses to grant the Company's application for a rate increase, OHA agrees with OMAEG that the Company should not be allowed to implement these new rates until the Company is no longer operating under the ESP I.[3]

B. OHA agrees that the Commission should approve the Company's cost allocation of 66.7 % of the base distribution rates for residential customers.

If the Commission does not determine that the Company's current distribution rates shall remain frozen, the Commission should adopt the Company's application cost allocation of 66.7% of the base distribution rates for residential customers. OCC's proposal for allocation does not align with a cost of service study or statutory ratemaking principles; therefore, OCC's proposal is not supported by the record and should be rejected.[4] The Commission should adopt the Company's proposed cost allocation.

C. The Commission should reject the Company's proposed Redundant Fee Charge.

OHA agrees with the City of Dayton ("Dayton") that the Company's proposed tariff sheet D10, line 3, should not be approved. As Dayton accurately describes, the Company failed to provide any associated workpapers or schedules to indicate that a cost of service was completed.[5] Without a cost of service, there is no way to calculate the incremental costs associated with

[2] Staff Initial Post-Hearing Brief, p. 4.
[3] OMAEG Initial Post-Hearing Brief, p. 5.
[4] Ohio Energy Group Post-Hearing Brief, p. 2.
[5] City of Dayton Post-Hearing Brief, p. 5.

redundant service.[6] Overall, the costs associated with redundant service are not clearly defined.[7] Without evidence of the costs associated with redundant fee charge, the Company's rate would be arbitrary and unlawful if approved by the Commission. Therefore, it is not proper to allow AES Ohio to implement charges that lack evidentiary support.

D. The Commission should approve the Company's voluntary demand side management program.

If the Commission does not determine that the Company's current distribution rates shall remain frozen, OHA agrees with the implementation of a voluntary demand side management program as a pilot. OHA believes utility-implemented energy efficiency programs have been a key tool for Ohio hospitals when attempting to reduce their utility bills. Although OHA supports the concept of Company-implemented energy efficiency programs, OHA agrees with Walmart that the voluntary demand side management programs should include an opt-out provision for non-residential commercial customers who undertake their own energy efficiency measures and investments.[8]

III. <u>Conclusion</u>

In conclusion, the Commission should require the Company to remain in a rate freeze because it is still operating under ESP I. In the alternative, the Commission should ensure that the final rate increase does not exceed the mid-range of Staff's proposed revenue increase. If the Commission orders the Company to implement a rate increase, that rate increase should not be effective until the Company is no longer operating under ESP I. Further, the Commission should adopt Staff's proposed cost allocation and reject OCC's proposed cost allocation. In addition, the

[6] *Id.*
[7] *Id.* at p. 13.
[8] Walmart, Inc. Post-Hearing Brief, p. 9.

Company's demand side management program should be approved as a limited pilot program and include an opt-out provision for industrial and commercial customers.

Respectfully submitted on behalf of
THE OHIO HOSPITAL ASSOCIATION

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CERTIFICATE OF SERVICE

I certify that the foregoing was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on this 30th day of March 2022. The PUCO's e-filing system will electronically serve notice of the filing of this document on counsel for all parties.

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