

IN THE SUPREME COURT OF OHIO

In the Matter of the Application of	:	CASE NO. 2023-0130
The Dayton Power and Light Company to	:	
Establish a Standard Service Offer in the	:	
Form of an Electric Security Plan, <i>et al.</i>	:	Appeal from the Public Utilities
	:	Commission of Ohio
	:	
	:	Pub. Util. Comm. Nos. 08-1094-EL-
	:	SSO, 08-1095-EL-ATA, 08-1096-EL-
	:	AAM, 08-1097-EL-UNC
	:	

**NOTICE OF CROSS APPEAL BY THE DAYTON POWER AND
LIGHT COMPANY D/B/A AES OHIO**

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NOTICE OF CROSS APPEAL BY
THE DAYTON POWER AND LIGHT COMPANY D/B/A/ AES OHIO

Pursuant to R.C. 4903.11, 4903.13, and S.Ct.Prac.R. 10.02(A)(3), Appellant The Dayton Power and Light Company d/b/a AES Ohio ("AES Ohio") gives notice of its cross-appeal from the following orders of Appellee the Public Utilities Commission of Ohio ("Commission") in Pub. Util. Comm. Nos. 08-1094-EL-SSO, 08-1095-EL-ATA, 08-1096-EL-AAM and 08-1097-EL-UNC: the June 16, 2021 Fifth Entry on Rehearing (attached as Exhibit A); the August 11, 2021 Sixth Entry on Rehearing (attached as Exhibit B); the June 15, 2022 Seventh Entry on Rehearing (attached as Exhibit C); the August 10, 2022 Eighth Entry on Rehearing (attached at Exhibit D); the October 5, 2022 Ninth Entry on Rehearing (attached as Exhibit E); and the November 30, 2022 Tenth Entry on Rehearing (attached as Exhibit F). AES Ohio filed an Application for Rehearing ("AES Ohio Application for Rehearing") on July 16, 2021 pursuant to R.C. 4903.10 (attached as Exhibit G).

AES Ohio asserts that the Fifth Entry on Rehearing and Sixth Entry on Rehearing were unlawful and unreasonable for the following reasons:

1. The Commission erred in requiring AES Ohio to include language in its tariff making the Rate Stabilization Charge ("RSC") refundable "to the extent permitted by law." (Error committed at Fifth Entry on Rehearing, ¶ 64; issue preserved at AES Ohio Application for Rehearing, p. 1; rehearing denied at Sixth Entry on Rehearing, ¶ 29.)
 - A. The RSC cannot and should not be made refundable because the RSC was not refundable under AES Ohio's most recent Standard Service Offer, which the Commission was required by law to continue under R.C. 4928.143(C)(2)(b).
 - B. The RSC cannot and should not be made refundable because requiring a utility to collect refundable rates is both unlawful and inconsistent with the policy balance struck by the General Assembly and long recognized by this Court.

2. Although the Commission correctly concluded that the RSC was lawful, the Commission should have further recognized that R.C. 4928.143(C)(2)(b) required the Commission to reinstate the RSC after AES Ohio terminated its most recent standard service offer pursuant to R.C. 4928.143(C)(2)(a). (Error committed at Fifth Entry on Rehearing, ¶¶ 26-30; issue preserved at AES Ohio Application for Rehearing, pp. 1-2; rehearing denied at Sixth Entry on Rehearing, ¶ 22.)

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on the 9th day of February, 2023, I served a copy of the foregoing Notice of Cross Appeal by The Dayton Power and Light Company d/b/a AES Ohio via U.S. mail on the Chair of the Public Utilities Commission of pursuant to S.Ct.Prac.R. 3.11(B)(2), R.C. 4903.13, and Ohio Adm.Code 4901-1-36, and via electronic mail on the following parties to the proceedings that are the subject of this appeal pursuant to S.Ct.Prac.R. 3.11(B)(1) and (2) and counsel of record:

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CERTIFICATE OF FILING

I hereby certify that a copy of the foregoing Notice of Cross Appeal by The Dayton Power and Light Company d/b/a AES Ohio was filed with the docketing division of the Public Utilities Commission of Ohio pursuant to S.Ct.Prac.R. 3.11(D)(2) and Ohio Adm.Code 4901-1-02(A) and 4901-1-36, on February 9th, 2023.

/s/ Jeffrey S. Sharkey
Jeffrey S. Sharkey

4889-8917-7167.1

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	:	Commission of Ohio
	:	
	:	Pub. Util. Comm. Nos. 08-1094-EL-
	:	SSO, 08-1095-EL-ATA, 08-1096-EL-
	:	AAM, 08-1097-EL-UNC
	:	

**ATTACHMENTS TO NOTICE OF CROSS APPEAL BY THE DAYTON POWER
AND LIGHT COMPANY D/B/A AES OHIO**

EXHIBIT A

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY TO ESTABLISH A STANDARD
SERVICE OFFER IN THE FORM OF AN
ELECTRIC SECURITY PLAN.

CASE No. 08-1094-EL-SSO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF REVISED
TARIFFS.

CASE No. 08-1095-EL-ATA

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF CERTAIN
ACCOUNTING AUTHORITY.

CASE No. 08-1096-EL-AAM

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR WAIVER OF CERTAIN
COMMISSION RULES.

CASE No. 08-1097-EL-UNC

FIFTH ENTRY ON REHEARING

Entered in the Journal on June 16, 2021

I. SUMMARY

{¶ 1} In this Fifth Entry on Rehearing, the Commission grants, in part, and denies, in part, the application for rehearing filed by the Ohio Consumers' Counsel.

II. PROCEDURAL HISTORY

{¶ 2} The Dayton Power and Light Company (DP&L or the Company) is a public utility as defined under R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.141 provides that an electric distribution utility (EDU) shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer (MRO)

in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 4} R.C. 4928.143(C)(2)(b) provides that if a utility terminates an application for an ESP or if the Commission disapproves an application, the Commission shall issue such order as is necessary to continue the provisions, terms, and conditions of the utility's most recent SSO, along with any expected increases or decreases in fuel costs from those contained in that offer, until a subsequent SSO is authorized.

{¶ 5} By Opinion and Order issued in this case on June 24, 2009, the Commission adopted the stipulation and recommendation of the parties (ESP I Stipulation) to establish DP&L's first ESP (ESP I). Included among the terms, conditions, and charges in ESP I was a rate stabilization charge (RSC). Thereafter, on December 19, 2012, the Commission extended ESP I, including the RSC, until a subsequent SSO could be authorized. Entry (Dec. 19, 2012) at 3-5.

{¶ 6} On September 4, 2013, the Commission modified and approved DP&L's application for a second ESP (ESP II). *In re The Dayton Power and Light Co.*, Case No. 12-426-EL-SSO, et al. (*ESP II Case*), Opinion and Order (Sept. 4, 2013). On June 20, 2016, the Supreme Court of Ohio issued an opinion reversing the decision of the Commission approving ESP II and disposing of all pending appeals. *In re Application of Dayton Power & Light Co.*, 147 Ohio St.3d 166, 2016-Ohio-3490, 62 N.E.3d 179. Thereafter, on August 26, 2016, in the *ESP II Case*, the Commission modified ESP II as directed by the Court and then granted DP&L's application to withdraw ESP II, thereby terminating it. *ESP II Case*, Finding and Order (Aug. 26, 2016). In light of DP&L's withdrawal of ESP II, the Commission, pursuant to R.C. 4928.143(C)(2)(b), granted DP&L's application in this case to implement the provisions, terms and conditions of ESP I, its most recent SSO, until a subsequent SSO could be authorized. Finding and Order (Aug. 26, 2016), Third Entry on Rehearing (Dec. 14, 2016).

{¶ 7} The provisions, terms and conditions of ESP I remained in effect until the Commission modified and approved an amended stipulation establishing DP&L's third electric security plan (ESP III), effective November 1, 2017. *In re Dayton Power and Light Co.*, Case No. 16-395-EL-SSO (*ESP III Case*), Opinion and Order (Oct. 20, 2017) at ¶ 131. The Supreme Court of Ohio then dismissed as moot the appeals of the August 26, 2016 Finding and Order which reinstated ESP I, including the RSC. *In re Application of Dayton Power & Light Co.*, 154 Ohio St.3d 237, 2018-Ohio-4009, 113 N.E.3d 507, *reconsideration denied*, 154 Ohio St.3d 1446, 2018-Ohio-4962, 113 N.E.3d 545.

{¶ 8} Subsequently, Interstate Gas Supply, Inc. (IGS) withdrew from the amended stipulation in the *ESP III Case*, necessitating an additional evidentiary hearing in that proceeding. *ESP III Case*, Entry (Nov. 15, 2018). Following the additional evidentiary hearing, the Commission issued a Supplemental Opinion and Order in the *ESP III Case*. In the Supplemental Opinion and Order, the Commission further modified and approved the amended stipulation filed in the *ESP III Case*, eliminating DP&L's distribution modernization rider (DMR), in light of the Supreme Court of Ohio's decision in *In re Application of Ohio Edison Co.*, 157 Ohio St.3d 73, 2019-Ohio-2401, 131 N.E.3d 906, *reconsideration denied*, 156 Ohio St.3d, 2019-Ohio-3331, 129 N.E.3d 454, and *reconsideration denied*, 156 Ohio St.3d 1487, 2019-Ohio-3331, 129 N.E.3d 458. *ESP III Case*, Supplemental Opinion and Order (Nov. 21, 2019) at ¶¶ 1, 102-110, 134.

{¶ 9} On November 26, 2019, DP&L filed a notice of withdrawal of its application and amended application filed in the *ESP III Case*, pursuant to R.C. 4928.143(C)(2)(a). DP&L also filed on November 26, 2019, proposed tariffs in this proceeding to implement the provisions, terms and conditions of ESP I, its most recent ESP prior to ESP III. On December 4, 2019, comments were filed by Ohio Energy Group, Ohio Hospital Association, Industrial Energy Users-Ohio (IEU-Ohio) and the Retail Energy Supply Association (RESA). Joint comments were filed on December 4, 2019 by City of Dayton and Honda of America Mfg., Inc. (Dayton/Honda). Further, Ohio Consumers' Counsel (OCC), Ohio Manufacturers' Association (OMA) and The Kroger Co. (Kroger) (collectively, Consumer Groups) filed a

motion on December 4, 2019, seeking rejection of DP&L's proposed tariff filing. DP&L filed a memorandum contra the Consumer Groups' motion on December 10, 2019. Consumer Groups filed a reply on December 17, 2019.

{¶ 10} The Commission accepted the withdrawal of ESP III in the *ESP III Case* on December 18, 2019. *ESP III Case*, Finding and Order (Dec. 18, 2019). On December 18, 2019, in this proceeding, the Commission also approved DP&L's proposed tariffs, implementing the provisions terms and conditions of ESP I, subject to the modifications directed by the Commission. Second Finding and Order (Dec. 18, 2019). Subsequently, on January 17, 2020, applications for rehearing were filed by IEU-Ohio, IGS, OCC, and Dayton/Honda, and a joint application for rehearing was filed by OMA and Kroger.

{¶ 11} Thereafter, on January 22, 2020, DP&L filed a motion for an extension of time to file memorandum contra to the applications for rehearing filed by on January 17, 2020, and a request for expedited consideration. The motion for extension of time was granted by the attorney examiner, and DP&L filed its memorandum contra on February 3, 2020. On February 4, 2020, RESA filed a motion for leave to file memorandum contra instant to the application for rehearing filed by IGS.

{¶ 12} On February 14, 2020, the Commission issued a Fourth Entry on Rehearing, in which it denied the application for rehearing filed by IGS and granted the remaining applications for rehearing for the purpose of further consideration in the matters raised in the applications for rehearing. Fourth Entry on Rehearing (Feb. 14, 2020).

III. DISCUSSION

A. First Assignment of Error

{¶ 13} In its first assignment of error, OCC claims that the Commission erred when it continued the terms of DP&L's "electric security plan" rather than continuing the utility's "standard service offer". OCC further asserts that the Commission violated Ohio law and unreasonably increased rates to customers. OCC posits that the SSO means the costs of

energy generation to serve SSO customers, no more and no less. An ESP, by contrast, is much broader and can include all charges enumerated in R.C. 4928.143(B)(2). OCC claims that these enumerated charges are part of the ESP but not part of the SSO. Therefore, OCC argues that the Commission erred by including provisions authorized by R.C. 4928.143(B)(2) as provisions, terms and conditions of the most recent SSO.

{¶ 14} In its memorandum contra the application for rehearing, the Company disputes OCC's claim that the SSO means the costs of energy generation to serve SSO customers. DP&L argues that, as established by R.C. 4928.141, an SSO is either an ESP or an MRO. Thus, when 4928.143(C)(2)(b) provides that an EDU shall revert to its most recent SSO, it means that DP&L must revert to ESP I in its entirety and is not limited to the supply of generation.

{¶ 15} The Commission notes that R.C. 4928.141 requires each EDU to "provide consumers, on a comparable and nondiscriminatory basis within its certified territory, a standard service offer of all competitive retail electric services necessary to maintain essential electric service to consumers, including a firm supply of electric generation service. To that end, the electric distribution utility shall apply to the public utilities commission to establish the standard service offer in accordance with section 4928.142 or 4928.143 of the Revised Code." R.C. 4928.142 states that an EDU "may establish a standard service offer price for retail electric generation service that is delivered to the utility under a market-rate offer." R.C. 4928.143 provides that "[f]or the purpose of complying with section 4928.141 of the Revised Code, an electric distribution utility may file an application for public utilities commission approval of an electric security plan * * * ." Thus, we find that, under the plain language of the statute, an SSO may be a MRO or an ESP. Moreover, R.C. 4928.143(C)(2)(b) states, in relevant part:

If the utility terminates an application pursuant to division (C)(2)(a) of this section * * * the commission shall issue such order as is necessary to continue the provisions, terms, and conditions of the utility's *most recent standard service*

offer, along with any expected increases or decreases in fuel costs from those contained in that offer, until a subsequent offer is authorized pursuant to this section or section 4928.142 of the Revised Code, respectively. (Emphasis added).

It is beyond dispute that, at the time DP&L withdrew from and terminated ESP III, ESP I was DP&L's most recent SSO, which was reinstated by the Commission on August 26, 2016, in these proceedings. Finding and Order (Aug. 26, 2016). Accordingly, the Commission restored the provisions, terms and conditions of ESP I, as required by the plain language of the statute.

{¶ 16} Moreover, we find that OCC's statutory interpretation to be flawed. OCC claims that the enumerated provisions in R.C. 4928.143(B)(2) can be part of the ESP but are not part of the SSO. However, several of the enumerated provisions include charges that relate solely to the SSO for non-shopping customers. R.C. 4928.143(B)(2)(e) specifically authorizes "[a]utomatic increases or decreases in any component of *the standard service offer price* * * * [emphasis added]." Under OCC's flawed interpretation of the statutes, this provision, which explicitly relates to the "standard service offer price," would be part of the ESP but not part of the SSO. Further R.C. 4928.143(B)(2)(a) authorizes:

Automatic recovery of any of the following costs of the electric distribution utility, provided the cost is prudently incurred: the cost of fuel used to generate the electricity supplied *under the offer*; the cost of purchased power supplied *under the offer*, including the cost of energy and capacity, and including purchased power acquired from an affiliate; the cost of emission allowances; and the cost of federally mandated carbon or energy taxes * * *. (emphasis added).

The General Assembly clearly intended that the SSO may include provisions allowing for the recovery of the cost of fuel, purchased power, emission allowances and carbon or energy

taxes. These provisions would be part of the ESP, but these provisions also would be one of the “terms, conditions or provisions” of the SSO applicable to non-shopping customers. OCC’s statutory interpretation is not persuasive. Rehearing on this assignment of error should be denied.

B. Second Assignment of Error

{¶ 17} In its second assignment of error, OCC argues that the Second Finding and Order was unreasonable and unlawful and harmed consumers because it failed to continue the distribution rate freeze of ESP I following DP&L’s withdrawal. OCC claims that DP&L’s commitment to freeze distribution rates was a provision, term or condition of the utility’s most recent ESP. OCC argues that under ESP I Stipulation, DP&L agreed to freeze rates but was able to seek charges from customers for storm damage costs it incurred. OCC further claims that the Commission’s failure to implement a distribution rate freeze was unreasonable in light of the Commission’s ruling in the Second Finding and Order allowing DP&L to separately collect storm costs in continued rates.

{¶ 18} DP&L argues that rehearing on this assignment of error should be rejected because OCC failed to raise this issue in response to the Commission’s November 27, 2019 Entry establishing a comment period regarding DP&L’s proposed tariffs to implement ESP I. *City of Parma v. Pub. Util. Comm.*, 86 Ohio St. 3d 144, 148, 712 N.E.2d 724 (1999) (“By failing to raise an objection until the filing of an application for rehearing, Parma deprived the commission of an opportunity to redress any injury or prejudice that may have occurred”). In addition, the Company argues that the Commission effectively modified the distribution rate freeze provision contained in the ESP I Stipulation by adopting a stipulation filed in DP&L’s most recent distribution rate case, *In re The Dayton Power and Light Co.*, Case No. 15-1830-EL-AIR (*Distribution Rate Case*), Opinion and Order (Sept. 26, 2018). The stipulation approved by the Commission in the *Distribution Rate Case* provides that the Company may file a distribution rate case on or before October 31, 2022, in order to maintain its distribution investment rider; thus, according to DP&L, the stipulation establishes that DP&L has the right to file a distribution rate case.

{¶ 19} The Commission finds that rehearing on this assignment of error should be denied. In the *Distribution Rate Case*, DP&L's current distribution rates were lawfully established by the Commission pursuant to the specific requirements of Chapter 4909 of the Revised Code. Although we are not persuaded that *Parma* should apply to OCC's failure to raise this issue during the comment period established by the November 27, 2019 Entry in this case, we do find that *Parma* applies to the failure of OCC to raise this issue during the *Distribution Rate Case*. While the *Distribution Rate Case* was pending before the Commission, the provisions, terms, and conditions of ESP I were reinstated for the period between September 1, 2016, and October 31, 2017; thus, OCC should have raised this issue, or otherwise preserved its rights, in the *Distribution Rate Case*, where the distribution rates were, in fact, established according to law. It is settled law in Ohio that retroactive ratemaking is not permitted. *Lucas Cty. Comm'rs v. Pub. Util. Comm.*, 80 Ohio St.3d 344, 348, 686 N.E.2d 501 (1997). However, OCC has offered no compelling argument regarding how the Commission, after approving distribution rates in the *Distribution Rate Case*, could retroactively modify DP&L's rates to the prior levels. Thus, we find that OCC's failure to raise this issue at an earlier juncture, during the *Distribution Rate Case*, constitutes a forfeiture of the objection because it deprived the Commission of an opportunity to cure any error when it reasonably could have done so. *Ohio Consumers' Counsel v. Pub. Util. Comm.*, 127 Ohio St.3d 524, 2010-Ohio-6239, 941 N.E.2d 757, at ¶ 18 (citing *Parma*, 86 Ohio St.3d at 148, 712 N.E.2d 724).

C. *Third Assignment of Error*

{¶ 20} OCC alleges in its third assignment of error that charging customers for storm recovery expenses incurred in 2016, 2017 and 2018, following DP&L's withdrawal of its ESP, was unlawful. In support of this assignment of error, OCC claims that the Commission's ruling that DP&L's storm recovery expenses was a provision of DP&L's most recent SSO under 4928.143(C)(2)(b) was mistaken and unsupported in violation of R.C. 4903.09. OCC reasons that the storm recovery rider authorized in ESP I allowed DP&L to collect \$23.3 million in costs from customers for storms occurring prior to and during the term of ESP I,

when a rate freeze was in effect. However, OCC notes that the tariff filed by DP&L to continue ESP I rates allows DP&L to collect 2017, 2018 and 2019 storm recovery costs from customers. OCC alleges that this rider was created in DP&L's ESP III case, not in ESP I. Thus, according to OCC, the storm recovery tariff is not a condition, term, or provision of the Company's most recent ESP and should not be used to continue collecting storm recovery costs from customers.

{¶ 21} DP&L responds that the ESP I Stipulation specifically authorized a storm recovery rider. ESP I Stipulation (Feb. 24, 2009) at 10-11. The Company notes that R.C. 4928.143(C)(2)(b) provides that the provisions and terms of DP&L's prior SSO shall be implemented, so a storm recovery rider is permitted. The Company alleges that, in order to support its assignment of error, OCC reads the ESP I Stipulation to encompass a narrow recovery of storm costs incurred from 2008 through 2013, but the language of ESP I has no such time limitation, quite clearly permitting DP&L to recover "[t]he cost of storm damage." *Id.* at 11.

{¶ 22} The Commission finds that rehearing on this assignment of error should be denied. In the Second Finding and Order, the Commission noted that the ESP I Stipulation, adopted in these cases, contained a placeholder specifically permitting DP&L to seek approval of a rider to recover "the cost of storm damage." Second Finding and Order (Dec. 18, 2019) at ¶ 39; *see also* Opinion and Order (June 24, 2009) at 5-6, ESP I Stipulation at 10-11. There is no language in the ESP I Stipulation limiting the time period of storms eligible for recovery costs under the storm cost recovery rider. No party appealed the Commission's decision approving ESP I. DP&L subsequently sought, and obtained, Commission approval for a storm cost recovery rider. Therefore, we affirm that the storm cost recovery rider is a provision, term, or condition of ESP I and that eligible storm recovery costs were not limited to costs incurred during the period from 2008 through 2013. Moreover, we note that OCC's arguments lack consistency. OCC acknowledges that the storm recovery costs, which were appropriately collected, included costs "that were incurred, on or before the ESP I term." Storm recovery costs for 2016, 2017, and 2018 were, in fact, incurred prior to the

reinstatement of ESP I in the Second Finding and Order. Therefore, the Commission finds that DP&L should be permitted to continue its current storm cost recovery rider regardless of when the storm occurred.

D. Fourth Assignment of Error

{¶ 23} In its fourth assignment of error, OCC claims that the Commission unreasonably and unlawfully approved DP&L's RSC, allowing DP&L to collect funds from customers for a service that it is not providing. In support of this assignment of error, OCC notes that when the RSC was originally authorized, DP&L owned power plants that were providing power to customers. OCC acknowledges that the parties stipulated that the RSC would continue in ESP I at a rate equaling to 11 percent of DP&L's generation rate in 2004. However, OCC notes that, in DP&L's second ESP, the provider of last resort (POLR) obligations were shifted to bidders in competitive bid auctions to supply the SSO for DP&L's customers and that competitive auctions have been held to supply power through May 31, 2022. OCC argues that, when DP&L divested its power plants, DP&L stopped providing POLR service to customers. Thus, OCC concludes that the RSC should have been set to zero, consistent with the treatment of the environmental investment rider (EIR), when ESP I was reinstated.

{¶ 24} In its memorandum contra, DP&L responds that the Company still provides POLR service. DP&L notes that the Commission previously rejected this same argument when the Company withdrew from ESP II and ESP I was reinstated. Finding and Order (Aug. 26, 2016) at ¶ 23. The Company alleges that there is no guarantee that the competitive bidding auctions which supply SSO customers will continue or that any suppliers will bid; thus DP&L still bears a POLR risk that it will need to provide generation service to some or all of its customers if there are not enough bidders at auction. DP&L also posits that there is a risk that winning bidders will default on their obligation to provide generation service to SSO customers. Finally, DP&L claims that the right of shopping customers to return to the SSO imposes additional POLR risk for DP&L in the event that the SSO suppliers are unable to provide generation to returning customers.

{¶ 25} The Company also rebuts OCC claim that DP&L is no longer subject to POLR risk because it no longer owns generation assets. DP&L asserts that it has POLR risk because it has a statutory obligation to provide generation if there are no other providers, irrespective of whether it owns generation assets or not.

{¶ 26} As we discussed in the first Finding and Order in this proceeding, on December 28, 2005, the Commission modified and adopted a stipulation authorizing DP&L to split its previously approved rate stabilization surcharge into two separate components: the RSC¹ and the EIR. *In re The Dayton Power and Light Co.*, Case No. 05-276-EL-AIR (*DP&L RSP Extension Case*), Opinion and Order (Dec. 28, 2005). The RSC was authorized to compensate DP&L for its POLR obligations, while the EIR authorized DP&L to recover environmental plant investments and incremental operations and maintenance, depreciation, and tax costs to install environmental control devices on its generating units. The Commission determined both the RSC and EIR were fair, reasonable, and supported by the record. *DP&L RSP Extension Case*, Opinion and Order at 11. Thereafter, the Supreme Court of Ohio affirmed our decision. *Ohio Consumers' Counsel v. Pub. Util. Comm.*, 114 Ohio St.3d 340, 2007-Ohio-4276.

{¶ 27} Subsequently, on June 24, 2009, in this case, the Commission approved a stipulation establishing ESP I and continuing the RSC and EIR as terms of ESP I. Opinion and Order (June 24, 2009). The amount of the RSC was stipulated by the parties in the ESP I Stipulation. Opinion and Order at 5; ESP I Stipulation at 4. As noted above, no party appealed the Commission's decision approving ESP I. Since that time, the Commission has consistently determined that the RSC is one of the provisions, terms and conditions of ESP I. When the Commission first extended ESP I on December 19, 2012, the Commission determined that the RSC was one of the provisions, terms and conditions of ESP I, and, as

¹ Although the ESP I Stipulation characterizes this charge as the "RSS" (or rate stabilization surcharge), the signatory parties clearly intended to mean the existing RSC approved by the Commission in *DP&L RSP Extension Case*, Case No. 05-276-EL-AIR. See *Ohio Consumers' Counsel v. Pub. Util. Comm.*, 114 Ohio St.3d 340, 2007-Ohio-4276, 872 N.E. 2d 269, ¶ 8, fn. 3.

such, the RSC should continue with ESP I until a subsequent SSO was authorized. Entry (Dec. 19, 2012) at 3-4. On February 19, 2012, the Commission issued the first Entry on Rehearing in these proceedings, affirming our determination that the RSC is a provision, term, or condition of ESP I. Entry on Rehearing (Feb. 19, 2013) at 4-6. *See also* Finding and Order (Aug. 26, 2016) at ¶¶ 14, 19, 23; Third Entry on Rehearing (Dec. 14, 2016) at ¶¶ 25-34. As the Supreme Court of Ohio has ruled, we should respect our precedents in order to assure the predictability which is essential in administrative law. Second Finding and Order (Dec. 18, 2019) at ¶ 29 (*citing In re Application of Ohio Power Co.*, 144 Ohio St.3d 1, 2015-Ohio-2056, 40 N.E.3d 1060 at ¶ 16 (*quoting Cleveland Elec. Illum. Co. v. Pub. Util. Comm.*, 42 Ohio St.2d 402, 431, 330 N.E.2d 1 (1975), *superseded on other grounds by statute as recognized in Babbitt v. Pub. Util. Comm.*, 59 Ohio St.2d 81, 89, 391 N.E.2d 1376 (1979))).

{¶ 28} In addition, the Commission has noted that the RSC is a non-bypassable POLR charge to allow DP&L to fulfill its POLR obligations. R.C. 4928.141 provides that the EDU must provide consumers with an SSO of all competitive retail electric services necessary to maintain essential electric service to consumers, including a firm supply of electric generation service. While POLR service is currently provided by competitive bidding process auction participants, DP&L retains its obligation, over the long term, to serve as provider of last resort. Therefore, pursuant to R.C. 4928.141, DP&L maintains a long-term obligation to serve as provider of last resort, even while POLR services are being provided by competitive bidding auction participants in the short-term. We note there have been substantial disruptions in the competitive bidding auction schedules due to litigation regarding capacity auctions at the Federal Energy Regulatory Commission (FERC). *In re Ohio Edison, et al.*, Case Nos. 16-776-EL-UNC et al, Second Entry on Rehearing (Feb. 24, 2021) at ¶¶ 4-5. These disruptions are the reason that competitive auctions have not been held to supply the SSO after May 31, 2022. The litigation at FERC appears to have been resolved, although that resolution could be affected by appeals to the Federal Court of Appeals. *Id.* at ¶ 22. Therefore, we cannot find that DP&L bears zero POLR risk.

{¶ 29} Although the POLR risk is difficult to quantify, the signatory parties, including OCC, did stipulate in the ESP I Stipulation to continue the RSC at the rate previously approved in the *DP&L RSP Extension Case*. The stipulated RSC was designed to collect 11 percent of DP&L's generation rates as of January 1, 2004, which at that time was \$76,250,127. *DP&L RSP Extension Case*, Opinion and Order (Dec. 28, 2005) at 3, 11; *see also Ohio Consumers' Counsel v. Pub. Util. Comm.*, 114 Ohio St.3d 340, 2007-Ohio-4276, 872 N.E.2d 269, ¶ 8, fn. 3. As we noted in the Third Entry on Rehearing in this proceeding:

The Stipulation, which includes the RSC, was adopted by the Commission after holding a hearing and providing parties the opportunity to fully litigate this case. * * * The parties agreed that 1) the settlement was the product of serious bargaining among capable, knowledgeable parties; 2) the settlement, as a package, benefits ratepayers and the public interest; and 3) the settlement package does not violate any important regulatory principle or practice. Stipulation (Feb. 24, 2009) at 1-2. The Stipulation states, in no uncertain terms, "[t]his Stipulation contains the entire Agreement among the Signatory Parties, and embodies a complete settlement of all claims, defenses, issues and objects in these proceedings." Stipulation (Feb. 24, 2009) at 17-18. Third Entry on Rehearing at ¶ 31.

We are reluctant to disturb the stipulated rates based upon the contention of one of the signatory parties, out of many, that circumstances have changed. The stipulated rates have never been subject to reconciliation or true up to recover a fixed revenue requirement. Further, the stipulated rates for the RSC have never been adjusted, irrespective of any changes in customer usage or to reflect changes in the market in DP&L's service territory; the rates for the RSC today are exactly the same as they were when the ESP I Stipulation was adopted in 2008. We are not persuaded that the stipulated rates should be changed now.

{¶ 30} Further, we reject OCC's contention that our treatment of the RSC is inconsistent with our treatment of the EIR when DP&L terminated its second ESP. The EIR was always a bypassable, cost-based rate, to allow DP&L to recover environmental plant investments and incremental operations and maintenance depreciation and tax expenses to install environmental control devices on its generating units. Once the plants were divested, the environmental controls were no longer used and useful in rendering public utility service to DP&L's non-shopping customers, and the Commission properly set the EIR to zero when DP&L returned to ESP I after the termination of its second ESP. Finding and Order, at ¶¶ 8-9, 22. On the other hand, the rates for the RSC, which is non-bypassable, were stipulated by the parties and were not based upon a specific cost incurred by the utility. Thus, there is no basis to set the RSC to zero. Accordingly rehearing on this assignment of error should be denied.

E. Fifth Assignment of Error

{¶ 31} OCC claims in its fifth assignment of error that the Commission unlawfully and unreasonably ruled that the parties were precluded from re-litigating the RSC under the doctrines of res judicata and collateral estoppel. In support of this assignment of error, OCC posits that the Commission's holding is unreasonable because the Commission can modify earlier orders so long as it explains the change and the new regulatory course is permissible. OCC claims that circumstances have changed because, since 2014, DP&L's POLR obligations have been eliminated because the POLR obligations were shifted to competitive generation providers until May 31, 2022, at the earliest.

{¶ 32} OCC also claims that the Commission ruling that the parties were precluded from relitigating the RSC under the doctrines of res judicata and collateral estoppel is unlawful because it is inconsistent with Supreme Court precedent. OCC argues that the Supreme Court of Ohio has held that res judicata in administrative proceedings should be rejected when its application would contravene and override public policy or result in manifest injustice. *Jacobs v. Teledyne*, 39 Ohio St.3d 168, 171, 529 N.E.2d 1255 (1988). OCC contends that it is not in the public interest to require customers to pay for a service they are

not receiving. Confusingly, OCC also claims that “shopping customers could be paying double for POLR service, once through the standard service offer rate paid to marketers and once through the Rate Stabilization Charge.” OCC contends that the Court has held that changed circumstances that raise a new material issue or would have been relevant to resolve material issues in the earlier action will not bar litigation of the issue in the later action. In support of this claim, OCC notes that DP&L no longer owns generation and no longer provides the service that was the basis for the RSC.

{¶ 33} DP&L contends that the Commission correctly held in the Second Finding and Order that OCC is barred from relitigating the RSC by both R.C. 4903.10 and the doctrines of res judicata and collateral estoppel. DP&L notes that the Commission approved the ESP I Stipulation in this proceeding on June 24, 2009. Opinion and Order (Jun. 24, 2009) at 13. DP&L argues that, because R.C. 4928.143(C)(2)(b) was in place in 2009 when OCC signed the ESP I Stipulation, OCC was on notice that DP&L had the right to reinstate ESP I, in the event that the Commission modified and approved a subsequent ESP. DP&L further notes that no party to the ESP I case sought rehearing of the Commission’s decision approving the ESP I Stipulation, and no party appealed that decision. DP&L argues that a party cannot challenge a decision if it did not seek rehearing of that decision. R.C. 4903.10(B).

{¶ 34} DP&L also contends that OCC is barred from challenging the lawfulness of the RSC by the doctrines of res judicata (claim preclusion) and collateral estoppel (issue preclusion). “Claim preclusion prevents subsequent actions, by the same parties or their privies, based upon any claim arising out of a transaction that was the subject matter of a previous action. * * * Where a claim *could have been litigated in the previous suit*, claim preclusion also bars subsequent actions on that matter.” (Emphasis added.) *O’Nesti v. DeBartolo Realty Corp.*, 113 Ohio St.3d 59, 2007-Ohio-1102, 862 N.E.2d 803, ¶ 6 (2007) (quoting *Fort Frye Teachers Assn., OEA/NEA v. State Emp. Relations Bd.*, 81 Ohio St.3d 392, 395, 692 N.E.2d 140 (1998); *Grava v. Parkman Twp.*, 73 Ohio St.3d 379, 384, 653 N.E.2d 226 (1995)). “Issue preclusion, on the other hand, serves to prevent relitigation of any fact or point that was determined by a court of competent jurisdiction in a previous action between the same

parties or their privies. * * * Issue preclusion applies even if the causes of action differ." O'Nesti at ¶ 7 (quoting *Fort Frye*, 81 Ohio St.3d at 395). "[T]he doctrine of *res judicata* requires a plaintiff to present every ground for relief in the first action, or be forever barred from asserting it." *Grava*, 73 Ohio St.3d at 382 (quoting *Natl. Amusements, Inc. v. Springdale*, 53 Ohio St.3d 60, 62, 558 N.E.2d 1178 (1990)). Further, "the doctrine of *res judicata* is applicable to defenses which, although not raised, could have been raised in the prior action." *Johnson's Island, Inc. v. Bd. of Twp. Trustees*, 69 Ohio St.2d 241, 246, 431 N.E.2d 672 (1982). See also Third Entry on Rehearing (Dec. 14, 2016) at ¶¶ 32-33. DP&L asserts that, in this proceeding, OCC had the opportunity, in 2009, to litigate whether the RSC was lawful in ESP I. Instead, OCC signed the ESP I Stipulation and agreed to the RSC, knowing that DP&L would have the right under R.C. 4928.143(C)(2)(b) to reinstate ESP I, including the RSC, if the Commission modified and approved DP&L's next ESP application. OCC is thus barred by *res judicata* and collateral estoppel from challenging the RSC now.

{¶ 35} We note that the fundamental issue in this assignment of error is whether OCC can relitigate the question of whether the RSC is one of the provisions, terms and conditions of ESP I. In the Second Finding and Order the Commission held that OCC cannot relitigate this issue on two separate and independent grounds. One, OCC is barred from relitigating the RSC by R.C. 4903.10. Two, OCC is barred from relitigating the RSC by *res judicata* and collateral estoppel. OCC has challenged the latter ruling but did not seek rehearing of the former.

1. OCC IS BARRED FROM RELITIGATING THE RSC BY R.C. 4903.10.

{¶ 36} As a preliminary matter, the Commission notes that, when the Commission first extended ESP I on December 19, 2012, the Commission determined that the RSC was one of the provisions, terms and conditions of ESP I, and, as such, the RSC should continue with ESP I until a subsequent SSO is authorized. Entry (Dec. 19, 2012) at 3-4. On February 19, 2013, the Commission issued the first Entry on Rehearing in these proceedings, affirming our determination that the RSC is a provision, term, or condition of ESP I. Entry on Rehearing (Feb. 19, 2013) at 4-6. This was a final appealable order of the Commission

because it authorized DP&L to continue to collect the RSC while the proposed ESP II was pending before the Commission; ultimately, the RSC was collected pursuant to the extension of ESP I for a full year, from January 1, 2013 to December 31, 2013. *See ESP II Case*, Entry (Dec. 13, 2013). No party, including OCC, appealed this ruling by the Commission. Thus, after the deadline for filing an appeal passed, the December 19, 2012 Entry was a final, non-appealable order of the Commission. The failure to appeal the December 19, 2012 Entry precludes any challenge to the ruling in the December 19, 2012 Entry at this time. *See also* Finding and Order at ¶ 23. Thus, OCC's claim, that it can relitigate the question of whether the RSC is one of the provisions, terms and conditions of ESP I is untimely and barred by R.C. 4903.10.

{¶ 37} Further, the Commission notes that, in the Second Finding and Order, we specifically ruled that: (1) the Commission had determined that the RSC is one of the provisions, terms, and conditions of ESP I in the December 19, 2012 Entry; (2) the December 19, 2012 Entry was a final, non-appealable order; and (3) any challenge to the December 19, 2012 Entry is untimely and barred by 4903.10. Second Finding and Order at ¶ 31. In its application for rehearing filed on January 17, 2020, OCC did not seek rehearing on this ruling contained in the Second Finding and Order. Therefore, OCC is barred from challenging this ruling, irrespective of the Commission's separate and independent determination that OCC's claim is also barred by res judicata and collateral estoppel.

2. OCC'S CLAIM IS BARRED BY RES JUDICATA AND COLLATERAL ESTOPPEL.

{¶ 38} Res judicata and collateral estoppel "operate to preclude the relitigation of a point of law or fact that was at issue in a former action between the same parties and was passed upon by a court of competent jurisdiction." *Ohio Power Co.*, 2015-Ohio-2056 at ¶ 20 (*quoting Consumers' Counsel v. Pub. Util. Comm.*, 16 Ohio St.3d 9, 10, 475 N.E.2d 782 (1985)). "Collateral estoppel may be applied in a civil action to bar the relitigation of an issue already determined by an administrative agency and left unchallenged if the administrative proceeding was judicial in nature and if the parties had an adequate opportunity to litigate their versions of the disputed facts and seek review of any adverse findings." Third Entry

on Rehearing at ¶ 33 (*quoting Tedesco v. Glenbeigh Hosp. of Cleveland, Inc.* (Mar. 16, 1989), Cuyahoga App. No. 54899, 1989 WL 24908). "The doctrine of res judicata requires a plaintiff to present every ground for relief in the first action, or be forever barred from asserting it." *Grava*, 73 Ohio St.3d at 382, 653 N.E.2d 226 ; . *see also O'Nesti*, 113 Ohio St.3d 59, 2007-Ohio-1102, 862 N.E.2d 803.

{¶ 39} In this case, the question of whether the RSC is one of the provisions, terms and conditions of ESP I was necessarily determined by the Commission in the December 19, 2012 Entry. The December 19, 2012 Entry addressed motions regarding this issue filed by both DP&L and by certain intervenors, including OCC. Memoranda contra and replies were filed addressing both motions. Thus, the administrative proceeding was judicial in nature and all parties had an opportunity to litigate the issue. Further, the parties had an opportunity to seek review of an adverse ruling. OCC and other intervenors filed applications for rehearing regarding the December 19, 2012 Entry. The Commission fully addressed those applications for rehearing in the first Entry on Rehearing in this case. Entry on Rehearing (Feb. 19, 2013) at 4-6. OCC had 60 days to file an appeal after the Commission issued the first Entry on Rehearing. R.C. 4903.11. OCC did not file an appeal. Thus, res judicata and collateral estoppel preclude OCC from relitigating the question of whether the RSC is a provision, term or condition of ESP I.

{¶ 40} We reject OCC's claims that the Commission's determination that res judicata and collateral estoppel preclude OCC from relitigating the RSC presents a manifest injustice or contravenes public policy. Likewise, we are not persuaded by OCC's argument that changed circumstances necessitate that res judicata and collateral estoppel should not apply. In support of these arguments, OCC cites to one fact, that DP&L has divested its generation assets. OCC presents this fact alone with no other context or supporting facts. As we stated above, DP&L retains a long-term POLR obligation under R.C. 4928.141, and we are not persuaded that the Company's POLR risk is zero. Moreover, the rate of the RSC is not cost-based but was stipulated by the parties to the ESP I Stipulation, including OCC. The stipulated rates for the RSC have never been adjusted or modified, irrespective of any

changes in customer usage or to reflect changes in the market in DP&L's service territory. OCC cites to no evidence that DP&L has been over-compensated or under-compensated for its POLR risk by the RSC. As stated above, we are reluctant to disturb a stipulated rate on the basis that one of the signatory parties now believes that changed circumstances dictate a new rate.

{¶ 41} OCC further alleges that the Commission's ruling in the Second Finding and Order is unreasonable because, although *the parties* were precluded from re-litigating the RSC by res judicata and collateral estoppel, *the Commission* can modify earlier orders so long as the Commission explains the change and the new regulatory course is permissible. We are not persuaded by OCC's claim. The Commission should respect our precedents in order to assure the predictability which is essential in administrative law. *Ohio Power Co.*, 144 Ohio St.3d 1, 2015-Ohio-2056, 40 N.E.3d 1060, at ¶ 16 (*quoting Cleveland Elec. Illum. Co.*, 42 Ohio St.2d at 431, 330 N.E.2d 1). This does not mean, however, that the Commission may never revisit a particular decision, only that if the Commission does change course, it must explain why. *In re Application of Columbus S. Power Co.*, 128 Ohio St.3d 512, 2011-Ohio 1788, 947 N.E.2d 655, ¶ 52, citing *Util. Serv. Partners, Inc. v. Pub. Util. Comm.*, 124 Ohio St.3d 284, 2009-Ohio-6764, 921 N.E.2d 1038, ¶ 18. However, the sole party seeking the Commission to change course at this point in the proceedings is OCC, and OCC is barred from re-litigating the RSC by res judicata and collateral estoppel. It would be disingenuous for the Commission, as requested by OCC, to modify our prior order to eliminate the RSC based upon arguments which we have found that OCC itself is barred from raising.

F. Sixth Assignment of Error

{¶ 42} In its sixth and final assignment of error, OCC claims that allowing DP&L's revised tariffs to be effective upon filing, before the Commission conducted a review and without making the tariffs subject to refund, was unreasonable and harmed customers.

{¶ 43} DP&L responds, initially, that the Commission is required to implement the "provisions, terms and conditions" of ESP I (R.C. 4928.143(C)(2)(b)), and since the RSC was

not subject to refund under ESP I, it cannot be subject to refund now. Further, the Company claims that refunds are barred by long-standing precedent by the Supreme Court. *Keco Industries, Inc. v. Cincinnati & Suburban Bell Tel. Co.*, 166 Ohio St. 254, 141 N.E.2d 465 (1957), syllabus, ¶ 2. Moreover, the Company argues that a refund would violate the well-settled principle that "retroactive ratemaking is not permitted under Ohio's comprehensive statutory scheme." *Lucas Cty. Comm'rs v. Pub. Util. Comm.*, 80 Ohio St.3d 344, 348, 686 N.E.2d 501 (1997). Further, the Company contends that the no-refund rule and the no-retroactive-ratemaking rule strike a reasonable balance between the interests of the utility and its customers. The no-retroactive-ratemaking rule prevents the utility from recovering increased costs incurred while a case is pending before the Commission, while the no-refund rule prevents customers from recovering increased costs authorized by a Commission order. There is a rational balance between those two rules, with which the Commission should not interfere.

{¶ 44} For the reasons set forth below, rehearing on this assignment of error should be granted.

1. THE COMMISSION PROPERLY ADOPTED DP&L'S PROPOSED TARIFFS.

{¶ 45} As a preliminary matter, OCC's claim that the Commission erred by adopting the proposed tariffs without a prior review should be rejected. DP&L had withdrawn from ESP III and was returning to ESP I as directed by the statute. Time was of the essence. It is not unusual for the Commission, when time is of the essence, to order that revisions to proposed tariffs be filed as final tariffs, subject to final Commission review.

{¶ 46} In this case, DP&L filed proposed tariffs to return to ESP I. The Commission ordered modifications to those tariffs, including removal of certain riders. The Commission also directed DP&L to file revised tariffs in final form "subject to final review by the Commission." Second Finding and Order at ¶ 46. No further revisions to the tariffs were deemed necessary after the final tariffs were filed. No Staff recommendation was filed because none was necessary.

2. THE COMMISSION DOES NOT HAVE THE DISCRETION TO MAKE RATES AND CHARGES SUBJECT TO REFUND.

{¶ 47} In support of this assignment of error, OCC claims that the Commission has the authority to make rates subject to refund, noting previous cases where the Commission has made collections of a rate or charge subject to refund in order to explore the reasonableness of the rates in light of events that occurred after the issuance of the Commission order approving the rate. Thus, OCC argues that the Commission has the discretion to order rates collected from customers to be refundable.

{¶ 48} The Company responds that OCC's reliance on the previous cases is flawed. DP&L contends that, in one case, the utility consented to making the rates subject to refund. *In re Ohio Power Co. and Columbus S. Power Co.*, Case No. 10-2929-EL-UNC, Entry (May 18, 2016). In two other cases, the applicable law was changed *after* the Commission had decided the case.

{¶ 49} We note that, over 60 years ago, the Supreme Court of Ohio ruled that under Ohio's statute, R.C. 4905.32, "a utility has no option but to collect the rates set by the commission and is clearly forbidden to refund any part of the rates so collected." *Keco Industries, Inc. v. Cincinnati & Suburban Bell Tel. Co.*, 166 Ohio St. 254, 257, 141 N.E.2d 465 (1957). Subsequently, in 1982, the Court recognized an exception to *Keco* decision. *River Gas Co. v. Pub. Util. Comm.*, 69 Ohio St.2d 509, 433 N.E.2d 568 (1982). In *River Gas*, the Court explained that the rate in *River Gas* did not involve the statutory ratemaking process involved in establishing fixed rate schedules but involved variable rate schedules for fuel cost adjustment, under which rates "varied without prior approval of the Commission, and independently from the formal rate-making process." Thus, the Court concluded that the rate in *River Gas* did not constitute "rate-making in its usual and customary sense." *Id.* The Court explained that *Keco* involved a situation where a consumer sued for restitution for amounts collected under a Commission-approved tariff later found to be unreasonable; whereas in *River Gas*, the Commission found that, in calculating costs that may be recovered

prospectively from customers, it was appropriate for certain refunds to be deducted from the costs. *River Gas* at 513-514.

{¶ 50} OCC does not identify any statutory authority vesting the Commission with the discretion to make rates and charges subject to refund. It is well established that the Commission is a creature of statute and can exercise only the authority conferred upon it by the General Assembly. *Tongren v. Pub. Util. Comm.*, 85 Ohio St.3d 87,88, 706 N.E.2d 1255 (1999). Further, OCC does not cite to a single Supreme Court ruling that the Commission has discretion to make rates and charges subject to refund. In fact, OCC's sole mention of *Keco* is to cite to a separate opinion by Justice Pfeifer calling upon *the Supreme Court of Ohio* to overrule *Keco*. *In re Application of Columbus S. Power Co.*, 138 Ohio St.3d 448, 2014-Ohio-462, 8 N.E.3d 863 at ¶¶ 61-67 (Pfeifer, J., dissenting). The Commission is mindful of the potential unfairness when rates and charges are deemed unlawful but there is no refund of the rates and charges which have been collected from ratepayers. However, we are not the Supreme Court of Ohio, and we have no authority to overrule *Keco*. In fact, in the sole case cited by OCC, the Court affirmed that the only remedy to the no-refund rule in *Keco* is a stay under R.C. R.C. 4903.16. *Columbus S. Power*, 2014-Ohio-462 at ¶¶ 56-57 (quoting *Columbus S. Power*, 128 Ohio St.3d 512, 2011-Ohio-1788, 947 N.E.2d 655, at ¶ 17).

{¶ 51} Moreover, the cases cited by OCC, where the Commission ordered that certain rates be made subject to refund, are simply not analogous to this case. In each of these cases, the Commission directed that the rates and charges be collected subject to refund *after* the rate or charge had been declared unlawful and remanded to the Commission, or the underlying law which authorized the rate or charge had been modified or amended *after* the Commission had approved the rate or charge. For example, in *In re Ohio Power Co. and Columbus S. Power Co.*, the Supreme Court had reversed the Commission and remanded the case to the Commission for further proceedings. *In re Ohio Power Co. and Columbus S. Power Co.*, Case No. 10-2929-EL-UNC, Entry (May 18, 2016) at ¶ 6. After the remand, the Commission directed that future collections of the rate stability rider be collected subject to refund because the rate stability rider already had been ruled unlawful

by the Court. *Id.* at ¶¶ 1, 9, 11. Remand proceedings before the Commission can take time to resolve and that case was no exception; the case was ultimately resolved on February 23, 2017, when the Commission adopted a global stipulation which resolved the remand as well as several other cases. *In re Ohio Power Co. and Columbus S. Power Co.*, Order on Global Settlement Stipulation (Feb. 23, 2017). In the instant proceeding, on the other hand, the Supreme Court has not deemed the RSC unlawful nor has there been either a change in underlying law or a directive by the General Assembly to refund previously collected rates.

{¶ 52} We find that the Commission has no statutory authority to make rates and charges subject to refund at our discretion. The Court has consistently ruled that “[n]either the commission nor this court can order a refund of previously approved rates, however, based on the doctrine set forth in *Keco * * **.” *Green Cove Resort I Owners’ Assn. v. Pub. Util. Comm.*, 103 Ohio St.3d 125, 2004-Ohio-4774, 814 N.E.2d 829 at ¶ 27; see also *In re Application of Columbus S. Power Co.*, 128 Ohio St.3d 512, 2011-Ohio-1788, 947 N.E.2d 655 at ¶ 16 (citing *Green Cove*, 2004-Ohio-4774 at ¶ 27; see also *In re Application of Columbus S. Power Co.*, 138 Ohio St.3d 448, 2014-Ohio-462, *. N.E.3d 863 at ¶ 49; *In re Fuel Adjustment Clauses for Columbus S. Power Co. & Ohio Power Co.*, 140 Ohio St.3d 352, 2014-Ohio-3764, 18 N.E.3d 1157 at ¶ 28. The Commission is bound to follow these decisions by the Supreme Court of Ohio.

{¶ 53} Nonetheless, as noted above, the Supreme Court has recognized an exception to *Keco*: refunds may be ordered if two independent conditions are both met. First, the tariff provision for the rate or charge must be reconcilable. In other words, the rate or charge must be subject to future adjustments which are implemented without prior Commission review and approval and be subject to true up and reconciliation. Thus, when the Commission established the rate or charge, the Commission must not have engaged in “rate-making in its usual and customary sense” in approving the rate or charge. *River Gas Co.*, at 513. The Court has explained that traditional ratemaking includes three steps: an application before the Commission, preapproval by the Commission, and the filing of the rate with the Commission prior to the collection of the rate. *River Gas* at 512-513. Moreover, reconcilable rates and charges (sometimes referred to as rate adjustment clauses) must be

authorized by statute. *Pike Natural Gas Co. v. Pub. Util. Comm.*, 68 Ohio St.2d 181, 429 N.E.2d 444 (1981).

{¶ 54} The second independent condition requires that the tariff contain language providing for refunds. If the tariff does not contain language providing for refunds, refunds cannot be ordered by the Commission. *In re Rev. of Alternative Energy Rider Contained in Tariffs of Ohio Edison Co.*, 153 Ohio St.3d 289, 2018-Ohio-229, 106 N.E.3d 1 (*FirstEnergy AER Case*) at ¶ 19; *see also FirstEnergy AER Case* at ¶¶ 66-67 (Kennedy, J., concurring) (“[b]ecause the tariff at issue here did not specify a refund, the commission’s order of a refund of REC costs was unlawful retroactive ratemaking.”). In the subsequent appeal regarding FirstEnergy’s distribution modernization rider, the Court relied upon the lead opinion in the *FirstEnergy AER Case*, holding that R.C. 4905.32 bars any refund of recovered rates unless the tariff applicable to those rates sets forth a refund mechanism. *In re Application of Ohio Edison Co.*, 157 Ohio St.3d 73, 2019-Ohio-2401, 131 N.E.3d 906 (*FirstEnergy ESP IV Case*) at ¶ 23 (citing *FirstEnergy AER Case* at ¶¶ 15-20). We note that, once the Court determined that FirstEnergy’s tariffs for the distribution modernization rider did not include a provision for refunds, it was unnecessary for the Court to reach a decision whether the *River Gas* exception to *Keco* applied in the *FirstEnergy ESP IV Case*. The Court does not issue advisory rulings. *Armco, Inc. v. Pub. Util. Comm.*, 69 Ohio St.2d 401, 406, 433 N.E.2d 923 (1982).

{¶ 55} OCC does not address this entire line of cases, but the Commission cannot simply ignore adverse precedent. There is nothing in the *FirstEnergy ESP IV Case* to support OCC’s claim that the Commission has the discretion to make riders subject to refund or that *Keco* and its progeny can simply be ignored.

3. THE RATE STABILIZATION CHARGE DOES NOT MEET THE CONDITIONS SET FORTH IN RIVER GAS.

{¶ 56} While the Commission lacks the discretion to make the RSC subject to refund, *River Gas* does provide an exception to *Keco* if the rate or charge is subject to future adjustments which are implemented without prior Commission review and approval and

subject to true up and reconciliation. In other words, the Commission did not engage in “rate-making in its usual and customary sense” when the rate or charged was established. The Court has explained that traditional ratemaking includes three steps: (1) an application before the Commission, (2) preapproval by the Commission, and (3) the filing of the rate with the Commission prior to the collection of the rate. *River Gas* at 512-513. However, all three of the steps of traditional ratemaking are present with respect to the RSC.

{¶ 57} The RSC was requested pursuant to an application filed before the Commission in this docket on October 10, 2008. Application (Oct. 10, 2008). DP&L proposed that the SSO be the same as the rate stabilization plan approved by the Commission in *In re Dayton Power and Light Co.*, 05-276-EL-AIR, Opinion and Order (Dec. 28, 2005), which was affirmed by the Supreme Court in *Ohio Consumers’ Counsel v. Pub. Util. Comm.*, 114 Ohio St.3d 340, 2007-Ohio-4276, 872 N.E.2d 269. This rate stabilization plan, which was incorporated into the application, included the RSC. See *Ohio Consumers’ Counsel*, 2007-Ohio-4276 at ¶ 8, fn 3.

{¶ 58} Moreover, the RSC was preapproved by the Commission. The Commission adopted the ESP I Stipulation submitted by the parties. Opinion and Order (June 24, 2009). The Commission specifically noted that the RSC would continue in the Opinion and Order and approved the proposed tariffs filed on February 24, 2009. *Id.* at 5, 11.

{¶ 59} Finally, the rate of the RSC was filed with the Commission prior to the collection of the rate. As noted above, in the Opinion and Order, the Commission approved the proposed tariffs, including the RSC, which were filed on February 24, 2009. *Id.* Subsequently, revised tariffs were filed on June 29, 2009, with an effective date of June 30, 2009. These revised tariffs included the rates for the RSC. Tariff Filing (Jun. 29, 2009). These rates for the RSC have remained unchanged each time ESP I has been reinstated. Tariff Filing (Sep. 1, 2016); Tariff Filing (Dec. 19, 2019).

{¶ 60} The Commission finds that, as all three steps of traditional rate-making set forth in *River Gas* have been met with respect to the RSC, the Commission engaged in rate-

making in its usual and customary sense in establishing the RSC. Accordingly, we find that the *River Gas* exception to *Keco* does not apply with respect to the RSC, and the RSC should not be refundable.

4. THE RATE STABILIZATION CHARGE SHOULD BE MADE REFUNDABLE TO THE EXTENT PERMITTED BY LAW.

{¶ 61} As stated above, the Commission is mindful of the potential unfairness when rates and charges are deemed unlawful, but there is no refund of the rates and charges which have been collected from ratepayers. We also note the extraordinary circumstances that the procedural history of this case presents. We agree with DP&L that, when the parties agreed to the ESP I Stipulation, the parties knew, or should have known, that ESP I could be reinstated pursuant to R.C. 4928.143(C)(2)(b) if the Commission modified and approved a subsequent application for an ESP and DP&L withdrew that application. However, the turn of events surrounding ESP I is nothing short of extraordinary. The Commission extended ESP I in the December 19, 2012 Entry while ESP II was pending before the Commission. After the Commission approved ESP II, the Supreme Court ruled that ESP II should be reversed, leading to the subsequent modification of ESP II by the Commission, DP&L's withdrawal of ESP II, and the first reinstatement of ESP I. After the Commission adopted ESP III, the Supreme Court dismissed as moot the appeals of the decision to reinstate ESP I. The Commission subsequently modified ESP III, based upon the Supreme Court's decision in the *FirstEnergy ESP IV Case*, leading to DP&L's withdrawal of ESP III and the second reinstatement of ESP I. We note that the continuing value of ESP I to ratepayers has been demonstrated in *In re The Dayton Power and Light Co.*, Case Nos. 18-1875-EL-RDR et al. (*Quadrennial Review Case*), which was decided contemporaneously with the decision in this proceeding. However, all of these events have contributed to the extraordinary circumstances surrounding ESP I.

{¶ 62} We note in particular the Supreme Court's decision to dismiss the appeals of our decision to reinstate the provisions of ESP I in the August 26, 2016 Finding and Order. *Dayton Power & Light Co.*, 154 Ohio St.3d 237, 2018-Ohio-4009, 113 N.E.3d 507. The Court

had no reason to believe that this question, whether the RSC is one of the provisions, terms and conditions of ESP I, would be raised again as the Commission had approved a third ESP for DP&L; but events have demonstrated that, although OCC's appeal of the decision to reinstate ESP I was moot, the question is capable of repetition yet evading review.

{¶ 63} OCC believes that we have the discretion to make the RSC refundable. As set forth in detail above, we disagree. OCC's claim has no basis in law. We also have determined above that the RSC is not a reconcilable rider pursuant to *River Gas* which may be subject to refund under the established exception to *Keco*. However, if we do not direct the Company to include a provision for refunds in the tariffs for the RSC, OCC may not be able to effectively appeal our rulings that we lack the discretion to make the RSC refundable and that the RSC is not subject to the *River Gas* exception to *Keco*. The absence of language providing for refunds may be sufficient to decide the appeal. The Court would have no need to reach the question of whether the Commission has the discretion to make the RSC refundable or whether the RSC is subject to *River Gas*. As noted above, the Court does not issue advisory rulings. *Armco*, 69 Ohio St.2d at 406.

{¶ 64} We do not seek to evade Supreme Court review of our decisions. Therefore, in light of the extraordinary circumstances in this case, the Commission will grant rehearing on OCC's sixth assignment or error. In fashioning tariff language, we are mindful of our rulings in this case. Therefore, we will direct the Company to file new proposed tariffs providing that the RSC shall be refundable "to the extent permitted by law." This language should allow OCC to effectively appeal our decisions in this case without undermining our rulings. We note that our decision is limited to the extraordinary circumstances of this case, including the fact that previous appeals of a decision to reinstate the RSC were dismissed as moot.

G. *Remaining Applications for Rehearing*

{¶ 65} Contemporaneous with the issuance of this Fifth Entry on Rehearing, the Commission issued the Opinion and Order in *the Quadrennial Review Case*. In the Opinion

and Order in the *Quadrennial Review Case*, the Commission adopted a global stipulation resolving the quadrennial review of ESP I mandated by R.C. 4928.143, as well as DP&L's grid modernization proposal, and DP&L's significantly excessive earnings test cases for 2018 and 2019.

{¶ 66} Among other terms of the global stipulation filed on October 23, 2020, the signatory parties, including IEU-Ohio, IGS, Dayton, Honda, Ohio Manufacturers' Association Energy Group and Kroger requested that the Commission defer ruling on the applications for rehearing filed in response to the Second Finding and Order in this proceeding. The signatory parties further represent that the applications for rehearing filed by IEU-Ohio, IGS and Dayton/Honda and the joint application for rehearing filed by OMA and Kroger will be withdrawn if the Commission issues a final appeal order which adopts, without modification, the global stipulation submitted in the *Quadrennial Review Case*.

{¶ 67} The Opinion and Order in the *Quadrennial Review Case* adopted, without modification, the global stipulation filed in that proceeding. Accordingly, to the extent necessary, the Commission will address the applications for rehearing filed by IEU-Ohio and Dayton/Honda and the joint application for rehearing filed by OMA and Kroger by subsequent entry.

IV. ORDER

{¶ 68} It is, therefore,

{¶ 69} ORDERED, That the applications for rehearing filed by OCC be granted, in part, and denied, in part. It is, further,

{¶ 70} ORDERED, That a copy of this Fifth Entry on Rehearing be served upon each party of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair
M. Beth Trombold
Daniel R. Conway
Dennis P. Deters

Recusal:

Lawrence K. Friedeman

GAP/hac

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Case No(s). 08-1094-EL-SSO, 08-1095-EL-ATA, 08-1096-EL-AAM, 08-1097-EL-UNC

Summary: Entry on Rehearing granting, in part, and denying, in part, the application for rehearing filed by the Ohio Consumers' Counsel. electronically filed by Ms. Mary E Fischer on behalf of Public Utilities Commission of Ohio

EXHIBIT B

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY TO ESTABLISH A STANDARD
SERVICE OFFER IN THE FORM OF AN
ELECTRIC SECURITY PLAN.

CASE NO. 08-1094-EL-SSO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF REVISED
TARIFFS.

CASE NO. 08-1095-EL-ATA

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF CERTAIN
ACCOUNTING AUTHORITY.

CASE NO. 08-1096-EL-AAM

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR WAIVER OF CERTAIN
COMMISSION RULES.

CASE NO. 08-1097-EL-UNC

SIXTH ENTRY ON REHEARING

Entered in the Journal on August 11, 2021

I. SUMMARY

{¶ 1} In this Sixth Entry on Rehearing, the Commission denies the applications for rehearing filed by the Ohio Consumers' Counsel and The Dayton Power and Light Company.

II. PROCEDURAL HISTORY

{¶ 2} The Dayton Power and Light Company d/b/a AES Ohio (AES Ohio or the Company) is a public utility as defined under R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} 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 services to customers, including a

firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 4} R.C. 4928.143(C)(2)(b) provides that if a utility terminates an application for an ESP or if the Commission disapproves an application, the Commission shall issue such order as is necessary to continue the provisions, terms, and conditions of the utility's most recent SSO, along with any expected increases or decreases in fuel costs from those contained in that offer, until a subsequent SSO is authorized.

{¶ 5} By Opinion and Order issued in this case on June 24, 2009, the Commission adopted the stipulation and recommendation of the parties (ESP I Stipulation) to establish AES Ohio's first ESP (ESP I). Included among the terms, conditions, and charges in ESP I was a rate stabilization charge (RSC). Thereafter, on December 19, 2012, the Commission extended ESP I, including the RSC, until a subsequent SSO could be authorized. Entry (Dec. 19, 2012) at 3-5.

{¶ 6} On September 4, 2013, the Commission modified and approved AES Ohio's application for a second ESP (ESP II). *In re The Dayton Power and Light Co.*, Case No. 12-426-EL-SSO, et al. (*ESP II Case*), Opinion and Order (Sept. 4, 2013). On June 20, 2016, the Supreme Court of Ohio issued an opinion reversing the decision of the Commission approving ESP II and disposing of all pending appeals. *In re Application of Dayton Power & Light Co.*, 147 Ohio St.3d 166, 2016-Ohio-3490, 62 N.E.3d 179. Thereafter, on August 26, 2016, in the *ESP II Case*, the Commission modified ESP II as directed by the Court and then granted AES Ohio's application to withdraw ESP II, thereby terminating it. *ESP II Case*, Finding and Order (Aug. 26, 2016). In light of AES Ohio's withdrawal of ESP II, the Commission, pursuant to R.C. 4928.143(C)(2)(b), granted AES Ohio's application in this case to implement the provisions, terms and conditions of ESP I, its most recent SSO, until a subsequent SSO could be authorized. Finding and Order (Aug. 26, 2016), Third Entry on Rehearing (Dec. 14, 2016).

{¶ 7} The provisions, terms and conditions of ESP I remained in effect until the Commission modified and approved an amended stipulation establishing AES Ohio's third electric security plan (ESP III), effective November 1, 2017. *In re Dayton Power and Light Co.*, Case No. 16-395-EL-SSO (*ESP III Case*), Opinion and Order (Oct. 20, 2017) at ¶ 131. The Supreme Court of Ohio then dismissed as moot the appeals of the August 26, 2016 Finding and Order which reinstated ESP I, including the RSC. *In re Application of Dayton Power & Light Co.*, 154 Ohio St.3d 237, 2018-Ohio-4009, 113 N.E.3d 507, *reconsideration denied*, 154 Ohio St.3d 1446, 2018-Ohio-4962, 113 N.E.3d 545.

{¶ 8} Subsequently, Interstate Gas Supply (IGS) withdrew from the amended stipulation in the *ESP III Case*, necessitating an additional evidentiary hearing in that proceeding. *ESP III Case*, Entry (Nov. 15, 2018). Following the additional evidentiary hearing, the Commission issued a Supplemental Opinion and Order in the *ESP III Case*. In the Supplemental Opinion and Order, the Commission further modified and approved the amended stipulation filed in the *ESP III Case*, eliminating AES Ohio's distribution modernization rider, in light of the Supreme Court of Ohio's decision in *In re Application of Ohio Edison Co.*, 157 Ohio St.3d 73, 2019-Ohio-2401, 131 N.E.3d 906, *reconsideration denied*, 156 Ohio St.3d, 2019-Ohio-3331, 129 N.E.3d 454, and *reconsideration denied*, 156 Ohio St.3d 1487, 2019-Ohio-3331, 129 N.E.3d 458. *ESP III Case*, Supplemental Opinion and Order (Nov. 21, 2019) at ¶¶ 1, 102-110, 134.

{¶ 9} On November 26, 2019, AES Ohio filed a notice of withdrawal of its application and amended application filed in the *ESP III Case*, pursuant to R.C. 4928.143(C)(2)(a). AES Ohio also filed on November 26, 2019, proposed tariffs in this proceeding to implement the provisions, terms and conditions of ESP I, its most recent ESP prior to ESP III. On December 4, 2019, comments were filed by Ohio Energy Group, Ohio Hospital Association, Industrial Energy Users-Ohio (IEU-Ohio) and the Retail Energy Supply Association (RESA). Joint comments were filed on December 4, 2019 by City of Dayton and Honda of America Mfg., Inc. (Dayton/Honda). Further, Ohio Consumers'

Counsel (OCC), Ohio Manufacturers' Association (OMA) and The Kroger Co. (Kroger) filed a motion on December 4, 2019, seeking rejection of AES Ohio's proposed tariff filing.

{¶ 10} The Commission accepted the withdrawal of ESP III in the *ESP III Case* on December 18, 2019. *ESP III Case*, Finding and Order (Dec. 18, 2019). On December 18, 2019, in this proceeding, the Commission also approved AES Ohio's proposed tariffs, implementing the provisions terms and conditions of ESP I, subject to the modifications directed by the Commission. Second Finding and Order (Dec. 18, 2019). Subsequently, on January 17, 2020, applications for rehearing were filed by IEU-Ohio, IGS, OCC, and Dayton/Honda, and a joint application for rehearing was filed by OMA and Kroger.

{¶ 11} AES Ohio timely filed its memorandum contra on February 3, 2020. On February 4, 2020, RESA filed a motion for leave to file memorandum contra instant to the application for rehearing filed by IGS.

{¶ 12} On February 14, 2020, the Commission issued a Fourth Entry on Rehearing, in which it denied the application for rehearing filed by IGS and granted the remaining applications for rehearing for the purpose of further consideration in the matters raised in the applications for rehearing.

{¶ 13} Subsequently, the Commission issued the Fifth Entry on Rehearing in this case on June 16, 2021. OCC and AES Ohio each filed an application for rehearing on July 21, 2021. On July 30, 2021, OCC timely filed a memorandum contra the application for rehearing filed by AES Ohio. AES Ohio also timely filed a memorandum contra the application for rehearing filed by OCC on July 30, 2021.

III. DISCUSSION

A. OCC's First Assignment of Error and AES Ohio's Second Assignment of Error

{¶ 14} In its first assignment of error, OCC claims that the Commission erred when it approved a provider-of-last-resort (POLR) charge to consumers without finding it just and reasonable and without evidentiary support, and in violation of Supreme Court of Ohio and

Commission precedent and Ohio law, including R.C. 4903.09, 4905.22, and 4928.02(a). In support of this assignment of error, OCC contends that, between 2006 and 2024, consumers in AES Ohio's service territory will have paid \$1.2 billion in POLR charges and stability charges. OCC further contends that the Commission failed to determine whether continuing to charge customers the RSC is reasonable and lawful. OCC alleges that the RSC is inconsistent with *In re Application of Columbus S. Power Co.*, 128 Ohio St.3d 512 (2011) and the Commission's decision on remand, *In re the Ohio Power Company*, Case No. 08-917-EL-SSO, Order on Remand (Oct. 3, 2011). OCC also claims that there is no evidentiary support to continue charging the RSC, in violation of R.C. 4903.09.

{¶ 15} In its memorandum contra OCC's application for rehearing, the Company contends that the Commission correctly ruled that R.C. 4928.143(C)(2)(b) required that the RSC be reinstated. The Company also claims that OCC waived the argument that additional evidence is needed because it failed to raise this issue in its January 17, 2020 application for rehearing. Further, AES Ohio avers that OCC ignores the plain language of the governing statute which expressly provides that, in the event of a withdrawal of an application for an ESP, the Commission "shall issue such order as is necessary to continue the provisions, terms, and conditions of the utility's most recent standard service offer." R.C. 4928.143(C)(2)(b).

{¶ 16} The Company also argues the Commission correctly ruled in the Fifth Entry on Rehearing that OCC's arguments in support of this assignment of error are barred by R.C. 4903.10, res judicata and collateral estoppel. In addition, the Company claims that the Supreme Court upheld prior versions of the RSC in two cases. *Constellation NewEnergy, Inc. v. Pub. Util. Comm.*, 104 Ohio St.3d 530, 2004-Ohio-6767, 820 N.E.2d 885, ¶ 39-40; *Ohio Consumers' Counsel v. Pub. Util. Comm.*, 114 Ohio St.3d 340, 2007-Ohio-4276, 872 N.E.2d 269, ¶ 17-26. AES Ohio also claims that it still provides POLR service; in addition to the reasons cited by the Commission in the Fifth Entry on Rehearing, AES Ohio claims that it bears POLR risk if there are an insufficient number of bidders at the SSO auctions or if the winning bidders default on their obligation to provide generation service to SSO customers. Finally,

AES Ohio argues that no further evidence is needed to justify the RSC because the Commission has provided ample justification for re-establishing the RSC, including the fact that the governing statute required the Commission to do so. Second Finding and Order at ¶ 26; Fifth Entry on Rehearing at ¶ 15.

{¶ 17} In its second assignment of error, AES Ohio claims that the Commission erred by failing to identify an additional reason that the RSC is lawful. Specifically, AES Ohio claims that the Commission erred by failing to find that, since the RSC was in effect as part of ESP I when ESP III was approved, the Commission was required to reinstitute the RSC as it existed when ESP III was terminated.

{¶ 18} In OCC's memorandum contra the Company's application for rehearing, OCC urges the Commission to reject AES Ohio's additional justification. OCC argues that the Commission was under no obligation to reinstate the RSC, which, OCC reasons, was part of ESP I but was not part of the previous SSO.

{¶ 19} The Commission finds that OCC's first assignment of error is improper as OCC seeks rehearing of a denial of rehearing on the same issue. The Commission has squarely addressed this question, consistently holding that R.C. 4903.10 does not allow persons who enter appearances to have "two bites at the apple" or to file rehearing upon the denial of rehearing of the same issue. *In re the Complaint of Ormet Primary Aluminum Corp. v. South Central Power Co. and Ohio Power Co.*, Case No. 05-1057-EL-CSS, Second Entry on Rehearing (Sept. 13, 2006) (*Ormet*) at 3-4 (citing *In re The East Ohio Gas Co. and Columbia Gas Co.*, Case Nos. 05-1421-GA-PIP, et al., Second Entry on Rehearing (May 3, 2006) at 3). See also *In re Ohio Power Co. and Columbus S. Power Co.*, Case No. 10-2929-EL-UNC, Entry on Rehearing (Jan. 30, 2013) at 4-5.

{¶ 20} In this case, OCC raised these same arguments in its fourth assignment of error in its application for rehearing filed on January 17, 2020. Fifth Entry on Rehearing at ¶ 23. The Commission denied rehearing on the fourth assignment of error. *Id.* at ¶ 30.

Accordingly, we find that OCC's first assignment of error in its June 16, 2021 application for rehearing is improper and should be denied.

{¶ 21} Moreover, even if OCC's first assignment of error was not improper, the Commission would deny rehearing on the assignment of error. OCC has raised no new arguments in support of this assignment of error, and the Commission thoroughly addressed these arguments in the Fifth Entry on Rehearing. Fifth Entry on Rehearing at ¶¶ 26-30. Accordingly, rehearing on this assignment of error should be denied.

{¶ 22} With respect to the Company's second assignment of error, AES Ohio argues that the Commission erred, in the Fifth Entry of Rehearing, by failing to find that "[s]ince the RSC was in effect as part of ESP I when ESP III was approved, the Commission was required to reinstitute the RSC as it existed when ESP III was terminated." We find that rehearing on this assignment of error should be denied. The Commission notes that, in the Second Finding and Order, in this case, issued on December 18, 2019, the Commission found that:

DP&L has exercised its statutory right to withdraw ESP III. DP&L's most recent SSO would be ESP I, which was reinstated by the Commission in the Finding and Order issued on August 26, 2016 in these proceedings. ESP I remained in effect until the effective date of ESP III, on November 1, 2017. *According to the plain language of the statute, the Commission must restore the provisions, terms and conditions of ESP I which were in effect prior to the effective date of ESP III.*

* * *

[Ohio Hospital Association] questions whether the RSC was properly extended by the Commission on December 19, 2012, when ESP I's term expired while the ESP II Case was pending before the Commission. However, as we noted in the Finding and Order issued on August 26, 2016, the

Commission's decision to extend the RSC, by Entry issued on December 19, 2012, cannot be challenged now. Finding and Order at ¶ 23. When the Commission extended ESP I, *the Commission determined that the RSC was one of the provisions, terms and conditions of ESP I, and, as such, the RSC should continue with ESP I* until a subsequent SSO is authorized. Entry (Dec. 19, 2012) at 3-4. On February 19, 2012, the Commission issued the first Entry on Rehearing in these proceedings, affirming our determination that the RSC is a provision, term, or condition of ESP I. Entry on Rehearing (Feb. 19, 2013) at 4- 6. No party, including OHA, appealed this ruling by the Commission. Thus, the Entry issued on December 19, 2012 is *a final, non-appealable order* of the Commission and *any challenge to that Entry is untimely and barred by R.C. 4903.10*.

Second Finding and Order at ¶¶ 27, 31 (emphasis added).

The Commission's ruling in the Second Finding and Order is substantively identical to the language which AES Ohio claims the Commission erred by failing to adopt. Thus, having made the substantively identical ruling in the Second Finding and Order, we find that it was unnecessary for the Commission to repeat that finding in the Fifth Entry on Rehearing.

{¶ 23} We note, moreover, that OCC is barred from challenging this ruling now by R.C. 4903.10. As we stated in the Fifth Entry on Rehearing:

Further, the Commission notes that, in the Second Finding and Order, we specifically ruled that: (1) the Commission had determined that the RSC is one of the provisions, terms, and conditions of ESP I in the December 19, 2012 Entry; (2) the December 19, 2012 Entry was a final, non-appealable order; and (3) any challenge to the December 19, 2012 Entry is untimely and barred by 4903.10. Second Finding and Order at ¶ 31. In its application for rehearing filed on January 17, 2020, OCC did not seek rehearing on this ruling contained in the Second Finding and Order. Therefore, OCC is barred from challenging this ruling, irrespective of the Commission's separate and independent

determination that OCC's claim is also barred by res judicata and collateral estoppel.

Fifth Entry on Rehearing at ¶ 37.

B. OCC's Second Assignment of Error and AES Ohio's First Assignment of Error

{¶ 24} OCC claims in its second assignment of error that the Commission erred in concluding that the Commission does not have discretion to make rates and charges subject to refund unless two independent conditions are met, where one of the conditions is that the tariff provision for the rate or charge is "reconcilable." OCC avers that, when the Commission added a reconcilable requirement for consumer refunds, the Commission unreasonably and unlawfully construed R.C. 4905.32.

{¶ 25} In its memorandum contra OCC's application for rehearing, AES Ohio argues that the Commission correctly ruled that it lacked authority to order the Company to collect the RSC subject to refund. The Company claims that OCC has waived this argument because it failed to cite to R.C. 4905.32 in its January 17, 2020 application for rehearing. The Company further argues that the Commission correctly concluded that it "has no statutory authority to make rates and charges subject to refund at [its] discretion," subject to exceptions that are inapplicable to the RSC. Fifth Entry on Rehearing at ¶¶ 52-60. AES Ohio avers that refunds are barred by long-standing precedent by the Supreme Court of Ohio. *Keco Industries, Inc. v. Cincinnati & Suburban Bell Tel. Co.*, 166 Ohio St. 254, 141 N.E.2d 465 (1957), syllabus, at ¶ 2. *See also, In re Application of Columbus S. Power Co.*, 128 Ohio St.3d 512, 2011- Ohio-1788, 947 N.E.2d 655 at ¶ 16 ("under *Keco*, we have consistently held that the law does not allow refunds in appeals from commission order"); *Ohio Consumers' Counsel v. Pub. Util. Comm.*, 121 Ohio St.3d 362, 2009-Ohio-604, 904 N.E.2d 853 at ¶ 21 ("any refund order would be contrary to our precedent declining to engage in retroactive ratemaking").

{¶ 26} In AES Ohio's first assignment of error, the Company alleges that the Fifth Entry on Rehearing is unreasonable and unlawful because it requires AES Ohio to propose

language in its tariff making the RSC refundable "to the extent permitted by law." Fifth Entry on Rehearing at ¶ 64. The RSC cannot and should not be made refundable for two reasons: first, the RSC was not refundable under AES Ohio's most recent ESP, and R.C. 4928.143(C)(2)(b) requires the Commission to continue the terms of the Company's most recent ESP; and, second, requiring a utility to collect refundable rates is inconsistent with the balance created by the General Assembly.

{¶ 27} OCC responds, in its memorandum contra AES Ohio's application for rehearing, that the refund language should be included in AES Ohio's tariffs. OCC reasons that the language that the Commission directed be included in the tariffs is consistent with the balance struck by the General Assembly.

{¶ 28} The Commission finds that, with one exception, OCC has raised no new arguments in support of this assignment of error, and the Commission thoroughly addressed OCC's arguments in the Fifth Entry on Rehearing. Fifth Entry on Rehearing at ¶¶ 49-52. As noted in the Fifth Entry on Rehearing, the Commission remains bound to follow established precedent from the Supreme Court of Ohio. Fifth Entry on Rehearing at ¶ 52. The Court has consistently ruled that "[n]either the commission nor this court can order a refund of previously approved rates, however, based on the doctrine set forth in *Keco * * **" *Green Cove Resort I Owners' Assn. v. Pub. Util. Comm.*, 103 Ohio St.3d 125, 2004-Ohio-4774; see *In re Application of Columbus S. Power Co.*, 128 Ohio St.3d 512, 2011-Ohio-1788 at ¶ 16 (citing *Green Cove*, 2004-Ohio-4774); see also *In re Application of Columbus S. Power Co.*, 138 Ohio St.3d 448, 2014-Ohio-462 at ¶ 49; *In re Fuel Adjustment Clauses for Columbus S. Power Co. & Ohio Power Co.*, 140 Ohio St.3d 352, 2014-Ohio-3764 at ¶ 28. The Commission notes that, in its sole new argument, OCC quotes Justice Kennedy's opinion in *In re Application of Dayton Power & Light Co.* *In re Application of Dayton Power & Light Co.*, 154 Ohio St.3d 237, 2018-Ohio-4009, 113 N.E.3d 507, *reconsideration denied*, 154 Ohio St.3d 1446, 2018-Ohio-4962, 113 N.E.3d 545, at ¶ 26 (Kennedy, J., concurring). We find, however, that there is nothing inconsistent between Justice Kennedy's opinion and the Commission's directive that AES Ohio include, in the tariff, language that the RSC be refundable "to the extent permitted by

law.” Fifth Entry on Rehearing at ¶ 64. Therefore, rehearing on this assignment of error should be denied.

{¶ 29} With respect to AES Ohio’s first assignment of error, the Commission finds that rehearing on this assignment of error should be denied. The Commission explained the extraordinary circumstances surrounding this proceeding in the Fifth Entry on Rehearing:

We agree with DP&L that, when the parties agreed to the ESP I Stipulation, the parties knew, or should have known, that ESP I could be reinstated pursuant to R.C. 4928.143(C)(2)(b) if the Commission modified and approved a subsequent application for an ESP and DP&L withdrew that application. However, the turn of events surrounding ESP I is nothing short of extraordinary. The Commission extended ESP I in the December 19, 2012 Entry while ESP II was pending before the Commission. After the Commission approved ESP II, the Supreme Court ruled that ESP II should be reversed, leading to the subsequent modification of ESP II by the Commission, DP&L’s withdrawal of ESP II, and the first reinstatement of ESP I. After the Commission adopted ESP III, the Supreme Court dismissed as moot the appeals of the decision to reinstate ESP I. The Commission subsequently modified ESP III, based upon the Supreme Court’s decision in the FirstEnergy ESP IV Case, leading to DP&L’s withdrawal of ESP III and the second reinstatement of ESP I. We note that the continuing value of ESP I to ratepayers has been demonstrated in *In re The Dayton Power and Light Co.*, Case Nos. 18-1875-EL-GRD et al. (*Quadrennial Review Case*), which was decided contemporaneously with the decision in this proceeding. However, all of these events have contributed to the extraordinary circumstances surrounding ESP I.

Fifth Entry on Rehearing at ¶ 61.

We remain concerned that the absence of the tariff language making the RSC subject to refund “to the extent permitted by law” would preclude OCC from effectively pursuing an appeal in this case as the absence of such language may be sufficient to decide the appeal. We do not seek to evade review of our decisions by the Supreme Court of Ohio. Therefore, we affirm our determination that the extraordinary circumstances of this case require the inclusion of the tariff language as directed by the Commission in the Fifth Entry on Rehearing.

C. OCC’s Third Assignment of Error

{¶ 30} In its third assignment of error, OCC alleges that the Commission erred in concluding that OCC is barred by res judicata and collateral estoppel from challenging AES Ohio’s rate stability charge. When a judgment is issued without jurisdiction, it is void and subject to collateral attack. OCC contends that, because the Commission had no jurisdiction to order the continuation of AES Ohio’s electric security plan, instead of its standard service offer, its order was void and is subject to collateral attack.

{¶ 31} AES Ohio, in its memorandum contra, claims that OCC already sought rehearing on this issue in its January 17, 2020 application for rehearing. AES Ohio also reiterates its argument that res judicata and collateral estoppel bar OCC from challenging the RSC. The Company avers that the Commission correctly concluded in the Fifth Entry on Rehearing that an ESP is a SSO. Fifth Entry on Rehearing at ¶¶ 15-16.

{¶ 32} Further, AES Ohio rejects OCC’s claim that the Second Finding and Order is void. The Company notes that the Supreme Court of Ohio has recognized that if a tribunal “possesses subject-matter jurisdiction, any error in the invocation or exercise of jurisdiction over a particular case causes a judgment to be voidable rather than void.” *Bank of Am., N.A. v. Kuchta*, 141 Ohio St.3d 75, 2014-Ohio-4275, 21 N.E.3d 1040, ¶ 19 (citation omitted); *see also Pratts v. Hurley*, 102 Ohio St.3d 81, 2004-Ohio-1980, 806 N.E.2d 992, at ¶ 12 (“[o]nce a tribunal has jurisdiction over both the subject matter of an action and the parties to it * * * the right to hear and determine is perfect; and the decision of every question thereafter arising is but

the exercise of the jurisdiction thus conferred * * * ") (internal quotation marks and citation omitted). AES Ohio avers that there is no question that the Commission has subject-matter jurisdiction to issue orders that "continue the provisions, terms, and conditions of the utility's most recent standard service offer" when a utility terminates an ESP pursuant to R.C. 4928.143(C)(2). In fact, according to the Company, R.C. 4928.143(C)(2)(b) expressly requires "the commission," and no other body, to issue such orders.

{¶ 33} The Commission finds that OCC's third assignment of error is improper as OCC seeks rehearing of a denial of rehearing on the same issue. As noted above, in *Ormet*, the Commission held that R.C. 4903.10 does not allow persons who enter appearances to have "two bites at the apple" or to file rehearing upon the denial of rehearing of the same issue. *In re the Complaint of Ormet Primary Aluminum Corp. v. South Central Power Co. and Ohio Power Co.*, Case No. 05-1057-EL-CSS, Second Entry on Rehearing (Sept. 13, 2006) at 3-4 (citing *In re The East Ohio Gas Co. and Columbia Gas Co.*, Case Nos. 05-1421-GA-PIP, et al., Second Entry on Rehearing (May 3, 2006) at 3). *See also In re Ohio Power Co. and Columbus S. Power Co.*, Case No. 10-2929-EL-UNC, Entry on Rehearing (Jan. 30, 2013) at 4-5.

{¶ 34} With respect to this assignment of error, OCC acknowledges that it raised these same arguments in its application for rehearing filed on January 17, 2020, stating "[a]s fully explained in OCC's prior application for rehearing (which was denied by the PUCO)." *See also* Fifth Entry on Rehearing at ¶¶ 13, 31-32. The Commission denied rehearing on the assignment of error. *Id.* at ¶¶ 15-16, 38-40. Accordingly, we find that OCC's third assignment of error in its June 16, 2021 application for rehearing is improper and should be denied.

{¶ 35} The Commission further finds that we would deny rehearing on the assignment of error even if the third assignment of error were not improper. As OCC appears to acknowledge, it has raised no new arguments in support of its third assignment of error. The Commission thoroughly addressed these arguments in the Fifth Entry on

Rehearing. Fifth Entry on Rehearing at ¶¶ 15-16, 38-40. Accordingly, rehearing on this assignment of error should be denied.

D. OCC's Fourth Assignment of Error

{¶ 36} In its fourth assignment of error, OCC alleges that the Commission erred in its findings excusing AES Ohio from its ESP I rate freeze commitment to customers. In violation of Supreme Court of Ohio precedent on this issue, the Commission's findings are mistaken and misapprehend OCC claims of error. OCC further argues that, consistent with R.C. 4903.09, and Supreme Court precedent, the Commission's findings can, and should, be abrogated.

{¶ 37} AES Ohio replies that OCC has already sought rehearing on this issue in its previous application for rehearing in this proceeding. The Company also argues that the Commission correctly ruled that OCC waived this argument in the Company's most recent distribution rate case. Fifth Entry on Rehearing at ¶ 19. AES Ohio also claims that that rate freeze was not part of the Company's most recent SSO and that any rate freeze was modified in AES Ohio's last distribution rate case.

{¶ 38} The Commission notes that, with respect to this assignment of error, OCC once again acknowledges that it seeks rehearing upon a denial of rehearing, stating that "OCC challenged the PUCO's unlawful and unreasonable ruling where it failed to continue, for the benefit of consumers, the distribution rate freeze that was part of DP&L's ESP I. * * * The PUCO, however, denied OCC's application for rehearing." Therefore, the Commission finds that OCC fourth assignment of error improperly seeks rehearing of a denial of rehearing on the same issue. *Ormet* at 3-4.

{¶ 39} The Commission notes that the improper filing of rehearing upon the denial of rehearing is particularly acute with respect to this assignment of error because OCC seeks to recast the assignment of error on which the Commission denied rehearing in the Fifth Entry on Rehearing. Arguing in the alternative, OCC first argues that it had no opportunity

to raise this issue in AES Ohio's prior rate case, *In re The Dayton Power and Light Co.*, Case No. 15-1830-EL-AIR (2015 Distribution Rate Case), because the Staff Report had not been filed during the time ESP I was in effect. However, OCC elides the fact that it could have sought a stay of the 2015 Distribution Rate Case if it believed that the rate freeze was still in effect. We also note that, on August 5, 2021, OCC filed a motion to dismiss the application for an increase in rates in *In re the Application of the Dayton Power and Light Company to Increase its Rates for Electric Distribution*, Case Nos. 20-1651-EL-AIR et al. (2020 Distribution Rate Case). The Commission will determine in the 2020 Distribution Rate Case whether a motion to dismiss is appropriate pursuant to R.C. 4909.18; however, we note that the filing of the motion to dismiss is effectively an admission that OCC had potential remedies in the 2015 Distribution Rate Case, irrespective of whether the Staff Report had been filed during the time ESP I was in effect.

{¶ 40} OCC also claims that the Commission misapprehended the remedy sought by OCC in its application for rehearing filed on January 17, 2020. This claim is not persuasive. In the application for rehearing, OCC stated that:

During the ESP I term, [AES Ohio] froze distribution rates, consistent with the PUCO-approved stipulation. But in 2018, three years after it filed to increase rates to customers, the PUCO unfroze the distribution rates, increasing distribution charges to [AES Ohio's] customers. Those increased distribution rates are now part of the continued rates approved by the PUCO in the [Second Finding and Order (Dec. 18, 2019)]. Not so for the ESP I distribution rate freeze, which the PUCO ignored. * * *

The ESP I distribution rate freeze ended when the PUCO approved increased distribution rates for [AES Ohio] [citing 2015 Distribution Rate Case, Opinion and Order (Sept. 26, 2018)].

Memorandum in Support of Application for Rehearing (Jan. 17, 2020) at 7, 9.

The argument in support of the application for rehearing clearly registers OCC's disagreement with the Commission's decision to continue the distribution rates lawfully set by the *2015 Distribution Rate Case*. Further, in the Fifth Entry on Rehearing, the Commission noted that OCC had not proposed any authority for the Commission to retroactively modify the distribution rates approved in *2015 Distribution Rate Case* as it is settled law in Ohio that retroactive ratemaking is not permitted. *Lucas Cty. Comm'rs v. Pub. Util. Comm.*, 80 Ohio St.3d 344, 348, 686 N.E.2d 501 (1997). Fifth Entry on Rehearing at ¶ 19. After the Commission ruled that OCC had not proposed any authority for the Commission to modify the rates set in the *2015 Distribution Rate Case*, OCC recast its January 17, 2020 application for rehearing, claiming that it did not seek to modify the rates approved by the Commission in the *2015 Distribution Rate Case*. Instead, OCC now argues that the remedy sought in the January 17, 2020 application for rehearing was for rates to be frozen at the levels set by the *2015 Distribution Rate Case* and for the dismissal of AES Ohio's pending rate case, *2020 Distribution Rate Case*. However, this argument is not persuasive. As noted above, the plain language of OCC's January 17, 2020 application for rehearing demonstrates that OCC was disputing the rates placed into effect in the *2015 Distribution Rate Case*, and OCC cannot have sought the dismissal of the *2020 Distribution Rate Case* in its January 17, 2020 application for rehearing because the *2020 Distribution Rate Case* was not filed until October 30, 2020, well after the filing of the January 17, 2020 application for rehearing.

E. OCC's Fifth Assignment of Error

{¶ 41} In its fifth assignment of error, OCC claims that the Commission erred by delaying its rehearing ruling until June 16, 2021 and by deferring yet more rehearing rulings beyond its June 16, 2021 Entry on Rehearing, in violation of R.C. 4903.10, R.C. 4903.11, 4903.12 and 4902.13, and is an abuse of discretion. OCC claims that the Commission's errors have wrongfully delayed the issuance of a final appealable order because the Commission is intending for there to be further rehearing rulings, all of which are denying OCC its statutory right of appeal and denying the Supreme Court its opportunity to review.

{¶ 42} In its memorandum contra, AES Ohio responds that the Commission correctly deferred ruling on the remaining applications for rehearing. The Company claims that, because the Fifth Entry on Rehearing addressed all assignments of error contained in OCC's application for rehearing, this assignment of error should be rejected as granting rehearing on this assignment of error would not abrogate or modify the Fifth Entry on Rehearing in any way. AES Ohio further argues that OCC's interest in the timing of the Commission's ruling on other parties' applications for rehearing extends only to its ability to file an appeal under R.C. 4903.10 through 4903.13. The Company avers that, since OCC itself sought rehearing from the Fifth Entry on Rehearing, any appeal is precluded at this time; thus, the Company concludes that OCC cannot complain about any inability to appeal while it remains standing in its own way.

{¶ 43} The Commission finds that rehearing on this assignment of error should be denied. OCC waived the arguments contained in this assignment of error by failing to file a motion for a stay or an application for rehearing of the Fourth Entry on Rehearing. The Commission further finds that OCC cannot demonstrate any prejudice by the Commission's decision to accept the request of the parties seeking rehearing to defer ruling on the remaining assignments of error.

{¶ 44} When the Commission issued the Fourth Entry on Rehearing in this proceeding, in which the Commission granted rehearing for the further consideration of the matters specified for rehearing, OCC had two opportunities to raise this issue with the Commission. First, OCC could have filed a motion for a stay in order to preserve this issue, but OCC has not sought a stay of any provision of the Second Finding and Order or the Fourth Entry on Rehearing. Moreover, because OCC failed to seek a stay of either the Second Finding and Order or the Fourth Entry on Rehearing, OCC cannot demonstrate prejudice resulting from these decisions. *ESP III Case*, Second Entry on Rehearing (Jan. 31, 2018) at ¶ 17. Next, OCC failed to file an application for rehearing, challenging the granting of rehearing for further consideration. OCC is aware of the need to file for rehearing to preserve its rights and has availed itself of this remedy in the past, *including in this very case*.

Application for Rehearing (Nov. 14, 2016) at 2, 4-7; Third Entry on Rehearing ¶¶ 36, 38. *See also, In re Ohio Power Co.*, Case Nos. 14-1693-EL-RDR, et al., Application for Rehearing (Jan. 20, 2017) at 5, Fourth Entry on Rehearing (Feb. 8, 2017) ¶¶ 19-20, 22; *In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and The Toledo Edison Co.*, Case No. 14-1297-EL-SSO, Application for Rehearing (Jan. 6, 2017) at 2, 4-8, Seventh Entry on Rehearing (Feb. 1, 2017) at ¶¶ 10-13; *In re Dayton Power and Light Co.*, Case Nos. 12-426-EL-SSO et al., Application for Rehearing (Nov. 14, 2016) at 2-3, 4-7, Seventh Entry on Rehearing (Dec. 14, 2016) at ¶¶ 35, 37; *ESP III Case*, Application for Rehearing (Jan. 5, 2018) at 2, 4-7; Second Entry on Rehearing, (Jan. 31, 2018) at ¶¶ 11, 15-16. The Commission has generally denied rehearing on this argument by OCC but raising the issue on rehearing is still necessary to preserve the issue. *Ohio Consumers' Counsel v. Pub. Util. Comm.*, 127 Ohio St.3d 524, 2010-Ohio-6239, 941 N.E.2d 757 at ¶ 18. OCC did not seek rehearing of the Fourth Entry on Rehearing and, thus, waived the arguments raised in this assignment of error.

{¶ 45} The Commission further finds that OCC cannot demonstrate any prejudice by the Commission's decision to accept the request of the other parties seeking rehearing to defer ruling on the remaining assignments of error. As noted in the Fifth Entry on Rehearing, among other terms of a global stipulation filed on October 23, 2020, in *the Quadrennial Review Case*, the signatory parties, including IEU-Ohio, IGS, Dayton, Honda, Ohio Manufacturers' Association Energy Group and Kroger requested that the Commission defer ruling on the applications for rehearing filed in response to the Second Finding and Order in this proceeding. The signatory parties further represented that the applications for rehearing filed by IEU-Ohio, IGS and Dayton/Honda and the joint application for rehearing filed by OMA and Kroger will be withdrawn if the Commission issues a final appeal order which adopts, without modification, the global stipulation submitted in the *Quadrennial Review Case*. Fifth Entry on Rehearing at ¶ 66. The Commission, in fact, adopted the global stipulation without modification on June 16, 2021. *Quadrennial Review Case*, Opinion and Order (Jun. 16, 2021); Fifth Entry on Rehearing ¶ 67. Accordingly, in the interests of administrative efficiency and in order to avoid the possible filing of unnecessary appeals by

parties who have no intention of prosecuting those appeals, the Commission deferred ruling on the applications for rehearing filed by IEU-Ohio and Dayton/Honda and the joint application for rehearing filed by OMA and Kroger. Fifth Entry on Rehearing at ¶ 67.

{¶ 46} We find that OCC cannot demonstrate any prejudice by the Commission's decision to defer ruling on the applications for rehearing as requested by the parties. Initially, we are not persuaded that this ruling will necessarily result in a delay in the issuance of a final appealable order in this proceeding; it is not at all clear that a Commission order simply accepting the withdrawal of the applications for rehearing would constitute a final appealable order in lieu of a previously issued entry on rehearing.

{¶ 47} Moreover, in the Fifth Entry on Rehearing, the Commission directed AES Ohio to revise its tariff for the RSC to include language making the RSC refundable "to the extent permitted by law." AES Ohio filed compliance tariffs with the appropriate language on July 16, 2021. We are approving these tariffs below. If OCC files an appeal in this proceeding and is successful, refunds of the RSC should be made to the extent that such refunds are permitted by law, at least for any period the RSC is collected after this Sixth Entry of Rehearing. Therefore, the date on which the Commission accepts the withdrawal of applications for rehearing as provided by the *Quadrennial Review Case* will be irrelevant, and OCC can demonstrate no prejudice resulting from the decision to defer ruling on the applications for rehearing in the Fifth Entry on Rehearing.

F. AES Ohio's Proposed Tariffs

{¶ 48} In the Fifth Entry on Rehearing, the Commission directed the Company to file new proposed tariffs providing that the RSC shall be refundable "to the extent permitted by law." On July 16, 2021, AES Ohio filed proposed tariffs to comply with the Commission's directive. Upon review, the Commission finds that the proposed tariffs are consistent with the Fifth Entry on rehearing and do not appear to be unjust or unreasonable. In addition, the Commission finds that it is unnecessary to hold a hearing regarding the proposed tariffs. Accordingly, we find that the proposed tariffs should be approved.

IV. ORDER

{¶ 49} It is, therefore,

{¶ 50} ORDERED, That the applications for rehearing filed by OCC and AES Ohio be denied. It is, further,

{¶ 51} ORDERED, That the proposed tariffs filed by AES Ohio on July 16, 2021, be approved. It is, further,

{¶ 52} ORDERED, That AES Ohio be authorized to file, in final form, two complete copies of the tariffs, consistent with this Sixth Entry on Rehearing. AES Ohio shall file one copy in its TRF docket and one copy in this case docket. It is, further,

{¶ 53} ORDERED, That the effective date of the new tariffs shall be the date upon which the final tariffs are filed with the Commission. It is, further,

{¶ 54} ORDERED, That a copy of this Sixth Entry on Rehearing be served upon each party of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair
M. Beth Trombold
Daniel R. Conway
Dennis P. Deters

Recusal:

Lawrence K. Friedeman

GAP/hac

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Case No(s). 08-1094-EL-SSO, 08-1095-EL-ATA, 08-1096-EL-AAM, 08-1097-EL-UNC

Summary: Entry on Rehearing, the Commission denies the applications for rehearing filed by the Ohio Consumers' Counsel and The Dayton Power and Light Company. electronically filed by Ms. Mary E. Fischer on behalf of Public Utilities Commission of Ohio

EXHIBIT C

THE PUBLIC UTILITIES COMMISSION OF OHIO

**IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY TO ESTABLISH A STANDARD
SERVICE OFFER IN THE FORM OF AN
ELECTRIC SECURITY PLAN.**

CASE No. 08-1094-EL-SSO

**IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF REVISED
TARIFFS.**

CASE No. 08-1095-EL-ATA

**IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF CERTAIN
ACCOUNTING AUTHORITY.**

CASE No. 08-1096-EL-AAM

**IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR WAIVER OF CERTAIN
COMMISSION RULES.**

CASE No. 08-1097-EL-UNC

SEVENTH ENTRY ON REHEARING

Entered in the Journal on June 15, 2022

I. SUMMARY

{¶ 1} In this Seventh Entry on Rehearing, the Commission finds that the application for rehearing filed by Industrial Energy Users-Ohio and the joint applications for rehearing filed by the City of Dayton and Honda of America Mfg., Inc., as well as by Ohio Manufacturers' Association and The Kroger Co., should be deemed withdrawn. Further, the Commission finds that the compliance tariffs filed by The Dayton Power and Light Company d/b/a AES Ohio should be approved. Finally, the Commission finds that the Ohio Consumers' Counsel's motion for a stay should be granted and that all further proceedings in these cases should be stayed until otherwise ordered by the Commission.

II. HISTORY OF THE PROCEEDING

{¶ 2} The Dayton Power and Light Company d/b/a AES Ohio (AES Ohio or the Company) is a public utility as defined under R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.

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

{¶ 4} R.C. 4928.143(C)(2)(b) provides that if a utility terminates an application for an ESP or if the Commission disapproves an application, the Commission shall issue such order as is necessary to continue the provisions, terms, and conditions of the utility's most recent SSO, along with any expected increases or decreases in fuel costs from those contained in that offer, until a subsequent SSO is authorized.

{¶ 5} By Opinion and Order issued in this case on June 24, 2009, the Commission adopted the stipulation and recommendation of the parties (ESP I Stipulation) to establish AES Ohio's first ESP (ESP I). Included among the terms, conditions, and charges in ESP I was a rate stabilization charge (RSC). Thereafter, on December 19, 2012, the Commission extended ESP I, including the RSC, until a subsequent SSO could be authorized. Entry (Dec. 19, 2012) at 3-5.

{¶ 6} On September 4, 2013, the Commission modified and approved AES Ohio's application for a second ESP (ESP II). *In re The Dayton Power and Light Co.*, Case No. 12-426-EL-SSO, et al. (ESP II Case), Opinion and Order (Sept. 4, 2013). On June 20, 2016, the Supreme Court of Ohio issued an opinion reversing the decision of the Commission approving ESP II and disposing of all pending appeals. *In re Application of Dayton Power &*

Light Co., 147 Ohio St.3d 166, 2016-Ohio-3490, 62 N.E.3d 179. Thereafter, on August 26, 2016, in the *ESP II Case*, the Commission modified ESP II as directed by the Court and then granted AES Ohio's application to withdraw ESP II, thereby terminating it. *ESP II Case*, Finding and Order (Aug. 26, 2016). In light of AES Ohio's withdrawal of ESP II, the Commission, pursuant to R.C. 4928.143(C)(2)(b), granted AES Ohio's motion in this case to implement the provisions, terms and conditions of ESP I, its most recent SSO, until a subsequent SSO could be authorized. Finding and Order (Aug. 26, 2016); Third Entry on Rehearing (Dec. 14, 2016).

{¶ 7} The provisions, terms and conditions of ESP I remained in effect until the Commission modified and approved an amended stipulation establishing AES Ohio's third electric security plan (ESP III), effective November 1, 2017. *In re Dayton Power and Light Co.*, Case No. 16-395-EL-SSO, et al. (*ESP III Case*), Opinion and Order (Oct. 20, 2017) at ¶ 131. The Supreme Court of Ohio then dismissed as moot the appeals of the August 26, 2016 Finding and Order which reinstated ESP I, including the RSC. *In re Application of Dayton Power & Light Co.*, 154 Ohio St.3d 237, 2018-Ohio-4009, 113 N.E.3d 507, *reconsideration denied*, 154 Ohio St.3d 1446, 2018-Ohio-4962, 113 N.E.3d 554.

{¶ 8} Subsequently, Interstate Gas Supply (IGS) withdrew from the amended stipulation in the *ESP III Case*, necessitating an additional evidentiary hearing in that proceeding. *ESP III Case*, Entry (Nov. 15, 2018). Following the additional evidentiary hearing, the Commission issued a Supplemental Opinion and Order in the *ESP III Case*. In the Supplemental Opinion and Order, the Commission further modified and approved the amended stipulation filed in the *ESP III Case* by eliminating AES Ohio's distribution modernization rider (DMR) in light of the Supreme Court of Ohio's decision in *In re Application of Ohio Edison Co.*, 157 Ohio St.3d 73, 2019-Ohio-2401, 131 N.E.3d 906, *reconsideration denied*, 156 Ohio St.3d 1487, 2019-Ohio-3331, 129 N.E.3d 454, and *reconsideration denied*, 156 Ohio St.3d 1487, 2019-Ohio-3331, 129 N.E.3d 458. *ESP III Case*, Supplemental Opinion and Order (Nov. 21, 2019) at ¶ 1, 102-110, 134.

{¶ 9} On November 26, 2019, AES Ohio filed a notice of withdrawal of its application and amended application filed in the *ESP III Case*, pursuant to R.C. 4928.143(C)(2)(a). AES Ohio also filed on November 26, 2019, proposed tariffs in this proceeding to implement the provisions, terms and conditions of ESP I, its most recent ESP prior to ESP III. On December 4, 2019, comments were filed by Ohio Energy Group, Ohio Hospital Association, Industrial Energy Users-Ohio (IEU-Ohio) and the Retail Energy Supply Association (RESA). Joint comments were filed on December 4, 2019, by City of Dayton (Dayton) and Honda of America Mfg., Inc. (Honda) (together Dayton/Honda). Further, Ohio Consumers' Counsel (OCC), Ohio Manufacturers' Association (OMA) and The Kroger Co. (Kroger) jointly filed a motion on December 4, 2019, seeking rejection of AES Ohio's proposed tariff filing.

{¶ 10} The Commission accepted the withdrawal of ESP III in the *ESP III Case* on December 18, 2019. *ESP III Case*, Finding and Order (Dec. 18, 2019). On December 18, 2019, in this proceeding, the Commission also approved AES Ohio's proposed tariffs, implementing the provisions, terms and conditions of ESP I, subject to the modifications directed by the Commission. Second Finding and Order (Dec. 18, 2019). Subsequently, on January 17, 2019, separate applications for rehearing were filed by IEU-Ohio, IGS, and OCC, while joint applications for rehearing were filed by Dayton/Honda and by OMA and Kroger (together OMA/Kroger).

{¶ 11} AES Ohio timely filed its memorandum contra on February 3, 2020. On February 4, 2020, RESA filed a motion for leave to file memorandum contra instant to the application for rehearing filed by IGS.

{¶ 12} On February 14, 2020, the Commission issued a Fourth Entry on Rehearing, in which it denied the application for rehearing filed by IGS and granted the remaining applications for rehearing to allow for further consideration of the matters raised in the applications for rehearing. Fourth Entry on Rehearing (Feb. 14, 2020).

{¶ 13} Meanwhile, in *In re Dayton Power and Light Co.*, Case Nos. 18-1875-EL-GRD et al., (*Quadrennial Review Case*), the signatory parties to the global stipulation submitted in that proceeding, including IEU-Ohio, Dayton, Honda, Ohio Manufacturers' Association Energy Group and Kroger, requested, on October 23, 2020, that the Commission defer ruling on the applications for rehearing filed in response to the Second Finding and Order in this proceeding. The signatory parties further represented that the application for rehearing filed by IEU-Ohio and the joint applications for rehearing filed by Dayton/Honda and OMA/Kroger will be withdrawn within 7 days after the Commission issues a final appealable order which adopts, without modification, the global stipulation submitted in the *Quadrennial Review Case*.

{¶ 14} Subsequently, on June 16, 2021, the Commission issued the Fifth Entry on Rehearing in this case granting, in part, and denying, in part, OCC's application for rehearing. Fifth Entry on Rehearing (June 16, 2021). OCC and AES Ohio each filed an application for rehearing on July 21, 2021 of the Fifth Entry on Rehearing. On July 30, 2021, OCC timely filed a memorandum contra the application for rehearing filed by AES Ohio; AES Ohio also timely filed a memorandum contra the application for rehearing filed by OCC.

{¶ 15} On August 11, 2021, the Commission denied the applications for rehearing filed by OCC and AES Ohio. Sixth Entry on Rehearing (Aug. 11, 2021). On August 27, 2021, OCC filed a notice of appeal, AES Ohio filed a notice of cross-appeal on October 8, 2021, of the Sixth Entry on Rehearing in these proceedings.

{¶ 16} Subsequently, on September 10, 2021, OCC filed a notice of termination and withdrawal from the ESP I Stipulation. Further, on September 15, 2021, OCC filed a motion for a procedural schedule. AES Ohio filed a motion to strike the notice of termination and withdrawal and a memorandum contra the motion for a procedural schedule on September 30, 2022. OCC filed a reply to the memorandum contra on October 7, 2021, and a

memorandum contra the motion to strike on October 15, 2021. AES Ohio filed a reply to the memorandum contra the motion to strike on October 29, 2021.

{¶ 17} Meanwhile, on June 16, 2021, the Commission adopted the global stipulation in the *Quadrennial Review Case* without modification. *Quadrennial Review Case*, Opinion and Order (Jun. 16, 2021). After rehearing, the Commission issued a final appealable order in the *Quadrennial Review Case* on December 1, 2021. *Quadrennial Review Case*, Third Entry on Rehearing (Dec. 1, 2021).

{¶ 18} On April 13, 2022, the Supreme Court of Ohio dismissed, sua sponte, OCC's appeal and AES Ohio's cross-appeal of the Sixth Entry on Rehearing in these proceedings. *04/13/2022 Case Announcements*, 2022-Ohio-1156.

III. DISCUSSION

A. *The Applications for Rehearing Should be Deemed Withdrawn.*

{¶ 19} As noted above, on October 23, 2020, in *In re Dayton Power and Light Co.*, Case Nos. 18-1875-EL-GRD et al., (*Quadrennial Review Case*), the signatory parties, including IEU-Ohio, Dayton, Honda, Ohio Manufacturers' Association Energy Group and Kroger requested that the Commission defer ruling on the applications for rehearing filed in response to the Second Finding and Order in this proceeding. The signatory parties further represented that the application for rehearing filed by IEU-Ohio and the joint applications for rehearing filed by Dayton/Honda and OMA/Kroger will be withdrawn if the Commission issues a final appealable order that adopts, without modification, the global stipulation submitted in the *Quadrennial Review Case*. Fifth Entry on Rehearing at ¶ 66.

{¶ 20} As also noted above, the Commission, in fact, adopted the global stipulation without modification on June 16, 2021, and, after rehearing, a final appealable order was issued on December 1, 2021. *Quadrennial Review Case*, Opinion and Order (Jun. 16, 2021); Third Entry on Rehearing (Dec. 21, 2021).

{¶ 21} At a prehearing conference held on May 3, 2022, in this proceeding, the attorney examiners requested that IEU-Ohio, Dayton/Honda, and OMA/Kroger provide an update regarding the status of their withdrawals of the applications for rehearing. On May 4, 2022, IEU-Ohio and Dayton/Honda filed notices of withdrawal of their applications for rehearing; further, OMA/Kroger filed a notice of withdrawal of their joint application for rehearing on May 6, 2022.

{¶ 22} Accordingly, the Commission finds that the notices to withdraw the application for rehearing filed by IEU-Ohio and the joint applications for rehearing filed by Dayton/Honda and by OMA/Kroger should be accepted, and the applications for rehearing should be deemed withdrawn.

B. The Compliance Tariffs Filed by AES Ohio Should be Approved.

{¶ 23} On July 16, 2021, AES Ohio filed compliance tariffs in response to the Commission's directive in the Fifth Entry on Rehearing. Fifth Entry on Rehearing at ¶ 61-64. The Commission finds that the compliance tariffs are consistent with the Fifth Entry on Rehearing, do not appear to be unjust and unreasonable, and should be approved. Further, the Commission finds that it is not necessary to hold a hearing regarding the compliance tariffs.

C. OCC's Request for a Stay Should be Granted.

{¶ 24} Further, on May 13, 2022, OCC filed a motion for a stay. OCC represents that it has filed a motion for reconsideration regarding the Supreme Court's decision to dismiss the appeal filed by OCC on August 27, 2021. OCC requests that these proceeding be stayed until the Supreme Court issues a final ruling on OCC's appeal of the Sixth Entry on Rehearing and until the Commission issues an order in AES Ohio's pending base distribution rate case, *In the Matter of the Application of The Dayton Power and Light Company to Increase Its Rates for Electric Distribution*, Case Nos. 20-1651-EL-AIR, et al. No party opposed the motion for a stay. The Commission finds that the motion is reasonable and

should be granted. Accordingly, all further proceedings in these cases will be stayed until otherwise directed by the Commission.

{¶ 25} The Commission notes that the motion to strike OCC's notice of termination and withdrawal from the ESP I Stipulation filed by AES Ohio on November 30, 2021, will be addressed by subsequent entry.

IV. ORDER

{¶ 26} It is, therefore,

{¶ 27} ORDERED, That the notices to withdraw the application for rehearing filed by IEU-Ohio and the joint applications for rehearing filed by Dayton/Honda and by OMA/Kroger be accepted and that the applications for rehearing and the joint application for rehearing be deemed withdrawn. It is, further,

{¶ 28} ORDERED, That AES Ohio be authorized to file, in final form, two complete copies of final tariffs, consistent with this Seventh Entry on Rehearing. AES Ohio shall file one copy in its TRF docket and one copy in this case docket. It is, further,

{¶ 29} ORDERED, That the final tariffs shall be effective upon filing. It is, further,

{¶ 30} ORDERED, That nothing in this Seventh Entry on Rehearing 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,

{¶ 31} ORDERED, That OCC's motion for a stay filed on May 13, 2022, be granted and that all further proceedings in these cases be stayed until otherwise directed by the Commission. It is, further,

{¶ 32} ORDERED, That a copy of this Seventh Entry on Rehearing be served upon each party of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair

M. Beth Trombold

Daniel R. Conway

Dennis P. Deters

Recusal:

Lawrence K. Friedeman

GAP/hac

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in

**Case No(s). 08-1094-EL-SSO, 08-1095-EL-ATA, 08-1096-EL-AAM, 08-1097-EL-
UNC**

Summary: Entry on Rehearing finding that the application for rehearing filed by Industrial Energy Users-Ohio and the joint applications for rehearing filed by the City of Dayton and Honda of America Mfg., Inc., as well as by Ohio Manufacturers' Association and The Kroger Co., should be deemed withdrawn. Further, the Commission finds that the compliance tariffs filed by The Dayton Power and Light Company d/b/a AES Ohio should be approved. Finally, the Commission finds that the Ohio Consumers' Counsel's motion for a stay should be granted and that all further proceedings in these cases should be stayed until otherwise ordered by the Commission electronically filed by Ms. Mary E. Fischer on behalf of Public Utilities Commission of Ohio

EXHIBIT D

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY TO ESTABLISH A STANDARD
SERVICE OFFER IN THE FORM OF AN
ELECTRIC SECURITY PLAN.

CASE NO. 08-1094-EL-SSO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF REVISED
TARIFFS.

CASE NO. 08-1095-EL-ATA

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF CERTAIN
ACCOUNTING AUTHORITY.

CASE NO. 08-1096-EL-AAM

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR WAIVER OF CERTAIN
COMMISSION RULES.

CASE NO. 08-1097-EL-UNC

EIGHTH ENTRY ON REHEARING

Entered in the Journal on August 10, 2022

I. SUMMARY

{¶ 1} In this Eighth Entry on Rehearing, the Commission finds that the application for rehearing filed by Ohio Consumers' Counsel should be granted, in part, and denied, in part. The Commission further finds that The Dayton Power and Light Company d/b/a AES Ohio should be directed to file revised final tariffs, as approved by the Commission in the Sixth Entry on Rehearing, within seven days, specifying an effective date of August 11, 2021 for the tariffs.

II. HISTORY OF THE PROCEEDING

{¶ 2} The Dayton Power and Light Company d/b/a AES Ohio (AES Ohio or the Company) is a public utility as defined under R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.

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

{¶ 4} R.C. 4928.143(C)(2)(b) provides that if a utility terminates an application for an ESP or if the Commission disapproves an application, the Commission shall issue such order as is necessary to continue the provisions, terms, and conditions of the utility's most recent SSO, along with any expected increases or decreases in fuel costs from those contained in that offer, until a subsequent SSO is authorized.

{¶ 5} By Opinion and Order issued in this case on June 24, 2009, the Commission adopted the stipulation and recommendation of the parties (ESP I Stipulation) to establish AES Ohio's first ESP (ESP I). Included among the terms, conditions, and charges in ESP I was a rate stabilization charge (RSC). Thereafter, on December 19, 2012, the Commission extended ESP I, including the RSC, until a subsequent SSO could be authorized. Entry (Dec. 19, 2012) at 3-5.

{¶ 6} On September 4, 2013, the Commission modified and approved AES Ohio's application for a second ESP (ESP II). *In re The Dayton Power and Light Co.*, Case No. 12-426-EL-SSO, et al. (*ESP II Case*), Opinion and Order (Sept. 4, 2013). On June 20, 2016, the Supreme Court of Ohio issued an opinion reversing the decision of the Commission approving ESP II and disposing of all pending appeals. *In re Application of Dayton Power & Light Co.*, 147 Ohio St.3d 166, 2016-Ohio-3490, 62 N.E.3d 179. Thereafter, on August 26, 2016, in the *ESP II Case*, the Commission modified ESP II as directed by the Court and then granted AES Ohio's application to withdraw ESP II, thereby terminating it. *ESP II Case*, Finding and Order (Aug. 26, 2016). In light of AES Ohio's withdrawal of ESP II, the Commission, pursuant to R.C. 4928.143(C)(2)(b), granted AES Ohio's motion in this case to

implement the provisions, terms and conditions of ESP I, its most recent SSO, until a subsequent SSO could be authorized. Finding and Order (Aug. 26, 2016); Third Entry on Rehearing (Dec. 14, 2016).

{¶ 7} The provisions, terms and conditions of ESP I remained in effect until the Commission modified and approved an amended stipulation establishing AES Ohio's third electric security plan (ESP III), effective November 1, 2017. *In re Dayton Power and Light Co.*, Case No. 16-395-EL-SSO, et al. (*ESP III Case*), Opinion and Order (Oct. 20, 2017) at ¶ 131. The Supreme Court of Ohio then dismissed as moot the appeals of the August 26, 2016 Finding and Order which reinstated ESP I, including the RSC. *In re Application of Dayton Power & Light Co.*, 154 Ohio St.3d 237, 2018-Ohio-4009, 113 N.E.3d 507, *reconsideration denied*, 154 Ohio St.3d 1446, 2018-Ohio-4962, 113 N.E.3d 554.

{¶ 8} Subsequently, Interstate Gas Supply (IGS) withdrew from the amended stipulation in the *ESP III Case*, necessitating an additional evidentiary hearing in that proceeding. *ESP III Case*, Entry (Nov. 15, 2018). Following the additional evidentiary hearing, the Commission issued a Supplemental Opinion and Order in the *ESP III Case*. In the Supplemental Opinion and Order, the Commission further modified and approved the amended stipulation filed in the *ESP III Case* by eliminating AES Ohio's distribution modernization rider (DMR) based upon the Supreme Court of Ohio's decision in *In re Application of Ohio Edison Co.*, 157 Ohio St.3d 73, 2019-Ohio-2401, 131 N.E.3d 906, *reconsideration denied*, 156 Ohio St.3d 1487, 2019-Ohio-3331, 129 N.E.3d 454, 458. *ESP III Case*, Supplemental Opinion and Order (Nov. 21, 2019) at ¶ 1, 102-110, 134.

{¶ 9} On November 26, 2019, AES Ohio filed a notice of withdrawal of its application and amended application filed in the *ESP III Case*, pursuant to R.C. 4928.143(C)(2)(a). AES Ohio also filed on November 26, 2019, proposed tariffs in this proceeding to implement the provisions, terms and conditions of ESP I, its most recent ESP prior to ESP III. On December 4, 2019, comments were filed by Ohio Energy Group, Ohio Hospital Association, Industrial Energy Users-Ohio (IEU-Ohio) and the Retail Energy

Supply Association (RESA). Joint comments were filed on December 4, 2019, by City of Dayton and Honda of America Mfg., Inc. (Dayton/Honda). Further, Ohio Consumers' Counsel (OCC), Ohio Manufacturers' Association (OMA) and The Kroger Co. (Kroger) filed a motion on December 4, 2019, seeking rejection of AES Ohio's proposed tariff filing.

{¶ 10} The Commission accepted the withdrawal of ESP III in the *ESP III Case* on December 18, 2019. *ESP III Case*, Finding and Order (Dec. 18, 2019). On December 18, 2019, in this proceeding, the Commission also approved AES Ohio's proposed tariffs, implementing the provisions, terms and conditions of ESP I, subject to the modifications directed by the Commission. Second Finding and Order (Dec. 18, 2019). Subsequently, on January 17, 2019, applications for rehearing were filed by IEU-Ohio, IGS, OCC, and Dayton/Honda, and a joint application for rehearing was filed by OMA and Kroger.

{¶ 11} AES Ohio timely filed its memorandum contra on February 3, 2020. On February 4, 2020, RESA filed a motion for leave to file memorandum contra instant to the application for rehearing filed by IGS.

{¶ 12} On February 14, 2020, the Commission issued a Fourth Entry on Rehearing, in which it denied the application for rehearing filed by IGS and granted the remaining applications for rehearing for the purpose of further consideration in the matters raised in the applications for rehearing. Fourth Entry on Rehearing (Feb. 14, 2020).

{¶ 13} Meanwhile, in *In re Dayton Power and Light Co.*, Case Nos. 18-1875-EL-GRD et al., (*Quadrennial Review Case*), the signatory parties to the global stipulation submitted in that proceeding—including IEU-Ohio, IGS, Dayton, Honda, Ohio Manufacturers' Association Energy Group and Kroger—requested on October 23, 2020, that the Commission defer ruling on the applications for rehearing filed in response to the Second Finding and Order in this proceeding. The signatory parties further represented that the applications for rehearing filed by IEU-Ohio, IGS and Dayton/Honda and the joint application for rehearing filed by OMA and Kroger will be withdrawn within 7 days after

the Commission issues a final appealable order which adopts, without modification, the global stipulation submitted in the *Quadrennial Review Case*.

{¶ 14} Subsequently, on June 16, 2021, the Commission issued the Fifth Entry on Rehearing in this case granting, in part, and denying, in part, OCC's application for rehearing. Fifth Entry on Rehearing (June 16, 2021). In the Fifth Entry on Rehearing, the Commission directed AES Ohio to file proposed tariffs making the RSC refundable "to the extent permitted by law." Fifth Entry on Rehearing at ¶¶ 61-64. On July 16, 2021, AES Ohio filed proposed tariffs as directed by the Commission in the Fifth Entry on Rehearing. OCC and AES Ohio each filed an application for rehearing regarding the Fifth Entry on Rehearing on July 21, 2021. On July 30, 2021, OCC timely filed a memorandum contra the application for rehearing filed by AES Ohio; AES Ohio also timely filed a memorandum contra the application for rehearing filed by OCC.

{¶ 15} On August 11, 2021, the Commission denied the applications for rehearing filed by OCC and AES Ohio. Sixth Entry on Rehearing (Aug. 11, 2021). In addition, the Commission approved the tariffs filed by AES Ohio on July 16, 2021, and the Commission authorized AES Ohio to file final tariffs consistent with the Sixth Entry on Rehearing. Sixth Entry on Rehearing at ¶¶ 48, 51-53. On August 27, 2021, OCC filed a notice of appeal to the Supreme Court of Ohio. AES Ohio filed a notice of cross-appeal on October 8, 2021.

{¶ 16} Meanwhile, on June 16, 2021, the Commission adopted the global stipulation in the *Quadrennial Review Case* without modification. *Quadrennial Review Case*, Opinion and Order (Jun. 16, 2021). After rehearing, the Commission issued a final appealable order in the *Quadrennial Review Case* on December 1, 2021. *Quadrennial Review Case*, Third Entry on Rehearing (Dec. 1, 2021). Subsequently, pursuant to the commitments made in the global stipulation in the *Quadrennial Review Case*, IEU-Ohio withdrew its pending application for rehearing in this case. Further, Dayton/Honda and OMA/Kroger withdrew their pending applications for rehearing in this case. Seventh Entry on Rehearing at ¶¶ 19-21.

{¶ 17} On April 13, 2022, the Supreme Court of Ohio dismissed, sua sponte, OCC's appeal and AES Ohio's cross-appeal. *In re Dayton Power & Light Co.*, 166 Ohio St.3d 1471, 2022-Ohio-1156, 185 N.E.3d 1106, *reconsideration denied*, 167 Ohio St.3d 1409, 2022-Ohio-2047, 188 N.E.3d 1104..

{¶ 18} On June 15, 2022, the Commission issued a Seventh Entry on Rehearing in this case. In the Seventh Entry on Rehearing, the Commission found that the application for rehearing filed by IEU-Ohio should be deemed withdrawn and that the joint applications for rehearing filed by Dayton/Honda and OMA/Kroger should also be deemed withdrawn. Seventh Entry on Rehearing at ¶¶ 22, 27. The Commission also approved, again, the proposed tariffs filed by AES Ohio on July 16, 2021. Seventh Entry on Rehearing at ¶¶ 23, 28. Further, the Commission granted OCC's uncontested request for a stay in this proceeding.

{¶ 19} On June 22, 2022, AES Ohio filed final tariffs, with an effective date of June 22, 2022.

{¶ 20} R.C. 4903.10 states that any party who has entered an appearance in a Commission proceeding may apply for rehearing with respect to any matters determined in that proceeding, by filing an application within 30 days after the entry of the order upon the journal of the Commission.

{¶ 21} On July 15, 2022, OCC filed an application for rehearing regarding the Seventh Entry on Rehearing. AES Ohio filed a memorandum contra the application for rehearing on July 25, 2022.

III. DISCUSSION

{¶ 22} In its third assignment of error, OCC claims that the Commission erred when it approved, a second time, AES Ohio's proposed tariffs filed on July 16, 2021, as if the Commission had not already approved those tariffs in the August 11, 2021 Sixth Entry on Rehearing. OCC submits that the Commission's ruling shows misapprehension or mistake

and should be modified to reflect the Commission's earlier approval of the tariff with an effective date of August 11, 2021.

{¶ 23} In its memorandum contra, AES Ohio claims that it has substantially complied with the Commission's directive to include language in its tariff that the RSC is "refundable to the extent permitted by law." Fifth Entry on Rehearing at ¶ 64. AES Ohio stresses that it did not, and would not, deliberately disobey or disregard any order of the Commission. AES Ohio represents that it would not object to any clarification or order on rehearing that the RSC tariff is effective as of August 11, 2021, consistent with the Sixth Entry on Rehearing. AES Ohio notes that the Commission held in the Sixth Entry on Rehearing that, if refunds of the RSC were to be ordered, such refunds would be made "at least for any period the RSC is collected after this Sixth Entry on Rehearing." Sixth Entry on Rehearing at ¶ 47.

{¶ 24} The Commission finds that rehearing on this assignment of error should be granted. As OCC points out, following AES Ohio's timely submission of proposed tariffs on July 16, 2021, the Commission approved the proposed tariffs in the Sixth Entry on Rehearing on August 11, 2021. AES Ohio did not file final tariffs as directed by the Commission. However, on March 8, 2022, during the briefing of an appeal and cross-appeal of this case to the Supreme Court of Ohio, now dismissed, AES mistakenly represented to the Supreme Court that AES had filed a "proposed" tariff with the Commission on July 16, 2021, "but that tariff has not been approved and is not currently operative." *In the Matter of the Application of the Dayton Power and Light Company to Establish a Standard Service Offer*, S.Ct. Case No. 2021-1068, Fourth Merit Brief at 1 (Mar. 8, 2022). Based upon AES Ohio's mistaken representation to the Supreme Court, the Commission sought to cure this alleged deficiency by approving the proposed tariffs in the Seventh Entry on Rehearing; however, as OCC correctly points out, this action was unnecessary and redundant. In order to correct this error, the Commission vacates Paragraphs 23, 28, 29 and 30 of the Seventh Entry on Rehearing, which contained the unnecessary and redundant approval of the proposed tariffs.

{¶ 25} The Commission will not ascribe bad faith to AES Ohio or its counsel without evidence. Further, with the dismissal by the Supreme Court of the appeal and cross-appeal of this proceeding, we are not convinced that there is any substantive difference in an effective date of the tariff of August 11, 2021, or June 22, 2022. However, AES Ohio did mistakenly fail to timely file final tariffs in response to the approval of the proposed tariffs in the Sixth Entry on Rehearing dated August 11, 2021, and AES Ohio should not be perceived to benefit from an inadvertent delay in filing final tariffs. Moreover, AES Ohio states that it would not oppose an order on rehearing clarifying that the current tariff became effective as of August 11, 2021, the date of the Sixth Entry on Rehearing. Accordingly, in order to ensure that AES Ohio's customers are held harmless from this inadvertent delay, AES Ohio is directed to file revised final tariffs for the RSC, within seven days, which reflect an effective date of August 11, 2021. We agree with AES Ohio that this filing, when made, will eliminate any and all prejudice claimed by OCC in its application for rehearing.

{¶ 26} In its first assignment of error, OCC alleges that the Commission erred when it failed to find that AES Ohio's collection of RSC charges (about \$60 million) from consumers since August 11, 2021, was unauthorized and in violation of law and a Commission order. OCC also claims in its fifth assignment of error the Commission erred by failing to order AES Ohio to pay forfeitures of \$9.45 million for AES Ohio's violations of the Sixth Entry on Rehearing, R.C. 4905.22, R.C. 4905.32, R.C. 4905.54, and other laws and by failing to determine if AES Ohio personnel involved in these tariff noncompliances are liable for forfeitures under R.C. 4905.56.

{¶ 27} AES Ohio responds that no penalty or refund is warranted because AES Ohio is in substantial compliance with the Commission's orders. AES Ohio further avers that there is no evidence suggesting that AES Ohio acted in bad faith or that it deliberately disobeyed a Commission order. AES Ohio claims that, in light of its agreement not to oppose a clarification that the tariff was effective as of the date of the Sixth Entry on Rehearing, there is no prejudice to OCC. AES Ohio also claims that, with respect to the requested refund, refunds are unlawful under R.C. 4905.32. Further, AES Ohio argues that

it charged customers the amounts included in their tariffs; therefore, it has not violated R.C. 4905.22 or 4905.32.

{¶ 28} The Commission finds that rehearing on this assignment of error should be denied. The Commission has ensured that there is no prejudice to OCC by requiring AES Ohio to file revised final tariffs for the RSC with an effective date of August 11, 2021. In the absence of any prejudice to OCC or AES Ohio's customers, we find that either the imposition of a forfeiture or an order that AES Ohio refund a portion of the RSC collected since August 11, 2021, would be unnecessary and inappropriate. In addition, there is no evidence of bad faith or the deliberate failure to perform a duty on the part of AES Ohio or its counsel.

{¶ 29} With respect to a refund, AES Ohio lawfully collected RSC charges between August 11, 2021, and the present under its tariff filed with the Commission pursuant to R.C. 4905.32. It is settled law in Ohio that retroactive ratemaking is not permitted. *Lucas Cty. Comm'rs v. Pub. Util. Comm.*, 80 Ohio St.3d 344, 348, 686 N.E.2d 501 (1997). The Commission has no authority to order a refund of charges collected under a Commission-approved tariff. OCC's remedy for AES Ohio's failure to file final tariffs is not a refund but to raise this issue in a timely manner with the Commission.

{¶ 30} While we reject OCC's first and fifth assignments of error for the reasons provided above, it is worth noting that, in any event, OCC did not raise the underlying issue in a timely manner and, thus, arguably deprived the Commission of the opportunity to correct it earlier in the proceeding. *Parma v. Pub. Util. Comm.*, 86 Ohio St. 3d 144, 148, 712 N.E.2d 724 (1999) ("By failing to raise an objection until the filing of an application for rehearing, Parma deprived the commission of an opportunity to redress any injury or prejudice that may have occurred"). OCC had several opportunities to raise with the Commission AES Ohio's failure to file final tariffs, including after AES Ohio mistakenly claimed that the Commission had not approved that proposed tariffs in AES Ohio's Fourth Merit Brief on March 8, 2022, in *In the Matter of the Application of the Dayton Power and Light Company to Establish a Standard Service Offer*, S.Ct. Case No. 2021-1068, Fourth Merit Brief

(Mar. 8, 2022). Instead, OCC did not raise the issue until after the Commission issued the Seventh Entry on Rehearing on June 15, 2022. The failure to raise this issue at an earlier juncture precludes any claim for a forfeiture because it deprived the Commission of an opportunity to cure any error when it reasonably could have done so. *Ohio Consumers' Counsel v. Pub. Util. Comm.*, 127 Ohio St.3d 524, 2010-Ohio-6239, 941 N.E.2d 757, ¶ 18, citing *Parma*, 86 Ohio St.3d at 148, 712 N.E.2d 724.

{¶ 31} In its second assignment of error, OCC claims that the Commission erred by misusing the statutory process to change its ruling on a matter not specified in the applications for rehearing that were under review, violating R.C. 4903.10. OCC claims that R.C. 4903.10 limits the Commission's authority to only hold rehearing on matters specified in the application for rehearing: "Where such application for rehearing has been filed, the commission may grant and hold such rehearing on the matter specified in such application if in its judgment sufficient reason therefore is made to appear." We find that, in light of our ruling on the third assignment of error, this assignment of error should be denied as moot.

{¶ 32} However, even if this assignment of error were not moot, the assignment of error would be denied. OCC ignores the remaining language of R.C. 4903.10, which states that "[i]f, after such rehearing, the commission is of the opinion that the original order *or any part thereof is in any respect unjust or unwarranted, or should be changed*, the commission may abrogate or modify the same; otherwise such order shall be affirmed." (Emphasis added.) The plain language of the statute does not limit "to matters raised on rehearing" the Commission's authority to modify the original order. *See also Columbus & Southern Ohio Elec. Co. v. Pub. Util. Comm.*, 10 Ohio St.3d 12, 15, 460 N.E.2d 1108, 10 O.B.R. 166 (1984) ("Following a rehearing, the commission need only be *of the opinion* that the original order should be changed for it to modify the same." (Emphasis sic.))

{¶ 33} In its fourth assignment of error, OCC claims that the Commission erred by issuing a ruling that departed from its past ruling in its Sixth Entry on Rehearing, without

an explanation, violating R.C. 4903.09 and Supreme Court of Ohio precedent. And the PUCO failed to show that its new course of action was lawful and reasonable, in violation of Supreme Court of Ohio precedent. We find that, in light of our ruling on the third assignment of error, this assignment of error also should be denied as moot.

IV. ORDER

{¶ 34} It is, therefore,

{¶ 35} ORDERED, That the application for rehearing filed by OCC be granted, in part, and denied, in part. It is, further,

{¶ 36} ORDERED, That AES Ohio be authorized to file, in final form, two complete copies of final tariffs, consistent with the Sixth Entry on Rehearing. AES Ohio shall file one copy in its TRF docket and one copy in this case docket. It is, further,

{¶ 37} ORDERED, That the final tariffs shall be effective as of August 11, 2021. It is, further,

{¶ 38} ORDERED, That nothing in this Eighth Entry on Rehearing 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,

{¶ 39} ORDERED, That a copy of this Eighth Entry on Rehearing be served upon each party of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair

M. Beth Trombold

Daniel R. Conway

Dennis P. Deters

Recusal:

Lawrence K. Friedeman

GAP/hac

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in

**Case No(s). 08-1094-EL-SSO, 08-1095-EL-ATA, 08-1096-EL-AAM, 08-1097-EL-
UNC**

Summary: Entry on Rehearing finding that the application for rehearing filed by Ohio Consumers' Counsel should be granted, in part, and denied, in part. The Commission further finds that The Dayton Power and Light Company d/b/a AES Ohio should be directed to file revised final tariffs, as approved by the Commission in the Sixth Entry on Rehearing, within seven days, specifying an effective date of August 11, 2021 for the tariffs. electronically filed by Ms. Mary E. Fischer on behalf of Public Utilities Commission of Ohio

EXHIBIT E

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY TO ESTABLISH A STANDARD
SERVICE OFFER IN THE FORM OF AN
ELECTRIC SECURITY PLAN.

CASE NO. 08-1094-EL-SSO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF REVISED
TARIFFS.

CASE NO. 08-1095-EL-ATA

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF CERTAIN
ACCOUNTING AUTHORITY.

CASE NO. 08-1096-EL-AAM

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR WAIVER OF CERTAIN
COMMISSION RULES.

CASE NO. 08-1097-EL-UNC

NINTH ENTRY ON REHEARING

Entered in the Journal on October 5, 2022

I. SUMMARY

{¶ 1} In this Ninth Entry on Rehearing, the Commission finds that the application for rehearing filed by Ohio Consumers' Counsel should be denied.

II. HISTORY OF THE PROCEEDING

{¶ 2} The Dayton Power and Light Company d/b/a AES Ohio (AES Ohio) is a public utility as defined under R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} 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 services to customers, including a

firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 4} R.C. 4928.143(C)(2)(b) provides that if a utility terminates an application for an ESP or if the Commission disapproves an application, the Commission shall issue such order as is necessary to continue the provisions, terms, and conditions of the utility's most recent SSO, along with any expected increases or decreases in fuel costs from those contained in that offer, until a subsequent SSO is authorized.

{¶ 5} By Opinion and Order issued in this case on June 24, 2009, the Commission adopted the stipulation and recommendation of the parties (ESP I Stipulation) to establish AES Ohio's first ESP (ESP I). Included among the terms, conditions, and charges in ESP I was a rate stabilization charge (RSC). Thereafter, on December 19, 2012, the Commission extended ESP I, including the RSC, until a subsequent SSO could be authorized. Entry (Dec. 19, 2012) at 3-5.

{¶ 6} On September 4, 2013, the Commission modified and approved AES Ohio's application for a second ESP (ESP II). *In re The Dayton Power and Light Co.*, Case No. 12-426-EL-SSO, et al. (*ESP II Case*), Opinion and Order (Sept. 4, 2013). On June 20, 2016, the Supreme Court of Ohio issued an opinion reversing the decision of the Commission approving ESP II and disposing of all pending appeals. *In re Application of Dayton Power & Light Co.*, 147 Ohio St.3d 166, 2016-Ohio-3490, 62 N.E.3d 179. Thereafter, on August 26, 2016, in the *ESP II Case*, the Commission modified ESP II as directed by the Court and then granted AES Ohio's application to withdraw ESP II, thereby terminating it. *ESP II Case*, Finding and Order (Aug. 26, 2016). In light of AES Ohio's withdrawal of ESP II, the Commission, pursuant to R.C. 4928.143(C)(2)(b), granted AES Ohio's motion in this case to implement the provisions, terms and conditions of ESP I, its most recent SSO, until a subsequent SSO could be authorized. Finding and Order (Aug. 26, 2016); Third Entry on Rehearing (Dec. 14, 2016).

{¶ 7} The provisions, terms and conditions of ESP I remained in effect until the Commission modified and approved an amended stipulation establishing AES Ohio's third electric security plan (ESP III), effective November 1, 2017. *In re Dayton Power and Light Co.*, Case No. 16-395-EL-SSO, et al. (*ESP III Case*), Opinion and Order (Oct. 20, 2017) at ¶ 131. The Supreme Court of Ohio then dismissed as moot the appeals of the August 26, 2016 Finding and Order which reinstated ESP I, including the RSC. *In re Application of Dayton Power & Light Co.*, 154 Ohio St.3d 237, 2018-Ohio-4009, 113 N.E.3d 507, *reconsideration denied*, 154 Ohio St.3d 1446, 2018-Ohio-4962, 113 N.E.3d 554.

{¶ 8} Subsequently, Interstate Gas Supply (IGS) withdrew from the amended stipulation in the *ESP III Case*, necessitating an additional evidentiary hearing in that proceeding. *ESP III Case*, Entry (Nov. 15, 2018). Following the additional evidentiary hearing, the Commission issued a Supplemental Opinion and Order in the *ESP III Case*. In the Supplemental Opinion and Order, the Commission further modified and approved the amended stipulation filed in the *ESP III Case* by eliminating AES Ohio's distribution modernization rider (DMR) based upon the Supreme Court of Ohio's decision in *In re Application of Ohio Edison Co.*, 157 Ohio St.3d 73, 2019-Ohio-2401, 131 N.E.3d 906, *reconsideration denied*, 156 Ohio St.3d 1487, 2019-Ohio-3331, 129 N.E.3d 454, and *reconsideration denied*, 156 Ohio St.3d 1487, 2019-Ohio-3331, 129 N.E.3d 458. *ESP III Case*, Supplemental Opinion and Order (Nov. 21, 2019) at ¶ 1, 102-110, 134.

{¶ 9} On November 26, 2019, AES Ohio filed a notice of withdrawal of its application and amended application filed in the *ESP III Case*, pursuant to R.C. 4928.143(C)(2)(a). AES Ohio also filed on November 26, 2019, proposed tariffs in this proceeding to implement the provisions, terms and conditions of ESP I, its most recent ESP prior to ESP III. On December 4, 2019, comments were filed by Ohio Energy Group, Ohio Hospital Association, Industrial Energy Users-Ohio (IEU-Ohio) and the Retail Energy Supply Association (RESA). Joint comments were filed on December 4, 2019, by City of Dayton and Honda of America Mfg., Inc. (Dayton/Honda). Further, Ohio Consumers'

Counsel (OCC), Ohio Manufacturers' Association (OMA) and The Kroger Co. (Kroger) filed a motion on December 4, 2019, seeking rejection of AES Ohio's proposed tariff filing.

{¶ 10} The Commission accepted the withdrawal of ESP III in the *ESP III Case* on December 18, 2019. *ESP III Case*, Finding and Order (Dec. 18, 2019). On December 18, 2019, in this proceeding, the Commission also approved AES Ohio's proposed tariffs, implementing the provisions terms and conditions of ESP I, subject to the modifications directed by the Commission. Second Finding and Order (Dec. 18, 2019).

{¶ 11} Subsequently, on January 17, 2019, applications for rehearing were filed by IEU-Ohio, IGS, OCC, and Dayton/Honda, and a joint application for rehearing was filed by OMA and Kroger. AES Ohio timely filed its memorandum contra on February 3, 2020. On February 4, 2020, RESA filed a motion for leave to file memorandum contra instant to the application for rehearing filed by IGS.

{¶ 12} On February 14, 2020, the Commission issued a Fourth Entry on Rehearing, in which it denied the application for rehearing filed by IGS and granted the remaining applications for rehearing for the purpose of further consideration in the matters raised in the applications for rehearing. Fourth Entry on Rehearing (Feb. 14, 2020).

{¶ 13} Meanwhile, in *In re Dayton Power and Light Co.*, Case Nos. 18-1875-EL-GRD et al., (*Quadrennial Review Case*), the signatory parties to the global stipulation submitted in that proceeding—including IEU-Ohio, IGS, Dayton, Honda, Ohio Manufacturers' Association Energy Group and Kroger—requested, on October 23, 2020, that the Commission defer ruling on the applications for rehearing filed in response to the Second Finding and Order in this proceeding. The signatory parties further represented that the applications for rehearing filed by IEU-Ohio, IGS and Dayton/Honda and the joint application for rehearing filed by OMA and Kroger will be withdrawn within 7 days after the Commission issues a final appealable order which adopts, without modification, the global stipulation submitted in the *Quadrennial Review Case*.

{¶ 14} Subsequently, on June 16, 2021, the Commission issued the Fifth Entry on Rehearing in this case granting, in part, and denying, in part, OCC's application for rehearing. Fifth Entry on Rehearing (June 16, 2021). In the Fifth Entry on Rehearing, the Commission directed AES Ohio to file proposed tariffs making the RSC refundable "to the extent permitted by law." Fifth Entry on Rehearing at ¶ 61-64. On July 16, 2021, AES Ohio filed proposed tariffs, including the refund language, as directed by the Commission in the Fifth Entry on Rehearing. OCC and AES Ohio each filed an application for rehearing regarding the Fifth Entry on Rehearing on July 21, 2021. On July 30, 2021, OCC timely filed a memorandum contra the application for rehearing filed by AES Ohio; AES Ohio also timely filed a memorandum contra the application for rehearing filed by OCC.

{¶ 15} On August 11, 2021, the Commission denied the applications for rehearing filed by OCC and AES Ohio. Sixth Entry on Rehearing (Aug. 11, 2021). In addition, the Commission approved the proposed tariffs filed by AES Ohio on July 16, 2021, which included the refund language directed by the Commission, and the Commission authorized AES Ohio to file final tariffs consistent with the Sixth Entry on Rehearing. Sixth Entry on Rehearing at ¶ 48, 51-53. On August 27, 2021, OCC filed a notice of appeal to the Supreme Court of Ohio. AES Ohio filed a notice of cross-appeal on October 8, 2021.

{¶ 16} Meanwhile, on June 16, 2021, the Commission adopted the global stipulation in the *Quadrennial Review Case* without modification. *Quadrennial Review Case*, Opinion and Order (Jun. 16, 2021). After rehearing, the Commission issued a final appealable order in the *Quadrennial Review Case* on December 1, 2021. *Quadrennial Review Case*, Third Entry on Rehearing (Dec. 1, 2021). Subsequently, pursuant to the commitments made in the global stipulation in the *Quadrennial Review Case*, IEU-Ohio withdrew its pending application for rehearing in this case. Further, Dayton/Honda and OMA/Kroger withdrew their pending applications for rehearing in this case. Seventh Entry on Rehearing at ¶ 19-21.

{¶ 17} On April 13, 2022, the Supreme Court of Ohio dismissed, sua sponte, OCC's appeal and AES Ohio's cross-appeal. *In re Dayton Power & Light Co.*, 166 Ohio St.3d 1471,

2022-Ohio-1156, 185 N.E.3d 1106, *reconsideration denied*, 167 Ohio St.3d 1409, 2022-Ohio-2047, 188 N.E.3d 1104.

{¶ 18} On June 15, 2022, the Commission issued a Seventh Entry on Rehearing in this case. In the Seventh Entry on Rehearing, the Commission found that the application for rehearing filed by IEU-Ohio should be deemed withdrawn and that the joint applications for rehearing filed by Dayton/Honda and OMA/Kroger should also be deemed withdrawn. Seventh Entry on Rehearing at ¶ 22, 27. The Commission also approved, inadvertently for a second time, the proposed tariffs, filed by AES Ohio on July 16, 2021. Seventh Entry on Rehearing at ¶ 23, 28. Further, the Commission granted OCC's uncontested request for a stay in this proceeding.

{¶ 19} On June 22, 2022, AES Ohio filed final tariffs, including the refund language, with an effective date of June 22, 2022.

{¶ 20} On July 15, 2022, OCC filed an application for rehearing regarding the Seventh Entry on Rehearing. AES Ohio filed a memorandum contra the application for rehearing on July 25, 2022.

{¶ 21} On August 10, 2022, the Commission granted, in part, and denied, in part, the application for rehearing filed by OCC on July 15, 2022. Specifically, on rehearing, the Commission vacated, as unnecessary and redundant, the repeated approval, in the Seventh Entry on Rehearing, of the proposed tariffs filed by AES Ohio on July 16, 2021. We noted that, following AES Ohio's timely submission of proposed tariffs on July 16, 2021, the Commission approved the proposed tariffs in the Sixth Entry on Rehearing on August 11, 2021. AES Ohio did not file final tariffs as directed by the Commission. However, on March 8, 2022, during the briefing of an appeal and cross-appeal of this case to the Supreme Court of Ohio, now dismissed, AES Ohio incorrectly represented to the Supreme Court that AES Ohio had filed a "proposed" tariff with the Commission on July 16, 2021, "but that tariff has not been approved and is not currently operative." *In the Matter of the Application of the Dayton Power and Light Company to Establish a Standard Service Offer*, S.Ct. Case No. 2021-1068,

Fourth Merit Brief at 1 (Mar. 8, 2022). Based upon AES Ohio's mistaken representation to the Supreme Court, the Commission sought to cure this alleged deficiency in the Seventh Entry on Rehearing by approving the proposed tariffs; however, as OCC correctly pointed out in its application for rehearing regarding the Seventh Entry on Rehearing, this action was unnecessary and redundant. In order to correct this error, the Commission granted rehearing and vacated the language in the Seventh Entry on Rehearing which contained the unnecessary and redundant approval of the proposed tariffs. Eighth Entry on Rehearing at ¶ 24. Further, the Commission directed AES Ohio to file new final tariffs specifying an effective date of August 11, 2021. Eighth Entry on Rehearing at ¶25. AES Ohio filed new final tariffs in compliance with the Eighth Entry on Rehearing on August 11, 2022.

{¶ 22} R.C. 4903.10 states that any party who has entered an appearance in a Commission proceeding may apply for rehearing with respect to any matters determined in that proceeding, by filing an application within 30 days after the entry of the order upon the journal of the Commission.

{¶ 23} On September 9, 2022, OCC filed an application for rehearing regarding the Eighth Entry on Rehearing. AES Ohio filed a memorandum contra the application for rehearing on September 19, 2022.

III. DISCUSSION

A. OCC's first and second assignments of error should be denied.

{¶ 24} In its first assignment of error, which consists of three allegations, OCC claims that the Commission erred when it failed to order refunds to consumers for \$60 million paid under AES Ohio's unauthorized tariffs, after finding no prejudice to OCC or AES Ohio's consumers. OCC claims that, contrary to the Commission's unsupported conclusion, consumers suffered prejudice when they were denied a \$60 million refund for unauthorized charges. OCC also alleges that the Commission unreasonably and unlawfully ruled that OCC must show prejudice before consumer refunds may be ordered. According to OCC, this ruling violated R.C. 4903.09 because the Commission failed to provide a reasoned

explanation of the basis of its decision that (1) consumers were not prejudiced and (2) that prejudice must be shown before consumer refunds may be ordered. OCC further argues that, as a creature of statute, the Commission cannot lawfully write into the law a requirement of prejudice before ordering refunds where a utility has violated a Commission order and R.C. 4905.22 and 4905.32.

{¶ 25} Moreover, OCC claims in its second assignment of error, which contains two separate allegations, that the Commission erred when it unreasonably failed to order refunds for \$60 million paid under AES Ohio's tariffs that were not authorized by the Commission by finding no evidence of bad faith or deliberate failure by AES Ohio or its counsel. OCC alleges that the Commission's finding of no bad faith was unlawful, unreasonable and contrary to the record in this case in violation of R.C. 4903.09. OCC further claims that, as a creature of statute, the Commission has no authority to write into the law a requirement of bad faith before ordering customer refunds where a utility has violated a Commission order and R.C. 4905.22 and 4905.32.

{¶ 26} In its memorandum contra, AES Ohio argues that the Commission should deny the application for rehearing filed by OCC. AES Ohio posits that OCC seeks rehearing upon rehearing in violation of R.C. 4903.10, claiming that the Commission has already rejected OCC's demand for a refund in the Eighth Entry on Rehearing and that OCC's latest application for rehearing does not raise any issues that were not already raised in its July 15, 2022 application for rehearing. AES Ohio also argues that it did not, and would not, deliberately disobey a Commission order or knowingly make a false statement to the Supreme Court of Ohio. AES Ohio notes that OCC cannot show any prejudice resulting from its representation to the Court that the proposed tariff had not been approved because OCC's appeal was dismissed as premature. *In re Dayton Power & Light Co.*, 166 Ohio St.3d 1471, 2022-Ohio-1156, 185 N.E.3d 1106, *reconsideration denied*, 167 Ohio St.3d 1409, 2022-Ohio-2047, 188 N.E.3d 1104.

{¶ 27} The Commission finds that rehearing on these assignments of error should be denied. The Commission finds that OCC's first claim in the multi-part first assignment of error is improper as OCC seeks rehearing of a denial of rehearing on the same issue. It is well-established that R.C. 4903.10 does not allow persons who enter appearances to have "two bites at the apple" or to file rehearing upon the denial of rehearing of the same issue. *Ormet Primary Aluminum Corp. v. South Central Power Co. and Ohio Power Co.*, Case No. 05-1057-EL-CSS, Second Entry on Rehearing (Sept. 13, 2006) (*Ormet*) at 3, citing *In re The East Ohio Gas Co. and Columbia Gas Co.*, Case Nos. 05-1421-GA-PIP, et al., Second Entry on Rehearing (May 3, 2006) at 3; See also *In re Ohio Power Co. and Columbus Southern Power Co.*, Case No. 10-2929-EL-UNC, Entry on Rehearing (Jan. 30, 2013) at 4-5. Previously, in this case, OCC alleged in the fourth assignment of error in its application for rehearing filed on July 15, 2022, that the Commission erred when it failed to find that AES Ohio's collection of RSC charges of approximately \$60 million from consumers since August 11, 2021, was unauthorized and in violation of R.C. 4905.22 and a Commission order. Eighth Entry on Rehearing at ¶ 26. The Commission denied rehearing on the fourth assignment of error. *Id.* at ¶ 28-29. Similarly, in the application for rehearing currently before the Commission, OCC alleges that the Commission unreasonably failed to order a refund of RSC charges collected since August 11, 2021. Accordingly, we find that OCC's first and second assignments of error in its September 9, 2022 application for rehearing are improper and should be denied on that basis.

{¶ 28} Even if OCC's application for rehearing were not improper, the Commission would deny rehearing on the first and second assignments of error. OCC claims that the Commission ruled that OCC must show prejudice before consumer refunds may be ordered and that the Commission cannot lawfully write into the law a requirement of prejudice before ordering refunds where a utility has violated a Commission order and R.C. 4905.22 and 4905.32. OCC also claims that the Commission violated R.C. 4903.09 because the Commission failed to provide a reasoned explanation of the basis of its decision that consumers were not prejudiced and that prejudice must be shown before consumer refunds

may be ordered. However, OCC misconstrues the Commission's conclusion in the Eighth Entry on Rehearing that an order requiring AES Ohio to refund a portion of the RSC collected since August 11, 2021, would be "unnecessary and inappropriate." The Commission did not rule, *as a matter of law*, that OCC must show prejudice before a refund could be ordered; the Commission determined that, *based upon the facts and circumstances of this case*, that a refund was "unnecessary and inappropriate." These facts and circumstances included the fact that there was no evidence of bad faith or deliberate failure to perform a duty on the part of AES Ohio or its counsel. Eighth Entry on Rehearing at ¶ 28. The facts and circumstances also included the absence of prejudice to OCC because the Commission had directed AES Ohio to file revised final tariffs for the RSC with an effective date of August 11, 2021. *Id.* AES Ohio, in fact, filed revised final tariffs, including the refund language, on August 11, 2022, with the effective date directed by the Commission. Thus, OCC is in the same position today as if AES Ohio had immediately filed revised final tariffs on August 11, 2021, the date the Commission issued the Sixth Entry on Rehearing; no further explanation of the absence of prejudice to OCC is necessary.

{¶ 29} Moreover, OCC characterizes AES Ohio's behavior as "the very definition of bad faith and deliberate inaction." However, OCC substitutes innuendo for evidence and rhetoric for facts. As AES Ohio points out, AES Ohio timely filed proposed tariffs, including the refund language, on July 16, 2021, as directed by the Commission in the Fifth Entry on Rehearing. There is no question that AES Ohio erred when it failed to timely file final tariffs including the refund language in response to the Commission's directive in the Sixth Entry on Rehearing or that AES Ohio mistakenly represented to the Supreme Court of Ohio that the "tariff has not been approved and is not currently operative." *In the Matter of the Application of the Dayton Power and Light Co. to Establish a Standard Service Offer*, S.Ct. Case No. 2021-1068, Fourth Merit Brief at 1 (Mar. 8, 2022). AES Ohio does not dispute these facts. However, these two facts alone are not *sufficient* to demonstrate "bad faith" or "deliberate inaction." OCC cites no other evidence in the record that AES Ohio was acting in bad faith; moreover, the very public nature of both errors, documented for all time in the

Commission's docketing system and in the Supreme Court's online docket, made it inevitable that the errors would be discovered in due course. In fact, AES Ohio's incorrect representation to the Court was easily refuted by OCC by pointing to the language in the Sixth Entry on Rehearing approving the proposed tariffs.

B. OCC's third assignment of error should be denied as moot.

{¶ 30} In its third assignment of error, OCC claims that the Commission erred when the Commission found that AES Ohio lawfully collected the RSC between August 11, 2021, and the present under a tariff filed with the Commission under R.C. 4905.32. OCC alleges that the Commission's ruling is unlawful and unreasonable, being without record support, and against the manifest weight of the evidence, violating R.C. 4903.09. OCC further alleges that AES Ohio violated 4905.22 and R.C. 4905.32 when AES Ohio continued to charge customers under filed rates that were not in accordance with the Commission-approved rate schedule from the Commission August 11, 2021 Entry on Rehearing. OCC argues that the Commission mistakenly construes *Lucas Cty. Comm'rs v. Pub. Util. Comm.*, 80 Ohio St.3d 344, 348, 686 N.E.2d 501 (1997), in support of the finding that refunds would be retroactive ratemaking. Instead, OCC posits that, because the tariffs under which AES Ohio was collecting the RSC from consumers were not Commission-approved tariffs at the time such charges were collected, a refund to consumers would not be retroactive ratemaking.

{¶ 31} In its memorandum contra, AES Ohio responds that refund would not be lawful. AES Ohio avers that refunds are ordinarily barred in Ohio. *Keco Industries, Inc. v. Cincinnati & Suburban Bell Tel. Co.*, 166 Ohio St. 254, 141 N.E.2d 465 (1957), paragraph two of the syllabus. AES Ohio claims that, although OCC asserts that AES Ohio violated R.C. 4905.54, 4905.22 and 4905.32, OCC does not quote any of those statutes, does not identify any provision in those statutes that AES Ohio allegedly violated and does not demonstrate that those statutes authorize refunds. AES Ohio argues that none of the statutes are applicable to the facts of this case and that none of the statutes authorize the Commission to order utilities to issue refunds. AES Ohio concludes that, if the General Assembly had intended

to authorize the Commission to order utilities to issue refunds, it would have done so in express language, as it did in R.C. 4904.42 and R.C. 4928.143(F).

{¶ 32} The Commission finds that rehearing on this assignment of error should be denied as moot. On August 11, 2022, AES Ohio filed revised tariffs for the RSC which included the refund language and an effective date of August 11, 2021. Accordingly, all RSC charges collected since August 11, 2021 have been collected under a tariff which includes the refund language directed by the Commission. Moreover, OCC cannot demonstrate any prejudice under this assignment of error because, as stated above, OCC is in the same position today as if AES Ohio had immediately filed revised final tariffs, including the refund language, on August 11, 2021, the date the Commission issued the Sixth Entry on Rehearing.

C. *OCC's fourth assignment of error should be denied.*

{¶ 33} OCC alleges in its fourth assignment of error that the Commission erred when we found that OCC did not raise the underlying issue in a timely manner and thus arguably deprived the Commission of the opportunity to correct it earlier in the proceeding. OCC claims that the Commission's ruling is unlawful and unreasonable as lacking record support, violating R.C. 4903.09. OCC states that it informed the Commission in a timely manner that would have allowed the Commission to correct the error by ordering a full refund to consumers. OCC further alleges that the Commission wrongly relied on *Parma v. Pub. Util. Comm.*, 86 Ohio St.3d 144, 712 N.E.2d 724 (1999), as rationale for denying consumers refunds because *Parma* is distinguishable.

{¶ 34} The Commission finds that rehearing on this assignment of error should be denied. OCC misstates the Commission's determination in the Eighth Entry on Rehearing, where we clearly stated that "we reject OCC's first and fifth assignments of error for the reasons provided above [in paragraph 28]." Eighth Entry on Rehearing at ¶ 30. Thus, the basis for the rejection of the first and fifth assignments is entirely contained in paragraph 28 of the Eighth Entry on Rehearing. The Commission then goes on to state that the failure to

raise this issue at an earlier juncture created an additional difficulty for OCC's claims because OCC had several prior opportunities to raise, with the Commission, AES Ohio's failure to file revised final tariffs, including the refund language, for the RSC. *Id.* The Commission concluded that the failure to raise this issue at an earlier juncture precludes any claim for a forfeiture, *not a refund*, because it deprived the Commission of an opportunity to cure any error when it reasonably could have done so. *Id.* Thus, we do not concede that the Commission relied upon *Parma* as a rationale for not ordering refunds of the RSC collected since August 11, 2021.

D. OCC's fifth assignment of error should be denied.

{¶ 35} OCC alleges in its fifth assignment of error that the Commission erred when it unreasonably and unlawfully construed R.C. 4903.10 to allow rehearing on matters not specified in applications for rehearing under Commission review. OCC contends that the Commission erred by construing, and not applying, an unambiguous statute. Additionally, assuming *arguendo* the statute was ambiguous, the Commission erred in unreasonably construing the statute to such an extent as to make it unworkable and contrary to its just and reasonable intent, violating Ohio Rules of Construction Section 1.47(B).

{¶ 36} The Commission finds that rehearing on this assignment of error should be denied. OCC acknowledges that the Commission denied as moot OCC's second assignment of error in its July 15, 2022 application for rehearing, in which OCC claimed that the Commission erred by misusing the statutory rehearing process to change its ruling on a matter not specified in the applications for rehearing that were under review.¹ OCC's

¹ In determining that OCC's assignment of error was moot, the Commission did not concede that OCC's characterization of the Seventh Entry on Rehearing was correct. Although the order was plainly styled "Seventh Entry on Rehearing," the order consisted of three distinct parts: (1) acceptance of the withdrawal of applications for rehearing; (2) the now-vacated approval of the proposed tariffs; and (3) granting a stay requested by OCC. Only the first part of the order was done pursuant to the Commission's authority under R.C. 4903.10. Under the second part, the Commission proceeded with its authority to approve proposed tariffs, independent of the rehearing statute. Further, in the Sixth Entry on Rehearing, the Commission did the exact same thing. The Commission denied the applications for rehearing filed by OCC and AES Ohio, and the Commission approved AES Ohio's proposed tariffs which included the refund language. Sixth Entry on Rehearing at ¶ 48, 51-53.

arguments continue to be moot; in the Eighth Entry on Rehearing, the Commission granted OCC's application for rehearing and vacated the provisions of the Seventh Entry on Rehearing which OCC objected to in its July 15, 2022 application for rehearing. Further, this assignment of error is improper. R.C. 4903.10 does not allow persons who enter appearances to have "two bites at the apple" or to file rehearing upon the denial of rehearing of the same issue. *Ormet*, Second Entry on Rehearing (Sept. 13, 2006) at 3, citing *In re The East Ohio Gas Co. and Columbia Gas Co.*, Case Nos. 05-1421-GA-PIP, et al., Second Entry on Rehearing (May 3, 2006) at 3; *See also In re Ohio Power Co. and Columbus Southern Power Co.*, Case No. 10-2929-EL-UNC, Entry on Rehearing (Jan. 30, 2013) at 4-5.

{¶ 37} Nonetheless, even if OCC's fifth assignment of error was not both moot and improper, the Commission would deny rehearing on this assignment of error. OCC interprets R.C. 4903.10 as limiting the Commission's authority on rehearing to addressing "the matters specified in such application." R.C. 4903.10. We are unpersuaded by OCC's cramped interpretation of R.C. 4903.10 as OCC's interpretation is supported by neither the plain language of the statute nor the cases OCC cites in support of its interpretation.

{¶ 38} Contrary to OCC's reading of R.C. 4903.10, the plain language of the statute does not limit the Commission's authority to modify the original order "to matters raised on rehearing." OCC elides the plain language of R.C. 4903.10, which states that "[i]f, after such rehearing, the commission is of the opinion that the original order or any part thereof is in any respect unjust or unwarranted, or should be changed, the commission may abrogate or modify the same; otherwise such order shall be affirmed." (Emphasis added.) R.C. 4903.10 Further, OCC faults the Commission's reliance upon the Supreme Court of Ohio's ruling in *Columbus & Southern Ohio Elec. Co. v. Pub. Util. Comm.* Eighth Entry on Rehearing at ¶ 32, quoting *Columbus & Southern Ohio Elec. Co. v. Pub. Util. Comm.*, 10 Ohio St.3d 12, 15, 460 N.E.2d 1108, 10 O.B.R. 166 (1984) ("Following a rehearing, the commission need only be of the opinion that the original order should be changed for it to modify the same." (Emphasis sic.)). OCC contends that the Commission ignores part of the Court's ruling that a rehearing is limited, "first, to matters determined in the earlier proceedings, and second, among those,

to matters for which, in judgment of the commission, sufficient reason has been shown [through an application for rehearing]. The General Assembly did not intend for a rehearing to be a de novo hearing.” Application for Rehearing at 19-20. However, the operative words, “through an application for rehearing,” were added by OCC to the Court’s decision; and OCC omits the phrase “in the commission’s discretion” from its quotation of the decision. The sentence in question reads, in full:

A rehearing is limited, in the commission’s discretion, first, to matters determined in the earlier proceedings, and second, among those, to matters for which, in judgment of the commission, sufficient reason has been shown.

Columbus & Southern Ohio Elec. Co., 10 Ohio St.3d at 13.

{¶ 39} Moreover, OCC represents that the language in the Supreme Court of Ohio’s syllabus in *Doc Goodrich & Sons, Inc. v. Pub. Util. Comm.*, 53 Ohio St.2d 70, 372 N.E.2d 354 (1978) (*Doc Goodrich*) ties the Commission’s rehearing duties to a review of the issues which were raised on rehearing. OCC quotes the language of the syllabus: “[the Commission] may analyze the evidentiary record to determine whether, on a proper view of the law, there was any evidence to support its ultimate findings on the issues being reheard[.]” *Doc Goodrich*, paragraph one of the syllabus. However, OCC misrepresents the Supreme Court’s actual decision in *Doc Goodrich*. The Court expressly declined to rule on whether the Commission is limited on rehearing to the issues raised in the applications for rehearing, stating that:

Since the order of January 15, 1976, did not enlarge the issues on rehearing, the court need not consider whether the commission can lawfully broaden the scope of a rehearing once the time for granting a rehearing under R.C. 4903.10 has expired.”

Doc Goodrich, 53 Ohio St.2 at 72. Likewise, OCC misrepresents the Commission’s decision *In re Complaint of Ohio Cable Telecommunications Assoc. et al*, Case No. 96-1309-EL-CSS, Entry on Rehearing (Dec. 4, 1997) at 3. OCC claims that in this case, the Commission

acknowledged that its authority to address an issue on rehearing must be “within the scope of issues raised in the initial applications for rehearing.” *Id.*, citing *Doc Goodrich*. However, like *Doc Goodrich*, the Commission found that the ruling at issue was within the scope of issues raised in the initial applications for rehearing. *Id.* at 3. Thus, the Commission did not need to address the question of the Commission’s authority on rehearing is limited to the scope of the matters raised in an application for rehearing.

IV. ORDER

{¶ 40} It is, therefore,

{¶ 41} ORDERED, That the application for rehearing filed by OCC be denied. It is, further,

{¶ 42} ORDERED, That a copy of this Ninth Entry on Rehearing be served upon each party of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair
M. Beth Trombold
Daniel R. Conway
Dennis P. Deters

Recusal:

Lawrence K. Friedeman

GAP/dmh

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**Case No(s). 08-1094-EL-SSO, 08-1095-EL-ATA, 08-1096-EL-AAM, 08-1097-EL-
UNC**

Summary: Entry finding that the application for rehearing filed by Ohio Consumers' Counsel should be denied electronically filed by Heather A. Chilcote on behalf of Public Utilities Commission of Ohio

EXHIBIT F

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY TO ESTABLISH A STANDARD
SERVICE OFFER IN THE FORM OF AN
ELECTRIC SECURITY PLAN.

CASE NO. 08-1094-EL-SSO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF REVISED
TARIFFS.

CASE NO. 08-1095-EL-ATA

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF CERTAIN
ACCOUNTING AUTHORITY.

CASE NO. 08-1096-EL-AAM

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR WAIVER OF CERTAIN
COMMISSION RULES.

CASE NO. 08-1097-EL-UNC

TENTH ENTRY ON REHEARING

Entered in the Journal on November 30, 2022

1. SUMMARY

{¶ 1} In this Tenth Entry on Rehearing, the Commission finds that the application for rehearing filed by Ohio Consumers' Counsel should be denied.

I. HISTORY OF THE PROCEEDING

{¶ 2} The Dayton Power and Light Company d/b/a/AES Ohio (AES Ohio or the Company) is a public utility as defined under R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.141 provides that an electric distribution utility (EDU) shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer (MRO)

in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 4} R.C. 4928.143(C)(2)(b) provides that if a utility terminates an application for an ESP or if the Commission disapproves an application, the Commission shall issue such order as is necessary to continue the provisions, terms, and conditions of the utility's most recent SSO, along with any expected increases or decreases in fuel costs from those contained in that offer, until a subsequent SSO is authorized.

{¶ 5} By Opinion and Order issued in this case on June 24, 2009, the Commission adopted the stipulation and recommendation of the parties (ESP I Stipulation) to establish AES Ohio's first ESP (ESP I). Included among the terms, conditions, and charges in ESP I was a rate stabilization charge (RSC). Thereafter, on December 19, 2012, the Commission extended ESP I, including the RSC, until a subsequent SSO could be authorized. Entry (Dec. 19, 2012) at 3-5.

{¶ 6} On September 4, 2013, the Commission modified and approved AES Ohio's application for a second ESP (ESP II). *In re The Dayton Power and Light Co.*, Case No. 12-426-EL-SSO, et al. (*ESP II Case*), Opinion and Order (Sept. 4, 2013). On June 20, 2016, the Supreme Court of Ohio issued an opinion reversing the decision of the Commission approving ESP II and disposing of all pending appeals. *In re Application of Dayton Power & Light Co.*, 147 Ohio St.3d 166, 2016-Ohio-3490, 62 N.E.3d 179. Thereafter, on August 26, 2016, in the *ESP II Case*, the Commission modified ESP II as directed by the Court and then granted AES Ohio's application to withdraw ESP II, thereby terminating it. *ESP II Case*, Finding and Order (Aug. 26, 2016). In light of AES Ohio's withdrawal of ESP II, the Commission, pursuant to R.C. 4928.143(C)(2)(b), granted AES Ohio's motion in this case to implement the provisions, terms and conditions of ESP I, its most recent SSO, until a subsequent SSO could be authorized. Finding and Order (Aug. 26, 2016); Third Entry on Rehearing (Dec. 14, 2016).

{¶ 7} The provisions, terms and conditions of ESP I remained in effect until the Commission modified and approved an amended stipulation establishing AES Ohio's third electric security plan (ESP III), effective November 1, 2017. *In re Dayton Power and Light Co.*, Case No. 16-395-EL-SSO, et al. (*ESP III Case*), Opinion and Order (Oct. 20, 2017) at ¶ 131. The Supreme Court of Ohio then dismissed as moot the appeals of the August 26, 2016 Finding and Order which reinstated ESP I, including the RSC. *In re Application of Dayton Power & Light Co.*, 154 Ohio St.3d 237, 2018-Ohio-4009, 113 N.E.3d 507, *reconsideration denied*, 154 Ohio St.3d 1446, 2018-Ohio-4962, 113 N.E.3d 554.

{¶ 8} Subsequently, Interstate Gas Supply (IGS) withdrew from the amended stipulation in the *ESP III Case*, necessitating an additional evidentiary hearing in that proceeding. *ESP III Case*, Entry (Nov. 15, 2018). Following the additional evidentiary hearing, the Commission issued a Supplemental Opinion and Order in the *ESP III Case*. In the Supplemental Opinion and Order, the Commission further modified and approved the amended stipulation filed in the *ESP III Case* by eliminating AES Ohio's distribution modernization rider (DMR) based upon the Supreme Court of Ohio's decision in *In re Application of Ohio Edison Co.*, 157 Ohio St.3d 73, 2019-Ohio-2401, 131 N.E.3d 906, *reconsideration denied*, 156 Ohio St.3d 1487, 2019-Ohio-3331, 129 N.E.3d 454, and *reconsideration denied*, 156 Ohio St.3d 1487, 2019-Ohio-3331, 129 N.E.3d 458. *ESP III Case*, Supplemental Opinion and Order (Nov. 21, 2019) at ¶ 1, 102-110, 134.

{¶ 9} On November 26, 2019, AES Ohio filed a notice of withdrawal of its application and amended application filed in the *ESP III Case*, pursuant to R.C. 4928.143(C)(2)(a). AES Ohio also filed on November 26, 2019, proposed tariffs in this proceeding to implement the provisions, terms and conditions of ESP I, its most recent ESP prior to ESP III. On December 4, 2019, comments were filed by Ohio Energy Group, Ohio Hospital Association, Industrial Energy Users-Ohio (IEU-Ohio) and the Retail Energy Supply Association (RESA). Joint comments were filed on December 4, 2019, by City of Dayton and Honda of America Mfg., Inc. (Dayton/Honda). Further, Ohio Consumers' Counsel (OCC), Ohio Manufacturers' Association (OMA) and The Kroger Co. (Kroger)

(collectively, Consumer Groups) filed a motion on December 4, 2019, seeking rejection of AES Ohio's proposed tariff filing.

{¶ 10} The Commission accepted the withdrawal of ESP III in the *ESP III Case* on December 18, 2019. *ESP III Case*, Finding and Order (Dec. 18, 2019). On December 18, 2019, in this proceeding, the Commission also approved AES Ohio's proposed tariffs, implementing the provisions terms and conditions of ESP I, subject to the modifications directed by the Commission. Second Finding and Order (Dec. 18, 2019).

{¶ 11} Subsequently, on January 17, 2019, applications for rehearing were filed by IEU-Ohio, IGS, OCC, and Dayton/Honda, and a joint application for rehearing was filed by OMA and Kroger. AES Ohio timely filed its memorandum contra on February 3, 2020. On February 4, 2020, RESA filed a motion for leave to file memorandum contra instant to the application for rehearing filed by IGS.

{¶ 12} On February 14, 2020, the Commission issued a Fourth Entry on Rehearing, in which it denied the application for rehearing filed by IGS and granted the remaining applications for rehearing for the purpose of further consideration in the matters raised in the applications for rehearing. Fourth Entry on Rehearing (Feb. 14, 2020).

{¶ 13} Meanwhile, in *In re Dayton Power and Light Co.*, Case Nos. 18-1875-EL-GRD et al., (*Quadrennial Review Case*), the signatory parties to the global stipulation submitted in that proceeding, including IEU-Ohio, IGS, Dayton, Honda, Ohio Manufacturers' Association Energy Group and Kroger, requested, on October 23, 2020, that the Commission defer ruling on the applications for rehearing filed in response to the Second Finding and Order in this proceeding. The signatory parties further represented that the applications for rehearing filed by IEU-Ohio, IGS and Dayton/Honda and the joint application for rehearing filed by OMA and Kroger will be withdrawn within seven days after the Commission issues a final appealable order which adopts, without modification, the global stipulation submitted in the *Quadrennial Review Case*.

{¶ 14} Subsequently, on June 16, 2021, the Commission issued the Fifth Entry on Rehearing in this case granting, in part, and denying, in part, OCC's application for rehearing. In the Fifth Entry on Rehearing, the Commission directed AES Ohio to file proposed tariffs making the RSC refundable "to the extent permitted by law." Fifth Entry on Rehearing at ¶¶ 61-64. On July 16, 2021, AES Ohio filed proposed tariffs, including the refund language, as directed by the Commission in the Fifth Entry on Rehearing. OCC and AES Ohio each filed an application for rehearing regarding the Fifth Entry on Rehearing on July 21, 2021. On July 30, 2021, OCC timely filed a memorandum contra the application for rehearing filed by AES Ohio; AES Ohio also timely filed a memorandum contra the application for rehearing filed by OCC.

{¶ 15} On August 11, 2021, the Commission denied the applications for rehearing filed by OCC and AES Ohio. Sixth Entry on Rehearing (Aug. 11, 2021). In addition, the Commission approved the proposed tariffs filed by AES Ohio on July 16, 2021, which included the refund language directed by the Commission, and the Commission authorized AES Ohio to file final tariffs consistent with the Sixth Entry on Rehearing. Sixth Entry on Rehearing at ¶¶ 48, 51-53. On August 27, 2021, OCC filed a notice of appeal to the Supreme Court of Ohio. AES Ohio filed a notice of cross-appeal on October 8, 2021.

{¶ 16} Meanwhile, on June 16, 2021, the Commission adopted the global stipulation in the *Quadrennial Review Case* without modification. *Quadrennial Review Case*, Opinion and Order (Jun. 16, 2021). After rehearing, the Commission issued a final appealable order in the *Quadrennial Review Case* on December 1, 2021. *Quadrennial Review Case*, Third Entry on Rehearing (Dec. 1, 2021). Subsequently, pursuant to the commitments made in the global stipulation in the *Quadrennial Review Case*, IEU-Ohio withdrew its pending application for rehearing in this case. Further, Dayton/Honda and OMA/Kroger withdrew their pending applications for rehearing in this case. Seventh Entry on Rehearing at ¶¶ 19-21.

{¶ 17} On April 13, 2022, the Supreme Court of Ohio dismissed, sua sponte, OCC's appeal and AES Ohio's cross-appeal. *04/13/2022 Case Announcements*, 2022-Ohio-1156.

{¶ 18} On June 15, 2022, the Commission issued a Seventh Entry on Rehearing in this case. In the Seventh Entry on Rehearing, the Commission found that the application for rehearing filed by IEU-Ohio should be deemed withdrawn and that the joint applications for rehearing filed by Dayton/Honda and OMA/Kroger should also be deemed withdrawn. Seventh Entry on Rehearing at ¶¶ 22, 27. The Commission also approved, inadvertently for a second time, the proposed tariffs, filed by AES Ohio on July 16, 2021. Seventh Entry on Rehearing at ¶¶ 23, 28. Further, the Commission granted OCC's uncontested request for a stay in this proceeding.

{¶ 19} On June 22, 2022, AES Ohio filed final tariffs, including the refund language, with an effective date of June 22, 2022.

{¶ 20} On July 15, 2022, OCC filed an application for rehearing regarding the Seventh Entry on Rehearing. AES Ohio filed a memorandum contra the application for rehearing on July 25, 2022.

{¶ 21} On August 10, 2022, in the Eighth Entry on Rehearing, the Commission granted, in part, and denied, in part, the application for rehearing filed by OCC on July 15, 2022. Specifically, on rehearing, the Commission vacated, as unnecessary and redundant, the repeated approval, in the Seventh Entry on Rehearing, of the proposed tariffs filed by AES Ohio on July 16, 2021. We noted that, following AES Ohio's timely submission of proposed tariffs on July 16, 2021, the Commission approved the proposed tariffs in the Sixth Entry on Rehearing on August 11, 2021. AES Ohio did not file final tariffs as directed by the Commission. However, on March 8, 2022, during the briefing of an appeal and cross-appeal of this case to the Supreme Court of Ohio, now dismissed, AES mistakenly represented to the Supreme Court that AES had filed a "proposed" tariff with the Commission on July 16, 2021, "but that tariff has not been approved and is not currently operative." *In re the Application of the Dayton Power and Light Company to Establish a Standard Service Offer*, S. Ct. Case No. 2021-1068, Fourth Merit Brief at 1. (Mar. 8, 2022). Based upon AES Ohio's mistaken representation to the Supreme Court, the Commission sought to cure this alleged deficiency

in the Seventh Entry on Rehearing by approving the proposed tariffs; however, as OCC correctly pointed out in its application for rehearing regarding the Seventh Entry on Rehearing, this action was unnecessary and redundant. In order to correct this error, the Commission granted rehearing and vacated the language in the Seventh Entry on Rehearing which contained the unnecessary and redundant approval of the proposed tariffs. Eighth Entry on Rehearing at ¶ 24. Further, the Commission directed AES Ohio to file new final tariffs specifying an effective date of August 11, 2021. Eighth Entry on Rehearing at ¶25. AES Ohio filed new final tariffs in compliance with the Eighth Entry on Rehearing on August 11, 2022.

{¶ 22} On September 9, 2022, OCC filed an application for rehearing regarding the Eighth Entry on Rehearing. AES Ohio filed a memorandum contra the application for rehearing on September 19, 2022.

{¶ 23} The Commission issued the Ninth Entry on Rehearing in this proceeding on October 5, 2022, denying the application for rehearing filed by OCC on September 9, 2022.

{¶ 24} R.C. 4903.10 states that any party who has entered an appearance in a Commission proceeding may apply for rehearing with respect to any matters determined in that proceeding, by filing an application within 30 days after the entry of the order upon the journal of the Commission.

{¶ 25} On November 4, 2022, OCC filed an application for rehearing regarding the Ninth Entry on Rehearing. AES Ohio filed a memorandum contra the application for rehearing on November 14, 2022.

II. DISCUSSION

A. *OCC's first assignment of error should be denied.*

{¶ 26} In its first assignment of error, OCC alleges that the Commission erred when it failed to order refunds for \$60 million paid by consumers under AES Ohio's unauthorized tariffs, after finding that the issue is "moot." OCC argues that, contrary to the Commission's

conclusion, the issue is capable of repetition while evading review and is, therefore, an exception to mootness.

{¶ 27} In its memorandum contra, AES Ohio argues that the Commission should deny the application for rehearing filed by OCC. Initially, AES Ohio argues that OCC seeks rehearing upon rehearing. AES Ohio claims that the Commission held in the Ninth Entry on Rehearing that the issues raised in OCC's September 9, 2022 application for rehearing were raised in OCC's July 15, 2022 application for rehearing and that the Commission held that R.C. 4903.10 does not allow parties to seek rehearing on the same issues that were raised in a prior application for rehearing. Ninth Entry on Rehearing at ¶ 27. AES Ohio posits that OCC most recent application for rehearing seeks the same relief and should be rejected.

{¶ 28} AES Ohio further claims that there is no prejudice to customers. AES Ohio argues that the Commission granted OCC the relief that OCC sought in its July 15, 2022 application for rehearing; specifically, the Commission required AES Ohio to change the effective date of the revised final tariffs to August 11, 2021 in order to be consistent with the Sixth Entry on Rehearing. AES Ohio notes that OCC does not claim that customers are in a different position now than they would have been had AES Ohio filed the revised final tariffs immediately after the Commission's Sixth Entry on Rehearing and argues that the Commission's directive that the tariffs be effective as of that date eliminates any prejudice to customers.

{¶ 29} AES Ohio also contends that a refund would not be lawful. AES Ohio notes that OCC asserted in its September 9, 2022 application for rehearing that AES Ohio violated R.C. 4905.54, 4905.22 and 4905.32. AES Ohio claims that OCC did not quote any of these statutes, did not identify any provision of these statutes that OCC alleges AES Ohio violated, and did not demonstrate that these statutes authorize refunds. AES Ohio denies that it violated any of the statutes and claims that the statutes do not authorize refunds.

{¶ 30} The Commission finds that rehearing on OCC's first assignment of error should be denied. It is well-established that R.C. 4903.10 does not allow persons who enter

an appearance in a case to have “two bites at the apple” or to file rehearing upon the denial of rehearing of the same issue. *Ormet Primary Aluminum Corp. v. South Central Power Co. and Ohio Power Co.*, Case No. 05-1057-EL-CSS, Second Entry on Rehearing (Sept. 13, 2006) (*Ormet*) at 3-4 (citing *In re The East Ohio Gas Co. and Columbia Gas Co.*, Case Nos. 05-1421-GA-PIP, et al., Second Entry on Rehearing (May 3, 2006) at 3); *See also In re Ohio Power Co. and Columbus S. Power Co.*, Case No. 10-2929-EL-UNC, Entry on Rehearing (Jan. 30, 2013) at 4-5. In the first assignment of error in its application for rehearing, OCC seeks a third “bite at the apple” because OCC seeks rehearing of a *second* denial of rehearing on the same issue. Previously, OCC alleged in its July 15, 2022 application for rehearing that the Commission erred when it failed to find that AES Ohio’s collection of RSC charges of approximately \$60 million from consumers since August 11, 2021, was unauthorized and in violation of R.C. 4905.22 and a Commission order. In the Eighth Entry on Rehearing, the Commission denied rehearing on that assignment of error. *Id* at ¶ 26, 28-29. Subsequently, in its September 9, 2022 application for rehearing, OCC alleged in its third assignment of error that the Commission erred when the Commission found that AES Ohio lawfully collected the RSC between August 11, 2021, and the present under a tariff filed with the Commission under R.C. 4905.32. In the Ninth Entry on Rehearing, the Commission found that this assignment of error should be denied as moot. The Commission noted that, on August 11, 2022, AES Ohio filed revised tariffs for the RSC which included the refund language and an effective date of August 11, 2021; thus, we found that all RSC charges collected since August 11, 2021, have been collected under a tariff which included the refund language as directed by the Commission. The Commission also found that OCC could not demonstrate any prejudice because OCC is in the same position today as if AES Ohio had immediately filed revised final tariffs, including the refund language, on August 11, 2021, the date the Commission issued the Sixth Entry on Rehearing. Ninth Entry on Rehearing at ¶ 30, 32. Accordingly, the Commission finds that OCC’s first assignment of error is improper and should be denied.

{¶ 31} The Commission notes that, even if OCC's first assignment of error were not improper, the Commission would deny rehearing on the first assignment of error. In support of this assignment of error, OCC claims that this issue is capable of repetition while evading review and thus falls within an exception for mootness. In its memorandum contra the application for rehearing, AES Ohio points out that the exception to the mootness doctrine only applies in "exceptional circumstances" and requires two factors to be present, citing *State ex rel. Calvary v. City of Upper Arlington*, 89 Ohio St.3d 229, 729 N.E.2d 1182 (2000):

This exception applies only in exceptional circumstances in which the following two factors are both present: (1) the challenged action is too short in its duration to be fully litigated before its cessation or expiration, and (2) there is a reasonable expectation that the same complaining party will be subject to the same action again.

89 Ohio St.3d at 231.

{¶ 32} With respect to the first factor, a party claiming the exception must demonstrate that the challenged action is "always so short as to evade review." *Id.* OCC cannot meet this required factor. There is no statutory timeframe in which the Commission must act to approve proposed tariffs and no mandatory deadline under which the Commission must act or lose the authority to require a utility to file tariffs in final form once the tariffs have been approved by the Commission. This present case is instructive. AES Ohio did not file revised final tariffs in response to the Commission's directive on August 21, 2021. Sixth Entry on Rehearing (Aug. 11, 2021). When this failure to file revised final tariffs was brought to the Commission's attention by OCC in its application for rehearing filed on July 15, 2022, the Commission, on August 10, 2022, directed AES Ohio to remedy the error by filing the revised final tariffs with an effective date of August 21, 2021. Thus, OCC had at least eleven months to challenge AES Ohio's failure to file revised final tariffs and could have filed a motion or other pleading alerting the Commission to the failure to file revised final tariffs at any time in that eleven-month period. We are not persuaded that,

under these circumstances, an open-ended period of at least eleven months is “always so short as to evade review.”

{¶ 33} With respect to the second factor, OCC has not demonstrated that there is a reasonable expectation that OCC will be subject to the same action again. OCC correctly notes that the Commission’s docket contains many cases that will require new tariffs, tariff updates or more. Utilities routinely file cases proposing new or revised tariffs. The Commission routinely approves, or modifies and approves, these proposed new or revised tariffs. Utilities then routinely file final tariffs consistent with the Commission approval of the proposed new or revised tariffs. Many of these tariffs contain important consumer protections, particularly the tariffs which implement the minimum service standards promulgated by the Commission. Many of these proposed tariffs include rate reductions due to the reconciliation of various riders. However, despite all of the various tariff cases filed with the Commission, OCC has not identified a single other instance of a utility failing to file a final revised tariff after Commission approval of the proposed revised tariff. AES Ohio erred by not timely filing the final revised tariff in this proceeding, but there is no reasonable expectation that OCC will be subject to the same action again.

B. OCC’s third assignment of error should be denied.

{¶ 34} OCC alleges in its third assignment of error that the Commission erred in stating that the plain language of R.C. 4903.10 and the case law does not limit its authority to address issues on rehearing. In support of this assignment of error, OCC contends that the Commission cannot lawfully broaden the scope of rehearing to matters that were not raised in applications for rehearing before it. OCC claims that the plain language of the statute prohibits it and that Supreme Court precedent prohibits it.

{¶ 35} The Commission finds that rehearing on this assignment of error should be denied as improper. R.C. 4903.10 does not allow persons who enter appearances to have “two bites at the apple” or to file rehearing upon the denial of rehearing of the same issue. *Ormet*, Second Entry on Rehearing (Sept. 13, 2006) at 3, citing *In re The East Ohio Gas Co.* and

Columbia Gas Co., Case Nos. 05-1421-GA-PIP, et al., Second Entry on Rehearing (May 3, 2006) at 3; see also *In re Ohio Power Co. and Columbus S. Power Co.*, Case No. 10-2929- EL-UNC, Entry on Rehearing (Jan. 30, 2013) at 4-5.

{¶ 36} As with the first assignment of error, OCC seeks a “third” bite at the apple. OCC alleged in the second assignment of error of its July 15, 2022 application for rehearing that the Commission erred by misusing the statutory process to change its ruling on a matter not specified in the applications for rehearing that were under review, violating R.C. 4903.10. The Commission denied rehearing on this assignment of error in the Eighth Entry on Rehearing, finding that the assignment of error was moot and that the plain language of R.C. 4903.10 does not limit “to matters raised on rehearing” the Commission’s authority to modify the original order. Eighth Entry on Rehearing at ¶ 21, 31-32 (citing *Columbus & S. Ohio Elec. Co. v. Pub. Util. Comm.*, 10 Ohio St.3d 12, 15, 460 N.E.2d 1108, 10 O.B.R. 166 (1984) (“Following a rehearing, the commission need only be *of the opinion* that the original order should be changed for it to modify the same.” (Emphasis sic.)) Subsequently, OCC alleged in the fifth assignment of error in its September 9, 2022 application for rehearing that, in the Eighth Entry Rehearing, the Commission erred when it unreasonably and unlawfully construed R.C. 4903.10 to allow rehearing on matters not specified in applications for rehearing under Commission review. The Commission denied rehearing on this assignment of error in the Ninth Entry on Rehearing. Ninth Entry on Rehearing at ¶ 23, 35-39. In its November 4, 2022 application for rehearing, OCC seeks rehearing on an issue for which the Commission has denied rehearing twice in this proceeding; accordingly, we find that this assignment of error is improper and should be denied.

{¶ 37} Moreover, the Commission finds that, even if this assignment of error was not improper, the assignment of error would be denied. OCC argues that R.C. 4903.10 is unambiguous and, therefore, must be applied as written and not be interpreted. We agree that R.C. 4903.10 is unambiguous and that the plain language must be applied as written. However, the plain language of the statute does not limit the Commission’s authority to modify the original order “to matters raised on rehearing.” The plain language of R.C.

4903.10 states that “[i]f, after such rehearing, the commission is of the opinion that *the original order or any part thereof is in any respect unjust or unwarranted, or should be changed*, the commission may abrogate or modify the same; otherwise such order shall be affirmed.” R.C. 4903.10 (emphasis added). OCC simply ignores this language in R.C. 4903.10.

{¶ 38} OCC further argues in support of this assignment of error that the Supreme Court of Ohio’s decision in *Doc Goodrich & Sons, Inc. v. Pub. Util. Comm.*, 53 Ohio St.2d 70, 372 N.E.2d 354 (1978) (*Doc Goodrich*) ties the Commission’s rehearing duties to a review of the issues which were raised on rehearing. OCC relies upon the language of the syllabus, which states:

When the Public Utilities Commission has granted a rehearing under R.C. 4903.10, it may analyze the evidentiary record to determine whether, on a proper view of the law, there was any evidence to support its ultimate findings on the issues being reheard; and it may assign the task of analyzing the record to its examiner pursuant to R.C. 4901.18.

Doc Goodrich, syllabus ¶1.

OCC posits that the Commission misconstrued *Doc Goodrich* in the Ninth Entry on Rehearing by relying upon language in the Court’s decision, which OCC dismisses as mere dicta, rather than upon the syllabus of the decision; OCC contends that the syllabus controls over dicta.

{¶ 39} We believe that the actual language of the Court’s decision in *Doc Goodrich* deserves more respect than OCC’s summary dismissal as mere dicta. In *Doc Goodrich*, the Court held that “[s]ince the order of January 15, 1976, did not enlarge the issues on rehearing, the court need not consider whether the commission can lawfully broaden the scope of a rehearing once the time for granting a rehearing under R.C. 4903.10 has expired.” *Doc Goodrich*, 53 Ohio St.2d at 72. We are not persuaded that this language, which defines the scope of the issues decided by the Court, is mere dicta. Further, we are not persuaded

that the language relied upon by the Commission is in conflict in any way with the syllabus by the Court. The simple fact is that, in *Doc Goodrich*, the Court rejected the claim by appellant that the Commission had illegally expanded the scope of the rehearing, holding that “[t]his claim is without merit. The order which granted the rehearing specified the issues to be considered. *This order did not expand the scope of the issues previously considered.*” *Id.* (emphasis added). Bearing in mind that the Court had explicitly ruled in *Doc Goodrich* that the Commission had not enlarged scope of the issues on rehearing, there is no reason to conclude that the syllabus is inconsistent with the finding by the Court that “the court need not consider whether the commission can lawfully broaden the scope of a rehearing once the time for granting a rehearing under R.C. 4903.10 has expired.” *Id.*

C. OCC’s second assignment of error should be denied.

{¶ 40} In its second assignment of error, OCC claims that the Commission erred, violating R.C. 4903.09, when it unlawfully and unreasonably claimed, without evidence and sound reasoning, that it approved AES Ohio’s tariffs under authority independent of the rehearing statute.

{¶ 41} Initially, the Commission finds that this assignment of error should be denied because we previously determined that the issue was moot, and OCC never sought rehearing on that ruling. As noted above, in its application filed on September 9, 2022, OCC claimed that the Commission erred, in the Eighth Entry on Rehearing, when it unreasonably and unlawfully construed R.C. 4903.10 to allow rehearing on matters not specified in applications for rehearing under Commission review. In the Ninth Entry on Rehearing, we found that rehearing on this assignment of error should be denied. OCC even acknowledges that the Commission, in the Eighth Entry on Rehearing, had denied as moot OCC’s second assignment of error in its July 15, 2022 application for rehearing, in which OCC claimed that Commission erred by misusing the statutory rehearing process to change its ruling on a matter not specified in the applications for rehearing that were under review. Further, in the Ninth Entry on Rehearing, the Commission found that OCC’s arguments continued to be moot because, in the Eighth Entry on Rehearing, the Commission had granted OCC’s

application for rehearing and vacated the provisions of the Seventh Entry on Rehearing which OCC objected to in its July 15, 2022 application for rehearing. OCC never challenged the Commission's determination in either the Eighth Entry on Rehearing or the Ninth Entry on Rehearing that OCC's assignments of error were moot.

{¶ 42} Instead of filing for rehearing on the Commission's ruling that the assignments of error were moot, OCC challenges the Commission's observation, in a footnote, that the Commission did not concede to OCC's characterization of the Commission's action. Specifically, in the footnote, we stated that:

In determining that OCC's assignment of error was moot, the Commission did not concede that OCC's characterization of the Seventh Entry on Rehearing was correct. Although the order was plainly styled "Seventh Entry on Rehearing," the order consisted of three distinct parts: (1) acceptance of the withdrawal of applications for rehearing; (2) the now-vacated approval of the proposed tariffs; and (3) granting a stay requested by OCC. Only the first part of the order was done pursuant to the Commission's authority under R.C. 4903.10. Under the second part, the Commission proceeded with its authority to approve proposed tariffs, independent of the rehearing statute. Further, in the Sixth Entry on Rehearing, the Commission did the exact same thing. The Commission denied the applications for rehearing filed by OCC and AES Ohio, and the Commission approved AES Ohio's proposed tariffs which included the refund language. Sixth Entry on Rehearing at ¶48, 51-53.

Ninth Entry on Rehearing at ¶ 36, fn. 1.

{¶ 43} AES Ohio claims in its memoranda contra the September 9, 2022 application for rehearing that OCC's arguments are contradictory. AES Ohio argues that, under OCC's theory that a document styled as an entry on rehearing must only address applications for rehearing, the Commission's original approval of the proposed revised tariffs in the Sixth Entry on Rehearing would be invalid. *See* Sixth Entry on Rehearing at ¶ 48. AES Ohio

clarifies that the Company does not assert that the approval of the proposed revised tariffs in the Sixth Entry on Rehearing was invalid; instead, AES Ohio simply claims that OCC's arguments are contradictory and flawed.

{¶ 44} The Commission finds that rehearing on this assignment of error should be denied. OCC's arguments promote form over substance. As we acknowledged in the Ninth Entry on Rehearing, the Seventh Entry on Rehearing was plainly styled an "Entry on Rehearing." However, we reject the contention that the Commission was required to act *exclusively* under R.C. 4903.10, our statutory authority for rehearing, simply because the order was styled an "Entry on Rehearing." As we noted above, the Seventh Entry on Rehearing consisted of three distinct parts, and, in each part, the Commission acted under different statutory authority. OCC has never questioned the Commission's statutory authority to either approve tariffs or issue a stay. Moreover, we note that, although we do not often need to rule on other issues in a proceeding in an entry on rehearing, it is not without precedent in complex cases involving multiple entries on rehearing. *See In re Application of Ohio Edison Co., The Cleveland Elec. Illum. Co. and The Toledo Edison Co.*, Case No. 10-176-EL-ATA, Second Entry on Rehearing (Apr. 15, 2010) at 2, 4 (Commission directed the utilities to file revised file tariffs within seven days of issuance of the Second Entry on Rehearing); *In re Dayton Power and Light Co.*, 16-395-EL-SSO, Third Entry on Rehearing (Sept. 19, 2018) at ¶ 83-92, 97 (Commission denied motion to re-open proceedings). Finally, it is well-established that the Commission is vested with the broad discretion to manage its dockets to avoid undue delay and the duplication of effort, including the discretion to decide, how, in light of its internal organization and docket considerations, it may best proceed to manage and expedite the orderly flow of its business, avoid undue delay and eliminate unnecessary duplication of effort. *In re Application of Columbus S. Power Co.*, Case Nos. 11-346-EL-SSO et al., Opinion and Order (Aug. 8, 2012) at 24 (citing *Duff v. Pub. Util. Comm.*, 56 Ohio St.2d 367, 379, 384 N.E.2d 264 (1978); *Toledo Coalition for Safe Energy v. Pub. Util. Comm.*, 69 Ohio St.2d 559, 560, 433 N.E.2d 212 (1982).

{¶ 45} Further, we agree with AES Ohio that OCC's arguments are undermined because the arguments are internally inconsistent. OCC contends that the Commission cannot act under statutory authority independent of the rehearing statute, R.C. 4903.10, in an entry styled as an "entry on rehearing." However, the Commission's *valid approval* of the proposed revised tariffs in the Sixth Entry on Rehearing, which was plainly styled as the "Sixth Entry on Rehearing," is central to OCC's arguments in its applications for rehearing filed on July 15, 2022, September 9, 2022 and November 4, 2022. In addition, in the Seventh Entry on Rehearing, the Commission approved the stay, requested by OCC on May 13, 2022, on further proceedings related to its notice of termination and withdrawal filed on September 21, 2021. OCC has taken no further action in the docket regarding its notice of termination and withdrawal, apparently in reliance upon the stay even though the stay was granted by the Commission in the Seventh Entry on Rehearing.

III. ORDER

{¶ 46} It is, therefore,

{¶ 47} ORDERED, That the application for rehearing filed by OCC on November 4, 2022, be denied. It is, further,

{¶ 48} ORDERED, That a copy of this Tenth Entry on Rehearing be served upon each party of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair
M. Beth Trombold
Daniel R. Conway
Dennis P. Deters

Recusal:

Lawrence K. Friedeman

GAP/hac

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**Case No(s). 08-1094-EL-SSO, 08-1095-EL-ATA, 08-1096-EL-AAM, 08-1097-EL-
UNC**

Summary: Entry on Rehearing finding that the application for rehearing filed by
Ohio Consumers' Counsel should be denied. electronically filed by Ms. Mary E.
Fischer on behalf of Public Utilities Commission of Ohio

EXHIBIT G

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The Dayton Power and Light Company for Approval of Its Electric Security Plan.	:	Case No. 08-1094-EL-SSO
	:	
In the Matter of the Application of The Dayton Power and Light Company for Approval of Revised Tariffs.	:	Case No. 08-1095-EL-ATA
	:	
In the Matter of the Application of The Dayton Power and Light Company for Approval of Certain Accounting Authority Pursuant to Ohio Rev. Code § 4905.13.	:	Case No. 08-1096-EL-AAM
	:	
In the Matter of the Application of The Dayton Power and Light Company for Approval of Its Amended Corporate Separation Plan.	:	Case No. 08-1097-EL-UNC
	:	

**APPLICATION FOR REHEARING AND MEMORANDUM IN SUPPORT
OF THE DAYTON POWER AND LIGHT COMPANY D/B/A/ AES OHIO**

Pursuant to R.C. 4903.10 and Ohio Adm.Code 4901-1-35, The Dayton Power and Light Company d/b/a AES Ohio ("AES Ohio" or the "Company") seeks rehearing from the Commission's June 16, 2021 Fifth Entry on Rehearing on the following grounds:

1. The Fifth Entry on Rehearing is unreasonable and unlawful insofar as it requires AES Ohio to propose language in its tariff making the Rate Stabilization Charge ("RSC") refundable "to the extent permitted by law." June 16, 2021 Fifth Entry on Rehearing, ¶ 64. The RSC cannot and should not be made refundable for two reasons: (a) the RSC was not refundable under AES Ohio's most recent Electric Security Plan ("ESP"), and R.C. 4928.143(C)(2)(b) requires the Commission to continue the terms of the Company's most recent ESP; and (b) requiring a utility to collect refundable rates is inconsistent with the balance created by the General Assembly.
2. The Commission correctly concluded that the RSC was lawful. June 16, 2021 Fifth Entry on Rehearing, ¶¶ 26-30. However, there is an additional reason supporting the Commission's conclusion – R.C. 4928.143(C)(2)(b)

required the Commission to reinstate the RSC after AES Ohio terminated ESP III and reverted to ESP I, which included the RSC.

Respectfully submitted,

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**MEMORANDUM IN SUPPORT OF APPLICATION FOR REHEARING
OF THE DAYTON POWER AND LIGHT COMPANY D/B/A AES OHIO**

I. INTRODUCTION AND SUMMARY

The Dayton Power and Light company d/b/a AES Ohio ("AES Ohio" or the "Company") seeks rehearing from the June 16, 2021 Fifth Entry on Rehearing on two grounds.

First, the Commission erred when it made the Rate Stabilization Charge ("RSC") refundable "to the extent permitted by law" (Fifth Entry on Rehearing, ¶ 64) for two reasons:

- a. After AES Ohio terminated in third Electric Security Plan ("ESP III"), R.C. 4928.143(C)(2)(b) required to the Commission to implement the terms of AES Ohio's "most recent standard service offer." ESP I was AES Ohio's "most recent standard service offer," and the RSC was not refundable under ESP I.
- b. Making rates "refundable" is inconsistent with the balance struck by the General Assembly.

Second, the Commission correctly concluded that the RSC was lawful. Fifth Entry on Rehearing, ¶¶ 26-30. However, there is an additional reason supporting the Commission's decision, i.e., that the Commission was required to institute the RSC pursuant to R.C. 4928.143(C)(2)(b).

II. THE RSC SHOULD NOT BE REFUNDABLE

The Commission should not have ordered AES Ohio to propose language in its tariff that the RSC is refundable "to the extent permitted by law" (Fifth Entry on Rehearing, ¶ 64) for the following reasons:

A. THE RSC DID NOT PREVIOUSLY INCLUDE SUBJECT-TO-REFUND LANGUAGE, AND CANNOT NOW INCLUDE SUCH LANGUAGE

After a utility terminates an ESP pursuant to R.C. 4928.143(C)(2)(a), R.C. 4928.143 (C)(2)(b) provides that the Commission "shall issue such order as is necessary to continue the provisions, terms, and conditions of the utility's most recent standard service offer." R.C. 4928.143(C)(2)(b).

AES Ohio's "most recent standard service offer" before ESP III was terminated was ESP I, as it existed between August 26, 2016 and October 20, 2017.¹ The tariff for the RSC under ESP I during that period did not include any "refundable to the extent permitted by law" language.²

Since the Commission was required ("shall") by R.C. 4928.143(C)(2)(b) to reinstate AES Ohio's "most recent standard service offer," it was required to reinstate ESP I as it existed between August 26, 2016 and October 20, 2017. And since the tariff for the RSC did not include "refundable to the extent permitted by law" language under that iteration of ESP I, the Commission erred by ordering AES Ohio to include such language in its tariff for the RSC.

¹ In re The Dayton Power and Light Company, Case No. 08-1094-EL-SSO et al. ("ESP I"), Finding and Order, (Aug. 26 2016), ¶ 30 (granting AES Ohio's motion to implement ESP I rates following the termination of ESP II); In re The Dayton Power and Light Company, Case No. 16-395-EL-SSO, et al. ("ESP III"), Opinion and Order (Oct. 20, 2017), ¶ 141 (approving ESP III).

² ESP I, Case No. 08-1094-EL-SSO et al., Final Tariff Sheets (Sept. 1, 2016), Tariff No. G25, pp. 1-2.

B. MAKING RATES REFUNDABLE IS INCONSISTENT WITH THE BALANCE CREATED BY THE GENERAL ASSEMBLY

The Supreme Court of Ohio has explained why including refundable language in a tariff is inconsistent with the balance created by the General Assembly:

"In adopting a comprehensive scheme of public utility rate regulation, the Legislature has found it impossible to do absolute justice under all circumstances. For example, under present statutes a utility may not charge increased rates during proceedings before the commission seeking same and losses sustained thereby may not be recouped. Likewise, a consumer is not entitled to a refund of excessive rates paid during proceedings before the commission seeking a reduction in rates. Thus, while keeping its broad objectives in mind, the Legislature has attempted to keep the equities between the utility and the consumer in balance but has not found it possible to do absolute equity in every conceivable situation."

Keco Industries, Inc. v. Cincinnati & Suburban Bell Tel. Co., 166 Ohio St. 254, 259, 141 N.E.2d 465 (1957).

III. THE RSC IS LAWFUL FOR AN ADDITIONAL REASON NOT IDENTIFIED BY THE COMMISSION

The Commission correctly concluded that the RSC was lawful. Fifth Entry on Rehearing, ¶¶ 26-30. AES Ohio would not ordinarily seek rehearing on issues with which it agrees, such as the fact that the RSC is lawful.

However, a recent decision by the Supreme Court of Ohio has created uncertainty regarding what AES Ohio needs to do to preserve alternative arguments supporting a Commission decision for appeal. Specifically, in a recent case, the utility made a variety of arguments regarding why it passed the significantly excessive earnings test ("SEET"). In re Determination of Existence of Significantly Excessive Earnings for 2017 under Elec. Sec. Plan of Ohio Edison Co., 162 Ohio St.3d 651, 2020-Ohio-5450, 166 N.E.3d 1191, ¶¶ 39-48.

The Commission expressly agreed with some of the arguments made by the utility, but did not address others. Id. The Court rejected the rational used by the Commission (id. at ¶¶ 22-28) and expressly refused to consider the utility's alternative arguments in support of the Commission's decision:

"Ohio Edison made this argument in the ESP case, but the commission did not rely on it when it excluded the DMR revenue. Even though the commission ruled in Ohio Edison's favor, the company continued to argue that it was proper to exclude the revenue on these additional grounds.

* * *

We have previously explained that our practice is not to uphold a commission's decision based on a justification asserted by a party on appeal that is different from the justification the commission provided in its order."

Id. at ¶¶ 41, 47 (citations omitted). Accord: R.C. 4903.09 ("In all contested cases . . . the commission shall file . . . findings of fact and written opinions setting forth the reasons prompting the decisions arrived at, based upon said findings of fact.").

AES Ohio is thus seeking rehearing on the issue of whether the RSC is lawful to preserve an alternative argument supporting the RSC so that AES Ohio may rely on that argument as a reason that the Supreme Court should affirm the Commission's decision.

Turning to the merits, as discussed above, R.C. 4928.143(C)(2)(b) establishes what the Commission is required do after a utility exercises its right to withdraw and terminate its ESP Application under R.C. 4928.143(C)(2)(b):

"If the utility terminates an application pursuant to division (C)(2)(a) of this section or if the commission disapproves an application under division (C)(1) of this section, the commission shall issue such order as is necessary to continue the provisions,

terms, and conditions of the utility's most recent standard service offer, along with any expected increases or decreases in fuel costs from those contained in that offer, until a subsequent offer is authorized pursuant to this section or section 4928.142 of the Revised Code, respectively." (Emphasis added.)

Accord: In re The Dayton Power and Light Company, Case No. 12-426-EL-SSO, et al.

("ESP II"), Finding and Order, (Aug. 26, 2016), ¶ 14 ("The Commission finds that, pursuant to R.C. 4928.143(C)(2)(a), we have no choice but to . . . accept the withdrawal of ESP II.").

The Commission was thus required to issue an order that continued the terms of AES Ohio's standard service offer that was in effect when the Commission approved ESP III, i.e., the rates in effect in ESP I pursuant to the August 26, 2016 Finding and Order issued in this case.

Since the RSC was in effect as part of ESP I when ESP III was approved, the Commission was required to reinstitute the RSC as it existed when ESP III was terminated. That is an additional reason supporting the Commission's conclusion that the RSC is lawful.

Respectfully submitted,

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CERTIFICATE OF SERVICE

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Case No(s). 08-1094-EL-SSO, 08-1095-EL-ATA, 08-1096-EL-AAM, 08-1097-EL-UNC

Summary: App for Rehearing Application for Rehearing and Memorandum in Support of The Dayton Power and Light Company d/b/a AES Ohio electronically filed by Mr. Jeffrey S Sharkey on behalf of The Dayton Power and Light Company

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**Case No(s). 08-1094-EL-SSO, 08-1095-EL-ATA, 08-1096-EL-AAM, 08-1097-EL-
UNC**

Summary: Supreme Court Appeal Notice of Cross Appeal by the Dayton Power and Light Company D/B/A/ AES Ohio (Supreme Court Case No. 2023-0130) electronically filed by Mr. Jeffrey S. Sharkey on behalf of The Dayton Power and Light Company