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REGULATORY OPERATIONS

March 28, 2007 PUCO

Robert Fortney
Chief, Rates and Tariffs Division
PUCO
180 East Broad Street, 13th Floor
Columbus, Ohio 43215

Re: Case No. 05-844-EL-ATA

Dear Mr. Fortney:


The Dayton Power and Light Company ("DP&L") filed its original Application to establish a PJM Administration Fee Rider in this proceeding on July 1, 2005. Pursuant to the Commission's January 25, 2005 Order in this proceeding, Tariff Sheets were filed on January 26, 2005 to be effective on a bills-rendered basis beginning February 1, 2005. DP&L had planned to file a Supplement to its Application to request a change in the PJM Administration Fee Rider. However, after the necessary updates were made to the cost support, the changes offset each other. Therefore, this letter is to inform you that DP&L will not be requesting a change in the PJM Administration Fee Rider at this time. The updated cost support is attached for your information.

DP&L's original filing contemplated updates to the PJM Administration Fee Rider whenever PJM receives approval from the Federal Energy Regulatory Commission (FERC) for an updated Administration Fee. On May 26, 2006 the FERC issued an Order approving a new PJM Administration Fee pursuant to an uncontested settlement in Docket No. ER05-1181. According to the settlement, PJM will provide refunds, when appropriate, after the annual financial statements have been audited each March. The refunds issued by PJM effective April 2007 are included in the attached cost support schedules. In addition, the cost support schedules include actual sales for June 2006 through February 2007, as well as an updated sales forecast for the remainder of the deferral recovery period. The deferral amount is calculated and currently being recovered pursuant to PUCO Order dated June 1, 2005 in Case No. 04-1645-EL-AAM.

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According to the uncontested FERC settlement referenced above, PJM will update its Administration Fee effective January 1, 2008 and January 1, 2011. In addition, PJM will update its Administration Fee to incorporate any refunds each March, after its financial statements have been audited. DP&L intends to supplement this case consistent with that schedule, and will file to remove the deferral recovery portion from the Rider when the deferral amounts have been recovered.

Thank you for your assistance and your attention to this matter. If you have any questions please feel free to call me at (937) 259-7808.

Very truly,

Dona Seger-Lawson
Director, Regulatory Operations

Enclosure

The Dayton Power and Light Company
 Carrying Charges on PJM Administrative Fees Paid by DP&L
 Case No. 05-844-EL-ATA

Data: Actual and Estimate

Type of Filing: Revised

Work Paper Reference No(s): None

Schedule 1

Page 1 of 5

Line No.	Description		04-Oct*1	04-Nov	04-Dec	Source	
(a)	(b)	(c)	(d)	(e)	(f)		(g)
1	Carrying Charge %	10.93%					
2	Total Deferred PJM Admin Fee Charges*1	\$ 5,981,770.85				Schedules 1 and 2 from 3/16/06 Filing	
3							
4							
5	Incremental PJM Admin Fee Retail Rider (\$/kWh)		\$ -	\$ -	\$ -	Schedule 1, line 8, beginning 2/1/06	
6	Budget Sales Forecast (kWh)					DP&L Forecast excluding Switching beginning 3/1/07	
7							
8	Unrecovered PJM Admin Fee Charges (Previous Month Balance)			\$ 69,552.79	\$ 419,020.48	Prior Year Line 13	
9	New PJM Admin Fee Charges to Defer		\$ 68,925.00	\$ 345,685.56	\$ 460,285.60	Schedule 1 from 3/16/06 Filing	
10	Rate of Recovery (3 years beginning Feb '06)		\$ -	\$ -	\$ -	Line 5 * Line 6	
11	Remaining Charges to Recover		\$ 68,925.00	\$ 415,238.35	\$ 879,306.08	Line 8 + Line 9 - Line 10	
12	Interest on Unrecovered PJM Admin Fee Charges	\$ 1,643,646.37	\$ 827.79	\$ 3,782.13	\$ 8,006.01	Line 11 * (Line 1/12 months)	
13	Unrecovered PJM Admin Fee Charges plus Interest		\$ 69,552.79	\$ 419,020.48	\$ 887,314.99	Line 11 + Line 12	
14							
15	Total PJM Admin Fee Charges incl Interest	\$ 7,605,416.22				Line 2 + Line 12, incl (c)	

*1 October 2005 is only for October 27 - October 31. These 5 days are calculated based on sales for those days.

The Dayton Power and Light Company
 Carrying Charges on PJM Administrative Fees Paid by DP&L
 Case No. 05-844-EL-ATA

Date: Actual and Estimate
 Type of Filing: Revised
 Work Paper Reference No(s): None

Line No.	Description	05-Jan	05-Feb	05-Mar	05-Apr	05-May	05-Jun	05-Jul	05-Aug	05-Sep	05-Oct	05-Nov	05-Dec	Source
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
16														
17														
18														
19														
20	Incremental PJM Admin Fee Retail Rider (\$/KWh)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Schedule 3, line 8, beginning 2/1/06
21	Budget Sales Forecast (KWh)													DP&L Forecast excluding Switching beginning 3/1/07
22														
23	Unrecovered PJM Admin Fee Charges (Previous Month Balance)	\$ 887,314.59	\$ 1,346,841.17	\$ 1,740,982.77	\$ 2,187,549.86	\$ 2,585,195.10	\$ 2,996,697.69	\$ 3,447,042.51	\$ 3,871,824.92	\$ 4,288,811.16	\$ 4,690,302.03	\$ 5,068,527.20	\$ 5,484,114.31	Prior Year Line 28
24	New PJM Admin Fee Charges to Defer	\$ 447,369.43	\$ 378,427.28	\$ 426,822.00	\$ 374,310.96	\$ 384,454.03	\$ 419,231.40	\$ 389,834.85	\$ 378,274.92	\$ 359,155.64	\$ 332,476.03	\$ 366,086.83	\$ 431,294.15	Schedule 2 from 6/15/06 Filing
25	Rate of Recovery (3 years beginning Feb '06)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Line 20 + Line 21
26	Remaining Charges to Recover	\$ 1,334,684.42	\$ 1,725,268.45	\$ 2,167,804.77	\$ 2,561,860.82	\$ 2,969,649.13	\$ 3,415,929.09	\$ 3,836,877.36	\$ 4,250,099.84	\$ 4,647,966.80	\$ 5,022,778.06	\$ 5,434,614.03	\$ 5,915,408.46	Line 23 + Line 24 - Line 25
27	Interest on Unrecovered PJM Admin Fee Charges	\$ 12,156.75	\$ 15,714.32	\$ 19,745.09	\$ 23,334.28	\$ 27,048.55	\$ 31,113.42	\$ 34,947.56	\$ 38,711.33	\$ 42,335.23	\$ 45,749.14	\$ 49,500.28	\$ 53,879.51	Line 26 * (Page 1, Line 1/12 months)
28	Unrecovered PJM Admin Fee Charges plus Interest	\$ 1,346,841.17	\$ 1,740,982.77	\$ 2,187,549.86	\$ 2,585,195.10	\$ 2,998,897.69	\$ 3,447,042.51	\$ 3,871,824.92	\$ 4,288,811.16	\$ 4,690,302.03	\$ 5,068,527.20	\$ 5,484,114.31	\$ 5,969,287.97	Line 26 + Line 27

The Dayton Power and Light Company
 Carrying Charges on PJM Administrative Fees Paid by DP&L
 Case No. 05-844-EL-ATA

Data: Actual and Estimate
 Type of Filing: Revised
 Work Paper Reference No(s): None

Schedule 1
 Page 3 of 5

Line No.	Description	06-Jan	06-Feb '03	06-Mar	06-Apr	06-May	06-Jun	06-Jul	06-Aug	06-Sep	06-Oct	06-Nov	06-Dec	Source
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
29														
30														
31	Year 1 Recovery													
32														
33	Incremental PJM Admin Fee Retail Rider (\$/kWh)*2		\$ 0.000146	\$ 0.000146	\$ 0.000146	\$ 0.000146	\$ 0.000146	\$ 0.000146	\$ 0.000174	\$ 0.000174	\$ 0.000174	\$ 0.000174	\$ 0.000174	Schedule 3, line 8, beginning 2/1/06
34	Budget Sales Forecast (RWh)*3		982,283,335	965,490,787	923,498,656	812,577,562	927,718,906	1,060,596,756	1,165,061,439	1,067,118,379	852,543,789	894,154,608	952,188,816	DP&L Forecast excluding Switching beginning 3/1/07
35														
36	Unrecovered PJM Admin Fee Charges (Previous Month Balance)	\$ 5,969,287.97	\$ 6,426,430.98	\$ 6,340,245.43	\$ 6,255,748.92	\$ 6,176,689.48	\$ 6,113,211.74	\$ 6,032,212.25	\$ 5,930,898.13	\$ 5,780,351.59	\$ 5,645,631.14	\$ 5,547,359.65	\$ 5,440,886.85	Prior Year Line 41
37	New PJM Admin Fee Charges to Defer	\$ 389,137.27												Schedule 2 from 6/18/06 Filing
38	Rate of Recovery (3 years beginning Feb '06)	\$ -	\$ 143,413.37	\$ 140,661.65	\$ 134,830.80	\$ 118,636.32	\$ 135,446.96	\$ 154,847.13	\$ 202,720.69	\$ 185,678.60	\$ 148,342.62	\$ 155,592.80	\$ 165,680.85	Line 33 * Line 34
39	Remaining Charges to Recover	\$ 6,368,425.24	\$ 6,283,017.61	\$ 6,199,283.78	\$ 6,120,918.12	\$ 6,058,033.15	\$ 5,977,764.78	\$ 5,877,365.13	\$ 5,728,177.44	\$ 5,594,672.99	\$ 5,497,288.52	\$ 5,391,776.75	\$ 5,275,206.00	Line 36 + Line 37 - Line 38
40	Interest on Unrecovered PJM Admin Fee Charges	\$ 58,005.74	\$ 57,227.82	\$ 56,485.14	\$ 55,751.36	\$ 55,178.59	\$ 54,447.47	\$ 53,533.00	\$ 52,174.15	\$ 50,958.15	\$ 50,071.14	\$ 49,110.10	\$ 48,048.33	Line 39 * (Page 1, Line 1/12 months)
41	Unrecovered PJM Admin Fee Charges plus Interest	\$ 8,426,430.98	\$ 8,340,245.43	\$ 8,255,748.92	\$ 8,176,689.48	\$ 8,113,211.74	\$ 8,032,212.25	\$ 7,930,898.13	\$ 7,780,351.59	\$ 7,645,631.14	\$ 7,547,359.65	\$ 7,440,886.85	\$ 7,323,254.33	Line 39 + Line 40

*2 Incremental PJM Admin Fee Retail Rider in place Feb-Jul 2006 was \$0.000146/kWh and \$0.000174/kWh from Aug '06-April '07, as previously calculated per Dec 2005 and June 2006 filings.

*3 Actual Sales used for February 2005-February 2007

The Dayton Power and Light Company
 Carrying Charges on PJM Administrative Fees Paid by DP&L
 Case No. 05-844-EL-ATA

Data: Actual and Estimate
 Type of Filing: Revised
 Work Paper Reference No(s): None

Line No.	Description	07-Jan	07-Feb	07-Mar	07-Apr	07-May	07-Jun	07-Jul	07-Aug	07-Sep	07-Oct	07-Nov	07-Dec	Source
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
42														
43														
44	Year 2 Recovery													
45														
46	Incremental PJM Admin Fee Retail Rider (\$/kWh)	\$ 0.000174	\$ 0.000174	\$ 0.000174	\$ 0.000174	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	Schedule 3, line 8, beginning 2/1/06
47	Budget Sales Forecast (kWh)	1,078,405,847	1,146,151,658	1,193,580,000	1,105,310,000	1,147,900,000	1,273,630,000	1,451,690,000	1,404,590,000	1,212,430,000	1,150,370,000	1,188,690,000	1,334,130,000	DP&L Forecast excluding Switching beginning 3/1/07
48														
49	Unrecovered PJM Admin Fee Charges (Previous Month Balance)	\$ 5,323,254.33	\$ 5,182,388.58	\$ 5,028,344.53	\$ 4,864,569.91	\$ 4,714,802.34	\$ 4,523,758.53	\$ 4,305,333.61	\$ 4,048,635.70	\$ 3,799,200.56	\$ 3,586,663.36	\$ 3,384,738.68	\$ 3,173,285.96	Prior Year Line 54
50	New PJM Admin Fee Charges to Defer													
51	Rate of Recovery (3 years beginning Feb '06)	\$ 187,642.62	\$ 199,430.39	\$ 207,682.92	\$ 192,323.94	\$ 231,875.80	\$ 257,285.38	\$ 293,241.38	\$ 283,727.18	\$ 244,910.86	\$ 232,475.74	\$ 240,095.18	\$ 269,494.26	Line 46 * Line 47
52	Remaining Charges to Recover	\$ 5,135,611.71	\$ 4,982,958.19	\$ 4,820,661.71	\$ 4,672,245.97	\$ 4,482,926.54	\$ 4,266,473.15	\$ 4,012,092.23	\$ 3,764,908.52	\$ 3,554,289.70	\$ 3,364,187.62	\$ 3,144,643.50	\$ 2,903,791.70	Line 49 + Line 50 - Line 51
53	Interest on Unrecovered PJM Admin Fee Charges	\$ 48,776.86	\$ 45,386.44	\$ 43,908.19	\$ 42,556.37	\$ 40,831.99	\$ 38,860.46	\$ 36,543.47	\$ 34,252.04	\$ 32,373.66	\$ 30,551.06	\$ 28,642.46	\$ 26,448.70	Line 52 * (Page 1, Line 1/12 months)
54	Unrecovered PJM Admin Fee Charges plus Interest	\$ 5,182,388.58	\$ 5,028,344.63	\$ 4,864,569.91	\$ 4,714,802.34	\$ 4,523,758.53	\$ 4,305,333.61	\$ 4,048,635.70	\$ 3,799,200.56	\$ 3,586,663.36	\$ 3,384,738.68	\$ 3,173,285.96	\$ 2,930,240.40	Line 52 + Line 53

The Dayton Power and Light Company
 Carrying Charges on PJM Administrative Fees Paid by DP&L
 Case No. 05-844-EL-ATA

Data: Actual and Estimate
 Type of Filing: Revised
 Work Paper Reference No(s): None

Schedule 1
 Page 5 of 5

Line No.	Description	08-Jan	08-Feb	08-Mar	08-Apr	08-May	08-Jun	08-Jul	08-Aug	08-Sep	08-Oct	08-Nov	08-Dec	Source
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
55														
56														
57	Year 3 Recovery													
58														
59	Incremental PJM Admin Fee Retail Rider (\$/kWh)	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	\$ 0.000202	Schedule 3, line 8, beginning 2/1/06
60	Budget Sales Forecast (kWh)	1,388,030,000	1,251,270,000	1,205,750,000	1,116,710,000	1,160,400,000	1,287,690,000	1,468,910,000	1,421,060,000	1,225,410,000	1,162,960,000	1,200,710,000	1,348,100,000	DP&L Forecast excluding Switching beginning 3/1/07
61														
62	Unrecovered PJM Admin Fee Charges (Previous Month Balance)	\$ 2,930,240.40	\$ 2,673,994.14	\$ 2,443,291.03	\$ 2,219,765.40	\$ 2,012,353.73	\$ 1,794,147.12	\$ 1,548,006.23	\$ 1,262,683.54	\$ 984,515.78	\$ 743,695.65	\$ 513,411.85	\$ 273,335.59	Prior Year Line 67
63	New PJM Admin Fee Charges to Defer													
64	Rate of Recovery (3 years beginning Feb '06)	\$ 260,382.06	\$ 252,756.54	\$ 243,561.50	\$ 225,575.42	\$ 234,400.80	\$ 260,113.38	\$ 296,719.82	\$ 287,054.12	\$ 247,532.82	\$ 234,917.92	\$ 242,543.42	\$ 272,316.20	Line 59 + Line 60
65	Remaining Charges to Recover	\$ 2,649,858.34	\$ 2,421,237.60	\$ 2,199,729.53	\$ 1,994,189.98	\$ 1,777,952.93	\$ 1,534,033.74	\$ 1,251,286.41	\$ 975,829.42	\$ 736,982.96	\$ 508,777.73	\$ 270,868.43	\$ 1,019.39	Line 62 + Line 63 - Line 64
66	Interest on Unrecovered PJM Admin Fee Charges	\$ 24,135.79	\$ 22,053.44	\$ 20,033.87	\$ 18,163.75	\$ 16,194.19	\$ 13,972.49	\$ 11,397.13	\$ 8,865.36	\$ 5,712.69	\$ 4,634.12	\$ 2,487.16	\$ 9.28	Line 65 + (Page 1, Line 1/12 months)
67	Unrecovered PJM Admin Fee Charges plus Interest	\$ 2,673,994.14	\$ 2,443,291.03	\$ 2,219,765.40	\$ 2,012,353.73	\$ 1,794,147.12	\$ 1,548,006.23	\$ 1,262,683.54	\$ 984,515.78	\$ 743,695.65	\$ 513,411.85	\$ 273,335.59	\$ 1,028.67	Line 65 + Line 66

The Dayton Power and Light Company
PJM Administrative Fee Retail Rider Calculation
Case No. 05-844-EL-ATA

Data: Actual and Estimate
Type of Filing: Revised
Work Paper Reference No(s): None

Schedule 2
Page 1 of 1

Line No.	Description			Source
1	Total Deferred PJM Admin Fee Charges	\$ 5,961,770.85		Schedule 1, Page 1, Line 2
2	Proposed Recovery Period		3	years
3	Carrying Cost		10.93%	Order in 04-1645-EL-AAM
4	Total Expected PJM Admin Fee Deferral incl Carrying Charges	\$ 7,605,416.22		Schedule 1, Page 1, Line 15
5				
6	Annual Recovery	\$ 3,050,000.00		Estimated Amount
7	Total 2007 Annual kWh Retail Sales	15,075,790,000	kWh	DP&L Forecast excluding Switching
8	Incremental rate-Deferral	\$ 0.000202	\$/kWh	Line 6 / Line 7
9	PJM Administrative Fee effective 2007	\$ 0.000354	\$/kWh	PJM OATT Schedule 9
10	Proposed PJM Admin Fee Retail Rider	\$ 0.000556	\$/kWh	Line 8 + Line 9

The Dayton Power and Light Company
 Typical Bills
 Case No. 05-844-EL-ATA

Type of Filing: Revised
 Work Paper Reference No(s): None

Schedule 3
 Page 1 of 1

Line No.	Description	Usage	Demand	kVar	Typical Bill	Incremental PJM Administrative Fee Retail Rider Decrease	Proposed Typical Bill	% Decrease
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (f) + (g)	(i) = (g) / (f)
1	Residential	750			\$76.51	\$0.000	\$76.51	0.0000%
2								
3	Commercial	30,000	100		\$2,510.17	\$0.00	\$2,510.17	0.0000%
4								
5	Industrial	200,000	500	242	\$12,885.86	\$0.00	\$12,885.86	0.0000%