



Working For You Today And Tomorrow

21
RECEIVED-DOCKETING DIV
2010 JAN 11 AM 10:27
PUCO

Phone: (937) 259-7802
Fax: (937) 259-7178
E-Mail: jenna.johnson@dplinc.com

January 8, 2010

Via Fed Ex
Public Utilities Commission of Ohio
Docketing Division
180 East Broad Street
Columbus, OH 43215-3793

Re: Reply Comments of the Dayton Power and Light Company

Dear Sir/Madam:

Enclosed please find for filing the original and (20) twenty copies of The Reply comments of The Dayton Power and Light Company.

Please time-stamp and return the extra copy in the self addressed stamped envelope provided. If you have any questions, please call Judi L. Sobecki at 937-259-7171.

Sincerely,

Jenna Johnson
Administrative Assistant

Enclosures

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician And Date Processed 1/11/10

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

RECEIVED-DOCKETING DIV
2010 JAN 11 AM 10:27
PUCO

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 Section 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
	:	
	:	

**REPLY COMMENTS OF
THE DAYTON POWER AND LIGHT COMPANY**

I. INTRODUCTION

On December 15, 2009, four intervening parties and Commission Staff ("Staff") filed comments on the Dayton Power and Light Company's ("DP&L" or "Company") revised AMI and Smart Grid business cases, which DP&L filed pursuant to the Stipulation and Recommendation approved without modification by the Public Utilities Commission of Ohio by Opinion and Order dated June 24, 2009 ("ESP Stipulation"). DP&L hereby files its consolidated reply comments to the five sets of comments below. Several commenting parties raised issues relating to DP&L's estimate of the benefits expected to be realized as a result of AMI and Smart Grid. DP&L will first comment on the rationale supporting its technology-enabled benefit estimates to address these general overarching cost/benefit concerns, followed by specific point-by-point replies to individual issues raised by the commenting parties.

II. REPLY COMMENTS

A. CUSTOMER PARTICIPATION AND PROGRAM BENEFIT ESTIMATES

The demand reduction and energy conservation benefits, customer penetration rates, and net savings forming the basis of DP&L's revised AMI and Smart Grid business cases are rationally based and highly achievable. Redeveloping (for a third time) DP&L's AMI and Smart Grid plans in the context of a stakeholder process or conducting further consumer research as proposed by Staff would not only be costly, cause lengthy delay, and be highly inefficient, but it also would not yield a better result than the thoughtful, thoroughly researched, and valid approach taken in the refiled business cases.

First, DP&L was reasonable in its development of the programs to be included in its AMI and Smart Grid plans. A project team comprised of internal employees and consultants with expertise in energy efficiency, enabling technology, and consumer marketing developed the technology-enabled customer programs based on the evaluation of results of other well respected utilities and studies of programs that have been piloted and deployed over the past several years.¹ For example, DP&L used information from the American Council for an Energy Efficient Economy, the Association of Energy Services Professionals and reviews of program best practices sponsored by the California Public Utilities Commission and the Energy Trust of Oregon. The programs chosen were also based on a review of the types of programs implemented by utilities often considered to be leaders in the field such as Xcel Energy, Northeast Utilities, Pacific Gas & Electric, and the Wisconsin Focus on Energy.

¹ See for example "Section 2.2 of Book II – Customer Conservation and Energy Management Programs Chapter 2: Energy Efficiency and Demand Response Plan" of the October 2008 DP&L filing for the methodology used in selecting the demand response programs.

Second, the passage of time and development of new information in this quickly evolving field of AMI and Smart Grid implementation has demonstrated DP&L's customer participation and benefit estimates contained in its AMI-enabled programs remain reasonable. The Company has continued to stay abreast of the research being done on this topic by utilities, the Department of Energy and the Federal Energy Regulatory Commission (FERC) to quantify the actual benefits experienced by other programs and what demand reduction and energy savings are possible in the future. A recent FERC report, published in June 2009, explains the FERC's view of the state of demand response programs in the US and the future potential based on the following four scenarios.²

- Business as Usual (BAU); delivering 4% demand reduction by 2019
- Expanded BAU; delivering 9% demand reduction by 2019
- Achievable Participation; delivering 14% demand reduction by 2019
- Full Participation; delivering 20% demand reduction by 2019

The FERC Report estimates that under the "Expanded BAU" scenario, demand reduction will be 11% by 2019 in Ohio, while the "Achievable Participation" scenario will be 14% by 2019. DP&L's forecasted demand reduction achieved through its technology-enabled demand response and energy conservation programs is in the range of the FERC's national and Ohio "Expanded BAU" scenario. The Company's approach to estimation of customer benefits for demand and energy savings contained in the revised business cases is in line with other projections, even given the passage of time. Criticism that DP&L's projected program

² Please see [A National Assessment for Demand Response Potential](http://www.ferc.gov/legal/staff-reports/06-09-demand-response.pdf), Federal Energy Regulatory Commission – A Staff Report, June 2009. <http://www.ferc.gov/legal/staff-reports/06-09-demand-response.pdf> for a very detailed view of demand response program benefits analysis ("FERC Report").

participation rates are “arbitrary” and expected levels of demand reduction appear “speculative” is unwarranted.

Third, although DP&L’s proposal reflects the 18-year timeline, the revised AMI/Smart Grid rates were only calculated over the first ten years of that plan. Staff raised concerns that the last few years of the plan, wherein many of the operational benefits would be realized, were not covered by the rate design. It was not DP&L’s intention to avoid recognition of benefits expected to be received in years 2020 through 2027. Since the rates would be updated on a periodic basis, the operational benefits that will be experienced in years 2020 through 2027 would be reflected in the Infrastructure Investment Rider (IIR) that would be in place for those corresponding years.

Finally, concerns were raised with respect to DP&L’s use of demand and capacity values as of July 2, 2008. Demand and capacity values are market based, and therefore by nature will fluctuate along with the markets. DP&L selected a “moment in time” as it had to in developing its business cases, and remained with that approach in its refiled business cases. DP&L chose this approach because revising its business cases with each change in the market would be impractical. DP&L believes its approach is reasonable. Nonetheless, DP&L also recognizes that as a result of market volatility since the initial estimates and market valuation were completed, capacity and demand value projections have declined since the time DP&L performed its initial valuation. DP&L is therefore willing to revise its capacity and demand value estimation and recalculate customer benefits accordingly.

B. Reply to COMMENTS OF THE STAFF OF THE PUCO

Many issues raised by Staff in their comments involve issues surrounding DP&L’s estimation of benefits. Specifically, Staff recommends that:

- Future benefits should be recognized in the calculation of revenue requirements;
- Capacity and energy cost savings estimates should be revised; and
- DP&L should develop programs and design rates in the context of a stakeholder process and conduct further consumer research at this time.

DP&L's reply to these issues are discussed in Section A, above, and DP&L incorporates its reply comments on those issues as if fully rewritten herein. Additional comments by Staff are discussed below.

Separate Recovery Mechanisms

Staff proposes that DP&L should recover the costs of AMI and Smart Grid in two different rate mechanisms, rather than consolidate recovery for both into the Infrastructure Investment Rider ("IIR") as proposed in the filing. DP&L does not oppose this proposal.

Fixed Charge

Staff proposes that 100% of the IIR should be recovered through fixed customer charges, rather than the bifurcated rate proposed in DP&L's filing. DP&L does not oppose this proposal.

MAIFI

Staff expects DP&L to utilize and proceed with the accumulation of customer-specific momentary interruption information in a database suitable for future analysis. DP&L does not oppose this proposal.

New Billing System

Staff proposes that billing system costs that were included in the AMI business case be removed from the cost side of the business case analysis and DP&L should seek recovery of costs through a distribution rate case or through another mechanism as may be appropriate. Staff's proposal erroneously assumes that costs associated with upgrading the current system would be incurred anyway and that costs can be segregated between upgrades and the new

systems needed for AMI. First, DP&L's existing Customer Information System (CIS) is capable of handling DP&L's existing rate structures. DP&L would likely choose not to replace it at this time, absent the Company's revised AMI and Smart Grid plans. Second, it would not be cost-effective to implement a new CIS configured on current, non-AMI business processes and then reconfigure those processes to include AMI. If there is reasonable cause to believe that other components of the DP&L AMI revised business case will be approved in the near future (e.g. Smart Meters, Meter Data Management, Meter Asset Management, Outage Management System, etc.), then there should be one integrated process to implement a new AMI capable CIS. Approximately one-half of the costs associated with implementation of a new CIS can be attributed to configuration and definition of new meter reading, billing, service order and collections business processes and integration between CIS and other proposed AMI systems required as a direct result of AMI, not independent of it, as suggested by Staff. Thus implementing a new billing system independent of AMI and Smart Grid may increase the actual cost to customers over time.

SAIFI and CAIDI

In its comments, Staff indicates that it accepts the Company's projected reliability performance impacts and recommends that if the Commission approves the Smart Grid portion of DP&L's revised business cases, Staff would expect the Company to reflect its projected SAIFI and CAIDI impacts, as presented, as incremental adjustments to its reliability performance standards as required by Section 4901:1-10-10 of the Ohio Administrative Code. Assuming the Commission approves DP&L's AMI and Smart Grid plans as proposed and supported in this case and reliability standards set forth in Case No. 09-754-EL-ESS, DP&L will make the incremental adjustments to its reliability performance standards as provided to Staff.

Depreciation Rates

Staff states in its comments that it had difficulty reconciling the Company's depreciation rates used in the filing. DP&L provided a detailed response to a Staff data request providing support for each depreciation rate contained in the filing. Six out of the eight plant subaccounts that will be used to track the proposed AMI/Smart Grid assets have assets in them that are being depreciated at the rate that was in effect since the Company's last rate case in 1991. The Company believes those depreciation rates were approved as part of the Stipulation approved by the Commission in Case No. 91-414-EL-AIR. The Company is proposing to use the same depreciation rates for the new equipment that would be placed in service and accounted for in those subaccounts. For the two new plant subaccounts, the Company provided and supported new depreciation rates that it believes are consistent with industry practice.

Shared Savings

Staff does not recommend DP&L be permitted to recover any shared savings because such savings are reliant on customers' future responses to prices, but the a component of shared savings resulting from infrastructure modernization incentives are by nature dependent upon customer behavior in the future. Under Staff's reasoning, shared savings resulting from infrastructure modernization would never be permitted under any circumstances, but this runs contrary to the clear legislative intent set forth in SB 221. Specifically, R.C. §4928.143(B)(2)(h) provides, in pertinent part:

The [ESP] may provide for or include, without limitation, any of the following: . . . Provisions regarding the utility's distribution service, including, without limitation and notwithstanding any provision of Title XLIX of the Revised Code to the contrary, . . . provisions regarding distribution infrastructure and modernization incentives for the electric distribution utility. The latter may include a long-term energy delivery infrastructure modernization plan for that utility or any plan providing for the utility's recovery of costs, including lost revenue, shared savings, and avoided costs, and a just and reasonable rate of return on such infrastructure modernization. . . . (Emphasis added).

DP&L's shared savings proposal is modest and fair. DP&L proposes that it receive 10% of the shared savings, with 90% of the benefits flowing to customers. This structure is more than reasonable given the vast majority of the benefit will flow to customers. Given that the legislature specifically authorized the recovery of shared savings resulting from infrastructure modernization initiatives, and that DP&L is seeking only to recover 10%, recovery of shared savings is appropriate.

C. REPLY TO COMMENTS OF THE OHIO CONSUMERS' COUNSEL

Economic Conditions

The OCC comments that the Commission should take into consideration the difficulty residential customers may face in absorbing any rate increase in the midst of the current economic difficulties. Of course DP&L is cognizant of the difficulties faced in these challenging financial times, however the Company believes the business cases outlined in the filing demonstrate that the AMI and Smart Grid solutions deliver a net positive value for DP&L customers in the future. As the OCC points out in the referenced business case for West Virginia, there are many more customer benefits that were not included in the DP&L business case such as job creation and the value of enabling Plug-in Hybrid Electric Vehicles ("PHEVs"). It is important to note that most of these benefits can be achieved as part of the DP&L solutions, but since many of them were more difficult to measure and defend they were not included in the benefits analysis. DP&L's approach was to present an accurate view of the customer benefits to make sure that the benefits driving all aspects of the business cases were measurable and achievable.

All DP&L consumers will benefit from improvements in the ability of businesses and industries to compete and thrive within in the DP&L service territory. The Smart Grid and AMI

capabilities proposed in DP&L's filing will enable this improvement. The current business case plus local job creation and providing consumers and businesses with choices on how to pay for and use their electricity can contribute to the overall improvement in economic conditions within DP&L's service territory. While economic conditions are challenging, customers will have the opportunity to realize benefits which outweigh the costs.

Benefit-To-Cost Ratio

The OCC claims that the DP&L benefit-to-cost ratio for the AMI and Smart Grid programs is below that of similar utility programs nationwide and must be improved. The OCC cites the business case proposed for the Smart Grid Plan for the state of West Virginia, which is very different from the DP&L plan and is based on service territories that may have different characteristics than DP&L's.

- The electric systems within the state of West Virginia were stated to be less reliable than other utilities in the U.S. Since DP&L's reliability is better than that of the West Virginia utilities, the reliability benefits are also less, as the room for improvement is less. The existing electric systems in West Virginia have approximately 4 times the outage minutes per customer than the DP&L system. This is one of the key reasons that the reliability benefits are significantly lower for the DP&L case than those in the West Virginia.
- The energy and demand benefits for DP&L are much higher per customer than West Virginia due to the fact that the cost of electricity in Ohio is higher than the cost of electricity in West Virginia as pointed out in the West Virginia business case.
- The discount rate used for the West Virginia business case was significantly lower than that in the DP&L case. This has a significant impact on the NPV of the cash flows.
- The NPV calculations in the West Virginia case were based on a 20 year period rather than DP&L's 18 year period which increases the benefits cash flow in the outer years.

There is no particular reason to assume that West Virginia has "correctly" computed costs and benefits. To the extent that computations for the West Virginia business case appear to show a "better" benefit to cost ratio, it may merely be because: (1)) the West Virginia utilities

may have started with less efficient operations (i.e., meter reading) than DP&L; and (2) the West Virginia business case has been less conservative than DP&L was in its computations. For example, the West Virginia business case included many “benefits” that are difficult or controversial to quantify. If those same benefits were included here, the computed DP&L benefit-to-cost ratio would similarly be increased. The following benefits cited in the West Virginia smart grid case are not included in the DP&L filing. This does not mean that these benefits do not exist for the DP&L case, but rather that these societal benefits are not included in the DP&L analysis because DP&L’s business case is based on solidly measurable and achievable benefits.

- Job creation benefits are included in the West Virginia case. Under its AMI and Smart Grid plans, DP&L anticipates the addition of jobs both locally as well as nationally. New jobs will be created by the vendors that are selected for the different products and the service companies that will assist DP&L to deploy, install, integrate, and commission these solutions over the next 10 years.
- Reduction on foreign oil due to support for PHEVs were not included in the DP&L case even though these benefits are the same in the DP&L service territory and West Virginia.
- Sale of Coal to China has not been included in the DP&L case since generation is decoupled from distribution.
- The Distributed Energy Resource solution and benefits are not included in the DP&L case and therefore the Benefits associated with DER are not relevant to the DP&L model.

Finally, while the business case for the West Virginia Smart Grid initiative is very different than the DP&L filing, DP&L does agree with the statement in the West Virginia business case on page 107:

With a Smart Grid, society benefits from the creation of jobs and from increases in state and regional incomes as well as providing electric services with a lesser impact on the environment. It is appropriate for those who benefit from such programs to invest in such programs.

Volumetric kWh Rider

The OCC proposes a fully volumetric kWh rider, claiming that a fixed customer charge unfairly shifts more of the burden of paying the costs of AMI and Smart Grid to low use/low income customers. Specifically, the OCC states: “the fixed costs in the new IIR rate design put more of a bill burden for paying the total cost of AMI and Smart Grid on low-income residents who are typically associated with using less electricity per month.” This statement is simply wrong. First, low income customers do not, on average, use less electricity. In 2009, low-income customers that were on the state-run Percentage of Income Payment Plan (PIPP) program and took service from DP&L used on average 972 kWh a month, whereas Non-PIPP DP&L residential customers on average used 949 kWh. Second, low income customers will not face a disproportionately higher bill burden. Using the average usage amounts above, a DP&L PIPP customer using 972 kWh would experience a .96% increase to their bill in 2010, and a DP&L Non-PIPP customer using 949 kWh would experience a .97% increase. Therefore, PIPP customers will experience about the same increase as a Non-PIPP customer. It is also noteworthy that the OCC’s proposal is in direct conflict with Staff’s views that a fixed charge should be used to recover most if not all of these costs. DP&L’s proposal appears to be the middle-ground in this debate, although, as noted, DP&L does not oppose Staff’s proposal.

Shared Savings

The OCC also takes issue with DP&L recovering for shared savings. For the reasons described in DP&L’s reply to Staff’s comments, above, DP&L should be permitted to recover shared savings, pursuant to R.C. §4928.143(B)(2)(h).

Program Review

The OCC comments that if the PUCO were to approve all or a portion of DP&L’s proposal, the PUCO should adopt a detailed program review process to ensure that customers are

protected and will receive the promised value of the Company's AMI and Smart Grid proposals. This type of review has already been agreed to by the Company. Paragraph 4(c) of the ESP Stipulation provides: "Prudently incurred costs and IIR revenues will be trued up on a two-year basis..." Implicit in the phrase "prudently incurred costs" is a review to ensure that the output or result of the expenditure meets or exceeds what was originally planned.

Reliability

The OCC comments that if the PUCO were to approve all or a portion of DP&L's proposal, DP&L should have to make a commitment to improve its distribution system reliability resulting from the AMI/Smart Grid investment by setting detailed reliability targets. As described in DP&L's reply to Staff's comment, above, if the Commission approves DP&L's AMI and Smart Grid plans as filed, the Company will make the incremental adjustments to its reliability performance standards as it proposed to Staff.

Measurement and Verification

The OCC proposes that any AMI/Smart Grid-enabled energy efficiency savings and peak demand reduction should be determined by independent measurement and verification and be consistent with the findings of the Technical Reference Manual that were developed in Case No. 09-512-GE-UNC. DP&L will comply with Commission rules and orders as they relate to measurement and verification of energy efficiency savings and peak demand reductions.

Security

Finally, the OCC comments that the Commission should ensure that any implementation of a Smart Grid or AMI plan is secure, up to date, and that customers have sufficient education about the programs. DP&L's plan as filed already satisfies these concerns. The Company has taken cyber security and interoperability into account through its initial AMI and Smart Grid design and RFP processes. The Company's Smart Grid design already contemplates the use of a

private telecommunications backbone using licensed RF spectrum. This is just one of the measures used to mitigate security concerns with Smart Grid. DP&L has been following the National Institute of Standards and Technology (NIST) Smart Grid Standards development process, including attending the workshops in the spring of 2009. On November 6, 2009 DP&L submitted its membership application to NIST for the Smart Grid Interoperability Panel (SGIP) and has designated four employees as member representatives. DP&L contends that membership alone on the NIST SGIP will not “ensure that DP&L’s equipment meets NIST security standards” as noted on Page 12 of OCC’s comments. DP&L will ensure that it meets such standards by *managing three important aspects of Smart Grid security: cyber security, interoperability and personally identifiable information (PII)*. These three items are risks for utilities in today’s environment even without AMI and Smart Grid. DP&L is sensitive to the risks and concerns brought about by the expansion of technology through Smart Grid and AMI and will mitigate those risks and concerns through a combination of expanding current practices and applying recommendations and standards that are developed through the NIST Smart Grid Standards process and the SGIP.

Request for Hearing

Finally, while not a part of its formal comments, the OCC again requests that the Commission set a hearing on the revised business cases. As DP&L explained in its September 20, 2009 Memorandum in Opposition to the OCC’s Motion to Establish a Procedural Schedule and Hearing Date (“Memorandum in Opposition”), the ESP Stipulation sets forth a procedural process—to which OCC agreed—setting forth the review process for DP&L’s revised AMI and Smart Grid plans. The ESP Stipulation confirms that the parties did not intend to conduct a

hearing to review the AMI and Smart Grid business cases.³ The OCC should not be permitted to renege on its agreement as embodied in the ESP Stipulation by demanding a hearing now.

D. REPLY TO COMMENTS OF THE OHIO PARTNERS FOR AFFORDABLE ENERGY

Most issues raised by OPAE in its comments relate to DP&L's methodology underlying its estimation of benefits and savings. DP&L's reply to these issues are discussed in Sections A and C, above, and DP&L incorporates its reply comments on those issues as if fully rewritten herein. In addition, OPAE raises concerns regarding the impact of lost wages on the regional economy as a result of meter reading personnel displacement. As described in more detail in Section C, above, the impact of lost wages of DP&L's part-time meter reading workforce will be offset by the addition of jobs requiring greater technical skills at a higher wage.

E. REPLY TO COMMENTS OF THE CITY OF DAYTON

Separate Recovery Mechanisms

Like Commission Staff, the City of Dayton proposes that DP&L should recover the costs of AMI and Smart Grid in two different rate mechanisms, rather than consolidate recovery for both into the Infrastructure Investment Rider ("IIR") as proposed in the filing. As noted in Section B, above, DP&L does not oppose this proposal.

Customer Existing Investment Credit

The City of Dayton comments that customers that have already made reliability related investments should receive credits against similar Smart Grid investments proposed by DP&L. The AMI and Smart Grid improvement is on utility-owned equipment that is physically located before the metering point. Improvements within a customer's facility, behind the meter, or "electrical redundancy or electrical backup" as described by the City of Dayton on page 5, are

³ DP&L also incorporates as if fully rewritten herein, the other reasons set forth in its Memorandum in Opposition explaining why a full hearing on DP&L's revised business cases is neither appropriate nor warranted.

not replicated or made usable by the Company's AMI/Smart Grid plans. Rather, the proposed plans, particularly the Smart Grid plan, adds a layer of automation and technology onto the existing distribution assets to increase the reliability of the entire system as it is designed today. For example, automating an airbrake switch will permit the remote operation of that device on a much faster basis than sending a field crew to that location to manually operate it. Thus, Smart Grid automation maximizes the benefit to the highest number of customers as opposed to necessarily improving reliability for a specific customer. Therefore, while individual customers may have made modifications or additions to their electrical systems to improve reliability, the Company does not believe that it is the same type of technology and application and therefore some sort of credit would be inappropriate.

Fixed Charge

The City of Dayton also takes issue with DP&L's proposed rate structure. As DP&L indicated in its reply to Staff's comments, above, DP&L does not oppose Staff's proposal that 100% of the IIR should be recovered through fixed customer charges.

Billing System

Finally, the City of Dayton comments that the entire cost of the billing system should not be assessed through the IIR. DP&L incorporates as if fully rewritten herein, its reply to Staff's comments on this subject in Section B, above.

E. REPLY TO COMMENTS OF THE KROGER COMPANY

Fixed Charge

Kroger, like others, takes issue with DP&L's proposed rate structure. As DP&L indicated in its reply to Staff's comments, above, DP&L does not oppose Staff's proposal that 100% of the IIR should be recovered through fixed customer charges.

Real-Time Access to Information

Kroger comments that customers should have direct, real-time access to smart metering information at no additional charge. DP&L does not intend to charge customers to access the real-time meter information from an AMI Meter. As long as the customer has a device that can communicate with the meter using a selected standard communications protocol such as Zigbee, the customer will be able to access the information on a read-only basis continuously on a 24 hours a day, 7 day a week basis.

Rate Design

Kroger proposes that DP&L should commit to developing rate designs that maximize the advantages of Smart Grid deployment. DP&L has committed to implement time-differentiated pricing options once the appropriate infrastructure is in place. Kroger's proposal that DP&L develop and implement pilot programs before it has a system capable of managing dynamic pricing is unreasonable.

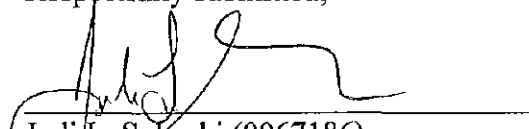
Electronic Billing

Finally, Kroger comments that DP&L should implement electronic billing as soon as reasonably practical. The new CIS system proposed in DP&L's filing will have EDI capability.

III. CONCLUSION

For the reasons explained above and within the documents supporting DP&L's refiled AMI and Smart Grid business cases, DP&L's AMI and Smart Grid plans are reasonable, thoughtfully designed, well researched, and yield positive business cases which will result in significant benefits to DP&L's customers for years to come. For this reason DP&L respectfully requests that the Commission approve DP&L's revised AMI and Smart Grid plans as filed, subject to the modifications accepted by DP&L as described herein.

Respectfully submitted,



Judi L. Sobecki (0067186)

Randall V. Griffin (0080499)

The Dayton Power and Light Company

1065 Woodman Drive

Dayton, OH 45432

Telephone: (937) 259-7171

Facsimile: (937) 259-7178

Email: judi.sobecki@dplinc.com

Attorneys for The Dayton Power and Light
Company

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing has been served via electronic mail upon the following counsel of record, this 8th day of January, 2010:

Samuel C. Randazzo, Esq.
Lisa G. McAlister, Esq.
Joseph M. Clark, Esq.
MCNEES WALLACE & NURICK LLC
21 East State Street, 17th Floor
Columbus, OH 43215-4228

Attorneys for Industrial Energy Users-Ohio

Gregory J. Poulos, Esq.
Michael E. Idzkowski, Esq.
Richard Reese, Esq.
OFFICE OF OHIO CONSUMERS' COUNSEL
10 West Broad Street, Suite 1800
Columbus, OH 43215

David C. Rinebolt, Esq.
Colleen L. Mooney, Esq.
OHIO PARTNERS FOR AFFORDABLE
ENERGY
231 West Lima Street
Findlay, OH 45839-1793

Henry Eckhart, Esq.
50 West Broad Street, Suite 2117
Columbus, OH 43215-3301

Robert Ukeiley, Esq.
LAW OFFICE OF ROBERT UKEILEY
435R Chestnut Street, Suite 1
Berea, KY 40403

Attorneys for Sierra Club Ohio Chapter

Ned Ford
539 Plattner Trail
Beavercreek, OH 45430

John W. Bentine, Esq.
Matthew S. White, Esq.
Mark S. Yurick, Esq.
CHESTER WILLCOX & SAXBE LLP
65 East State Street, Suite 1000
Columbus, OH 43215

Attorneys for The Kroger Company

David Boehm, Esq.
Michael L. Kurtz, Esq.
BOEHM, KURTZ & LOWRY
36 East Seventh Street Suite 1510
Cincinnati, OH 45202-4454

Attorney for Ohio Energy Group, Inc.
M. Howard Petricoff, Esq.
Stephen M. Howard, Esq.
Michael J. Settineri, Esq.
VORYS, SATER, SEYMOUR AND
PEASE LLP
52 East Gay Street
P.O. Box 1008
Columbus, OH 43216-1008

Cynthia A. Fonner, Esq.
Senior Counsel
CONSTELLATION ENERGY
RESOURCES, LLC
550 West Washington Blvd., Suite 300
Chicago, IL 60661

Attorneys for Constellation NewEnergy,
Inc. and Constellation Energy Commodities
Group, Inc.

David I. Fein
Vice President, Energy Policy - Midwest
CONSTELLATION ENERGY GROUP, INC.
550 West Washington Blvd., Suite 300
Chicago, IL 60661

Richard L. Sites, Esq.
General Counsel and Senior Director of
Health Policy
Ohio Hospital Association
155 East Broad Street, 15th Floor
Columbus, OH 43215-3620

Attorney for The Ohio Hospital Association

Craig I. Smith, Esq.
Attorney at Law
2824 Coventry Road
Cleveland, OH 44120

Attorney for Cargill, Incorporated

Patrick Bonfield, Esq.
John Danish, Esq.
Christopher L. Miller, Esq.
Gregory H. Dunn, Esq.
Andre T. Porter, Esq.
SCHOTTENSTEIN ZOX & DUNN CO., LPA
250 West Street
Columbus, OH 43215

Attorneys for The City of Dayton

M. Howard Petricoff, Esq.
Stephen M. Howard, Esq.
Michael J. Settineri, Esq.
VORYS, SATER, SEYMOUR AND PEASE
LLP
52 East Gay Street
P.O. Box 1008
Columbus, OH 43216-1008

Attorneys for Honda of America Mfg., Inc.

Thomas Lindgren, Esq.
Thomas McNamee, Esq.
Assistant Attorney General
180 East Broad Street
Columbus, OH 43215

Office of the Ohio Attorney General

Larry Gearhardt, Esq.
Chief Legal Counsel
OHIO FARM BUREAU FEDERATION
280 North High Street
P.O. Box 182383
Columbus, OH 43218-2383

Attorney for The Ohio Farm Bureau Federation

Thomas J. O'Brien, Esq.
BRICKER & ECKLER LLP
100 South Third Street
Columbus, OH 43215-4291

Attorney for The Ohio Manufacturers'
Association

Barth E. Royer, Esq.
BELL & ROYER CO., LPA
33 South Grant Avenue
Columbus, OH 43215-3927

Gary A. Jeffries, Esq.
Dominion Resources Services, Inc.
501 Martindale Street, Suite 400
Pittsburgh, PA 15212-5817

Attorneys for Dominion Retail, Inc.

Barth E. Royer, Esq.
BELL & ROYER CO., LPA
33 South Grant Avenue
Columbus, OH 43215-3927

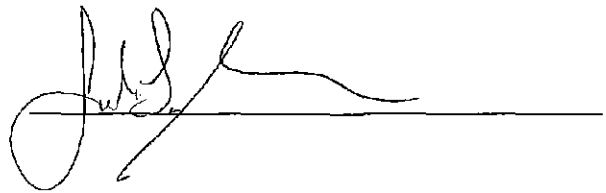
Nolan Moser, Esq.
Air & Energy Program Manager
The Ohio Environmental Council
1207 Grandview Avenue, Suite 201
Columbus, OH 43212-3449

Trent A. Dougherty, Esq.
The Ohio Environmental Council
1207 Grandview Avenue, Suite 201
Columbus, OH 43212-3449

Ellis Jacobs
Advocates for Basic Legal Equality, Inc.
333 West First Street, Suite 500B
Dayton, OH 45402

Attorney for The Edgemont Neighborhood
Coalition

Todd Williams, Esq.
4534 Douglas Road
Toledo, OH 43613

A handwritten signature in black ink, appearing to read 'Todd Williams', is written over a horizontal line. The signature is stylized and cursive.