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BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of The Dayton
Power and Light Company to Update its
Alternative Energy Rider.

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PUCO

Case No. 10-89-EL-RDR

COMMENTS
BY
THE OFFICE OF OHIO CONSUMERS' COUNSEL

I. INTRODUCTION

By its June 24, 2009 Opinion and Order in Case Nos. 08-1094-EL-SSO, et al., the Public Utilities Commission of Ohio ("PUCO" or "Commission") adopted a Stipulation and Recommendation ("Stipulation"). The Order thereby authorized The Dayton Power and Light Company ("DP&L" or "Company") to implement an avoidable Alternative Energy Rider ("AER") "as filed in the Application, subject to annual true up of actual costs incurred."¹ Attachment C of the Stipulation specifies the AER rates by customer class for 2009 and 2010.² Attachment C further notes that the "2010 AER will reflect actual costs, trued-up costs and recovery from 2009."³

In DP&L's application filed in the instant case on April 15, 2010, ("Application") and DP&L's amended application filed on July 22, 2010 ("Amended Application"), the Company seeks approval to update its AER and approval to collect from DP&L's

¹ Stipulation, at ¶6 (February 24, 2009).

² Stipulation, Attachment C (February 24, 2009).

³ Id., at footnote.

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customers “costs associated with complying with R.C. 4928.64.”⁴ The Office of the Ohio Consumers’ Counsel (“OCC”), on behalf of the approximately 456,000 residential utility customers of DP&L, submits these Comments to DP&L’s Application.

II. COMMENTS

A. The Determination of Reasonable Rates and the Burden of Proof

DP&L’s requirements are set forth in the Stipulation and the Application, which provide that the Company may collect from customers the utility’s actual costs of its Alternative Energy Plan.⁵ In addition, R.C. 4928.02(A) mandates that the Commission ensure that the cost of electric service for DP&L’s customers is reasonable.⁶

The burden of proof in this case is set forth in R.C. 4928.143(C)(1), which provides that the burden of proof in an ESP proceeding shall be on the electric utility.⁷ Because the origin of this case is DP&L’s ESP case, the burden of proof remains with the electric utility. Thus, DP&L bears the burden of proving that the costs it seeks in its Application are DP&L’s actual Alternative Energy Plan costs and that the costs are reasonable.

B. DP&L’s Failure to Meet its Burden of Proof

The Commission should determine reasonable rates for DP&L’s customers based on only the costs that DP&L incurred. In Book III of the Company’s October 10, 2008 application for its Electric Security Plan (“ESP”), Company witness Gary Stephenson testified that “the Company as a whole is preparing to meet the [alternative energy]

⁴ Application at ¶2 (April 15, 2010). (Amended July 22, 2010).

⁵ Stipulation, at ¶6 (February 24, 2009).

⁶ R.C. 4928.02(A) (“It is the policy of this state to do the following throughout this state: (A) Ensure the availability to consumers of adequate, reliable, safe, efficient, nondiscriminatory, and reasonably priced retail electric service.”)

⁷ R.C. 4928.143(C)(1).

requirements for both DP&L's standard service offer load as well as the load currently served by DPLER [i.e., DPL Energy Resources]."⁸ Thus, for the Commission to properly determine the costs that DP&L's customers should be required to pay under DP&L's Alternative Energy Rider, the Company's annual filing should show the total cost of compliance, the amount of that cost allocated to DPLER, and the amount allocated to DP&L. Only the latter, if reasonable, should be paid by DP&L's customers.

Based on DP&L's responses to OCC discovery, the Company appears to be seeking payment by DP&L's customers for costs attributable to the Company's affiliate (i.e. DPLER). For example, DP&L's Amended Application seeks costs associated with "RFP Compliance and Evaluation"⁹ that are "incurred as the Company manages its REC portfolio and investigates potential measures of compliance."¹⁰ Since DP&L is seeking to comply with the alternative energy benchmarks in Sub. S.B. 221 for both DP&L and DPLER, both the utility and its affiliate should have incurred REC portfolio management costs and investigation costs. The total RFP Compliance and Evaluation costs incurred to date and reported by DP&L should have been shared by DP&L and DPLER. This would be the case regardless of whether RECs have been purchased by, or assigned to, DPLER.

⁸ Application of The Dayton Power and Light Company for Approval of Its Electric Security Plan, Book III – Alternative Energy Plan, PUCO Case Nos. 08-1094-EL-SSO et al., (October 10, 2008), Testimony of Gary G. Stephenson at page 4 of 15.

⁹ The Dayton Power and Light Company's Notice of Filing Revised Schedules, Workpapers, and Proposed Tariff, Schedule D-1, page 1 of 1.

¹⁰ The Dayton Power and Light Company's Objections and Responses to the Office of the Ohio Consumers' Counsel's Interrogatories Propounded Upon Dayton Power and Light Company Initial Set (Dated May 27, 2010) Revised and Amended Responses of July 30, 2010, Response 2a to OCC Interrogatory 2, (Attachment A).

However, DP&L has failed to demonstrate that these costs are being properly shared, despite OCC's discovery requests for such information.¹¹

In particular, OCC Interrogatory No. 17 requested that DP&L identify the total amount of "RFP and Compliance Evaluation" costs incurred by DPLER and DP&L.¹² DP&L's response provides an accounting record showing that DPLER has paid a portion of the total "REC Labor" costs (i.e., Renewable Energy Credit Labor costs) for the two entities.¹³ But DP&L's response fails to show that DPLER shared the approximately \$400,000 of remaining costs incurred to manage the REC portfolio and investigate potential measures of compliance with the benchmarks in Sub. S.B. 221.

In addition to the "Total RFP & Compliance Evaluation Costs" category, DP&L's Solar, Hydro, Wind, and Biofuel categories include costs to research potential projects to aid in compliance with non-solar benchmarks.¹⁴ However, based on the information provided in DP&L's Application, in discovery responses, and in discussions with OCC and PUCO Staff (which DP&L claims to be all of the information available),¹⁵ it is impossible to know whether the Company is accurately reporting its costs of evaluating potential fuel sources.

¹¹ The Dayton Power and Light Company's Objections and Responses to the Office of the Ohio Consumers' Counsel's Interrogatories Propounded upon Dayton Power and Light Company, Second Set (Dated August 6, 2010), Responses to OCC Interrogatories 15-17, (Attachment B).

¹² See The Dayton Power and Light Company's Objections and Responses to the Office of the Ohio Consumers' Counsel's Interrogatories Propounded upon Dayton Power and Light Company, Second Set (Dated August 6, 2010), (Attachment B).

¹³ Id. at Attachment INT-17, (Attachment B).

¹⁴ The Dayton Power and Light Company's Objections and Responses to the Office of the Ohio Consumers' Counsel's Interrogatories Propounded Upon Dayton Power and Light Company Initial Set (Dated May 27, 2010) Revised and Amended Responses of July 30, 2010, Response 2c to OCC Interrogatory 2, (Attachment A).

¹⁵ The Dayton Power and Light Company's Objections and Responses to the Office of the Ohio Consumers' Counsel's Interrogatories Propounded upon Dayton Power and Light Company, Second Set (Dated August 6, 2010), Responses to Requests for Production of Documents Nos. 1, 7-11, (Attachment B).

Further, according to DPLER's status report filed April 15, 2010 in Case No. 10-492-EL-ACP, DPLER reported having met the 2009 adjusted benchmarks for advanced energy and renewable energy set forth in R.C. 4928.64(B).¹⁶ DPLER must have incurred costs in 2009 for investigating and evaluating methods of compliance. According to its responses to OCC Interrogatories Nos. 19-37, however, there are no costs associated with DPLER's development of renewable energy.¹⁷

The absence of information regarding DPLER's costs makes it impossible to determine whether there is double counting, or whether DP&L's customers are paying for DPLER's expenses. With the Company repeatedly stating in discovery that there are no additional documents or related information to detail these costs,¹⁸ the reported costs are unsubstantiated and should not be allowed.

The increase in customer rates sought by DP&L by means of the Company's AER should be denied unless and until DP&L documents the costs the Company claims in its AER Application. DP&L should be required to demonstrate that compliance costs attributable to DPLER are not among the costs that would be recovered in the AER. DP&L has failed to meet its burden of proof, and DP&L's customers should not be made to pay for unsubstantiated costs.

¹⁶ DPL Energy Resources Inc.'s Annual Alternative Energy Portfolio Status Report at 2 (April 15, 2010), (Attachment C).

¹⁷ The Dayton Power and Light Company's Objections and Responses to the Office of the Ohio Consumers' Counsel's Interrogatories Propounded upon Dayton Power and Light Company, Second Set (Dated August 6, 2010), Interrogatories Nos. 17-34, (Attachment B).

¹⁸ The Dayton Power and Light Company's Objections and Responses to the Office of the Ohio Consumers' Counsel's Interrogatories Propounded upon Dayton Power and Light Company, Second Set (Dated August 6, 2010), Responses to Requests for Production of Documents Nos. 1, 7-11, (Attachment B).

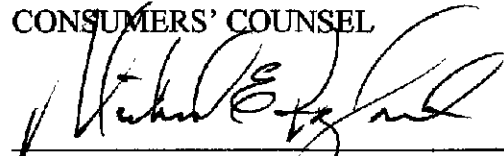
III. CONCLUSION

The Commission should require DP&L to substantiate all compliance costs for both DP&L and DPLER, as well as deny the recovery of costs that DP&L seeks to collect in its AER until the Company substantiates its claimed costs. A hearing may be required to adequately inquire into the Company's claimed costs and provide the Commission with a record upon which to determine reasonable rates for DP&L's customers.

In addition, the Commission should ensure that DP&L's customers do not pay any carrying costs associated with the Company's claimed costs for its AER. DP&L has not substantiated its AER compliance costs, and customers should not be burdened as the result of DP&L's failure to support its Application.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER
CONSUMERS' COUNSEL

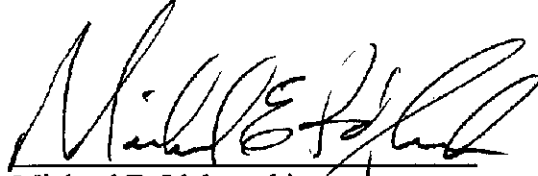


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CERTIFICATE OF SERVICE

It is hereby certified that a true copy of the foregoing *Comments* was served by Regular U.S. Mail Service, postage prepaid, to all parties this 30th day of September, 2010.

A handwritten signature in black ink, appearing to read "Michael E. Idzkowski", is written over a horizontal line.

Michael E. Idzkowski
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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The)
Dayton Power and Light Company to) Case No. 10-89-EL-RDR
Update its Alternative Energy Rider.)

**THE DAYTON POWER AND LIGHT COMPANY'S OBJECTIONS
AND RESPONSES TO THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
INTERROGATORIES PROPOUNDED UPON DAYTON POWER AND LIGHT
COMPANY
INITIAL SET (DATED MAY 27, 2010)**

REVISED AND AMENDED RESPONSES OF JULY 30, 2010

The Dayton Power and Light Company ("DP&L") provided responses on June 17, 2010, to The Office of The Ohio Consumers' Counsel's ("OCC") Interrogatories, Initial Set, in this proceeding on and noted therein that DP&L intended to file an amended application for its Alternative Energy Rider. That amended application was filed on July 22, 2010. OCC's Interrogatories contained an instruction to supplement responses with subsequently acquired information. As a result of the filing of the amended application, DP&L has reviewed its initial responses and hereby supplements and amends the following responses: INT-1, INT-2, INT-3, INT-4 (including Confidential Attachment), and INT-8.

GENERAL OBJECTIONS

1. DP&L objects to and declines to respond to each and every discovery request to the extent that it seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Ohio Admin. Code § 4901-1-16(B).

2. DP&L objects to and declines to respond to each and every discovery request to the extent that it is harassing, unduly burdensome, oppressive or overbroad. Ohio Admin. Code §§ 4901-1-16(B) and 4901-1-24(A).

3. DP&L objects to each and every discovery request to the extent that it seeks information that is privileged by statute or common law, including privileged communications between attorney and client or work product. Ohio Admin. Code § 4901-1-16(B). Such material or information shall not be provided, and any inadvertent disclosure of material or information protected by the attorney-client privilege, the work product doctrine or any other privilege or protection from discovery is not intended and should not be construed to constitute a waiver, either generally or specifically, with respect to such information or material or the subject matter thereof.

4. DP&L objects to each and every discovery request to the extent that it may seek information that is proprietary. Ohio Admin. Code § 4901-1-24(A).

5. To the extent that interrogatories seek relevant information that may be derived from the business records of DP&L or from an examination or inspection of such records and the burden of deriving the answer is the same for the Office of the Ohio Consumers' Counsel as it is for DP&L, DP&L may specify the records from which the answer may be derived or ascertained and afford the Office of the Ohio Consumers' Counsel the opportunity to examine or inspect such records. Ohio Admin. Code § 4901-1-19(D).

6. DP&L objects to and declines to respond to each and every interrogatory that can be answered more efficiently by the production of documents or by the taking of depositions. Under the comparable Ohio Civil Rules, "[a]n interrogatory seeks an admission or it seeks information of major significance in the trial or in the preparation for trial. It does not

contemplate an array of details or outlines of evidence, a function reserved by rules for depositions." Penn Cent. Transp. Co. v. Armco Steel Corp., 27 Ohio Misc. 76, 77, 272 N.E.2d 877, 878 (Montgomery Cty. 1971). As Penn further noted, interrogatories that ask one to "describe in detail," "state in detail," or "describe in particulars" are "open end invitation[s] without limit on its comprehensive nature with no guide for the court to determine if the voluminous response is what the party sought in the first place." Id., 272 N.E.2d at 878.

7. DP&L objects to and declines to respond to each and every discovery request to the extent that it calls for information that is not in DP&L's current possession, custody, or control or could be more easily obtained through third parties or other sources. Ohio Admin. Code § 4901-1-19(C) and 4901-1-20(D). DP&L also objects to and declines to respond to each and every discovery request that seeks information that is already on file with the Public Utilities Commission of Ohio or the Federal Energy Regulatory Commission. To the extent that each and every discovery request seeks information available in pre-filed testimony, pre-hearing data submissions and other documents that DP&L has filed with the Commission in the pending or previous proceedings, DP&L objects and declines to respond to it. Ohio Admin. Code § 4901-1-16(G).

8. The production of any documents by DP&L does not and shall not constitute an admission concerning a document, its content, or the evidentiary sufficiency of the document, including but not limited to authentication, best evidence, relevance or hearsay.

9. DP&L reserves its right to redact confidential or irrelevant information from documents produced in discovery. All documents that have been redacted will be stamped as such.

10. DP&L objects to each and every discovery request to the extent that it is vague or ambiguous or contains terms or phrases that are undefined and subject to varying interpretation or meaning, and may, therefore, make responses misleading or incorrect.

11. DP&L objects to any discovery request to the extent it calls for information not in its possession, but in the possession of DP&L's unregulated affiliates.

12. All responses of DP&L to the discovery requests of the Office of the Ohio Consumers' Counsel are made subject to and without waiving these objections common to all discovery requests.

SUPPLEMENTED INTERROGATORIES

INT-1: On page 2 of the Application, the Company states "the proposed AER reflects an increase in costs from the increase in the annual renewable targets for 2010 as well as higher than expected compliance costs." Please provide:

- a. the amounts and descriptions of the expected compliance costs referred to in the Application in the quote above on a total dollar and per mWh basis;
- b. the amounts and descriptions of actual compliance costs incurred by DP&L on a total dollar and per mWh basis;
- c. all information that describes why compliance costs were "higher than expected" as stated in the Application;
- d. an explanation for any difference in the responses to OCC-INT 1a. and 1b;

RESPONSE:

- a. **General Objection No. 7. Please refer to Book III of the Company's approved Electric Security Plan, Case No. 08-1094-EL-ESP, Schedule A-2.**

Lines 14 through 17 outline an estimate of the Company's 2010 compliance costs and line 25 illustrates the rate per kWh associated with those cost estimates.

- b. Please see Schedule D-1 of the amended filing for project expense detail.
- c. The 2010 compliance costs included in the Company's Electric Security Plan were estimated based on information known at the time of the 2008 filing. The Company did not include cost estimates for renewable projects, such as Killen Biomass co-firing, at that time because the Company's plans for biomass co-firing were still being developed.
- d. Please see response to OCC-INT 1c.

INT-2: Please describe all costs that DP&L allocates to the line item labeled "Project Research and Development" provided in the Summary of Projected Cost table in Schedule B-1 of the Application.

RESPONSE:

Please see Project related expenses outlined below.

- a. Request for Proposal (RFP) and Compliance Evaluation: Relates to costs that are incurred as the Company manages its REC portfolio and investigates potential measures of compliance.
- b. Solar Development: Pertains to costs incurred to research potential compliance options associated with the Solar Benchmarks.
- c. Hydro Development: Pertains to costs incurred to research potential hydropower projects to aid in compliance with the Non-Solar Benchmarks.

- d. **Wind Development:** Relates to costs incurred to research potential wind projects to aid in compliance with the Non-Solar Benchmarks.
- e. **Biofuel development:** Includes costs related to biomass test burns conducted at the Killen Station and feasibility studies to evaluate other biomass options.

INT-3: In Case Number 10-490-EL-ACP at page 7 of the filing, DP&L states that “In large part because it is a mid-sized utility, DP&L currently does not intend to make sizable investments in research and development....”

- a. Does DP&L consider the \$1,759,152 of “Project Research and Development” provided in the Summary of Projected Costs table in Schedule B-1 of the Application to be “sizable”?
- b. If yes, please explain the contradiction from the statement provided in Case number 10-490-EL-ACP where DP&L states that it does not plan to make sizable investments in research and development.
- c. If no, why not?
- d. How does DP&L determine what is considered a sizable investment in terms of project research and development?

RESPONSE:

General Objection No 10. The R&D costs included in this filing are not on the same order of magnitude of the costs that were contemplated by the statement at page 7 of the filing. The costs that were being referenced in the ten year plan relate to the 2025 benchmark for alternative energy projects, which may include advanced nuclear reactor technologies or advanced clean coal technologies that might require hundreds of millions of research and development dollars to bring to market. In

contrast, the Project expense included in Schedule B-1 are all near-term research to establish the technical feasibility of using some form of currently available fuel.

- INT-4:** Please describe and provide amounts for all costs incurred that developed the totals stated on line 3 of the Summary of Accrued Total Costs in Schedule D-1 labeled "Annual REC Cost – Ohio Solar."
- a. Please provide the number of Ohio Solar RECs purchased through February 2010 for the same line item described above;
 - b. Please provide the accounting Records referenced in column M for the same line item described above;
 - c. Were any of these costs incurred to purchase RECs that have been or will be allocated to DPLER?
 - d. If yes, please describe and provide amounts for those costs.

RESPONSE:

- a. Line 3 of Schedule D-1 represents the total accrued actual costs for DP&L's Ohio Solar obligation.

(REDACTED CONFIDENTIAL INFORMATION)

- b. Please see attachment to INT-4.
- c. No.

INT-8: Referring to the document identified as Projected Monthly Cost Calculation in WPC-1a, line items 10 and 16, please provide details regarding the following:

- a. What constitutes the expense labeled Affiliate Expense
- b. How this cost is recovered and from who.

RESPONSE:

- a. The revised AER filing no longer includes an Affiliate Expense line item.
- b. DP&L recovers the cost associated with DP&L's allocation of RECs to DPLER through the wholesale price it charges for full requirements service.

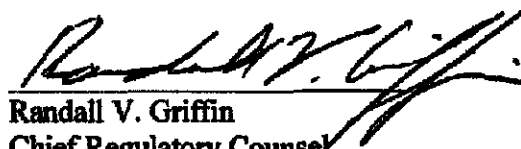
CONFIDENTIAL

INT-4

(REDACTED CONFIDENTIAL INFORMATION)

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing has been served either electronically or via first class mail, postage prepaid, this 30th day of July, 2010 upon counsel to the parties of record.


Randall V. Griffin
Chief Regulatory Counsel
DPL Inc.

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The)
Dayton Power and Light Company to) Case No. 10-89-EL-RDR
Update its Alternative Energy Rider.)

**THE DAYTON POWER AND LIGHT COMPANY'S OBJECTIONS
AND RESPONSES TO THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
INTERROGATORIES PROPOUNDED UPON DAYTON POWER AND LIGHT
COMPANY
SECOND SET (DATED AUGUST 6, 2010)**

Pursuant to Ohio Admin. Code §§ 4901-1-19, 4901-1-20 & 4901-1-22, The Dayton Power and Light Company ("DP&L") responds to The Office of The Ohio Consumers' Counsel's ("OCC") Interrogatories, Second Set. DP&L's responses are as follows:

GENERAL OBJECTIONS

1. DP&L objects to and declines to respond to each and every discovery request to the extent that it seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Ohio Admin. Code § 4901-1-16(B).

2. DP&L objects to and declines to respond to each and every discovery request to the extent that it is harassing, unduly burdensome, oppressive or overbroad. Ohio Admin. Code §§ 4901-1-16(B) and 4901-1-24(A).

3. DP&L objects to each and every discovery request to the extent that it seeks information that is privileged by statute or common law, including privileged communications between attorney and client or work product. Ohio Admin. Code § 4901-1-16(B). Such material or information shall not be provided, and any inadvertent disclosure of material or information protected by the attorney-client privilege, the work product doctrine or

any other privilege or protection from discovery is not intended and should not be construed to constitute a waiver, either generally or specifically, with respect to such information or material or the subject matter thereof.

4. DP&L objects to each and every discovery request to the extent that it may seek information that is proprietary. Ohio Admin. Code § 4901-1-24(A).

5. To the extent that interrogatories seek relevant information that may be derived from the business records of DP&L or from an examination or inspection of such records and the burden of deriving the answer is the same for the Office of the Ohio Consumers' Counsel as it is for DP&L, DP&L may specify the records from which the answer may be derived or ascertained and afford the Office of the Ohio Consumers' Counsel the opportunity to examine or inspect such records. Ohio Admin. Code § 4901-1-19(D).

6. DP&L objects to and declines to respond to each and every interrogatory that can be answered more efficiently by the production of documents or by the taking of depositions. Under the comparable Ohio Civil Rules, "[a]n interrogatory seeks an admission or it seeks information of major significance in the trial or in the preparation for trial. It does not contemplate an array of details or outlines of evidence, a function reserved by rules for depositions." Penn Cent. Transp. Co. v. Armco Steel Corp., 27 Ohio Misc. 76, 77, 272 N.E.2d 877, 878 (Montgomery Cty. 1971). As Penn further noted, interrogatories that ask one to "describe in detail," "state in detail," or "describe in particulars" are "open end invitation[s] without limit on its comprehensive nature with no guide for the court to determine if the voluminous response is what the party sought in the first place." Id., 272 N.E.2d at 878.

7. DP&L objects to and declines to respond to each and every discovery request to the extent that it calls for information that is not in DP&L's current possession, custody, or control or could be more easily obtained through third parties or other sources. Ohio Admin. Code § 4901-1-19(C) and 4901-1-20(D). DP&L also objects to and declines to respond to each and every discovery request that seeks information that is already on file with the Public Utilities Commission of Ohio or the Federal Energy Regulatory Commission. To the extent that each and every discovery request seeks information available in pre-filed testimony, pre-hearing data submissions and other documents that DP&L has filed with the Commission in the pending or previous proceedings, DP&L objects and declines to respond to it. Ohio Admin. Code § 4901-1-16(G).

8. The production of any documents by DP&L does not and shall not constitute an admission concerning a document, its content, or the evidentiary sufficiency of the document, including but not limited to authentication, best evidence, relevance or hearsay.

9. DP&L reserves its right to redact confidential or irrelevant information from documents produced in discovery. All documents that have been redacted will be stamped as such.

10. DP&L objects to each and every discovery request to the extent that it is vague or ambiguous or contains terms or phrases that are undefined and subject to varying interpretation or meaning, and may, therefore, make responses misleading or incorrect.

11. DP&L objects to any discovery request to the extent it calls for information not in its possession, but in the possession of DP&L's unregulated affiliates.

12. All responses of DP&L to the discovery requests of the Office of the Ohio Consumers' Counsel are made subject to and without waiving these objections common to all discovery requests.

INTERROGATORIES

INT-13. Please identify the person(s) who prepared or assisted in the preparation of responses to these discovery requests, indicating for each person the discovery request he or she assisted in responding to.

RESPONSE:

General Objection No. 2. A cross-functional team with representatives from Regulatory, Accounting, Commercial Operations and Legal addressed this set of interrogatories as a group.

INT-14. Referring to Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application (filed July 22, 2010), and Line No. 7 which identifies a category described as "RFP & Compliance Evaluation," please identify the type costs that are included in this category.

RESPONSE:

Please see response to INT-2a of the revised initial set of interrogatories.

INT-15. Referring to Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application (filed July 22, 2010), and Line No. 7 which identifies a category described as "RFP & Compliance Evaluation," do the costs identified as "RFP & Compliance Evaluation" costs include DPLER's share of the costs?

RESPONSE:

No. The labor costs to procure RECs contained in Line no. 7 of Schedule D-1 have been jurisdictionalized. The labor costs are represented in attachment INT-17.

INT-16 Referring to the Company's response to OCC INT-15, if the Company's answer was affirmative, please explain why there is not an allocation of "RFP & Compliance Evaluation" costs to DPLER?

RESPONSE:

Please see response to INT-15.

INT-17. Referring to the Company's response to OCC INT-15, if the answer was not affirmative, please identify the total amount of "RFP & Compliance Evaluation" costs incurred by DPLER and DP&L for each period identified on Line No. 7.

RESPONSE:

Please see attachment INT-17.

INT-18. Referring to Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application (filed July 22, 2010), and Line No. 8 which identifies a category described as "Solar Development," please identify the type of costs that are included in this category.

RESPONSE:

Please see response to INT-2b of the revised initial set of interrogatories.

INT-19 Referring to Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application (filed July 22, 2010), and Line No. 8 which identifies a category described as "Solar Development," do the costs identified as "Solar Development" costs include DPLER's share of the costs?

RESPONSE:

There are no DPLER costs associated with Solar Development in the revised filing.

INT-20. Referring to the Company's response to OCC INT-19, if the Company's answer was affirmative, please explain why there is not an allocation of "Solar Development" costs to DPLER?

RESPONSE:

Please see response to INT-19.

INT-21. Referring to the Company's response to OCC INT-19, if the answer was not affirmative, please identify the total amount of "Solar Development" costs incurred by DPLER and DP&L for each period identified on Line No. 8.

RESPONSE:

All Solar Development costs represented in the amended filing are solely DP&L costs. Any potential project output will be assigned entirely to DP&L.

INT-22. Referring to Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application (filed July 22, 2010), and Line No. 9 which identifies a category described as "Hydro Development," please identify the type of costs that are included in this category.

RESPONSE:

Please see response to INT-2c of the revised initial set of Interrogatories.

INT-23. Referring to Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application (filed July 22, 2010), and Line No. 9 which identifies a category described as "Hydro Development," do the costs identified as "Hydro Development" costs include DPLER's share of the costs?

RESPONSE:

There are no DPLER costs associated with Hydro Development in the revised filing.

INT-24. Referring to the Company's response to OCC INT-23, if the Company's answer was affirmative, please explain why there is not an allocation of "Hydro Development" costs to DPLER?

RESPONSE:

Please see response to INT-23.

INT-25. Referring to the Company's response to OCC INT-23, if the answer was not affirmative, please identify the total amount of "Hydro Development" costs incurred by DPLER and DP&L for each period identified on Line No. 9.

RESPONSE:

All Hydro Development costs represented in the revised filing are solely DP&L costs. Any potential project output will be assigned entirely to DP&L.

INT-26. Referring to Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application (filed July 22, 2010), and Line No. 10 which identifies a category described as "Wind Development," please identify the type of costs that are included in this category.

RESPONSE:

Please see response to INT-2d of the revised initial set of interrogatories.

INT-27. Referring to Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application (filed July 22, 2010), and Line No. 10 which identifies a category described as "Wind Development," do the costs identified as "Wind Development" costs include DPLER's share of the costs?

RESPONSE:

There are no DPLER costs associated with Wind Development in the revised filing.

INT-28. Referring to the Company's response to OCC INT-27, if the Company's answer was affirmative, please explain why there is not an allocation of "Wind Development" costs to DPLER?

RESPONSE:

Please see response to INT-27.

INT-29. Referring to the Company's response to OCC INT-27, if the answer was not affirmative, please identify the total amount of "Wind Development" costs incurred by DPLER and DP&L for each period identified on Line No. 10.

RESPONSE:

All Wind Development costs represented in the revised filing are solely DP&L costs.

Any potential project output will be assigned entirely to DP&L.

INT-30. Referring to Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application (filed July 22, 2010), and Line No. 11 which identifies a category described as "Biofuel Development," please identify the type of costs that are included in this category.

RESPONSE:

Please see response to INT-2e of the revised initial set of interrogatories.

INT-31. Referring to Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application (filed July 22, 2010), and Line No. 11 which identifies a category described as "Biofuel Development," do the costs identified as "Biofuel Development" costs include DPLER's share of the costs?

RESPONSE:

There are no DPLER costs associated with Biofuel Development in the revised filing.

INT-32. Referring to the Company's response to OCC INT-31, if the Company's answer was affirmative, please explain why there is not an allocation of "Biofuel Development" costs to DPLER?

RESPONSE:

Please see response to INT-31.

INT-33. Referring to the Company's response to OCC INT-31, if the answer was not affirmative, please identify the total amount of "Biofuel Development" costs incurred by DPLER and DP&L for each period identified on Line No. 11.

RESPONSE:

All Biofuel Development costs represented in the revised filing are solely DP&L costs. Any potential project output will be assigned entirely to DP&L.

INT-34. Referring to Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application (filed July 22, 2010), and Line No. 12 which identifies a category described as "Killen Biomass," please identify the type of costs that are included in this category.

RESPONSE:

The costs included in Line No. 12 of Schedule D-1 represent the incremental cost of biofuel, over and above the cost of coal.

INT-35. Referring to Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application (filed July 22, 2010), and Line No. 12 which identifies a category described as "Killen Biomass," do the costs identified as "Killen Biomass" costs include DPLER's share of the costs?

RESPONSE:

There are no DPLER costs associated with the Killen Biomass line item in the revised filing.

INT-36. Referring to the Company's response to OCC INT-35, if the Company's answer was affirmative, please explain why there is not an allocation of "Killen Biomass" costs to DPLER?

RESPONSE:

Please see response to INT-35.

INT-37. Referring to the Company's response to OCC INT-35, if the answer was not affirmative, please identify the total amount of "Killen Biomass" costs incurred by DPLER and DP&L for each period identified on Line No. 12.

RESPONSE:

All Killen Biomass costs represented in the revised filing are solely DP&L costs. All project output will be assigned entirely to DP&L.

REQUESTS FOR PRODUCTION OF DOCUMENTS

RFP-1. Please provide the documentation and work papers (including active electronic spreadsheets) used by the Company to respond to OCC's second set of interrogatories.

All relevant documents are attached.

RPD-2. Please provide a copy of all formal and informal requests (e.g. interrogatories, data requests) submitted to DP&L by the Commission in this proceeding. This is a continuing request to be updated when additional requests are submitted by the Commission and responses are provided to those requests.

Please see attachments RPD-2 and RPD-2.1. Both attachments were provided to staff and outline the Company's REC expense calculations that support line 5 of Schedule D-1 and line 5 of Schedule C-1.

RPD-3. Please provide a copy of all Documents and work papers provided to the Commission in connection with this case, whether provided before or after the actual filing of the Application. This is a continuing request to be updated when additional Documents are provided to the Commission.

Please see response to RPD-2.

RPD-4. Please provide a copy of all formal and informal requests (e.g. interrogatories, data requests) submitted to DP&L by other parties in this proceeding. This is a continuing request to be updated when additional requests are submitted by other parties and responses are provided to those requests.

DP&L has no such documents.

RPD-5. Please provide a copy of all Documents and work papers provided to other parties in this proceeding in connection with this case, whether provided before or after the actual filing of the Application. This is a continuing request to be updated when additional Documents are provided to other parties in this proceeding.

DP&L has no such documents.

RPD-6. Please provide the documentation and work papers (including the "accounting records") used by the Company to respond to OCC INT-14, 15, 16, and 17 regarding Line No. 7 – "RFP & Compliance Evaluation" from Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application to Update the Alternative Energy Rider (filed July 22, 2010).

Please see attachment INT-17.

RPD-7. Please provide the documentation and work papers (including the "accounting records") used by the Company to respond to OCC INT-18, 19, 20, and 21 regarding Line No. 8 – "Solar Development" from Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application to Update the Alternative Energy Rider (filed July 22, 2010).

DP&L's accounting records are maintained electronically and the relevant data was extracted from the electronic records to be included in Schedule D-1 as set forth in the re-filing. There are no additional documents available.

- RPD-8. Please provide the documentation and work papers (including the "accounting records") used by the Company to respond to OCC INT-22, 23, 24, and 25, regarding Line No. 9 – "Hydro Development" from Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application to Update the Alternative Energy Rider (filed July 22, 2010).

DP&L's accounting records are maintained electronically and the relevant data was extracted from the electronic records to be included in Schedule D-1 as set forth in the re-filing. There are no additional documents available.

- RPD-9. Please provide the documentation and work papers (including the "accounting records") used by the Company to respond to OCC INT-26, 27, 28, and 29, regarding Line No. 10 – "Wind Development" from Schedule D-1 ("Summary of Accrued Actual Costs") of the Amended Application to Update the Alternative Energy Rider (filed July 22, 2010).

DP&L's accounting records are maintained electronically and the relevant data was extracted from the electronic records to be included in Schedule D-1 as set forth in the re-filing. There are no additional documents available.

- RPD-10. Please provide the documentation and work papers (including the "accounting records") used by the Company to respond to OCC INT-30, 31, 32, and 33,

regarding Line No. 11 – “Biofuel Development” from Schedule D-1 (“Summary of Accrued Actual Costs”) of the Amended Application to Update the Alternative Energy Rider (filed July 22, 2010).

DP&L’s accounting records are maintained electronically and the relevant data was extracted from the electronic records to be included in Schedule D-1 as set forth in the re-filing. There are no additional documents available.

RPD-11. Please provide the documentation and work papers (including the “accounting records”) used by the Company to respond to OCC INT-34, 35, 36, and 37, regarding Line No. 12 – “Killen Biomass” from Schedule D-1 (“Summary of Accrued Actual Costs”) of the Amended Application to Update the Alternative Energy Rider (filed July 22, 2010).

DP&L’s accounting records are maintained electronically and the relevant data was extracted from the electronic records to be included in Schedule D-1 as set forth in the re-filing. There are no additional documents available.

The Dayton Power and Light Company
Affiliate REC Labor Allocation

Line No.		9-Jan	9-Jul	9-Aug	9-Sep	9-Oct	9-Nov	9-Dec	10-Jan	10-Feb	10-Mar	10-Apr	Source
1	Total RFP & Compliance Evaluation Costs	124,703	(25,140)	25,015	81,391	18,689	28,761	107,987	32,248	46,146	0	31,783	
2	Total REC Labor	3,557	18,111	99	16,582	8,208	4,936	5,328	4,856	4,024	6,138	5,789	
3	DPLER Proportional Share	21.86%	21.86%	21.86%	21.86%	21.86%	21.86%	21.86%	18.50%	18.50%	18.50%	18.50%	
4	DPLER REC Labor Allocation	(778)	(3,999)	(22)	(3,620)	(1,794)	(1,079)	(1,167)	(898)	(818)	(1,136)	(1,067)	Line 2 x Line 3
5	Net RFP & Compliance Evaluation Costs	127,925	(29,099)	24,993	76,771	16,895	27,682	106,822	31,350	45,328	(1,136)	30,716	Schedule D-1 Line 7

INT-17

Confidential

2009-2010 RBC Accrued Annual Cost Collection

RPD-2

CONFIDENTIAL MATERIAL
REDACTED

RPD-2.1

1

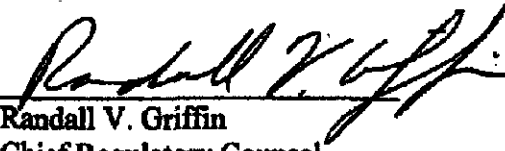
2010-2011 Polished RDC Conf Calendar

Confidential

CONFIDENTIAL MATERIAL
REDACTED

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing has been served either electronically or via first class mail, postage prepaid, this 23rd day of August, 2010 upon counsel to the parties of record.

A handwritten signature in black ink, appearing to read "Randall V. Griffin", is written over a horizontal line.

Randall V. Griffin
Chief Regulatory Counsel
DPL Inc.

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of DPL Energy Resources,)	Case No. 10-492-EL-ACP
Inc.'s Annual Alternative Energy Portfolio)	
Status Report)	

**DPL ENERGY RESOURCES INC.'S ANNUAL ALTERNATIVE ENERGY
PORTFOLIO STATUS REPORT**

Pursuant to Section 4901:1-40-05(A)(1) of the Ohio Administrative Code, DPL Energy Resources, Inc. hereby submits the attached Alternative Energy Portfolio Status Report for calendar year 2009.

Respectfully submitted,



Randall V. Griffin (0080499)

Judi L. Sobecki (0067186)

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Attorneys for DPL Energy Resources, Inc.

DPL Energy Resources, Inc.

Annual Alternative Energy Portfolio Status Report

April 15, 2010

Pursuant to Ohio Administrative Code (OAC) Section 4901:1-40-05(A)(1), DPL Energy Resources, Inc. (DPLER) hereby submits its Alternative Energy Portfolio Status Report for calendar year 2009. DPLER is an electric services company within the meaning of Ohio Revised Code (ORC) Section 4928.01(A)(9) and is therefore subject to the advanced energy and renewable benchmarks contained in ORC Section 4928.64(b). The purpose of this report is to provide the Public Utilities Commission of Ohio (PUCO), as well as all interested parties, an understanding as to what activities DPLER undertook in 2009 to meet its Renewable and Solar Energy Benchmarks.

2009 Benchmarks and Adjustment

DPLER's 2009 Renewable and Solar Benchmarks are:

	Baseline Sales	Non-Ohio Renewable Benchmark	Ohio Renewable Benchmark	Non-Ohio Solar Benchmark	Ohio Solar Benchmark
2009 Benchmark (MWh)	3,263,384	4,014	4,014	66	9*
2009 Performance (MWh)	3,263,384	4,014**	4,014**	66**	9*
<p>* Adjusted downward based on precedent established in The Dayton Power and Light Company (DP&L), Case No. 09-1989-EL-ACP (Order of March 17, 2010) and the pending request in DPLER Case No. 09-2006-EL-ACP. Represents a proportionate share of Ohio-based Solar Renewable Energy Credits (RECs) obtained to meet the Benchmarks of both DP&L and DPLER and which were in-hand as of April 15, 2010. Additional Ohio-based Solar RECs are under contract and, when received, will be applied against an upwardly adjusted 2010 Ohio Solar Benchmark.</p> <p>** Because 2009 RECs can be applied against 2010 and later year Benchmarks, the 2009 Performance figures reflect the amount necessary to meet the associated 2009 Benchmark. Any additional 2009 RECs obtained will be applied against 2010 or later year Benchmarks.</p>					

The 2009 Baseline Sales level was computed by calculating the average of MWh sales in 2007, 2008 and 2009. The Non-Ohio Renewable Benchmark, Ohio Renewable Benchmark and Non-Ohio Solar Benchmark were calculated based on that Baseline Sales level multiplied against the percentage Benchmarks set forth in ORC §4928.64. The Ohio Solar Benchmark is adjusted consistent with pleadings that are before the Commission in Case No. 09-2006-EL-ACP and the Commission's action with respect to similar pleadings made in The Dayton Power and Light Company Case No. 09-1989-EL-ACP. In that case, the Commission found that there was an insufficient quantity of Ohio-based solar energy resources reasonably available in the market. The Commission then decreased DP&L's 2009 Ohio Solar Benchmark to the level of the 2009 RECs that DP&L was able to purchase and increased DP&L's 2010 Ohio Solar Benchmark by an amount equal to the shortfall in 2009. A comparable ruling with respect to DPLER's Benchmarks would result in the following: the computed, unadjusted Ohio Solar Benchmark for 2009 is 66 and the in-hand actual obtained quantity for DPLER is 9. Thus, DPLER's 2010 Ohio Solar Benchmark would be increased by 57 Ohio Solar RECs.

2009 Status Report

As shown in the above table, and if the Commission adjusts the Ohio Solar Benchmark for 2009, DPLER met each of the Benchmarks set forth above in 2009.

DPLER is provided MWh and RECs that the Company as a whole obtains for the requirements of both DPLER and DP&L. The vast majority of the Ohio based non-Solar Benchmark of 4,014 MWh was met from RECs generated through the electric generation of captured methane gas from landfills located in Ohio. In addition, DPLER was allocated 108 MWh of the output from biomass co-firing at the Killen Generating Station during 2009. For the

Non-Ohio based non-Solar Benchmark of 4,014 MWh, the RECs provided to DPLER were from wind resources located in Indiana and West Virginia, qualifying hydro facilities located in West Virginia, and methane from landfills located in Michigan and Indiana. Ohio based Solar resources were largely unavailable in 2009. The RECs that DP&L was able to purchase from Ohio based Solar resources were split roughly in half between small commercial and residential installations. The Non-Ohio Solar Benchmark was met largely through RECs generated at a utility-scale solar installation in Pennsylvania.

2009 Activities

DPLER's utility affiliate DP&L, filed its initial renewable compliance plan in its Electric Security Plan (ESP) (Case No. 08-1094-EL-SSO) in October 2008. That plan stated that the Company as a whole planned to procure renewable resources and/or RECs to meet the Benchmarks of both the utility and DPLER. In its order of June 24, 2009, the Commission approved a Stipulation reached in that proceeding and other aspects of the filing not modified by the Stipulation. The plan also called for the purchase of RECs in the near-term.

The DP&L Alternative Energy Portfolio Status Report of 2009, also filed this day, provides details of how DP&L obtained sufficient RECs to cover its, as well as DPLER's, Non-Solar and Non-Ohio Solar Benchmarks. In addition, during 2009 DPLER successfully negotiated with a third party for the right to construct and own a 60 kW solar facility located at the third party's site. That agreement was finalized in late 2009. The solar installation is currently under construction and is expected to be operational by mid-2010.

Advanced Energy Resource Benchmark

Pursuant to OAC Section 4901:1-40-05(A)(2), the annual review of this Benchmark will begin in 2025.

Conclusion

DPLER met each of the 2009 Renewable Benchmarks established by Ohio SB 221, except that meeting the 2009 Ohio-based Solar Benchmark is dependent on the issuance of an order consistent with an application pending before the Commission that would adjust the 2009 Ohio-based Solar Benchmark.

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

4/15/2010 3:41:54 PM

in

Case No(s). 10-0492-EL-ACP

**Summary: Annual Report Annual Energy Alternative Energy Portfolio Status Report
electronically filed by Ms. Judi L Sobecki on behalf of DPL Energy Resources Inc.**