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October 19, 2010

PUCO

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus OH 43215

RE: *In the Matter of the Application of The Dayton Power and Light Company to Update its  
Transmission Cost Recovery Rider and PJM RPM Rider, Case No. 10-88-EL-RDR  
(Interim Application)*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendation in regard to The Dayton  
Power and Light interim application for approval to adjust its transmission cost  
recovery rider (TCRR) and its PJM RPM Rider.

Sincerely,

*Robert B. Fortney*

Robert B. Fortney  
Chief, Rates & Tariffs, Energy & Water Division  
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

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**Dayton Power and Light Company  
Case No. 10-88-EL-RDR  
Interim Application**

**SUMMARY**

The Commission approved Dayton Power and Light Company's (DP&L) application to update its Transmission Cost Recovery Rider (TCRR) and its PJM Reliability Pricing Model Rider (RPM) on April 28, 2010, for rates effective on May 1, 2010.

On October 15, 2010, DP&L filed an interim application for approval to update its TCRR and RPM riders. DP&L has determined that its forecast of certain RTO costs needs to be adjusted to better reflect the actual costs that have been occurring. The current TCRR rates are under recovering the total costs. If the current rates are not adjusted to reflect its latest forecasts the under recovery of total costs and the associated carrying costs would continue to increase until May 1, 2011, the next date the TCRR will be updated.

In addition, DP&L has determined that beginning in November 2010, the current RPM rates will result in an over collection, which would compound monthly until May 1, 2011, the next date the RPM Rider will be updated.

As a result, DP&L has filed an interim application to adjust the rates of both riders. The proposed rates in the updated riders will be effective from November 1, 2010 through April 30, 2011. The new rates reflect an increase in charges to the TCRR and an off-setting reduction in charges to the RPM rider. The net effect of the proposed TCRR and RPM rates result in zero impact to customers. During the period of November 2010 through April 30, 2010, the proposed rates are expected to produce an additional \$4.35M in revenue for the TCRR and a reduction in revenue of \$4.35M for the RPM Rider.

DP&L has requested a waiver of the comment period provided pursuant to Chapter 4901:1-36-03(F) O.A.C. In support of this request, DP&L submits that it has contacted those parties intervening in its most recent true up proceeding and both parties have indicated no opposition to a complete waiver the comment period.

**Staff Review**

The Staff has reviewed the application and finds that the proposed rates better reflect the forecasted costs included in its TCRR and RPM and should result in less over and under collection of revenues for each rider, than would have occurred absent this application and adjustment of rates.

**CONCLUSION**

The Staff recommends that DP&L's interim application in Case No. 10-88-EL-RDR be approved.