

## BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of Application of The
Dayton Power and Light Company for
Authority to Modify its Accounting
Procedures.

Case No. 10-2447-EL-AAM

BIJAR LONG BURNERS

# OHIO PARTNERS FOR AFFORDABLE ENERGY'S MOTION TO INTERVENE AND MEMORANDUM IN SUPPORT AND COMMENTS

Ohio Partners for Affordable Energy ("OPAE") hereby respectfully moves the Public Utilities Commission of Ohio ("Commission") for leave to intervene in the above-captioned matter pursuant to R.C. §4903.221 and Section 4901-1-11 of the Commission's Code of Rules and Regulations, with full powers and rights granted by the Commission specifically, by statute or by the provisions of the Commission's Code of Rules and Regulations to intervening parties. The reasons for granting the motion is contained in the memorandum and comments attached hereto and incorporated herein.

Respectfully submitted,

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#### MEMORANDUM IN SUPPORT OF MOTION TO INTERVENE

Ohio Partners for Affordable Energy ("OPAE") should be permitted to intervene in this matter pursuant to Section 4903.22.1, Revised Code, and the Commission's Rules and Regulations contained in Rule 4901-01-11 of the Ohio Administrative Code. The above-referenced application made by The Dayton Power and Light Company ("DP&L") requests accounting authority to permit DP&L to defer as regulatory assets those revenues related to the Percentage of Income Payment Plan Plus ("PIPP") that are not recovered through the Universal Service Fund ("USF") rider or from PIPP customers.

In determining whether to permit intervention, the following criteria are to be considered: the nature of the person's interest; the extent to which that interest is represented by existing parties; the person's potential contribution to a just and expeditious resolution of the proceeding; and whether granting the intervention will unduly delay or unjustly prejudice any existing party. OPAE meets all four criteria for intervention in this matter.

OPAE is an Ohio corporation with a stated purpose of advocating for affordable energy policies for low and moderate income Ohioans; as such, OPAE has a real and substantial interest in this matter. Additionally, OPAE includes as members non-profit organizations located in the service area that will be affected by the application.<sup>1</sup> Moreover, many of OPAE's members are community action

<sup>&</sup>lt;sup>1</sup> A list of OPAE members can be found on the website: www.ohiopartners.org.

agencies. Under the federal legislation authorizing the creation and funding of these agencies, originally known as the Economic Opportunity Act of 1964, community action agencies are charged with advocating for low-income residents of their communities.<sup>2</sup>

OPAE also provides essential services in the form of bill payment assistance programs and weatherization and energy efficiency services to low income customers of DP&L. OPAE members are also ratepayers of DP&L.

OPAE's primary interest in this matter is to protect the interests of low and moderate income customers of DP&L and OPAE members whose provision of service may be affected by this application. OPAE also seeks to address any other such issues as may arise during consideration of this matter. Further, OPAE has

The purposes of this subtitle are--

<sup>&</sup>lt;sup>2</sup> See 42 U.S.C. 672:

<sup>(1)</sup> to provide assistance to States and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient (particularly families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

<sup>(2)</sup> to accomplish the goals described in paragraph (1) through--

<sup>(</sup>A) the strengthening of community capabilities for planning and coordinating the use of a broad range of Federal, State, local, and other assistance (including private resources) related to the elimination of poverty, so that this assistance can be used in a manner responsive to local needs and conditions:

<sup>(</sup>B) the organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty in the community and may help the families and individuals to achieve self-sufficiency;

<sup>(</sup>C) the greater use of innovative and effective community-based approaches to attacking the causes and effects of poverty and of community breakdown;

<sup>(</sup>D) the maximum participation of residents of the low-income communities and members of the groups served by programs assisted through the block grants made under this subtitle to empower such residents and members to respond to the unique problems and needs within their communities; and

<sup>(</sup>E) the broadening of the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for--

<sup>(</sup>i) private, religious, charitable, and neighborhood-based organizations; and

<sup>(</sup>ii) individual citizens, and business, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor.

been recognized by the Commission in the past as an advocate for consumers and particularly low-income consumers, all of whom will be affected by the outcome of this case.

For the above reasons, OPAE has a direct, real and substantial interest in this matter. The disposition of this matter may impair or impede the ability of OPAE to protect its interests. No other party to the matters will adequately represent the interests of OPAE. OPAE is a rare organization that serves as an advocate, service provider and nonprofit customer group. No other party represents this group of interests. OPAE's participation in this matter will not cause undue delay, will not unjustly prejudice any existing party, and will contribute to the just and expeditious resolution of the issues raised by this matter.

Therefore, OPAE is entitled to intervene in this matter with the full powers and rights granted by statute and by the provisions of the Commission's Codes of Rules and Regulations to intervening parties.

#### **COMMENTS ON THE APPLICATION**

With respect to DP&L's application, OPAE agrees with the February 25, 2011 Motion to Intervene in this docket filed by the Ohio Department of Development ("ODOD"), the state agency responsible for the adoption of the new PIPP rules and the operation of the USF. As ODOD notes, the recent changes to the PIPP rules cited by DP&L in its application were intended to place PIPP customer defaults on the same footing as all other customer defaults. ODOD Motion to Intervene at 7. Under the new rules, the risk DP&L faces that a PIPP customer will not pay the amount currently owed is the same risk of nonpayment DP&L faces whenever any customer does not pay. DP&L's application asks the Commission to insulate it from any incremental increase in uncollectible expense attributable to PIPP customers

even though DP&L has no similar protection from incremental increases in non-PIPP customer defaults.

If the Commission were to approve DP&L's application, this would not only frustrate ODOD's intention that the risk of PIPP customer defaults be on the same footing as other customer defaults but also guarantee DP&L 100% recovery of PIPP installment payments, as DP&L enjoyed under the former PIPP rules. In fact, as ODOD points out, DP&L's application would not only frustrate the new rules but actually cost ratepayers more because they would be required to provide DP&L with a return on the regulatory asset created by the deferral. ODOD Motion to Intervene at 8. Thus, permitting DP&L to defer the uncollectible expense for subsequent recovery through a PIPP uncollectible expense rider circumvents the intent of the new PIPP rules.

In addition, as ODOD correctly points out, requiring security deposits and late payment fees will only increase the risk of PIPP customer defaults. Nor is there any evidence to support the notion that the use of third-party collection agencies will increase DP&L's costs. ODOD Motion to Intervene at 10-12.

It is obvious then that DP&L's application may be unjust and unreasonable. The burden to prove otherwise falls on DP&L, which has certainly not met its burden in the application. The application merely demonstrates DP&L's attempt to circumvent ODOD's new PIPP rules. The Commission should not permit DP&L to circumvent these provisions without providing ODOD and others, such as OPAE, the opportunity to be heard. The Commission should dismiss this application; or, in the alternative, if the Commission does not dismiss the application, the Commission should set the matter for hearing or, at the least, establish a formal comment period that will allow the issues to be fully explored.

Respectfully submitted,

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#### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Motion to Intervene,

Memorandum of Support was served by regular U.S. Mail upon the parties of

record identified below in this case on this 3rd day of March 2011.

#### **SERVICE LIST**

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