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April 7, 2011

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. 11-547-EL-RDR*

Dear Docketing Division:

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

Sincerely,

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. 11-547-EL-RDR**

SUMMARY

On February 15, 2011, The Dayton Power and Light Company (DP&L) filed an annual update to its Transmission Cost Recovery Rider (TCRR) and PJM Reliability Pricing Model Rider (RPM).

The proposed rates in the updated riders will be effective from May 1, 2011 through April 30, 2012. Combined, the riders will generate revenues for the May 1, 2011 through April 30, 2012 timeframe that are \$13M lower than the revenues that would be collected under current rates for the same timeframe, based on projected billing determinants.

The total TCRR revenue to be collected during the May 2011 through April 2012 timeframe is approximately \$58.4M. Included in the total revenue is approximately \$13.3M of under recovered costs from the last period.

The total RPM revenue to be collected during the May 2011 through April 2012 timeframe is approximately \$12.7M.

The applicant has modified its allocation methodology to better align the various costs and credits with those classes and customers that are creating the costs.

Pursuant to Ohio Administrative Code, Chapter 4901:1-36-06, the applicant has provided detailed information in regard to controllable costs included in the Riders.

Staff Review

The Staff has completed its review of the filing and finds that DP&L has appropriately included in its TCRR and RPM only those costs and credits that are incurred as a result of serving its retail customers in Ohio.

CONCLUSION

The Staff recommends that DP&L's update filing in Case No. 11-547-EL-RDR be approved on a bills rendered basis beginning May 1, 2011.