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FAXBEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The )  
 AES Corporation, Dolphin Sub, Inc., DPL )  
 Inc. and The Dayton Power and Light )  
 Company for Consent and Approval for a ) Case No. 11-3002-EL-MER  
 Change of Control of The Dayton Power )  
 and Light Company )

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**REPLY COMMENTS OF FIRSTENERGY SOLUTIONS CORP.****I. INTRODUCTION**

Pursuant to the Commission's Entry of June 1, 2011 (the "Entry"), FirstEnergy Solutions Corp. ("FES") hereby submits its Reply Comments to the Application of The AES Corporation, Dolphin Sub, Inc., DPL Inc. and The Dayton Power and Light Company for Consent and Approval for a Change of Control of The Dayton Power and Light Company (the "Application") filed on May 18, 2011. FES has reviewed the Comments submitted by other stakeholders in this proceeding, The Dayton Power & Light Company's ("DP&L") recently filed Application for revisions to its Tariff (Case No. 11-4504-EL-ATA), and submits the additional Comments below in consideration thereof and in response thereto.

**II. FES's REPLY COMMENTS****A. DP&L's Revised Tariff Proceeding Erects Barriers To Competition.**

In its initial Comments, FES details certain concerns regarding whether the proposed merger will serve to stifle competition in DP&L's service territory. These concerns were and remain well-founded given the content of DP&L's recently filed Application for Approval of Revisions to its Existing G8, D4 and D5 Tariffs ("Revised Tariff Proceeding"). Specifically, rather than address the competitive concerns set forth by FES and other stakeholders in this

proceeding, DP&L filed the Revised Tariff Proceeding, which fails to remove unnecessary barriers to competition that exist under DP&L's current tariff.

For example, DP&L stated its intent to continue to charge 20 cents per bill for rate-ready consolidated billing and \$1,000 per change to a supplier's rate structure for rate-ready billing. In addition, DP&L seeks to add language to its tariff specifying fees for various supplier services. These are but two examples of procedures included in DP&L's Revised Tariff Proceeding that maintain unnecessary barriers to competition -- proposals DP&L failed to raise in the subject proceeding despite FES's intervention, as a stakeholder CRES supplier, on these and similar bases. DP&L's determination to address such issues in a separate proceeding speaks volumes given that DP&L seeks to maintain unnecessary barriers to competition in the Revised Tariff Proceeding rather than encourage the development of the competitive market. FES submits that such issues must therefore be addressed in the subject merger proceeding.

**B. New Billing Procedures.**

In the Comments filed by the Staff of the Public Utilities Commission of Ohio ("Staff"), Staff proposes that the cost savings DP&L projects to realize as a result of the proposed merger be passed on to customers. In this regard, Staff proposes, among other things, that DP&L be required to implement new billing procedures with such cost savings as a condition of the merger. Staff further proposes that the billing system should provide for time-differentiated rates.

FES agrees with and joins in Staff's proposal regarding the merger contingency of new billing procedures and systems post-merger. Further, FES submits that, consistent with FES's initial Comments, such billing procedures should include percentage off price-to-compare ("PTC") rate-ready calculations on billing in DP&L's service territory consistent with the billing

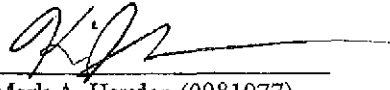
procedures of other EDUs, including Duke and the FirstEnergy utilities. Inclusion of PTC rate-ready calculations on DP&L's bills is in the best interests of customers in DP&L's service territory as it informs customers of supplier choices and furthers Ohio's public policy in development of the competitive electricity market.

In addition, revised billing procedures should include "bill ready" consolidated billing as fully addressed in FES's initial Comments. Similarly, and contrary to its position in its Revised Tariff Proceeding, DP&L should no longer be permitted to charge suppliers for consolidated billing, whether the exorbitant 20 cents per bill or otherwise, the set-up fee of \$1,000, or charge suppliers for registration of rate codes as such charges are harmful to customers as they inhibits the growth of the competitive market.

### **III. CONCLUSION**

The initial Comments submitted by FES and those set forth above demonstrate practices and patterns by DP&L that raise real and substantial concerns regarding the impact of numerous provisions of DP&L's customer choice program and its standard practices with CRES suppliers - practices DP&L clearly intends to continue post-merger given the substance of its Revised Tariff Proceeding Application. The continuation of the specified procedures will quell the development of the competitive market. The Revised Tariff Proceeding confirms the need to remedy these issues through the merger application process in the subject proceeding.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing *Reply Comments of FirstEnergy Solutions Corp.* was served via electronic mail and regular U.S. mail this 18<sup>th</sup> day of August, 2011 upon the parties listed on the attached service list.



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