

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. )

FINDING AND ORDER

The Commission finds:

- (1) The Dayton Power and Light Company (DP&L or Applicant) is a public utility by virtue of Section 4905.02, Revised Code, and an electric light company as defined by Section 4905.03(A)(3), Revised Code. DP&L is therefore subject to the jurisdiction of the Commission pursuant to Sections 4905.04 and 4905.05, Revised Code.
- (2) On June 24, 2009, the Commission adopted a Stipulation and Recommendation (Stipulation) in DP&L's electric security plan proceeding authorizing, among other things, DP&L to institute an avoidable Alternative Energy Rider (AER) to recover costs incurred to comply with Section 4928.64, Revised Code. *In re Dayton Power and Light Company*, Case Nos. 08-1094-EL-SSO et al., Opinion and Order (June 24, 2009) (*ESP Proceeding*). AER was approved subject to an annual true-up for actual costs incurred.
- (3) On April 15, 2010, DP&L filed an application to update its AER. Subsequently, DP&L revised its application on July 22, 2010, to reflect improvements in its costing methodology and presentation, including revisions to its affiliate cost and renewable energy credit (REC) allocations.
- (4) Motions to intervene were filed by the Ohio Consumers' Counsel (OCC) and by Industrial Energy Users-Ohio (IEU-Ohio) on May 7, 2010, and May 14, 2010, respectively. No party filed memorandum contra the motions to intervene. The Commission finds that the motions to intervene of OCC and IEU-Ohio are reasonable and should be granted.
- (5) OCC filed comments on September 30, 2010, arguing that DP&L, who procures RECs on behalf of itself and its affiliate,

DPL Energy Resources, Inc. (DPLER), does not appear to be allocating enough costs to DPLER, resulting in DP&L customers paying some of DPLER's costs. On October 21, 2010, DP&L filed a reply to OCC's comments, stating that DP&L correctly allocated shared costs to DPLER, and that certain costs were not allocated to DPLER because they were incurred solely on DP&L's behalf. DP&L explained that the costs relate primarily to DP&L's evaluations of third party projects, none of which would have been invested in by DPLER.

- (6) On June 1, 2011, DP&L revised its application a second time in order to update its alternative energy rider revenues and expenses, as well as its proposed tariffs.
- (7) On March 5, 2012, Staff filed a letter in this docket recommending that the Commission approve the amended application filed by DP&L on June 1, 2011. Staff verified that DP&L properly allocated both REC costs and REC-related administrative costs to DPLER and that its AER costs were reasonable.
- (8) The Commission finds that the application, as amended on June 1, 2011, is consistent with the stipulation approved by the *ESP Proceeding*, and does not appear to be unjust or unreasonable. Further, the Commission finds that it is not necessary to hold a hearing in this matter. Accordingly, DP&L's application to update its AER should be approved.

It is, therefore,

ORDERED, That DP&L's application to update its AER be approved. It is, further,

ORDERED, That OCC's and IEU-Ohio's motions to intervene be granted. It is, further,

ORDERED, That the Applicant file in final form four complete copies of tariffs consistent with this Finding and Order. One copy shall be filed with this case docket, one shall be filed with the Applicant's TRF docket, and the remaining two copies shall be designated for distribution to the Rates and Tariffs Division of the Commission's Utilities Department. The Applicant shall also update their respective tariffs previously filed electronically with the Commission's Docketing Division. It is, further,

ORDERED, That the effective date of the new tariffs shall be a date not earlier than both the date of this Finding and Order and the date upon which four complete printed copies of final tariffs are filed with the Commission. The new tariffs shall be effective for bills rendered on or after such effective date. It is, further,

ORDERED, That the Applicant shall notify all effected customers via a bill message or via a bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least 10 days prior to its distribution to customers. It is, further,

ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all parties of record.

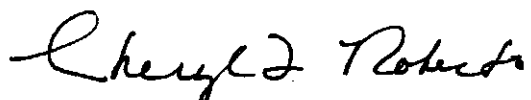
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
 Todd A. Snitchler, Chairman

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 Paul A. Centolella

  
 Steven D. Lesser

  
 Andre T. Porter

  
 Cheryl L. Roberto

GAP/sc

Entered in the Journal

**MAR 21 2012**



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 Barcy F. McNeal  
 Secretary