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PUCO EXHIBIT FILING

Date of Hearing: March 28, 2013

Case No. 12-426-EL-SSO, et al. - Volume IX

PUCO Case Captions:

In the Matter of the Application of The Dayton Power and Light Company for Approval of its Market Rate Offer. Case No. 12-426-EL-SSO

In the Matter of the Application of The Dayton Power and Light Company for Approval of Revised Tariffs. Case No. 12-427-EL-ATA

In the Matter of the Application of The Dayton Power and Light Company for Approval of Certain Accounting Authority. Case No. 12-428-EL-AAM

In the Matter of the Application of The Dayton Power and Light Company for Waiver of Certain Commission Rules. Case No. 12-429-EL-WVR

In the Matter of the Application of The Dayton Power and Light Company to Establish Tariff Riders. Case No. 12-672-EL-RDR

List of exhibits being filed:

OCC Exhibits 26 and 27

FES Exhibits 15 and 16

Staff Exhibit 12

Reporter's Signature: Maria DiPaolo Jones

Submitted by Armstrong & Okey, Inc.: _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the Application of The Dayton Power and Light Company for Approval of its Electric Security Plan.	:	Case No. 12-426-EL-SSO
In the Matter of the Application of the Dayton Power and Light Company for Approval of Revised Tariffs.	:	Case No. 12-427-EL-ATA
In the Matter of the Application of the Dayton Power and Light Company for Approval of Certain Accounting Authority.	:	Case No. 12-428-EL-AAM
In the Matter of the Application of the Dayton Power and Light Company for the Waiver of Certain Commission Rules.	:	Case No. 12-429-EL-WVR
In the Matter of the Application of the Dayton Power and Light Company to Establish Tariff Riders:	:	Case No. 12-672-EL-RDR

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PROCEEDINGS

before Mr. Gregory A. Price and Mr. Bryce A. McKenney, Hearing Examiners, at the Public Utilities Commission of Ohio, 180 East Broad Street, Room 11-C, Columbus, Ohio, called at 9:00 a.m. on Thursday, March 28, 2013.

VOLUME IX

- - -

OCC 26

RPD-94. Referring to OCC Interrogatory No. 430, please provide a copy of any analysis, study, or evaluation, either internally or through outside consultants, regarding the effects of the proposed SSR on the "stability"of rates and total bills paid by its customers.

RESPONSE: General Objections Nos. 2 (unduly burdensome), 3 (privileged and work product), and 4 (proprietary). Subject to all general objections, DP&L states that it does not possess responsive documents.

OCC Ex. 2

Duke Energy Ohio
Case No. 12-1682-EL-AIR
Staff Ninety-Fifth Set Data Requests
Date Received: September 19, 2012

STAFF-DR-095-001

REQUEST:

Regarding the proposed Storm Cost Recovery Mechanism please answer the following questions:

1. Is the proposal to recover the total cost of ALL storms over the threshold amount?

2. If this recovery is for "major" storms only, define "major."

3. What is the base amount for which the deferral will be based? Please provide support for this number. (Is it the $4.4 million that is mentioned on page 13, line 19 of Mr. Wathen's testimony or the $5 million referred to in the sentence, "...for the last four years, such costs have trended around $5 million..." (line 17)?) Do these amounts include non-incremental labor and benefits.

4. Please provide the amount of storm costs for the last four years, net of non-incremental labor and benefits. Please show the expenses broken out by internal labor (incremental), contract labor, logistics, and material (if the information is currently available).

RESPONSE:

1. Yes. Duke Energy Ohio is proposing to establish a regulatory asset account to defer storm costs over a base amount which will be established in the test year revenue requirement in these proceedings. Both the base amount and future deferrals will consist of only incremental storm costs.

2. The recovery is for "major" storms only. The Company uses The Institute of Electrical and Electronics Engineers, Inc. Guide for Electric Power Distribution Reliability Indices to determine if a storm qualifies as a Major Event Day ("MED"). See Staff-DR-95-001(a) Attachment for a copy of the guide.

3. The base amount for which the deferral will be based is $4.4 million. The amount consists of three months of actual and nine months of budgeted data for costs charged to specific storm related process codes. The entire $4.4 million is considered to be incremental costs.

Account	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
588100			157										157
592100			2,909										2,909
593000	288	4,223	677,602	408,333	408,333	408,333	408,333	408,333	408,333	408,333	408,333	408,333	4,357,110
Total	288	4,223	680,667	408,333	408,333	408,333	408,333	408,333	408,333	408,333	408,333	408,333	4,360,176

4. See Staff-DR-095-001(b) Attachment.

PERSON RESPONSIBLE: William Don Wathen Jr.

FES 15

RIDER GCR
Generation Cost Reconciliation Rider

APPLICABILITY:

Applicable to any customer who receives electric service under the Company's rate schedules. The Generation Cost Reconciliation Rider (GCR) charge will apply, by rate schedule, effective for service rendered beginning January 1, 2013, for all kWhs per kWh.

RATE:	GCR1	GCR2
RS	0.2626¢	0.0000¢
GS	0.2626¢	0.0000¢
GP	0.2534¢	0.0000¢
GSU	0.2463¢	0.0000¢
GT	0.2461¢	0.0000¢
STL	0.2626¢	0.0000¢
TRF	0.2626¢	0.0000¢
POL	0.2626¢	0.0000¢

The GCR charge shall be calculated as follows:

$$GCR = \{[GCR\ Deferral\ Balance] / S\} \times 1/(1 - CAT) \times \{(1 - LOSS_{AVG}) / (1 - LOSS)\}$$

Where:

i. The calculation period is the three-month period ended two months prior to the effective dates of the updated rider (i.e. three months ended October 31, January 31, April 30, and July 31).
ii. Each component of the formula includes the aggregated data for The Cleveland Electric Illuminating Company, Ohio Edison Company, and The Toledo Edison Company.
iii. For any given billing period, only the non-zero GCR charge will be applied.

RIDER GCR
Generation Cost Reconciliation Rider

GCR Deferral Balance = $[(B_P - GCR_{REV} - GEN_{REV} + E_S + E_{CBP}) + I]$

B_P = The actual reconciliation balance, including applicable interest, at the end of the previous calculation period.

GCR_{REV} = The actual revenue associated with Rider GCR, as billed for the calculation period, excluding applicable Commercial Activity Tax.

GEN_{REV} = The actual revenue associated with Riders GEN, RTP and CPP, as billed for the calculation period, excluding applicable Commercial Activity Tax.

E_S = The actual cost of supplying generation service to SSO customers and customers taking service under special contracts for the calculation period.

E_{CBP} = The competitive bidding process expenses.

I = The applicable interest for the calculation period at a monthly rate of 0.7066%.

S = The projected kWh sales for the period during which Rider GCR will be charged.

CAT = The Commercial Activity Tax rate as established in Section 5751.03 of the Ohio Revised Code.

LOSS = The loss factor associated with each rate category based on service voltage. (See Page 1 of Exhibit C to the Application in Case No. 08-0935-EL-SSO).

$LOSS_{AVG}$ = The aggregated loss factor.

AVOIDABILITY:

If the **GCR Deferral Balance** ≤ **(5% x E_S)** for a given calculation period, then GCR1 = GCR and GCR1 is not applied to customers who take generation from a certified supplier.

If the **GCR Deferral Balance** > **(5% x E_S)** for a given calculation period, then GCR2 = GCR and GCR2 is not avoidable for customers who take generation from a certified supplier.

Regardless, in the event that a supplier that has been providing power as a result of the competitive bid process defaults during the applicable ESP period, the Company upon its belief that such default will cause the GCR Deferral Balance to exceed the 5% threshold, may determine that the GCR charge is not avoidable for customers who take generation from a certified supplier.

RIDER UPDATES:

The charges contained in this Rider shall be updated and reconciled on a quarterly basis. No later than December 1st, March 1st, June 1st and September 1st of each year, the Company will file with the PUCO a request for approval of the Rider charges which, unless otherwise ordered by the PUCO, shall become effective on a service rendered basis on January 1st, April 1st, July 1st and October 1st of each year, beginning October 1, 2011.

FES 16

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

RIDER SCR

SUPPLIER COST RECONCILIATION RIDER

APPLICABILITY

Applicable to all retail jurisdictional customers in the Company's electric service territory who receive electric generation service from the Company under the Standard Service Offer (SSO). Rider SCR does not apply to customers taking generation service from a Competitive Retail Electric Service (CRES) provider except as provided below in the NON-BYPASSABLE PROVISION section.

DESCRIPTION

The Supplier Cost Reconciliation Rider recovers any differences between payments made to suppliers, as determined through the competitive bid process (SSO Auction), and the revenues collected through Rider RC and Rider RE. Rider SCR will also be used to recover all prudently incurred costs associated with conducting the SSO Auction and any costs resulting from supplier default. Rider SCR will be filed quarterly and will be subject to annual audits by the Commission at its discretion. The monthly accumulated balance of over- and under-recovery will accrue a carrying charge equal to Duke Energy Ohio's overall cost of long-term debt, as approved in its most recent distribution rate case (*e.g.*, Case No. 08-709-EL-AIR).

NON-BYPASSABLE PROVISION

Subject to Commission approval, Rider SCR becomes applicable to all retail jurisdictional customers in the Company's electric service territory including those customers taking generation service from a CRES provider under the following circumstance:

The revenue balance within the SCR account becomes equal to or greater than ten percent of the Company's total actual SSO revenues collected for the most recent twelve month period under Riders RE, RC, RECON, RTO, and AER-R. The total actual SSO revenue will be determined from data covering the most recent quarter for which it is available.

Duke Energy Ohio shall apply to the Commission for confirmation that the Company should modify the Rider such that it becomes non-bypassable regardless as to whether or not the balance in the Rider results from over- or under-recovery.

For customers of CRES providers, Rider SCR will become bypassable again when, at the time of the quarterly filing, the Rider balance of over- or under-recovery falls below the ten percent threshold.

CHARGES

The charge for all customers is per $0.001579 kWh.

Filed pursuant to an Order dated December 14, 2011 in Case No. 11-6001-EL-RDR before the Public Utilities Commission of Ohio.

Issued: November 30, 2012 Effective: January 2, 2013

Issued by Julie Janson, President

6. Q. What method did you use to predict a MRO price in this case?

A. Except for my calculation of Load Shaping & Following and Risk described below, I used the calculated the price using a compilation of the components described above in the same manner that Staff performed the MRO projection in Case No. 11-346-EL-SSO, et al. This approach is simply a summation of the eight components that are calculated according to the approaches described below.,

7. Q. Did you use Staff's methodology in 11-346-EL-SSO for each and every one of the eight pricing components?

A. No, I used a slightly different approach than was used by Staff in the 11-346-EL-SSO case, for the AER credits, Load Shaping & Following, ancillary services, and ARR Credits and Risk components. In this case for Load Shaping, I started with a monthly average of historical hourly load curves covering the period January 1, 2010, through August 5, 2012. For each averaged month I fitted a stepwise function of 50 MW blocks under the hourly curve such that one of the upper two corners of each of the 50 MW blocks just touched the load curve specific to DP&L's historical load. I then calculated the integral representing the area of the triangles formed by the conterminous 50 MW blocks and their intersect points with the load

6. Q. What method did you use to predict a MRO price in this case?

A. Except for my calculation of Load Shaping & Following and Risk described below, I used the calculated the price using a compilation of the components described above in the same manner that Staff performed the MRO projection in Case No. 11-346-EL-SSO, et al. This approach is simply a summation of the eight components that are calculated according to the approaches described below.

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