BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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

REPLY BRIEF OF OHIO PARTNERS FOR AFFORDABLE ENERGY AND THE EDGEMONT NEIGHBORHOOD COALITION

I. Introduction

Ohio Partners for Affordable Energy ("OPAE") and the Edgemont Neighborhood Coalition ("Edgemont"), advocates for low-income residential customers of The Dayton Power and Light Company ("DP&L"), hereby submit to the Public Utilities Commission of Ohio ("Commission") this reply brief in the above-captioned matters which are applications of DP&L for approval of an Electric Security Plan ("ESP"), revised tariffs, accounting authority, a waiver of certain Commission rules, and the establishment of tariff riders. This reply brief will respond primarily to certain positions of DP&L in its initial post-hearing brief with regard to the issues affecting low-income residential customers of DP&L. OPAE and Edgemont will not repeat herein the arguments made in our initial brief with regard to other issues concerning the proposed DP&L ESP, but our positions on these matters remain the same as expressed in our initial brief.

II. The evidence of record shows an increased need for assistance to at-risk populations in DP&L's service territory.

DP&L argues that it should not be required to "make charitable contributions" by continuing to support its existing fuel fund, even though DP&L also indicates "its current intent…to provide some level of support so long as it can do so without adversely affecting its financial integrity". DP&L Brief at 62. DP&L's position ignores the requirements of Ohio Revised Code Sec. 4928.02(L), which states the policy of the State of Ohio to "[p]rotect at risk populations". This statute makes it a policy of the State of Ohio to balance the interests of vulnerable customers with the interests of the utility when approving a standard service offer. Protecting at-risk populations is a requirement of the State's policy, and though that requirement can take the form of charitable contributions, the protection of at-risk populations itself is not defined as a "charitable contribution" under Ohio law.

The Commission does have authority to require that DP&L comply with the statute. The requirement is best satisfied by a continuation and expansion of the current fuel fund. A fuel fund provides a different type of protection for at-risk populations than the Percentage of Income Payment Plan ("PIPP"), which has a limited eligibility level and is designed for customers that require constant assistance to ensure that essential energy service is affordable. Unlike PIPP customers, many other low-income customers require assistance only once or twice a year; the fuel fund meets this need at a lower cost than PIPP. The General Assembly has already determined there is a need to protect vulnerable customers. It did not prescribe a particular approach, permitting the Commission to determine an appropriate method for providing the protection envisioned by the statute based on the record in a particular case. DP&L's financial integrity is a separate issue.

In its brief, DP&L continues its argument with the assertion that the increase in the fuel fund requested by OPAE and Edgemont is not based on an analysis of the need. This is not true. DP&L ignores the evidence of record provided by the Office of the Consumers' Counsel's witness James D. Williams about the increased need for assistance for at-risk populations in DP&L's service territory. DP&L's service has become increasing unaffordable for its low-income residential customers who comprise a significant and growing portion of DP&L's residential customers.

DP&L also ignores the testimony of OPAE's witness David C. Rinebolt. Beyond his experience with establishing, designing, and implementing bill payment assistance programs since 1983, Mr. Rinebolt cited the results of an extensive study, the State of Poverty 2012, which provides detailed information on the significant increase in the number of households eligible for assistance from the fuel fund. This study was attached to Mr. Rinebolt's testimony and includes the following information with regard to poverty levels in DP&L's service territory.

Percentage of Customers in Poverty -- DP&L

County	1999	2010	% Increase
Auglaize	6.2%	9.4%	51.6%
Brown	11.6%	13.0%	12.1%
Butler	8.7%	13.5%	55.2%
Champaign	7.6%	13.1%	72.4%
Clark	10.7%	20.0%	86.9%
Clinton	8.6%	15.7%	82.6%
Darke	8.0%	12.2%	52.5%
Fayette	10.1%	16.2%	60.4%
Greene	8.5%	13.1%	54.1%
Hardin	13.2%	17.2%	30.3%
Highland	11.8%	18.6%	57.6%
Logan	9.3%	16.9%	81.7%
Madison	7.8%	15.0%	92.3%
Mercer	6.4%	9.6%	50.0%
Miami	6.7%	11.9%	77.6%
Montgomery	11.3%	18.0%	59.3%
Pickaway	9.5%	12.7%	33.7%
Preble	6.1%	12.1%	98.4%
Ross	12.0%	19.3%	60.8%
Union	4.6%	8.2%	78.3%
Van Wert	5.5%	12.5%	127.3%
Warren	4.2%	5.9%	40.5%
Average	**8.7%**	**14.0%**	**64.9%**

DP&L's recent rate increases coupled with its quest for 'financial integrity' threatens to make basic energy service unaffordable to the increasing number of poor families in its service territory. Extending the existing fuel fund at an increased level as recommended by OPAE and Edgemont is necessary to fulfill the policy established by the State of Ohio to protect vulnerable populations. The fuel fund should be continued with funding of $750,000 per year.

In addition, OPAE and Edgemont support the argument of the City of Dayton in its initial brief, at 10-12, that DP&L's current energy efficiency and economic development initiatives are consistent with the policy of the State of Ohio at Revised Code Sections 4928.02(L), (M), and (N) and that the absence of a commitment to continue funding for these initiatives is not consistent with the policy of the State of Ohio. In addition to the policy at Revised Code Section 4928.02 (L) to protect at-risk populations, Revised Code Section 4928.02(M) states the policy of the State to encourage the education of small business owners regarding the use of energy efficiency programs, and Revised Code Section 4928.02(N) states the policy of the State to facilitate the State's effectiveness in the global economy.

As the City of Dayton points out, DP&L has been funding the City of Dayton's energy efficiency audit and implementation program since 2009, but under the proposed ESP, DP&L's funding for the City's energy efficiency program on an annual basis will cease. Just like the absence of a commitment for the fuel fund, there is also no proposed alternative funding for the City's energy efficiency program. Given that the ESP makes no provision for the continued support of the City's energy efficiency program, it is difficult to see how the proposed ESP encourages the use of energy efficiency in conformance with the State's policy at Revised Code Section 4928.02(M).

The City also notes that DP&L has funded efforts to support and attract new investment and improve job growth in Ohio, consistent with Revised Code Section 4928.02(N). Again, the proposed ESP does not provide for such ongoing support; therefore, it cannot be said that the proposed ESP is consistent with the policy of the State of Ohio at Revised Code Section 4928.02(N). DP&L should be required to continue its current efforts to attract new businesses and retain businesses in its service territory in order to conform to the policy of the State of Ohio.

III. Conclusion

DP&L's proposed ESP includes no provision to continue or expand the existing fuel fund approved in DP&L's current ESP. In conformance with Ohio Revised Code Section 4928.02(L), which states that the policy of the State is to protect at-risk populations, the Commission should order DP&L to expand its support for low-income bill payment assistance. The evidence shows that there is a great and increasing need for low-income bill payment assistance in DP&L's service territory. DP&L should be ordered to contribute at least $750,000 annually to a fuel fund for bill payment assistance for low-income residential customers.

It is also the policy of the State of Ohio to encourage energy efficiency and to facilitate the state's effectiveness in the global economy. Revised Code Sections 4928.02(M) and (N). The ESP as proposed by DP&L does not continue the existing energy efficiency and economic development programs vital to the City of Dayton and therefore does not conform to the State's policy.

The Commission must modify the ESP to assure that it conforms to Ohio law and gives meaning to the legislation that enacted the policy of the State to protect at-risk populations, to provide bill payment assistance, to promote energy efficiency, and to support economic development in DP&L's service territory.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Reply Brief was served electronically upon the parties of record identified below in these cases on this 5th day of June 2013.

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