

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
The Dayton Power and Light Company)	Case No. 12-1832-EL-ESS
For Establishing New Reliability Targets)	

STIPULATION AND RECOMMENDATION

Ohio Administrative Code (“OAC”) Rule 4901-1-30 provides that any two or more parties to a proceeding before the Public Utilities Commission of Ohio (“PUCO” or “Commission”) may enter into a written stipulation covering the issues presented in that proceeding. This Stipulation and Recommendation ("Stipulation") sets forth the understanding of The Dayton Power and Light Company (“DP&L”) and the PUCO Staff¹ (each of whom is a “Signatory Party” and together the “Signatory Parties”). The Signatory Parties recommend that the Commission approve and adopt, as part of its Opinion and Order, this Stipulation which will resolve all of the issues in the above-captioned proceeding.

This Stipulation is a product of lengthy, serious, arm's-length bargaining among the Signatory Parties, which negotiations were undertaken by the Signatory Parties to settle this proceeding. All parties to this proceeding were provided the opportunity to negotiate a stipulation and to provide input to drafts of the document that became this Stipulation. This Stipulation is supported by adequate data and information; as a package, the Stipulation benefits customers and the public interest; promotes effective competition and the development of a competitive marketplace; represents a just and reasonable resolution of all issues in this

¹ Staff will be considered a party for the purpose of entering into this Stipulation. OAC Rules 4901-1-10(c) and 4901-1-30.

proceeding; violates no regulatory principle or practice; and complies with and promotes the policies and requirements of Ohio Rev. Code Chapter 4928. While this Stipulation is not binding on the Commission, it is entitled to careful consideration by the Commission, where, as here, it is sponsored by both the regulated entity and PUCO Staff;

WHEREAS, on June 29, 2012, DP&L filed an application to propose new reliability standards pursuant to OAC Rule 4901:1-10-10; and

WHEREAS, on November 20, 2012, the OCC filed comments objecting to certain aspects of DP&L's filing; and

WHEREAS, on November 30, 2012, Staff filed comments proposing certain revisions to the methodology used by DP&L to develop the proposed reliability standards, among other aspects of its filing; and

WHEREAS, on December 20, 2012, DP&L filed reply comments with respect to OCC's November 20 and Staff's November 30, 2012 filings and OCC filed reply comments objecting to certain aspects of Staff's November 30, 2012 filing;

Now therefore, it is agreed that:

1. In its future annual reports of calendar-year performance until such time as changed by PUCO order or rule, DP&L shall measure performance against the following two reliability standards as required by Commission Rules: a Customer Average Interruption Duration Index ("CAIDI")² and a System Average Interruption Frequency Index ("SAIFI").³ The standards shall be a CAIDI of 125.04 minutes and a SAIFI of 0.88, and actual CAIDI and SAIFI performance measured against these standards will continue to exclude "major event

² "CAIDI," or the customer average interruption duration index, represents the average interruption duration or average time to restore service per interrupted customer.

³ "SAIFI," or the system average interruption frequency index, represents the average number of interruptions per customer.

days” as defined by the Institute of Electrical and Electronic Engineers (“IEEE”) 1366-2006 (2.5 Beta Method) standard.⁴

2. Section 4901:1-10-10(B)(7) of the Ohio Administrative Code shall control the timing of the next filing to reset Reliability Standards.

3. DP&L shall adhere to the following schedule for the Company’s next Customer Survey:

January 2014 – Provide Staff a draft of the Residential and Business survey Instruments;

March 2014 – Finalize survey instruments;

2nd Quarter 2014 – Implement 1st sample of 100 Residential and 100 Business customers and obtain 100 responses from each class;

3rd Quarter 2014 – Implement 2nd sample of 100 Residential and 100 Business customers and obtain 100 responses from each class;

4th Quarter 2014 – Implement 3rd sample of 100 Residential and 100 Business customers and obtain 100 responses from each class;

1st Quarter 2015 – Implement 4th sample of 100 Residential and 100 Business customers and obtain 100 responses from each class;

May 2015 – Provide final results of the survey to PUCO Staff.

4. In arm's-length bargaining, the Signatory Parties have negotiated terms and conditions that are embodied in this Stipulation. This Stipulation contains the entire Agreement among the Signatory Parties, and embodies a complete settlement of all claims, defenses, issues

⁴ The current Electric Service and Safety Standards (“ESSS”) have adopted the IEEE 2.5 Beta Method standard as the definition for a major event.

and objections in these proceedings. The Signatory Parties agree that this Stipulation is in the best interests of the public and of all parties, and urge the Commission to adopt it.

5. DP&L's application and reply comments, Staff's comments, and OCC's comments and reply comments shall be deemed to be part of the record of this Case.

6. The Stipulation represents a comprehensive compromise of issues raised by Parties with diverse interests. It is submitted for the purposes of this case alone and should not be understood to reflect the positions that an individual Signatory Party may take as to any individual provision of the Stipulation standing alone, nor the position a Signatory Party may have taken if all of the issues in this proceeding had been litigated. Nothing in this Stipulation shall be used or construed for any purpose to imply, suggest or otherwise indicate that the results produced through the compromise reflected herein represent fully the objectives of any Signatory Party. This Stipulation is submitted for purposes of this proceeding only, and is not deemed binding in any other proceeding, except as expressly provided herein, nor is it to be offered or relied upon in any other proceedings, except as necessary to enforce the terms of this Stipulation. As with such stipulations reviewed by the Commission, the willingness of Signatory Parties to sponsor this document currently is predicated on the reasonableness of the Stipulation taken as a whole.

7. The Signatory Parties agree to, and intend to support, the reasonableness of this Stipulation before the Commission and in any appeal from the Commission's adoption or enforcement of this Stipulation.

8. The agreement of the Parties reflected in this Stipulation is expressly conditioned upon its acceptance without material modification by the Commission or the Ohio Supreme Court. If the Commission, either in its initial review or on remand from the Ohio Supreme

Court, rejects or modifies all or any part of this Stipulation or imposes additional conditions or requirements upon the Parties, each Party shall have the right, within thirty (30) days of issuance of the Commission's order to file an application for rehearing or to terminate and withdraw the Stipulation by filing a notice with the Commission. Upon rehearing, any Party may terminate and withdraw the Stipulation by filing a notice with the Commission within thirty (30) days of the Commission's ruling on rehearing.


9. Upon notice of termination or withdrawal by any Party pursuant to the above provisions, the Stipulation shall immediately become null and void. In such event, a hearing shall go forward and the Parties shall be afforded the opportunity to present evidence through witnesses, to cross-examine all witnesses, to present rebuttal testimony, and to brief all issues, which shall be decided by the Commission based upon the record and briefs as if this Stipulation had never been executed.

IN WITNESS THEREOF, the undersigned parties agree to this Stipulation and Recommendation as of this 16th day of July, 2013. The undersigned parties respectfully request the Commission to issue its Opinion and Order approving and adopting this Stipulation.

THE DAYTON POWER AND LIGHT
COMPANY

By Randall V. Griffin / *By TMM per email 7/16/13*
Randall V. Griffin
Chief Regulatory Counsel

THE STAFF OF THE PUBLIC UTILITIES
COMMISSION OF OHIO

By 
Thomas W. McNamee
Assistant Attorney General

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Stipulation and Recommendation has been served via electronic mail upon the following counsel of record, this 16th day of July 2013:

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Thomas W. McNamee

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

7/16/2013 10:53:36 AM

in

Case No(s). 12-1832-EL-ESS

Summary: Stipulation and Recommendation submitted by Assistant Attorney General Thomas W. McNamee on behalf of the Staff of the Public Utilities Commission of Ohio. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio