

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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 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

**APPLICATION FOR REHEARING
OF
THE OHIO HOSPITAL ASSOCIATION**

Pursuant to Ohio Revised Code Section (“R.C.”) 4903.10, the Ohio Hospital Association (“OHA”) respectfully submits this Application for Rehearing of the September 4, 2013, Opinion and Order (“Order”) of the Public Utilities Commission of Ohio (“Commission”) modifying and approving Dayton Power & Light Company’s (“DP&L”) electric security plan (“ESP”). The Commission unlawfully and unreasonably authorized DP&L to collect \$110 million annually through a Service Stability Rider (“SSR”) beginning January 1, 2014 and ending December 31, 2016.

As discussed in greater detail in the Memorandum in Support attached hereto, the Ohio Hospital Association (“OHA”) respectfully requests that the Commission grant this Application for Rehearing and modify its September 4, 2013 Order in accordance with this Application for Rehearing.

MEMORANDUM IN SUPPORT

While the continuation of any component in rates that adds to the cost of SSO generation above and beyond a reasonable market-based rate is contrary to the policies of this state and the public interest, a component designed to support a targeted rate of return for generation assets is not just contrary to public policy, also to reason and, most importantly, the law. Nevertheless, the OHA takes rehearing on the narrow point that any revenues above and beyond the current \$73 million component currently collected through the Rate Stability Charge, a rate component with origins that predate SB 221 and adopted through the process of a negotiated settlement in Case No. 08-1094-EL-SSO, rather than through a formally-litigated process as is the instant case. As adopted by the Commission in this case, the SSR, both in its purpose and its amount, is unsupported by the record and is contrary to the terms of R.C. 4928.143, and, accordingly, unlawful and unreasonable.

The record in this case is clear that the generation assets of DP&L are simply unnecessary to the provision of SSO services. DP&L could have put its SSO load out for bid and obtained the identical service at a much less costly rate. DP&L chose not to proceed in this manner. There is no reason related to DP&L’s provision of distribution services that require those generation assets to be reflected anywhere in the cost of distribution services. But by

making the SSO a non-bypassable charge, that is precisely what the Commission has done. The market development period for competition ended on December 31, 2005, but the Commission is clearly treating DP&L as if this is not the case. R.C. 4928.143 may provide the Commission wide latitude in approving a variety of elements that will make up the SSO charge, but rate of return support for competitive generation assets is not one of them.

WHEREFORE, the Ohio Hospital Association respectfully urges the Commission to grant its application for rehearing.

Respectfully submitted on behalf of
OHIO HOSPITAL ASSOCIATION



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Application for Rehearing was served upon the parties of record listed below this 4th day of October 2013 *via* electronic mail.



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Summary: Application for Rehearing of The Ohio Hospital Association electronically filed by Teresa Orahod on behalf of Thomas O'Brien