

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's)	
Investigation of Ohio's Retail)	Case No. 12-3151-EL-COI
Electric Service Market)	

APPLICATION OF
THE DAYTON POWER AND LIGHT COMPANY
FOR REHEARING AND CLARIFICATION
OF THE FINDING AND ORDER IN
THE MATTER OF THE COMMISSION'S INVESTIGATION
OF OHIO'S RETAIL ELECTRIC SERVICE MARKET

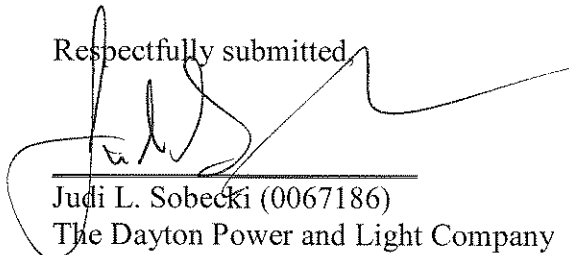
Pursuant to Ohio Revised Code §4903.10 and Ohio Administrative Code §4901-1-35, The Dayton Power and Light Company ("DP&L" or "Company") applies to the Public Utilities Commission of Ohio ("Commission" or "PUCO") for rehearing and clarification of its Finding and Order issued March 26, 2014, ordering Commission Staff ("Staff"), EDUs and Competitive Retail Electric Service ("CRES") Providers to comply with various directives stemming from its investigation into the health of Ohio's retail electric service market. DP&L is an electric utility as defined in Ohio Revised Code §4928.01(A)(11) and will be impacted by the directives set within this Finding and Order. The directives are unreasonable, unlawful, and/or need clarification in the following areas, for the following reasons:

- I. The Commission's Order sets forth a definition of effective competition and indicators by which effective competition can be analyzed that will require clarification in terms of measurement ability, specifically the customer engagement and education indicator.

- II. The Commission's directive that requires EDUs to modify bill formats to display a 12-month rolling average Price-to-Compare ("PTC") is unnecessary and will cause customer confusion.
- III. The Commission's directive for multiple bill format applications and filings is unnecessary and burdensome.
- IV. The Commission's directive for EDUs to develop procedures to provide the total customer payment amount to CRES Providers should be eliminated.
- V. The Commission's Order directing that cost recovery be determined on an individual EDU basis is inappropriate and unreasonable.

Based on the above and for the reasons more fully discussed in the attached Memorandum in Support, DP&L respectfully seeks rehearing or clarification of the directives set forth in the Commission's Finding and Order in this matter.

Respectfully submitted,



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**MEMORANDUM IN SUPPORT OF THE APPLICATION FOR HEARING OF THE
DAYTON POWER AND LIGHT COMPANY**

In its Finding and Order in the present proceeding, the Commission has ordered Staff, EDUs, and CRES Providers to comply with directives that impose unlawful and/or unreasonable requirements upon electric distribution utilities. DP&L seeks rehearing or clarification of the directives for the reasons set forth below.

I. The Commission's Order sets forth a definition of effective competition and indicators by which effective competition can be analyzed that will require clarification in terms of measurement ability, specifically the customer engagement and education indicator.

The Commission adopted the eighth indicator developed by the Staff, "customers are engaged and informed about the products and services that they receive," although the Staff recognized that this information is not readily quantifiable. DP&L seeks clarification on what information the Commission will use to measure this indicator and from whom the Commission will seek this information. DP&L suggests the Commission hire a third party to conduct an annual survey or focus group to determine if customers are engaged and informed about Ohio Electric Choice and publish those results. The Commission should require certified CRES Providers in the state to pay for the survey since they are the parties who benefit from the competitive market place and the feedback the Commission will obtain from the survey.

II. The Commission's directive that requires EDUs to modify bill formats to display a 12-month rolling average Price-to-Compare ("PTC") is unnecessary and will cause customer confusion.

The Commission in its Finding and Order on this matter adopted a requirement that EDUs adjust its PTC calculation to show a rolling 12-month average on its bills. This requirement is unnecessary and will cause confusion to all parties involved. Instead, DP&L believes the Commission should adopt Staff's recommendation that the PTC be calculated by dividing the

dollar amount of the current month's bill that could be avoided with switching by the number of kilowatt-hours used that month. This is consistent with the current methodology used by AEP-Ohio, the FirstEnergy utilities, and DP&L.

The Commission should seek comments from CRES Providers about whether or not they intend to offer a discount off of current month PTC or the rolling 12-month average PTC. If CRES Providers intend to offer a discount off of current month PTC, having a 12-month rolling average PTC on their bill will be very confusing to customers.

A rolling 12-month average PTC calculation will cause the most customer confusion for those customers receiving or evaluating a CRES Provider offer for percentage-off SSO tariff or current PTC. The customer will no longer be able to calculate the percentage-off discount they are receiving that month by looking at their bill. This will increase customer confusion and calls to EDUs, CRES Providers, and the PUCO call center. A historical 12-month average PTC is not an indicator of current or future pricing, could produce misleading results for customers on residential heating rates, and does not help the customer understand their bill in any way.

III. The Commission's directive for multiple bill format applications and filings is unnecessary and burdensome.

The Commission directs EDUs to file an application, within six months of the Order, to revise their consolidated bill format to display CRES Provider logos and revise the PTC (Finding and Order at ¶ 26). Additionally, the Order states:

...the Commission directs stakeholders to work through the MDWG to resolve any issues regarding their proposed additional bill format changes. Staff should include in its initial MDWG Staff Report, to be filed within six months of this Order, a proposal for any additional bill format changes that Staff believes should be adopted (Finding and Order at ¶ 34).

Requiring EDUs to file an application within six months of this Order while simultaneously working with Staff and CRES Providers through the MDWG on additional bill format issues is

ineffective and not in line with the Governor's Common Sense Initiative. Bill format redesigns are complex and costly and shouldn't be duplicated multiple times within a span of less than a year. Multiple bill format filings will create work and increase costs. If the Commission determines bill format changes are necessary, those changes should be well vetted and thought out before any changes are made, and then changes should be made one time.

DP&L proposes the Commission review Staff's initial MDWG report, once all issues have been considered, prior to ordering all EDUs to file applications for bill format changes. This solution offers a holistic and efficient approach to bill format redesign.

IV. The Commission's directive for EDUs to develop procedures to provide the total customer payment amount to CRES Providers should be eliminated.

The Commission directs EDUs to work with CRES Providers through the MDWG to develop proper procedures for providing, among other things, the total customer payment amount. DP&L is concerned with the prospect of providing a customer's total payment amount to CRES Providers because DP&L considers this information to be confidential customer information that DP&L is not at liberty to provide to a third-party without the customer's consent.

V. The Commission's Order directing that cost recovery be determined on an individual EDU basis is inappropriate and unreasonable.

The Commission should grant rehearing on the issue of cost-recovery, specifically ordering that costs associated with the new regulatory mandates associated with this proceeding be authorized for deferral and recovery. As the Commission acknowledges, there are multiple directives in the Order that will cause electric utilities to incur additional costs. Further, there are multiple open items that have been referred to working groups. The outcome of the discussions in the working groups could result in additional costs associated with this retail market initiative.

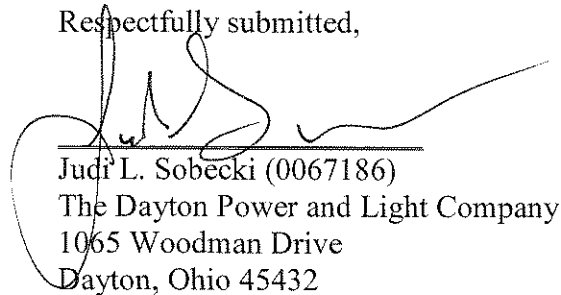
Indicating generally that the costs would be recoverable in a rate case as a normal operating expense will not allow an electric utility to fully recover the incremental cost of the new regulatory requirements being imposed. A more reasonable approach would be to determine now the recovery mechanism for these new regulatory mandates being imposed in this proceeding, rather than in subsequent individual rate cases for each EDU.

Moreover, ordering generally that cost recovery may occur under the normal rate case process, without authorizing the deferral of those costs, will result in under-recovery of all costs associated with the Finding and Order in this case. DP&L urges the Commission to grant rehearing in order to authorize the EDUs to defer, with carrying charges, the costs associated with implementing the mandates associated with the Finding and Order.

CONCLUSION

Based on the above, the Commission should grant DP&L's request for rehearing and clarification and accordingly revise the directives set forth in the Commission's Finding and Order.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Judi L. Sobecki', is written over a horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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Summary: App for Rehearing and clarification electronically filed by Mr. Tyler A. Teuscher on behalf of The Dayton Power and Light Company