



**Public Utilities  
Commission**

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May 19, 2014

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus OH 43215

PUCO

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RECEIVED-DOCKETING DIV

RE: *In the Matter of the Application of The Dayton Power and Light Company to Implement its Reconciliation Rider Nonbypassable and Request for Expedited Treatment, Case No. 14-629-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the application filed by The Dayton Power and Light Company to implement its Reconciliation Rider Nonbypassable (RR-N) in Case No. 14-629-EL-RDR.

Sincerely,

Tamara S. Turkenton  
Chief, Accounting & Electricity Division  
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

**Reconciliation Rider Tariff Audit Submitted by Dayton Power & Light**  
**Case No. 14-629-EL-RDR**

**Background**

Pursuant to the September 4, 2013, Opinion and Order in Case No. 12-426-EL-SSO, et. al., Dayton Power & Light ("Company") filed its application to implement the Reconciliation Rider (RR-N) on May 1, 2014. The RR-N is intended to allow the Company to recover any deferred balance that exceeds 10 percent of the base amount of riders FUEL, RPM, AER, and CBT; however, the Commission required DP&L to file an application with the Commission seeking specific approval to defer for future recovery any amounts exceeding the 10 percent threshold for each individual riders.

**Application**

The application includes deferral balances exceeding the 10 percent threshold of the base amount of the FUEL rider (Case No. 14-0117-EL-FAC) in the amount of \$4,655,545 and CBT rider (Case No. 14-563-EL-RDR) in the amount of \$456,047. The Company applied carrying charges of 4.943% to the total amount of the balances exceeding 10 percent of the base amount of each rider included in the RR-N. The proposed RR-N rate for all kilowatt hours for the period of June 1, 2014, through August 31, 2014, is \$0.0014240 per kWh.

**Analysis**

Staff has verified that the deferral balance exceeding the 10 percent threshold of the base amount of the FUEL and CBT riders were calculated correctly. Staff has concerns with the forecast used to determine the threshold of the base amounts of the riders; therefore, Staff recommends that the Commission direct the Company to work with Staff regarding the forecasted methodology and provide Staff with variance analyses upon request. Parties should file with the Commission an Issues List within four months of the RR-N order should the FUEL and/or CBT actual expenses significantly vary from the forecast used to calculate the RR-N.

Staff or its designated outside auditor will perform an audit of the charges, credits, and revenues during the established annual true-up of the FUEL and CBT rider. Staff recommends the Commission order the Company to work with Staff on establishing an audit schedule for these riders, if not otherwise set by Commission order. Staff also recommends that the Commission direct the Company to file all future RR-N applications 45 days prior to the effective date including filing red-lined tariffs with each quarterly update for any rider (CBT, FUEL, CBT, RPM) that is proposed for inclusion in Rider RR-N.

**Recommendation**

Staff recommends that RR-N be approved subject to adjustment for the annual prudence audit of FUEL and CBT as discussed above.