Commissioners

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August 12, 2016

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

RE: The Dayton Power and Light Company, Case No. 15-0046-EL-RDR

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to The Dayton Power and Light Company's TCRR-B and RPM riders in Case No. 15-0046-EL-RDR.

Tamara S. Turkenton

Chief, Regulatory Services Division Public Utilities Commission of Ohio **David Lipthratt**

Chief, Research and Policy Division Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

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Dayton Power and Light Company Case No. 15-0046-EL-RDR (TCRR-B & PJM RPM)

Overview

Pursuant to the Commission's Opinion and Order approved on September 4, 2013, in Case No. 12-0426-EL-SSO, et al., the Dayton Power and Light Company (DP&L) was authorized to separate its Transmission Cost Recovery Rider into a market based bypassable rider (TCRR-B) and a non-market based non-bypassable rider (TCRR-N). In that same case, DP&L was authorized to update its TCRR-B rider and its PJM Reliability Pricing Model (PJM RPM) rider on a quarterly basis. These riders were subject to an annual audit and expected to end on December 31, 2015.

On December 9, 2015 in Case No. 15-0046-EL-RDR the Commission found "that DP&L should be allowed to continue the TCRR-B until May 31, 2016, to collect the remaining balance, unless otherwise ordered by the Commission." In Case No. 15-0043-EL-RDR, the Commission directed DP&L to work with Staff regarding the conclusion of the RR-N and the wrap-up period for the underlying riders, which included the PJM RPM rider. Effective January 1, 2016, the TCRR-B and PJM RPM rates were set to zero.

DP&L worked with Staff to develop a plan for the final reconciliation of several riders, including the TCRR-B and PJM RPM. On March 29, 2016, DP&L filed a notice for the final reconciliation of riders TCRR-B, PJM RPM, RR-N, and Fuel. These riders were based on bypassable charges; therefore, DP&L included their cumulative balance of \$1,067,021.39 in the April 15, 2016 quarterly update of the bypassable Competitive Bid True-up (CBT) rider in Case No. 16-0036-EL-RDR.

Staff Review and Recommendation

Staff completed the annual audit of of the TCRR-B and PJM RPM riders for calendar year 2015 and the first quarter of 2016 and finds that the TCRR-B and PJM RPM balances of \$(543,988.16) and \$587,981.68, respectively, were appropriately included in the CBT rider. Staff recommends to the Commission that it approve DP&L's recovery of the TCRR-B and PJM RPM balance through the CBT rider. If there are reconciliation billings from PJM that result in charges or credits, the Commission should direct DP&L to work with Staff to ensure that they are captured in the CBT where appropriate.