

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY TO ESTABLISH A STANDARD
SERVICE OFFER IN THE FORM OF AN
ELECTRIC SECURITY PLAN.

CASE NO. 08-1094-EL-SSO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF REVISED
TARIFFS.

CASE NO. 08-1095-EL-ATA

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR APPROVAL OF CERTAIN
ACCOUNTING AUTHORITY.

CASE NO. 08-1096-EL-AAM

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR WAIVER OF CERTAIN
COMMISSION RULES.

CASE NO. 08-1097-EL-UNC

ENTRY

Entered in the Journal on March 22, 2017

I. SUMMARY

{¶ 1} The Commission authorizes the Dayton Power & Light Company to proceed with the competitive bid process, as described in the Dayton Power & Light Company's February 17, 2017 notice, subject to the Commission's modifications.

II. PROCEDURAL HISTORY

{¶ 2} The Dayton Power and Light Company (DP&L) is a public utility as defined under R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.141 provides that an electric distribution utility (EDU) shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer in

accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 4} By Opinion and Order issued on June 24, 2009, in this case, the Commission adopted the stipulation and recommendation of the parties to establish DP&L's first ESP (*ESP I*). Included as terms, conditions, or charges in *ESP I* were a rate stabilization charge, an environmental investment rider, and a fuel and purchased power rider. Thereafter, by Entry issued on December 19, 2012, the Commission continued *ESP I* until a subsequent SSO could be authorized.

{¶ 5} By Order issued on September 4, 2013, the Commission modified and approved DP&L's application for a second ESP (*ESP II*). Included in *ESP II* was a service stability rider for DP&L's financial integrity. *In re The Dayton Power and Light Co.*, Case No. 12-426-EL-SSO, et al. (*ESP II Case*), Opinion and Order (Sept. 4, 2013). On June 20, 2016, the Supreme Court of Ohio issued an opinion reversing the decision of the Commission approving *ESP II* and disposing of all pending appeals. *In re Application of Dayton Power & Light Co.*, ___Ohio St.3d, 2016-Ohio-3490, ___N.E.3d___. Subsequently, on July 16, 2016, a mandate from the Supreme Court of Ohio was filed in the *ESP II Case* requiring the Commission to modify its order or issue a new order. Therefore, on August 26, 2016, in the *ESP II Case*, the Commission modified *ESP II* pursuant to the Court's directive and then granted DP&L's application to withdraw *ESP II*, thereby terminating it.

{¶ 6} R.C. 4928.143(C)(2)(b) provides that if the utility terminates an application for an ESP or if the Commission disapproves an application, the Commission shall issue such order as is necessary to continue the provisions, terms, and conditions of the utility's most recent SSO, along with any expected increases or decreases in fuel costs from those contained in that offer, until a subsequent SSO is authorized. By Order issued on August 26, 2016, in this case, the Commission granted DP&L's application to implement its most recent SSO, which is *ESP I*, pursuant to R.C. 4928.143(C)(2)(b). Additionally, the Commission directed DP&L to file tariffs to implement *ESP I*. The Commission found the

tariffs should be approved as they relate to honoring existing contracts with winning competitive bid suppliers and maintaining current obligations for all suppliers.

{¶ 7} Thereafter, on February 22, 2016, DP&L filed a new application for an SSO (*ESP III*), with accompanying applications for approval of revised tariffs and for approval of certain accounting authority. *In re The Dayton Power and Light Co.*, Case No. 16-395-EL-SSO, et al. (*ESP III Case*). On January 30, 2017, in the *ESP III Case*, a stipulation and recommendation was filed between DP&L and some of the parties.

III. DISCUSSION

{¶ 8} On February 1, 2017, DP&L filed a notice regarding a competitive bidding schedule. In the notice, DP&L notes that because a stipulation was recently filed in the *ESP III Case* that will require testimony and a hearing, it is not ensured that the *ESP III Case* will be resolved before DP&L's most recent competitive bid process (CBP) expires on May 31, 2017. Thus, DP&L avers it is committed to holding a competitive bid process to be in place by June 1, 2017. In the notice, DP&L states auctions will be conducted as proposed in its application in the *ESP III Case* and as modified in the stipulation filed on January 30, 2017. As proposed, the initial auctions will be conducted on April 11, 2017, and April 24, 2017. Each auction will be for 50 tranches and will offer varying product lengths of 12, 24, and 36 months. The delivery period will begin on June 1 of each year and end on May 31 of the following year.

{¶ 9} By Entry on February 7, 2017, the attorney examiner issued an Entry directing interested parties to file comments by February 22, 2017.

{¶ 10} On February 22, 2017, Staff filed comments regarding DP&L's notice. Staff states that DP&L's proposal is reasonable, but recommends some modifications. Staff first asserts that in DP&L's *ESP III* application, the Company states that its supply requirements may or may not include the supply required for Percentage of Income Payment Plan (PIPP) customers. Staff avers, however, that the Commission required utilities to remove PIPP

customers from the SSO in *In the Matter of the Implementation of Sections 4928.54 and 4928.544 of the Revised Code*, Case No. 16-247-EL-UNC, Finding and Order (Mar. 2, 2016) at ¶ 7. Accordingly, Staff requests that DP&L be directed to make the appropriate revisions.

{¶ 11} Next, Staff states that while DP&L's application in the *ESP III* case anticipates a Commission consultant will be able to review the CBP process, the Company does not specify who will fund the consultant. Staff asserts it is standard practice for the utility to fund such a consultant and requests that the Commission order DP&L to enter into contract with the consultant chosen by the Commission.

{¶ 12} Finally, according to Staff, the Commission has typically directed utilities to advertise auctions in order to maximize participation in the auction. Because DP&L's application does not address advertising the auctions, Staff asks that the Commission direct DP&L to advertise the auctions in a publication that would typically be viewed by potential auctions participants.

{¶ 13} Upon review, the Commission finds that Staff's requested modifications are reasonable and should be approved. In doing so, we note that Staff's requests are consistent with prior Commission orders and standard practice. Therefore, DP&L is directed to revise its master service agreement and bidding rules in order to conform with our directives in *In the Matter of the Implementation of Sections 4928.54 and 4928.544 of the Revised Code*, Case No. 16-247-EL-UNC, Finding and Order (Mar. 2, 2016). Additionally, regarding a Commission consultant that will review the CBP process, the Company should enter into contract with the consultant that is chosen by the Commission. Finally, DP&L is directed to advertise the auction in a publication that would typically be viewed by potential auction participants.

{¶ 14} Accordingly, DP&L shall proceed with the CBP as described in its February 16, 2017 notice, subject to the modifications noted above.

IV. ORDER

{¶ 15} It is, therefore,

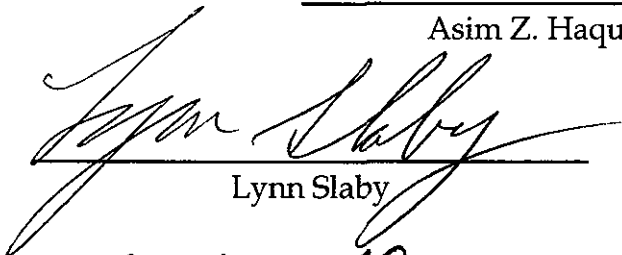
{¶ 16} ORDERED, That DP&L be authorized to proceed with the CBP as described in its February 16, 2017 notice, subject to the Commission's modifications in paragraph 13. It is, further,

{¶ 17} ORDERED, That a copy of this Entry be served upon all parties of record.

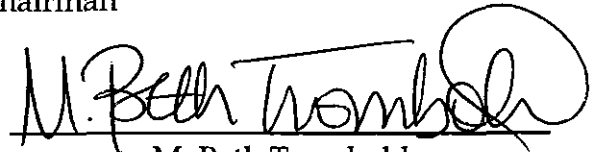
THE PUBLIC UTILITIES COMMISSION OF OHIO



Asim Z. Haque, Chairman



Lynn Slaby



M. Beth Trombold




Thomas W. Johnson

NW/vrm

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MAR 22 2017



Barcy F. McNeal
Secretary