

Asim Z. Haque, Chairman

Commissioners

Lynn Slaby M. Beth Trombold Thomas W. Johnson Lawrence K. Friedeman

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March 28, 2017

PUCO

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

RE: In the Matter of the Application of The Dayton Power and Light Company to Update its Economic Development Rider, Case No. 17-537-EL-RDR

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the Application of The Dayton Power and Light Company to update its Economic Development Rider, Case No. 17-537-EL-RDR.

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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

180 East Broad Street Columbus, Ohio 43215-3793 2

The Dayton Power and Light Company Case No. 17-537-EL-RDR

SUMMARY

On March 15, 2017, The Dayton Power and Light Company (DP&L) submitted an application to update its Economic Development Rider (EDR) pursuant to the Commission's Finding and Order in Case No. 11-4503-EL-RDR, et al., dated October 26, 2011.

The proposed EDR includes charges that will provide the utility the opportunity to timely recover costs resulting from the Commission-approved reasonable arrangements in Case No. 10-734-EL-AEC with Caterpillar Inc. and in Case No. 14-1217-EL-AEC with Wright-Patterson Air Force Base.

The proposed rates are expected to provide recovery of \$1,695,321 in costs from May 2017 through October 2017. The proposed rates include \$1,831,345 of forecasted costs through October 31, 2017 and \$136,024 of over-recovered costs through February 28, 2017. The proposed rates will result in a \$0.10 per month increase on a 1,000 kWh residential customer's bill. DP&L requests that the updated rates be made effective on a bills-rendered basis with the Company's first billing cycle for May 2017.

STAFF REVIEW AND RECOMMENDATIONS

The Staff's investigation was designed to ensure that the Company's policies and practices comport with sound ratemaking principles and Commission policies, confirm that its books and records are reliable sources of cost data, and ultimately determine if the Application request is just and reasonable. Based on that investigation, the Staff concludes that the proposed EDR rates reflect the current and projected costs through October 31, 2017.

CONCLUSION

The Staff finds the proposed EDR charges reflect the current and projected costs resulting from reasonable arrangements approved by the Commission, and recommends approval of the application for rates to become effective on a bills-rendered basis with the Company's first billing cycle for May 2017.