

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application The Dayton Power and Light Company to Increase its Rates for Electric Distribution.)))	Case No. 15-1830-EL-AIR
In the Matter of the Application of The Dayton Power and Light Company for Accounting Authority.)))	Case No. 15-1831-EL-ATA
In the Matter of the Application of The Dayton Power and Light Company for Approval of Revised Tariffs.))))	Case No. 15-1832-EL-AAM

**THE OHIO HOSPITAL ASSOCIATION’S OBJECTIONS TO THE
STAFF REPORT OF INVESTIGATION**

I. INTRODUCTION

In accordance with R.C. 4909.19, Ohio Admin. Code Rule 4901-1-28(B) and the Hearing Examiner’s Entry of March 14, 2018, the Ohio Hospital Association (“OHA”) submits its objections to the March 12, 2018 Staff Report. OHA submits these objections without prejudice to or limitation upon its right to fully participate at the hearing in this proceeding, including the cross-examination of all witnesses presented as to all issues raised during the course of the proceeding. Whether or not it presents witnesses at the hearing, OHA may adduce evidence through cross-examination of any witness concerning not only OHA’s objections to the Staff Report, but also to objections filed by others parties, particularly The Dayton Power & Light Company (“DP&L” or the “Company”), and as to such additional issues which the Public Utilities Commission of Ohio (“Commission”) or the Hearing Examiner may permit the parties to present in accordance with Ohio Admin. Code Rule 4901-1-28(C).

II. OBJECTIONS

A. Waiver of alternate feed charges to OHA members

In the most recent DP&L Electric Security Plan (“ESP”) case, the Commission approved an Amended Stipulation and Recommendation that, in part, established the following commitment from DP&L:

DP&L will eliminate any charges associated with the Alternate Feed Charge that currently are being charged to certain OHA members, and it will exempt OHA members from paying that charge as requested in DP&L's pending Distribution Rate Case.

Amended Stipulation and Recommendation, DP&L ESP, Case No. 16-395-EL-SSO (March 14, 2017), p.35.

OHA objects to the Staff Report to the extent that it fails to ensure that the DP&L’s commitment regarding the elimination of alternate feed charges for OHA members remains intact. To ensure consistency with the terms of the Commission-approved Amended Stipulation and Recommendation, the Commission should clarify in its order in this case that the elimination of such charges extends not only to existing OHA member facilities, but also to any OHA member that requests secondary or alternate feed service in the future.

B. Impact to Primary Service customers

OHA objects to the Staff Report because it disproportionately assigns costs to Primary Service customers. As part of its Application, DP&L submitted a cost-of-service study (“COSS”).¹ Staff accepted DP&L’s COSS and determined that the COSS is a “reasonable indicator of costs and cost responsibility.” (Staff Report at 30.) However, the Staff Report diverges from adjusting DP&L’s revenue for Primary Service customers in accordance with the COSS by assigning Primary Service customers a proposed revenue increase that is inconsistent

¹ OHA does not accept or acknowledge the accuracy of DP&L’s COSS, nor does OHA accept DP&L’s proposed revenue distribution percentage for Primary Service customers. OHA reserves the right to challenge any aspect of the DP&L’s COSS or DP&L’s proposed revenue allocation.

Primary Service customers' cost responsibility. (Staff Report at 34-35, Tables 3-4.) Staff's recommendation will result in Primary Service customers unfairly subsidizing other customer classes and paying a disproportionate share of base distribution rates.

C. Customer charge increases to Primary Service customers

OHA objects to the Staff-proposed rates design applicable to Primary Service customers. Although OHA does not necessarily support DP&L's proposed rate design increases, OHA objects to the even more significant increases proposed by Staff. (Staff Report at 40, Table 8) Perhaps most concerning is the increase in the customer charge. DP&L recommends a significant increase of 107.98% to the customer charges to Primary Service customers. That proposal, however, is dwarfed by Staff's proposed increase of 154.86% to the customer charge. Staff's proposed customer charge increase will have a negative impact on the ability of hospitals to manage their energy costs through demand-side management. In recent cases, DP&L, Staff, and OHA worked together to create a program of energy efficiency incentives so that hospitals could better achieve energy cost savings. (See, Case Nos. 17-1398-EL-POR and 16-395-EL-SSO.) Substantial increases in fixed charges, such as the customer charge, directly undermine the energy efficiency objectives established in those previous cases by reducing the ability for hospitals to manage their energy costs.

D. Tariff Sheet No. 10, Emergency and Auxiliary Service

OHA supports Staff's conclusion that DP&L failed to provide sufficient studies pertinent to emergency and auxiliary service, supporting why the Company should be allowed to impose a charge at the same rate as the standard kW tariff rate. (Staff Report at 25.) OHA further agrees with Staff that, at a minimum, the Company's proposal should be adjusted downward to reflect a reduction in charges to the extent that the proposed kW rate reflects duplicative charges, such as

administrative and operation and maintenance expenses. However, OHA objects to Staff's recommendation that DP&L be allowed to "demonstrate or provide evidence as to why recovery of these costs should be duplicated through the kW rate...." (*Id.*) DP&L, as the applicant in this case, was required to provide evidence supporting its revision to Tariff Sheet D10. According to the Staff Report, DP&L failed to submit evidence that demonstrates why it is entitled to duplicate continuous demand-related related costs. OHA objects to the Staff Report to the extent the Staff is leaving the door open for DP&L to present additional support for its proposed emergency and auxiliary service charges. Any such evidence should have been included as part of DP&L's Application.

Further, OHA objects to Staff's recommendation that "the final kilowatt rate should be based upon the Commission-approved revenue requirement associated with serving secondary and primary customers." (*Id.*) As discussed above, OHA objects to Staff's departure from the COSS and proposed increases in revenue for Primary Service customers.

Respectfully submitted on behalf of
THE OHIO HOSPITAL ASSOCIATION



Matthew W. Warnock
Dylan F. Borchers
Devin D. Parram
BRICKER & ECKLER LLP
100 South Third Street
Columbus, OH 43215-4291
Telephone: (614) 227-2300
Facsimile: (614) 227-2390
E-mail: mwarnock@bricker.com
dborchers@bricker.com
dparram@bricker.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Objections to Staff Report was served upon the parties of record listed below this 11th day of April 2018 *via* electronic mail.



Devin D. Parram

michael.schuler@aes.com
jsharkey@ficlaw.com
djireland@ficlaw.com
chollon@ficlaw.com
thomas.mcnamee@ohioattorneygeneral.gov
natalia.messenger@ohioattorneygeneral.gov
christopher.healey@occ.ohio.gov
terry.etter@occ.ohio.gov
fdarr@mwncmh.com
mpritchard@mwncmh.com
sechler@carpenterlipps.com
paul@carpenterlipps.com
dboehm@BKLawfirm.com
mkurtz@BKLawfirm.com
kboehm@BKLawfirm.com
jkylereohn@BKLawfirm.com
bojko@carpenterlipps.com
dressel@carpenterlipps.com
mfleisher@elpc.org
kfield@elpc.org
thawrot@spilmanlaw.com
rkelter@elpc.org
jvickers@elpc.org
slesser@calfee.com
jlang@calfee.com
talexander@calfee.com

stephanie.chmiel@thompsonhine.com
dwilliamson@spilmanlaw.com
charris@spilmanlaw.com
stephen.chriss@walmart.com
greg.tillman@walmart.com
joliker@igsenergy.com
mnugent@igsenergy.com
John.Degnan@us.afmil
Thomas.Jernigan@us.af.mil
Ebony.Payton.ctr@us.af.mil
ejacobs@ablelaw.org
jdoll@djflawfirm.com
mrcrawford@djflawfirm.com
mjsettineri@vorys.com
glpetrucci@vorys.com
witt@whitt-sturtevanat.com
campbell@whitt-sturtevanat.com
glover@whitt-sturtevanat.com
tdougherty@theoec.org
mleppla@theoec.org
jfinnigan@edf.com
rdove@attorneydove.com
swilliams@nrdc.org
cmooney@ohiopartners.org

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Summary: Objection of The Ohio Hospital Association to the Staff Report of Investigation electronically filed by Teresa Orahood on behalf of Dylan F. Borchers