

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION  
OF THE DAYTON POWER AND LIGHT  
COMPANY TO UPDATE ITS ECONOMIC  
DEVELOPMENT RIDER.

CASE NO. 18-374-EL-RDR

### FINDING AND ORDER

Entered in the Journal on April 25, 2018

#### I. SUMMARY

{¶ 1} The Commission finds that the Dayton Power & Light Company's application to update its economic development rider should be approved.

#### II. DISCUSSION

{¶ 2} The Dayton Power & Light Company (DP&L or the Company) is a public utility, an electric light company, and an electric distribution utility as defined in R.C. 4905.02, R.C. 4905.03(C), and R.C. 4928.01(A)(6), respectively. Therefore, DP&L is subject to the jurisdiction of this Commission.

{¶ 3} Under R.C. 4905.31, a public utility may enter into a reasonable arrangement with one of its customers providing for "any other financial device that may be practicable or advantageous to the parties interested." R.C. 4905.31(E). Additionally, in the case of an arrangement with an electric light company such as DP&L, that "other financial device may include a device to recover costs incurred in conjunction with any economic development and job retention program of the utility within its certified territory, including recovery of revenue foregone as a result of any such program \* \* \*." R.C. 4905.31(E). To that end, Ohio Adm.Code 4901:1-38-08 provides that an electric utility serving customers pursuant to an approved reasonable arrangement may apply for a rider for the recovery of certain costs associated with serving those customers. Such a

rider must be updated and reconciled, by application to the commission, on a semi-annual basis. Ohio Adm.Code 4901:1-38-08(A)(5).

{¶ 4} On June 3, 2011, DP&L filed an application in Case No. 11-3399-EL-AAM to modify its accounting procedures to defer costs associated with the implementation of any Commission-approved reasonable arrangements and to apply carrying charges on the unrecovered or over-recovered balances based upon the cost of debt as approved in DP&L's last rate proceeding. On August 12, 2011, DP&L filed an application in Case No. 11-4503-EL-RDR to update its economic development rider (EDR) pursuant to R.C. 4905.31(E) and Ohio Adm.Code 4901:1-38-08.<sup>1</sup> On October 26, 2011, the Commission approved both applications. *In re Dayton Power and Light Co.*, Case Nos. 11-3399-EL-AAM, 11-4503-EL-RDR, Finding and Order (Oct. 26, 2011). As required by Ohio Adm.Code 4901:1-38-08(A)(5), DP&L has filed applications to update and reconcile its EDR on a semi-annual basis.

{¶ 5} On October 20, 2017, the Commission approved, with modifications, DP&L's application for an electric security plan (ESP) under R.C. 4928.143. *In re the Application of Dayton Power and Light Co. to Establish a Std. Serv. Offer in the Form of an Electric Security Plan*, Case No. 16-395-EL-SSO, Opinion and Order (Oct. 20, 2017) (ESP Order). As part of the approved ESP, the Commission authorized DP&L to recover the costs of certain specified economic development incentives through its EDR. *ESP Order* at ¶ 14, 123.

{¶ 6} On March 15, 2018, DP&L filed its most recent application to update the EDR. In that application, DP&L represents that it currently has in place a single Commission-approved reasonable arrangement. DP&L additionally represents that, in

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<sup>1</sup> The application noted that the Commission had previously approved DP&L's implementation of an EDR in its most recent electric security plan proceeding, but the rider was initially set at zero. *In re Dayton Power and Light Co.*, Case No. 08-1094-EL-SSO, Opinion and Order (June 24, 2009).

the *ESP Order*, the Commission approved the recovery of the economic development incentives specified in Section IV of the Amended Stipulation pursuant to R.C. 4928.143(B)(2)(i). The Company further states that the schedules and workpapers necessary to update the rider are attached to the application. As demonstrated in one of the attachments, DP&L projects that the bill impact of the EDR rate for a typical residential customer using 1000 kilowatt hours (kWh) per month will be an increase of \$0.03 per month for the time period spanning May 2018 through October 2018. The Company maintains that the proposed rates in its updated EDR are just and reasonable and should be approved. The proposed tariffs reflect the following rate increase for residential customers:

Customer Class	Current Rate	Proposed Rate	Proposed Increase
Residential	\$0.0007609 per kWh	\$0.0007907 per kWh	\$0.00003 per kWh
Residential (1,000 kWh)	\$0.76 per bill	\$0.79 per bill	\$0.03 per bill

{¶ 7} On April 3, 2018, the Ohio Consumers' Counsel (OCC) filed a motion to intervene in this proceeding on behalf of DP&L's residential utility customers. OCC asserts that it is entitled to intervene under R.C. 4903.221 and Ohio Adm.Code 4901-1-11. The Commission finds that that OCC's motion to intervene is reasonable and should be granted.

{¶ 8} On April 4, 2018, OCC filed comments regarding DP&L's application. OCC contends that the EDR should include refund language to enable the Commission to recapture customer funds for charges later found to be imprudent, unreasonable, or unlawful. OCC notes that DP&L's proposed new tariff language offers to make the EDR subject to refund based on audits by the Commission, but characterizes the language as narrow and limiting. Specifically, OCC argues that the proposed language is ambiguous as to whether the EDR is subject to refund only if there is a prudence review through

audit versus any other determination that the charges were unlawful, imprudent, and/or unreasonable, such as one by the Supreme Court of Ohio. OCC submits that the Commission must guarantee customers are protected from unjust or unreasonable rates and, therefore, recommends that we add the following language to the EDR tariff: "Any charges collected from customers under this tariff that are later determined unlawful, unreasonable, or imprudent by the PUCO or Ohio Supreme Court is refundable to customers."

{¶ 9} On April 4, 2018, Staff filed a review and recommendation regarding DP&L's application to update its EDR. According to Staff, the Company proposes to recover \$2,824,888 in costs from May 2018 through October 2018. This includes \$3,219,486 of forecasted costs from May 2018 through October 2018 and \$394,598 of over-recovered costs through April 2018. Staff further notes that the Company has proposed EDR tariff language to clarify that the EDR is subject to reconciliation, including but not limited to customer refunds, based upon the results of Commission audits. Based on its investigation, Staff concludes that DP&L's proposed EDR rates reflect the current and projected costs resulting from reasonable arrangements approved by the Commission. Staff recommends approval of the application, as well as the Company's proposed new tariff language, with rates to become effective on a bills-rendered basis with DP&L's first billing cycle for May 2018.

{¶ 10} The Commission finds that DP&L's application to update its EDR is consistent with R.C. 4905.31(E) and Ohio Adm.Code 4901:1-38-08, does not appear to be unjust or unreasonable, and should be accepted. With respect to OCC's comments, we note that DP&L has amended its tariffs to explicitly clarify that the EDR is subject to reconciliation and adjustment, including, but not limited to, refunds to customers, based upon the results of Commission audits. This clarification should address any concerns resulting from the Supreme Court of Ohio's recent decision in *In re Rev. of Alternative Energy Rider Contained in Tariffs of Ohio Edison Co.*, Slip Opinion No. 2018-Ohio-229.

Accordingly, we find that OCC's remaining comments and recommendations are beyond the scope of this proceeding. Additionally, the Commission finds that it is unnecessary to hold a hearing in this matter. The Commission finds that DP&L's updated EDR should become effective on a bills-rendered basis on May 1, 2018.

### III. ORDER

{¶ 11} It is, therefore,

{¶ 12} ORDERED, That OCC's motion to intervene is granted. It is, further,

{¶ 13} ORDERED, That DP&L's application be approved and DP&L be authorized to adjust the rates for its EDR, in accordance with Paragraph 10. It is, further,

{¶ 14} ORDERED, That DP&L be authorized to file two complete copies of tariffs in final form consistent with this Finding and Order. DP&L shall file one copy in this case docket and one copy in its TRF docket. It is, further,

{¶ 15} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

{¶ 16} ORDERED, That DP&L shall notify customers via a bill message or bill insert within 30 days of the effective date of the tariffs. Additionally, DP&L shall submit a copy of the customer notice to the Commission's Service Monitoring and Enforcement Department prior to its distribution to customers. It is, further,

{¶ 17} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 18} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



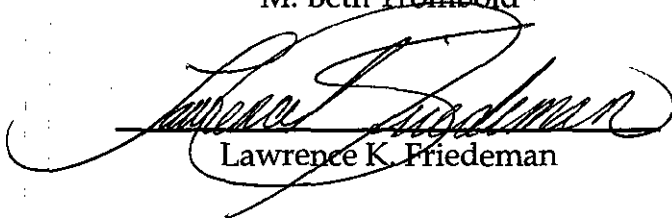
Asim Z. Haque, Chairman



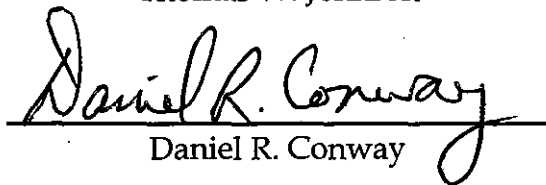
M. Beth Trombold



Thomas W. Johnson



Lawrence K. Friedeman

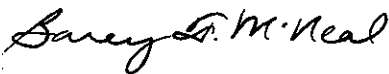


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Secretary