

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION
OF THE DAYTON POWER AND
LIGHT COMPANY TO UPDATE ITS
TRANSMISSION COST RECOVERY
RIDER-NONBYPASSABLE.

CASE No. 18-447-EL-RDR

FINDING AND ORDER

Entered in the Journal on May 23, 2018

I. SUMMARY

{¶ 1} The Commission approves the application filed by The Dayton Power and Light Company to update its transmission cost recovery rider-nonbypassable.

II. DISCUSSION

{¶ 2} The Dayton Power and Light Company (DP&L or the Company) is an electric distribution utility as defined in R.C. 4928.01(A)(6), and a public utility as defined in 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 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} The Commission initially approved DP&L's transmission cost recovery rider (TCRR) by Finding and Orders issued on May 27, 2009, and November 18, 2009. *In re The Dayton Power and Light Co.*, Case No. 09-256-EL-UNC, Finding and Order (May 27, 2009); *In re The Dayton Power and Light Co.*, Case No. 09-256-EL-UNC, Second Finding and Order (November 18, 2009). On September 4, 2013, the Commission issued its Opinion

and Order approving DP&L's proposed second ESP, with modification, which included an application to bifurcate the TCRR into separate riders based on their bypassability. This resulted in the creation of the transmission cost recovery rider-nonbypassable (TCRR-N) and the transmission cost recovery rider-bypassable (TCRR-B). TCRR-N permits DP&L to recover transmission-related costs imposed on the Company. *In re The Dayton Power and Light Co.*, Case No. 12-426-EL-SSO (*ESP II Case*), et al., Opinion and Order (September 4, 2013) at 36.

{¶ 5} Thereafter, 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.*, 147 Ohio St.3d 166, 2016-Ohio-3490. Subsequently, on August 26, 2016, in the *ESP II Case*, the Commission modified DP&L's second ESP pursuant to the Court's directive and granted DP&L's application to withdraw the second ESP, thereby terminating it. By Finding and Order issued on August 26, 2016, the Commission granted DP&L's application to implement the provisions, terms and conditions of its most recent SSO, pursuant to R.C. 4928.143(C)(2)(b). Although TCRR-N was not a part of the previous SSO, the Commission found that TCRR-N should continue. *In re The Dayton Power and Light Co.*, Case No. 08-1094-EL-SSO, et al., Finding and Order (August 26, 2016) at ¶ 24.

{¶ 6} 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*). Subsequently, on October 20, 2017, the Commission approved DP&L's proposed third ESP. As part of the approval of the third ESP, the Commission approved the continuation of TCRR-N. *ESP III Case*, Opinion and Order (October 20, 2017) at 12.

{¶ 7} On March 15, 2018, DP&L filed an application to amend its tariffs to update Rider TCRR-N, pursuant to R.C. 4928.05(A)(2) and Ohio Adm.Code 4901:1-36-03(B). In

its application to update the TCRR-N, DP&L notes that the application includes recovery of costs associated with the Consumer Advocates of the PJM States, Inc. DP&L further asserts that its revenue requirement remained substantially unchanged from the previous year's filing. Accordingly, DP&L requests that the updated rates be made effective on a bills-rendered beginning on June 1, 2018. On April 13, 2018, DP&L filed revised tariff language to clarify that Rider TCRR-N is subject to refund in certain, specified, circumstances.

{¶ 8} On May 15, 2018, Staff filed its Staff Review and Recommendations regarding DP&L's application to update its TCRR-N. According to Staff, it reviewed the application to ensure DP&L's policies and practices comport with sound ratemaking principles and that the request is just and reasonable. Accordingly, Staff recommends that the Commission approve DP&L's application on a bills-rendered basis beginning on June 1, 2018. Staff notes that DP&L's application will result in an increase to customers' bills, as demonstrated below:

Customer Class	Current Rate	Proposed Rate	Proposed Increase
Residential	\$0.0057607 per kWh	\$0.0058807 per kWh	\$0.00012 per kWh
Residential (1,000 kWh)	\$5.76 per bill	\$5.88 per bill	\$0.12 per bill

{¶ 9} Upon review of DP&L's application to update its TCRR-N and Staff's Review and Recommendations, the Commission finds that DP&L's application to update TCRR-N is consistent with the *ESP III Case*, does not appear to be unjust or unreasonable and should be approved, effective June 1, 2018. Further, the Commission finds that it is not necessary to hold a hearing in this matter.

{¶ 10} On April 3, 2018, the Ohio Consumers' Counsel (OCC) filed a motion to intervene in this proceeding. No party filed a memorandum contra the motion to

intervene. The Commission finds that the motion to intervene is reasonable and should be granted.

III. ORDER

{¶ 11} It is, therefore,

{¶ 12} ORDERED, That DP&L's application to update the TCRR-N be approved. It is, further,

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

{¶ 14} ORDERED, That DP&L is authorized to file tariffs, in final form, consistent with this Finding and Order. DP&L shall file one copy in this 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 all effected customers via a bill message or via a bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division. It is, further,

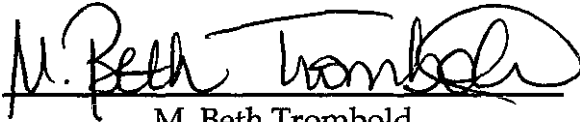
{¶ 17} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rules, or regulation. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

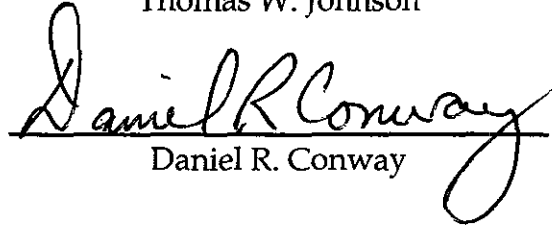


Asim Z. Haque, Chairman



M. Beth Trombold

Thomas W. Johnson



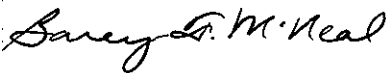
Daniel R. Conway

Lawrence K. Friedeman

GAP/sc

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Barcy F. McNeal
Secretary