

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY TO UPDATE ITS REGULATORY
COMPLIANCE RIDER.

CASE NO. 18-1309-EL-RDR

FINDING AND ORDER

Entered in the Journal on October 31, 2018

I. SUMMARY

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

II. DISCUSSION

{¶ 2} The Dayton Power and Light Company (DP&L or the Company) is a public utility and an electric distribution utility as defined under R.C. 4905.02 and R.C. 4928.01, respectively. Therefore, DP&L is subject to this Commission's jurisdiction.

{¶ 3} R.C. 4928.141 mandates that an electric distribution utility shall provide a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric service, including a firm supply of electric generation service, to all consumers within its certified territory. The SSO may be established as a market rate offer under R.C. 4928.142 or an electric security plan (ESP) under R.C. 4928.143.

{¶ 4} On October 20, 2017, the Commission approved, with modifications, DP&L's application for an ESP. *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 III Order*). As part of the approved ESP, the Commission authorized DP&L to implement a nonbypassable regulatory compliance rider (RCR) to recover the following five separate deferral balances: (1) Consumer Education Campaign costs; (2) Retail Settlement System costs; (3) Green Pricing Program

costs; (4) Generation Separation costs; and (5) Bill Format Redesign costs. DP&L may also recover costs associated with supplier consolidated billing provisions through the RCR, provided that the amount recovered through the RCR does not exceed the \$10 million cap set forth in Case No. 13-2420-EL-UNC. *ESP Order III* at ¶ 14, 130.

{¶ 5} On August 31, 2018, DP&L filed an application to update the RCR to update Consumer Education Campaign costs, Retail Settlement System costs, Green Pricing Program costs, Generation Separation costs, and Bill Format Redesign costs, as authorized by the *ESP III Order*. Subsequently, on October 10, 2018, the Company amended its application in order to modify the tariff language to state that the RCR is subject to reconciliation, including, but not limited to, refunds to customers, based upon the results of audits as approved and ordered by the Commission.

{¶ 6} On October 12, 2018, Staff filed a review and recommendation regarding DP&L's application to update RCR. Staff explains that DP&L seeks to continue recovery of the deferred balances associated with the following: (1) Customer Education Campaign costs; (2) Retail Settlement Systems costs; (3) Green Pricing Program costs; (4) Generation Separation costs; and (5) Bill Format Redesign costs. Staff asserts that the costs associated with Customer Education, Retail Settlements, Green Pricing, and Bill Format Redesign were fixed as of the time of the *ESP III Order*. Further, Staff states that the additional costs associated with Generation Separation have been included for recovery. After review, Staff avers that the remaining deferral balances, amortization schedule, and rate development proposed by the Company appear to be in conformance with the Commission's *ESP III Order*. Further, after review of the underlying support for the additional Generation Separation expenses incurred from November 2017 through May 2018, Staff determined that \$4,239.00 should be removed from the RCR recovery; all other expenditures are appropriate for recovery in the RCR. Staff also reviewed the tariff language proposed for adoption in the RCR tariff and found that it is in conformance with prior Commission directives. Based on its investigation, Staff finds the expenses,

calculations, and resulting rates proposed by DP&L in its application to be in conformance with the *ESP III Order*, and, therefore, recommends the application be approved, subject to the Generation Separation expense adjustment of \$4,239.00.

{¶ 7} Also on October 12, 2018, the Ohio Consumers' Counsel (OCC) moved to intervene in this proceeding. In support of its motion, OCC asserts that it is the state agency that represents Ohio's residential utility consumers and that it seeks intervention to protect the interests of DP&L's residential utility customers. OCC adds that it satisfies the intervention standard in R.C. 4903.221 because the interest of Ohio's residential customers may be "adversely affected" by this case. OCC avers that its role as a residential utility consumer advocate complies with the standards set forth in Ohio Adm.Code 4901-1-11(A)(2), which require that a party must have a real and substantial interest in a proceeding to intervene. Further, OCC asserts that the Supreme Court of Ohio has confirmed OCC's right to intervene. *See Ohio Consumers' Counsel v. Pub. Util. Comm.*, 111 Ohio St.3d 384, 2006-Ohio-5853, ¶ 13-20. No memoranda contra OCC's motion to intervene were filed.

III. CONCLUSION

{¶ 8} As an initial matter, the Commission finds that OCC has satisfied the intervention requirements set forth in R.C. 4903.221 and Ohio Adm.Code 4901-1-11. Accordingly, the Commission finds that OCC's motion to intervene is reasonable and should be granted.

{¶ 9} The Commission further finds that DP&L's application to update its RCR is consistent with the *ESP III Order*, does not appear to be unjust or unreasonable and should be accepted, subject to the Generation Separation expense adjustment of \$4,239.00. Additionally, the Commission finds that it is unnecessary to hold a hearing in this matter. The Commission finds that DP&L's updated RCR should become effective on a bills-rendered basis beginning on November 1, 2018.

IV. ORDER

{¶ 10} It is, therefore,

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

{¶ 12} ORDERED, That DP&L's application be approved, and DP&L be authorized to adjust the rates for its RCR, in accordance with Paragraph 9. It is, further,

{¶ 13} 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,

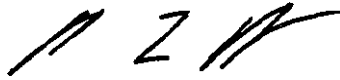
{¶ 14} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

{¶ 15} 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,

{¶ 16} 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,

{¶ 17} 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



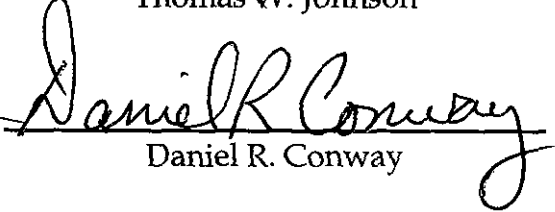
M. Beth Trombold



Thomas W. Johnson



Lawrence K. Friedeman

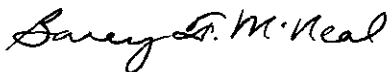


Daniel R. Conway

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Secretary