

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY FOR AUTHORITY TO RECOVER
CERTAIN STORM-RELATED SERVICE
RESTORATION COSTS.

CASE NO. 18-77-EL-RDR

FINDING AND ORDER

Entered in the Journal on December 19, 2018

I. SUMMARY

{¶ 1} The Commission finds that the Dayton Power and Light Company's application for authority to recover certain storm-related restoration costs should be approved, subject to Staff's recommended adjustments.

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} As part of DP&L's most recent ESP proceeding, the Commission approved a nonbypassable Storm Cost Recovery Rider (SCRR). *In re the Dayton Power and Light Co.*, Case No. 16-395-EL-SSO, Opinion and Order (Oct. 20, 2017) (ESP III Order). The SCRR is used as a placeholder for DP&L to file an application to recover the prudently incurred costs from major storms and allows the Company to recover all operating and maintenance (O&M) expenses incurred from storms that are determined to be "Major Events" as defined by Ohio Adm.Code 4901:1-10-01. Pursuant to the Commission's ESP III Order, prior to the resolution

of the Company's then-pending rate case (Case No. 15-1830-EL-AIR, et al.), storm cost recovery would be offset by the three-year average of major storm repair expense, less any outlier storms.

{¶ 5} In Case No. 16-2464-EL-AAM, DP&L requested authority to defer major storm expenses beginning January 2016 through the resolution of the Company's rate case. By Finding and Order issued May 3, 2017, the Commission modified and approved the Company's application, integrating Staff's recommendation that only the known storms that occurred in 2016 should be considered; any storm occurring in 2017 would be considered separately in a future case. *In re Dayton Power and Light Co.*, Case No. 16-2464-EL-AAM, Finding and Order (May 3, 2017).

{¶ 6} On February 2, 2018, DP&L filed an application to recover the deferred 2016 storm-related O&M expenses through the SCRR. The application seeks to recover the O&M expenses, as well as carrying charges at the last approved cost of debt accrued from the point of deferral until recovery begins, for three qualifying weather events in 2016, less the three-year average of major storm repair expense and straight-time labor portion of mutual assistance revenues that were received for storm repair done in other markets. DP&L proposes a total SCRR revenue requirement of \$1,768,591 to be allocated across the Company's different rate classes and recovered over a 12-month period.

{¶ 7} On March 22, 2018, Ohio Consumers' Counsel (OCC) filed a motion to intervene on behalf of DP&L's residential customers.

{¶ 8} On July 26, 2018, Staff filed a review and recommendation regarding DP&L's application. Staff examined the as-filed schedules for consistency with previous storm rider cases to ensure proper accounting and regulatory treatment was applied. Staff conducted an audit, consisting of a review of the financial statements for completeness, occurrence, presentation, valuation, allocation, and accuracy, through document review, interviews, and interrogatories. Staff found that DP&L appropriately included in the SCRR only those

restoration costs incurred due to major storms in Ohio, with the exception of adjustments totaling \$63,371 for expenses relating to meals, labor, stock issuance, stock returns, and stores handling. Staff recommends that the SCRR be approved subject to its recommended adjustments, which reduces the major storm expense for 2016 by \$63,371. Per Staff's recommendation, the adjusted expenses reduces the annual revenue requirement to \$1,705,219, which in turn reduces the monthly billed amount for residential customers to \$0.20 from \$0.21 and the amount for non-residential customers to \$0.81 from \$0.84. The rate for private outdoor lighting remains unchanged at \$0.06.

{¶ 9} By Entry dated October 3, 2018, the attorney examiner issued a procedural schedule to assist the Commission in our review of the SCRR. In addition to setting an October 26, 2018 deadline for filing motions to intervene, the Entry sought comments from interested parties by November 2, 2018, and reply comments by November 16, 2018. The Entry also granted OCC's March 22, 2018 motion to intervene.

{¶ 10} On November 2, 2018, DP&L filed comments. The Company relays that it does not oppose Staff's recommended downward adjustment of \$63,371. OCC did not file any comments, nor did any other entity seek intervention or comment on DP&L's application.

III. CONCLUSION

{¶ 11} The Commission finds that DP&L's application to recover storm-related O&M expenses deferred from the 2016 test year through its SCRR is consistent with our ESP III Order, does not appear to be unjust or unreasonable, and should be approved subjected to Staff's recommended downward adjustment of \$63,371.

IV. ORDER

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That DP&L's application be approved subject to Staff's recommended adjustments. 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,

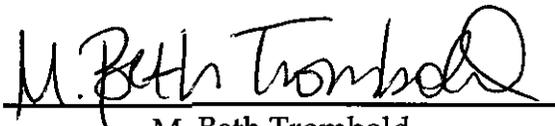
{¶ 17} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

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

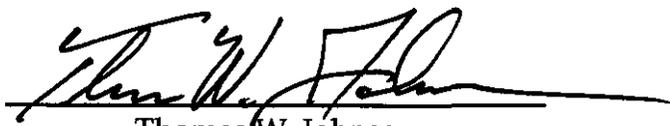
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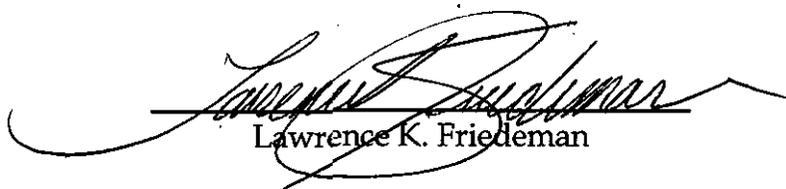
Asim Z. Haque, Chairman



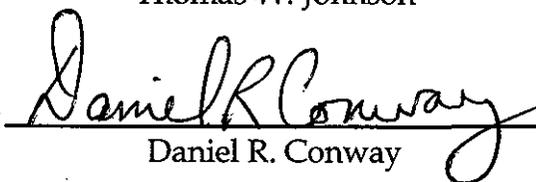
M. Beth Trombold



Thomas W. Johnson



Lawrence K. Friedeman

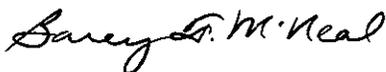


Daniel R. Conway

PAS/hac

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Barcy F. McNeal
Secretary