

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. 19-569-EL-RDR

FINDING AND ORDER

Entered in the Journal on April 24, 2019

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 "such 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 4901:1-38-08.¹ 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 III 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 III Order* at ¶ 14, 123.

{¶ 6} On March 15, 2019, DP&L filed its most recent application to update the EDR. In its application, DP&L represents that it currently has in place a single Commission-approved reasonable arrangement. DP&L additionally represents that, in 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 work papers 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 \$0.23 per month for the period spanning May 2019 through

¹ 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).

October 2019. The Company maintains that the proposed rates in its updated EDR are just and reasonable and should be approved. The Company avers that the EDR 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. The proposed tariffs reflect the following rate increase for residential customers:

Customer Class	Current Rate	Proposed Rate	Proposed Increase
Residential	\$0.0006830 per kWh	\$0.0009129 per kWh	\$0.0002299 per kWh
Residential (1,000 kWh)	\$0.68 per bill	\$0.91 per bill	\$0.23 per bill

{¶ 7} On April 3, 2019, Ohio Energy Group (OEG) filed a motion to intervene. In its supporting memorandum, OEG asserts that it is a non-profit entity organized to represent the interests of large industrial customers in relevant regulatory proceedings before the Commission. The memorandum identifies three member companies who purchase electric distribution services from DP&L and whose interests may be directly affected by the outcome of this proceeding. On behalf of member-companies, OEG seeks to intervene to play a constructive role in the case and provide information that will assist the commission. OEG states it has a real and substantial interest in this proceeding that no other party can adequately represent, that intervention would not cause undue delay or unjustly prejudice any existing party, and that it is otherwise entitled to intervene under R.C. 4903.221 and Ohio Adm.Code 4901-1-11.

{¶ 8} On April 3, 2019, Staff filed a review and recommendation regarding DP&L's application to update its EDR. According to Staff, the Company proposes to recover \$3,258,366 in costs from May 2019 through October 2019. The proposed rate includes \$3,492,910 of forecasted costs from May 2019 through October 2019 and \$234,544 of over-recovered costs as of February 2019. Based on its investigation, Staff concludes that DP&L's proposed EDR rates reflect the current and projected costs resulting from reasonable

arrangements and economic development incentives approved by the Commission. Staff recommends approval of the application with rates to become effective on a bills-rendered basis with DP&L's first billing cycle for May 2019.

III. CONCLUSION

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

{¶ 10} The Commission further 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. 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 for May 2019.

IV. ORDER

{¶ 11} It is, therefore,

{¶ 12} ORDERED, That OEG's motion to intervene be 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,

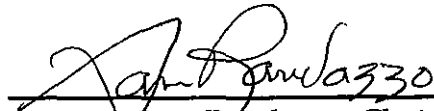
{¶ 15} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

{¶ 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,

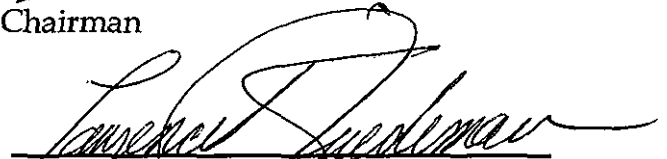
{¶ 17} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

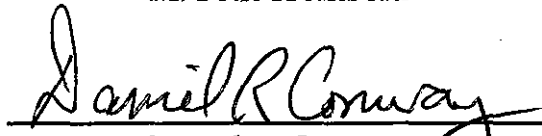
{¶ 18} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

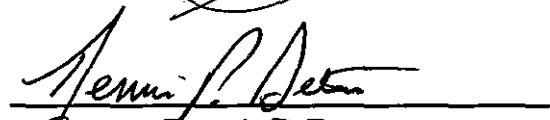
THE PUBLIC UTILITIES COMMISSION OF OHIO


Sam Randazzo, Chairman


M. Beth Trombold


Lawrence K. Friedeman

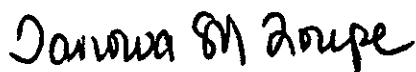

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Secretary