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May 14, 2019

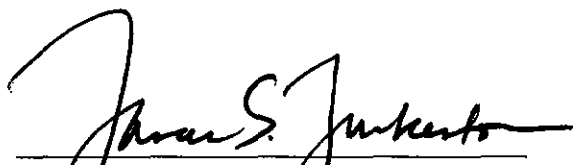
Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
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RE: *In the Matter of the Application of Dayton Power and Light Company (DP&L), to
Update its Transmission Cost Recovery Rider – Non-bypassable (TCRR-N), Case No.
19-577-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the
application filed by DP&L to update its TCRR-N in Case No. 19-577-EL-RDR.


Tamara S. Turkenton
Director, Rates and Analysis Dept.
Public Utilities Commission of Ohio


David Lipthrott
Chief, Research and Policy Division
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

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**Dayton Power and Light Company
Case No. 19-577-EL-RDR (TCRR-N)**

Overview

Pursuant to the Commission's Opinion & Order approved on September 4, 2013, in Case No. 12-426-EL-SSO, et al., the Dayton Power and Light Company (DP&L or Company) was authorized to separate its Transmission Cost Recovery Rider (TCRR) into a market based bypassable rider (TCRR-B) and a non-market based rider (TCRR-N). On October 20, 2017 in Case No. 16-395-EL-SSO, the Commission authorized DP&L to amend the TCRR-N and establish a pilot program, which allows certain customers to opt out of the TCRR-N and purchase transmission services directly from the regional transmission operator. On March 15, 2019, DP&L filed the annual update of its TCRR-N. On May 9, 2019, DP&L filed an amended application to capture various corrections.

Staff Review

Staff completed its review of DP&L's filings. Staff conducted this audit through a combination of document review, interview, and interrogatories. Staff requested documentation as needed to determine that the costs were substantiated and jurisdictional or to conclude that an adjustment was warranted. Staff confirmed that the Company appropriately recorded all necessary adjustments from Staff's review of Firm Point-to-Point (PTP) service in Case No. 18-447-EL-RDR.

During the course of its review, Staff identified several PJM Billing Line Item charges that were not properly reflected in the Company's March 15, 2019 filing. The Company's amended filing captures these corrections and results in a reduction of \$2,578,306 to the Company's revenue requirement. Staff also notes that the proposed rates reflect PJM Customer Default charges associated with Greenhat Energy's default on its Financial Transmission Rights obligations.

Pursuant to the Commission's Order in Case No. 16-395-EL-SSO, DP&L established a TCRR-N pilot program. Currently, four customers are enrolled in the pilot program. Customers served under the pilot program are billed directly by PJM or their Competitive Retail Electric Service (CRES) provider and are no longer subject to the TCRR-N rider rates. This allows the customer or their CRES to be billed directly for certain costs such as NITS based on the customer's specific Network Service Peak Load (NSPL), as opposed to the customer being billed by the utility under the TCRR-N rider based on their monthly metered billing demand. This provides an opportunity for these customers to control their transmission related costs by controlling their NSPL.

Conclusion

Staff recommends that the amended application filed May 9, 2019 be approved and become effective on a bills rendered basis beginning on June 1, 2019. The proposed rate for residential customers decreases from \$0.0030476 to \$0.0016934 per kWh, which represents a \$1.35 decrease per month for a residential customer using 1,000 kWh.