BEFORE
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. 19-0662-EL-RDR

COMMENTS
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

The Dayton Power and Light Company ("DP&L" or "Utility) charges consumers for operations and maintenance expenses associated with restoration of electric service following major storm events through a Storm Cost Recovery Rider ("Storm Charge"). In this case, DP&L proposes to charge consumers for two of the four major event storms that occurred in 2018.[1]

DP&L claims to have incurred $5,225,535 in expenses, plus $160,383 in interest (carrying charges), for a total of $5,385,918 for restoration of electric service for consumers who suffered service interruptions caused by those two storms in 2018 – resulting in a fixed charge of $0.67 per month for the average residential customer.[2] But because DP&L only proposes to collect expenses for two of the four major storms that occurred in 2018, this is not the total amount customers could ultimately pay for DP&L's 2018 storm restoration efforts.

The PUCO Staff reviewed DP&L's proposal and recommended that DP&L's major storm expenses from those two storms in 2018 be lowered by $146,598 – reducing the charge to residential customers from $0.67 to $0.65 per month. The Office of the

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[1] Application at 2-3.

[2] Amended Application at 4, Schedule C-1, WPA-1; Staff Report at 3.

Ohio Consumers' Counsel ("OCC") supports the PUCO Staff's adjustment and appreciates the opportunity to provide comments to the Public Utilities Commission of Ohio ("PUCO") on behalf of DP&L's approximately 465,000 residential consumers.

I. RECOMMENDATIONS

A. To protect consumers, the PUCO should prohibit DP&L from charging customers interest for the storms that occurred in December 2018.

DP&L proposes to charge customers to collect expenses for just two of the four major storms that occurred in 2018. Two other major storms occurred in DP&L's service territory on December 27, 2018 and December 31, 2018. DP&L claims that it will include the O&M expenses (plus interest) associated with these two storms with its application for collection of 2019 storm expenses from consumers.[3] But if DP&L intends, in a later (2019) case, to charge customers for expenses associated with the December 2018 major storms, then it should collect those 2018 charges without interest. DP&L should have included the costs from the December 2018 storms in its initial or amended application. Even if DP&L did not have "sufficient time for the necessary accounting and reporting" as noted by Staff in its Staff Report, DP&L filed its amended application on July 26, 2019 – plenty of time after the storms for DP&L to complete the necessary accounting and reporting for those December storms.[4] But instead of seeking to collect its expenses from customers for these storms in a timely manner, DP&L proposes to defer those costs and make consumers pay interest on those deferred amounts. Consumers should not be burdened with additional charges as a result of DP&L's delay.

[3] *Id.*; *See* Staff Report at ¶2.

[4] *Id.*; *See* Staff Report at ¶2.

The December 27, 2018 storm disrupted service to 8,964 customers for a total duration of 2,249,400 customer interrupted minutes.[5] The December 31, 2018 storm disrupted service to 9,822 customers for a total duration of 2,485,308 customer interrupted minutes.[6] Deferring the expenses of these storms for future collection from customers only costs consumers more because they have to pay additional interest charges.[7] To the extent that the expenses for each of these storms could have an impact on rates, DP&L should include these expenses in the current year Storm Charge (if at all) rather than deferring them for future collection and requiring customers to pay the unnecessary and additional interest charges.

B. The PUCO should adopt the PUCO Staff's recommended adjustments to reduce the major storm expenses to be charged to consumers by $146,598.

The PUCO Staff reviewed DP&L's Amended Application and proposed total adjustments of $146,598. The PUCO Staff's proposed adjustments included each of the following:

Category	Description	Adjustment
Meals	Disallowed snacks and meals for employees who were not on travel status.	$6,560
Labor	Limits collections through the Storm Charge to only the incremental labor that exceeds the amount collected in base rates.	$126,908
Stock Issuance	Limits collection to only those transactions where sufficient documentation exists to support the materials and supplies used in the storm recovery effort.	$10,683
Stores Handling	Updates adjustment factors to properly reflect expenses associated with stores handling.	$2,447

[5] Case 19-0995-EL-ESS, (April 1, 2019) at 3.

[6] *Id*.

[7] OCC has pending discovery requests due on September 9, 2019 seeking the expenses associated with both the December 27, 2018 and December 31, 2018 storms.

The PUCO should adopt the PUCO Staff's recommendation to reduce the charges to consumers for 2018 storm expenses by $146,598 – reducing the charge to residential customers from $0.67 to $0.65 per month. Consumers should not be required to pay the meal, labor, stock, and stores handling expenses identified by the PUCO Staff. To protect consumers from being overcharged, the PUCO should adopt the PUCO Staff's recommended disallowances.

C. Because DP&L collects major storm restoration costs from consumers on an expedited basis, the PUCO should require DP&L to publicly report its methodology for determining whether a storm qualifies as a major event storm.

Customer interruptions and the duration of the interruptions during major event storms are excluded from the reliability performance measures used to determine if a utility complied with its minimum reliability standards. In its Annual Report, DP&L reported a major event storm that occurred on April 3, 2018 resulting in 11,125 total customer interruptions and 2,186,876 customer interruption minutes.[8] It does not appear that DP&L incurred any additional costs because of this supposed major event, and DP&L has not proposed to charge customers for the cost of this storm.[9] However, if the storm was a major event storm, then DP&L should provide additional information regarding this storm.[10] On the other hand, if this storm was not a major event storm, then it should be included in DP&L's reporting for customer interruptions and duration of interruptions to determine if the utility complied with its minimum reliability standards. Both consumers and the PUCO Staff would benefit from the PUCO requiring DP&L to publicly report its methodology for determining whether storms qualify as major event

[8] *In re the Annual Report*, Case No. 19-995-EL-ESS (April 1, 2019) at 3.

[9] Application, WPA-1, Page 1 of 1.

[10] OCC has served discovery on DP&L regarding major event day calculations.

storms. This would also ensure that there is consistency in what storms DP&L is including/excluding in its reliability performance reporting.

II. CONCLUSION

To protect consumers, the PUCO should prohibit DP&L from charging customers interest on 2018 storm expenses that DP&L chose to defer for future collection in 2019 (or after). DP&L could have included the expenses for the December 2018 storms in its initial application filed on April 1, 2019. But even if DP&L needed additional "time for the necessary accounting and reporting,"[11] the expenses for these storms could have been included in DP&L's amended application filed on July 26, 2018. Further, the PUCO should adopt the PUCO Staff's proposed adjustments to DP&L's proposed 2018 storm costs and should require DP&L to publicly report its methodology for determining whether a storm qualifies as a major event storm.

Respectfully submitted,

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[11] Staff Report at ¶2.

CERTIFICATE OF SERVICE

I hereby certify that a copy of these Comments were served on the persons stated below via electronic transmission, this 6th day of September 2019.

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The PUCO's e-filing system will electronically serve notice of the filing of this document on the following parties:

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