

In the Matter of the Application of the Dayton)
Power and Light Company for Authority to Recover) Case No. 19-0662-EL-RDR
Certain Storm-Related Service Restoration Costs)

On April 1, 2019, the Dayton Power and Light Company (“DP&L” or “the Company”) filed an application seeking authority to recover certain 2018 storm-related service restoration O&M costs through its Storm Cost Recovery Rider (“SCRR”), Tariff No. D30. The Storm Cost Recovery Rider, as approved by the Commission in Case No. 16-395-EL-SSO (“ESP III”), permits DP&L to seek recovery of O&M expenses incurred for all storms that are determined to be “Major Events” as determined by Ohio Adm. Code 4901:1-10-01, as well as carrying charges at the last approved cost of debt accrued from the point of deferral until recovery begins. (Case No. 16-395-EL-SSO, Amended Stipulation and Recommendation (“ESP III Stipulation”) at p. 18 (March 14, 2017)). In this case, DP&L seeks recovery of costs associated with two out of the four storms that took place in 2018 – October 20, 2018 and November 15, 2018. DP&L did not include a request for cost recovery of the costs associated with the December 27, 2018 and December 31, 2018 storms (collectively referred to as “December 2018 storms”) in this case; instead, expressing an intent to include those costs in the 2019 SCRR filing. (*See*, Application at p. 3). On August 14, 2019, the Staff of the Public Utilities Commission of Ohio (“Staff”) filed its Review and Recommendation in this case (“Staff Report”) recommending certain

adjustments to the Company's Application. In accordance with the Attorney Examiner's procedural entry in this matter, the Office of the Ohio Consumers' Counsel ("OCC") filed Comments on September 6, 2019. DP&L files these Reply Comments in response to the OCC Comments.

II. COMMENTS

A. DP&L Should be Permitting to Continue to Defer Carrying Costs on the December 2018 Storms.

Although DP&L did not include costs associated with December 2018 storms in this case, DP&L is still entitled to recover carrying costs on those storms until recovery begins. OCC argues that DP&L should not be able to collect any carrying charges associated with the December 2018 storms. (Comments by the Office of the Ohio Consumers' Counsel ("OCC Comments"), at pp. 2-3 (Sept. 6, 2019)). The ESP III Stipulation, however, permits DP&L to recover "carrying charges at the last approved cost of debt . . . from the point of deferral until recovery begins." (ESP III Stipulation at p. 19). There is no requirement that the annual SCRR filings must include all major event storm costs from the prior year. In fact, DP&L made a conscious choice not to include the December 2018 storms in this filing and expressly explained that they would be included in the 2019 application. (*See*, Application at p. 3). This is because storm costs can often have a lag due to invoicing and then are subject to internal verification and accounting to ensure the Company is seeking accurate cost recovery in its SCRR filing. DP&L should not be penalized for exercising caution to ensure that customers were being charged for accurate storm costs through the SCRR. Moreover, this issue is more appropriately addressed when/if DP&L seeks recovery of the carrying charges associated with the December 2018 storm costs.

Alternatively, DP&L should still be allowed to recover carrying costs associated with the December 2018 storms through rate implementation in this case. OCC appears to suggest that DP&L should not be permitted to collect any carrying charges on the December 2018 storm costs because they were not included in this filing. (OCC Comments at p. 2). At a bare minimum, had the December 2018 storm costs been included in this filing, DP&L would have been permitted to collect carrying charges until recovery begins in this 2018 filing. DP&L should not be placed in worse position than what was approved in the ESP III Stipulation.

B. The Methodology for Determining Major Event Storms is Already Set Forth in the Ohio Administrative Code.

OCC also requests that DP&L should be required “publicly report its methodology for determining whether a storm qualifies as a major event storm.” (OCC Comments at p. 4). The methodology for determining major storms is already explained in publicly filed documents. Ohio Adm. Code 4901:1-10(C)(2) defines the methodology for determination of determining a “major event” in the definition of the phrase:

“Major event” encompasses any calendar day when an electric utility's system average interruption duration index (SAIDI) exceeds the major event day threshold using the methodology outlined in section 3.5 of standard 1366-2012 adopted by the institute of electrical and electronics engineers (IEEE) in ‘IEEE Guide for Electric Power Distribution Reliability Indices.’ The threshold will be calculated by determining the SAIDI associated with adding 2.5 standard deviations to the average of the natural logarithms of the electric utility's daily SAIDI performance during the most recent five-year period. The computation for a major event requires the exclusion of transmission outages. For purposes of this definition, the SAIDI shall be determined in accordance with paragraph (C)(3)(e)(iii) of rule 4901:1-10-11 of the Administrative Code.

This same language is also incorporated into the ESP III Stipulation establishing the SCRR. (See, ESP III Stipulation at p. 18). Thus, OCC is requesting relief that has already been provided. Nevertheless, to the extent OCC is referring to some other more detailed

explanation, that matter is better suited for another case. Afterall, OCC concedes that “DP&L has not proposed to charge customers for the cost of this storm,” ergo, it is not at issue in this matter. Such requests, if appropriate, are better left for the Annual Reports to which OCC references. (OCC Comments at p. 4).

III. CONCLUSION

DP&L appreciates the opportunity to provide the above comments and requests that the Commission refrain from disallowing carrying charges on the December 2018 storm costs or requiring DP&L to provide information that is already public.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on the persons stated below
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Summary: Reply Comments of The Dayton Power and Light Company electronically filed by
Carrie Inman on behalf of The Dayton Power and Light Company