

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
THE DAYTON POWER AND  
LIGHT COMPANY TO UPDATE  
ITS DISTRIBUTION MODERNIZATION  
RIDER.

CASE NO. 18-1388-EL-RDR

## FINDING AND ORDER

Entered in the Journal on October 23, 2019

### I. SUMMARY

{¶ 1} The Commission finds that the Dayton Power & Light Company's application to update its distribution modernization rider should be approved.

### 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} On October 20, 2017, the Commission approved, with modifications, DP&L's third application for an ESP. *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 (ESP III), Opinion and Order (Oct. 20, 2017). As part of the approved ESP, the Commission authorized DP&L to implement a distribution modernization rider (DMR) for the first three years of the ESP and, if approved by the Commission, the option of extending the DMR for an additional two years. *ESP III* at ¶ 14, 42-44, 100-101, 107-108, 111.

{¶ 5} Previously, on September 17, 2018, DP&L filed an application (2018 Application) to update the DMR pursuant to the Commission's Order in *ESP III*. In the 2018 Application, DP&L included new language clarifying that the DMR 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. On September 24, 2018, the Ohio Consumers' Counsel (OCC) moved to intervene; and, on October 3, 2018, Staff filed its review and recommendation regarding the 2018 Application. By Finding and Order issued October 24, 2018, the Commission approved DP&L's 2018 Application to update its DMR effective November 1, 2018. *In re Dayton Power and Light Co.*, Case No. 18-1388-EL-RDR, Finding and Order (Oct. 24, 2018). The October 24, 2018 Finding and Order also granted OCC's motion to intervene.

{¶ 6} On September 16, 2019, DP&L filed the instant application to update the DMR (2019 Application). The Company's 2019 Application contains both red-line and clean tariffs, as well as the information from *ESP III* on which the proposed DMR rates are based. DP&L requests that the proposed update to the DMR be made effective November 1, 2019.

{¶ 7} On September 26, 2019, Staff filed a review and recommendation regarding DP&L's 2019 Application. Preliminarily, Staff explains that the DMR is designed to recover \$105,000,000 annually and that the rates proposed to become effective November 1, 2019, shall be identical to the rates listed in Exhibit A of the Amended Stipulation and Recommendation (Amended Stipulation) filed on March 13, 2017, and approved by the Commission's Order in *ESP III*. Staff states that its investigation was ultimately designed to determine if the 2019 Application is just and reasonable and reports that the proposed DMR rates accurately reflect the intent of the Commission's Order in *ESP III*. Staff also notes that separate reviews will be conducted to ensure the DMR revenues are used in a manner consistent with the Amended Stipulation. Based on its investigation, Staff concludes that DP&L's proposed DMR rates should be approved and become effective on November 1, 2019.

### III. CONCLUSION

{¶ 8} The Commission finds that DP&L's 2019 Application to update its DMR is consistent with *ESP III*, 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 DMR should become effective on November 1, 2019.

### IV. ORDER

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That DP&L's 2019 Application be approved and the Company be authorized to adjust the rates for its DMR, in accordance with Paragraph 8. It is, further,

{¶ 11} 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,

{¶ 12} 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,

{¶ 13} 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,

{¶ 14} 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,

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

COMMISSIONERS:

*Approving:*

Sam Randazzo, Chairman

M. Beth Trombold

Daniel R. Conway

Dennis P. Deters

PAS/hac

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**Case No(s). 18-1388-EL-RDR**

Summary: Finding & Order that the Commission finds that the Dayton Power & Light Company's application to update its distribution modernization rider should be approved electronically filed by Docketing Staff on behalf of Docketing