

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REVIEW OF THE
RECONCILIATION RIDER OF THE
DAYTON POWER AND LIGHT COMPANY.

CASE NO. 20-165-EL-RDR

ENTRY

Entered in the Journal on March 11, 2020

I. SUMMARY

{¶ 1} The Commission selects Vantage Energy Consulting, LLC to conduct the audit services necessary to assist the Commission in the prudence and performance audit of the Dayton Power and Light Company's reconciliation rider for the period of November 1, 2018, through December 31, 2019.

II. DISCUSSION

{¶ 2} Dayton Power and Light Company (DP&L or the Company) is an electric distribution utility and a public utility as defined in R.C. 4928.01(A)(6) and R.C. 4905.02, respectively. As such, DP&L is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.141 provides that an electric distribution utility (EDU) shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 4} On February 22, 2016, as amended on October 11, 2016, DP&L filed an application for its third ESP (ESP III). On October 20, 2017, the Commission issued an Opinion and Order modifying and approving an amended stipulation and establishing ESP III with an effective date of November 1, 2017. *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 Case), Opinion and Order (Oct. 20, 2017). As part of the approved ESP III, the

Commission authorized DP&L to recover or credit the net proceeds of selling Ohio Valley Electric Corporation (OVEC) energy and capacity into the PJM Interconnection, LLC (PJM) marketplace and OVEC costs through a reconciliation rider. *ESP III Case*, Opinion and Order (Oct. 20, 2017) at ¶ 14, 63, 119. The reconciliation rider became effective as part of ESP III on November 1, 2017, and is subject to annual true-ups. *Id.*

{¶ 5} On September 14, 2018, in Case No. 18-1379-EL-RDR, DP&L filed an application to update the reconciliation rider. The application proposed increasing the rider rate for the typical residential customer using 1,000 kilowatt hours (kWh) by \$0.14 per month for the period spanning November 1, 2018, through October 31, 2019, and new tariff language clarifying that the reconciliation rider is subject to reconciliation, including refunds to customers, based upon the results of audits as approved and ordered by the Commission. Subsequent to a review and recommendation filed by Staff on October 8, 2018, the Commission issued a Finding and Order approving DP&L's application, with the updated rider rate being effective November 1, 2018. *In re The Dayton Power and Light Co.*, Case No. 18-1379-EL-RDR, Finding and Order (Oct. 24, 2018).

{¶ 6} In July 2019, the 133rd General Assembly passed Amended Substitute House Bill Number 6 (H.B. 6), which enacted R.C. 4928.148 effective October 22, 2019. Pursuant to the new statute, on January 1, 2020, any mechanism authorized by the Commission prior to October 22, 2019, for recovery of prudently incurred costs related to a legacy generation resource—including OVEC—shall be replaced by a nonbypassable rate mechanism established by the Commission for recovery of those costs through December 31, 2030, from customers of all EDUs in Ohio. DP&L's reconciliation rider is subject to the new legislation and, thus, was required to be replaced by the statute's prescribed mechanism.

{¶ 7} On September 16, 2019, in Case No. 19-1776-EL-RDR, DP&L filed an application to update its reconciliation rider. In light of H.B. 6, the Company's application sought to update the reconciliation rider for the period November 1, 2019, through December 31, 2019, only. After evaluating the application and a September 26, 2019 review

and recommendation by Staff, the Commission issued a Finding and Order approving the application to update the reconciliation rider rates effective November 1, 2019. *In re The Dayton Power and Light Co.*, Case No. 19-1776-EL-RDR, Finding and Order (Oct. 23, 2019).

{¶ 8} On November 21, 2019, the Commission established the new nonbypassable rate mechanism—the Legacy Generation Resource Rider (LGR Rider)—for recovery of legacy generation resource costs pursuant to R.C. 4928.148. *In the Matter of Establishing the Nonbypassable Recovery Mechanism for Net Legacy Generation Resource Costs Pursuant to R.C. 4928.148*, Case No. 19-1808-EL-UNC, Entry (Nov. 21, 2019). On December 27, 2019, DP&L filed new tariff sheets, which replaced the reconciliation rider with the LGR Rider, bearing an effective date of January 1, 2020.

{¶ 9} On January 29, 2020, the Commission issued an Entry directing Staff to issue a request for proposal (RFP) for audit services to assist in the prudency and performance audit of DP&L’s reconciliation rider for the period of November 1, 2018, through December 31, 2019.

{¶ 10} The proposals received in response to the RFP have been evaluated and, after consideration of the same, the Commission selects Vantage Energy Consulting, LLC (Vantage). The Commission finds that Vantage has the necessary experience to complete the required work.

{¶ 11} DP&L shall enter into a contract with Vantage by March 30, 2020, for the purpose of providing payment for Vantage’s services. The contract shall incorporate the terms and conditions of the RFP, the auditor’s proposal, and relevant Commission entries in this case.

{¶ 12} The Commission shall solely direct the work of the auditor. Staff will review and approve payment invoices submitted by the auditor.

{¶ 13} Vantage will execute its duties pursuant to the Commission’s statutory authority to investigate and acquire records, contracts, reports, and other documentation

under R.C. 4903.02, 4903.03, 4905.06, 4905.15, and 4905.16. Vantage is subject to the Commission's statutory duty under R.C. 4901.16, which provides:

Except in his report to the public utilities commission or when called on to testify in any court or proceeding of the public utilities commission, no employee or agent referred to in Section 4905.13 of the Revised Code shall divulge any information acquired by him in respect to the transaction, property, or business of any public utility, while acting or claiming to act as such employee or agent. Whoever violates this section shall be disqualified from acting as agent, or acting in any other capacity under the appointment or employment of the commission.

{¶ 14} Upon request of Vantage or of Staff, DP&L shall provide any and all documents or information requested. DP&L may conspicuously mark such documents or information "confidential" if the Company believes the document should be deemed as such. In no event, however, shall DP&L refuse or delay in providing such documents or information.

{¶ 15} Once disclosure is permitted by R.C. 4901.16, the following process applies to the release of any document or information marked as confidential. Three days' prior notice of intent to disclose shall be provided to the party claiming confidentiality. Three days after such notice, Staff or the auditor may disclose or otherwise make use of such documents or information for any lawful purpose, unless the Commission receives a request for a protective order pertaining to such documents or information within the three-day notice period. The three-day notice period will be computed according to Ohio Adm. Code 4901-1-07.

{¶ 16} Vantage shall perform its review and investigation as an independent contractor. Any conclusions, results, or recommendations formulated by Vantage may be examined by any participant to this proceeding. Further, it shall be understood that the

Commission and/or its Staff shall not be liable for any acts committed by Vantage or its agents in the preparation and presentation of its report.

III. ORDER

{¶ 17} It is, therefore,

{¶ 18} ORDERED, That Vantage is selected to assist the Commission and Staff with the review and audit of DP&L's reconciliation rider as set forth above. It is, further,

{¶ 19} ORDERED, That DP&L and Vantage shall observe the requirements set forth herein. It is, further,

{¶ 20} ORDERED, That a copy of this Entry be served upon all parties of record.

COMMISSIONERS:

Approving:

Sam Randazzo, Chairman
M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

PAS/hac

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Case No(s). 20-0165-EL-RDR

Summary: Entry that the Commission selects Vantage Energy Consulting, LLC to conduct the audit services necessary to assist the Commission in the prudency and performance audit of the Dayton Power and Light Company's reconciliation rider for the period of November 1, 2018, through December 31, 2019. electronically filed by Docketing Staff on behalf of Docketing