

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY TO UPDATE ITS ECONOMIC
DEVELOPMENT RIDER.

CASE NO. 20-572-EL-RDR

FINDING AND ORDER

Entered in the Journal on April 22, 2020

I. SUMMARY

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

II. DISCUSSION

{¶ 2} The Dayton Power & Light Company (DP&L or the Company) is a public utility, an electric light company, and an electric distribution utility as defined in R.C. 4905.02, R.C. 4905.03(C), and R.C. 4928.01(A)(6), respectively. Therefore, DP&L is subject to the jurisdiction of this Commission.

{¶ 3} Under R.C. 4905.31, a public utility may enter into a reasonable arrangement with one of its customers providing for "any other financial device that may be practicable or advantageous to the parties interested." R.C. 4905.31(E). Additionally, in the case of an arrangement with an electric light company such as DP&L, that "other financial device may include a device to recover costs incurred in conjunction with any economic development and job retention program of the utility within its certified territory, including recovery of revenue foregone as a result of any such program * * *." R.C. 4905.31(E). To that end, Ohio Adm.Code 4901:1-38-08 provides that an electric utility serving customers pursuant to an approved reasonable arrangement may apply for a rider for the recovery of certain costs associated with serving those customers. Such a rider must be updated and reconciled, by application to the Commission, on a semi-annual basis. Ohio Adm.Code 4901:1-38-08(A)(5).

{¶ 4} On June 3, 2011, DP&L filed an application in Case No. 11-3399-EL-AAM to modify its accounting procedures to defer costs associated with the implementation of any

Commission-approved reasonable arrangements and to apply carrying charges on the unrecovered or over-recovered balances based upon the cost of debt as approved in DP&L's last rate proceeding. On August 12, 2011, DP&L filed an application in Case No. 11-4503-EL-RDR to update its economic development rider (EDR) pursuant to R.C. 4905.31(E) and Ohio Adm.Code 4901:1-38-08.¹ On October 26, 2011, the Commission approved both applications. *In re Dayton Power and Light Co.*, Case Nos. 11-3399-EL-AAM, 11-4503-EL-RDR, Finding and Order (Oct. 26, 2011). As required by Ohio Adm.Code 4901:1-38-08(A)(5), DP&L has filed applications to update and reconcile its EDR on a semi-annual basis.

{¶ 5} On October 20, 2017, the Commission approved, with modifications, DP&L's third application for an electric security plan (ESP) under R.C. 4928.143. *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, the Commission authorized DP&L to recover the costs of certain specified economic development incentives through its EDR. *ESP III Case* at ¶ 14, 123.

{¶ 6} On November 26, 2019, DP&L filed a notice of withdrawal of its Application for ESP III under R.C. 4928.143(C)(2)(a). *ESP III Case*, Notice of Withdrawal (Nov. 26, 2019). Additionally, citing to R.C. 4928.143(C)(2)(b), DP&L filed proposed revised tariffs seeking to implement its most recent SSO (ESP I). *ESP I Case*, Proposed Revised Tariffs (Nov. 26, 2019).

{¶ 7} On December 18, 2019, the Commission issued a Finding and Order approving DP&L's withdrawal of its Application, thereby terminating ESP III. *ESP III Case*, Finding and Order (Dec. 18, 2019). The Commission also issued a Second Finding and Order approving, with modifications, DP&L's proposed revised tariffs in order to continue the

¹ The application noted that the Commission had previously approved DP&L's implementation of an EDR in its most recent electric security plan proceeding, but the rider was initially set at zero. *In re Dayton Power and Light Co.*, Case No. 08-1094-EL-SSO (*ESP I Case*), Opinion and Order (June 24, 2009).

provisions, terms, and conditions of ESP I. *ESP I Case*, Second Finding and Order (Dec. 18, 2019).

{¶ 8} On March 16, 2020, DP&L filed its most recent application to update the EDR. In its application, DP&L represents that it currently has in place two Commission-approved reasonable arrangements for which it is seeking an EDR update. Additionally, DP&L seeks recovery of previously approved, under-recovered costs related to economic development incentives for the time period prior to the withdrawal of ESP III. DP&L further states that the schedules and work papers necessary to update the rider are attached to the application. As demonstrated in one of the attachments, DP&L projects that the bill impact of the EDR rate for a typical residential customer using 1000 kilowatt hours (kWh) per month will be an increase of \$0.21 per month for the period spanning May 2020 through October 2020. The Company maintains that the proposed rates in its updated EDR are just and reasonable and should be approved. The proposed tariffs reflect the following rate increase for residential customers:

Customer Class	Current Rate	Proposed Rate	Proposed Increase
Residential	\$0.0003127 per kWh	\$0.0005205 per kWh	\$0.0002078 per kWh
Residential (1,000 kWh)	\$0.31 per bill	\$0.52 per bill	\$0.21 per bill

{¶ 9} On March 31, 2020, Staff filed a review and recommendation regarding DP&L's application to update its EDR. According to Staff, the Company proposes to recover \$1,866,844 in costs from May 2020 through October 2020. The proposed rate includes \$1,543,686 of forecasted costs from March 2020 through October 2020, and \$323,159 of under-recovered costs as of February 29, 2020. Based on its investigation, Staff concludes that DP&L's proposed EDR rates reflect the current and projected costs resulting from reasonable arrangements and economic development incentives approved by the

Commission. Staff recommends approval of the application, with rates to become effective on a bills-rendered basis with DP&L's first billing cycle for May 2020.

III. CONCLUSION

{¶ 10} The Commission finds that DP&L's application to update its EDR is consistent with R.C. 4905.31(E) and Ohio Adm.Code 4901:1-38-08, 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 EDR should become effective on a bills-rendered basis for May 2020.

IV. ORDER

{¶ 11} It is, therefore,

{¶ 12} ORDERED, That DP&L's application be approved, and DP&L be authorized to adjust the rates for its EDR, in accordance with Paragraph 10. It is, further,

{¶ 13} 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,

{¶ 14} 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,

{¶ 15} 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,

{¶ 16} 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,

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

COMMISSIONERS:

Approving:

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

MLW/hac

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Case No(s). 20-0572-EL-RDR

Summary: Finding & Order approving the application to update the economic development rider. electronically filed by Ms. Mary E Fischer on behalf of Public Utilities Commission of Ohio