

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REVIEW OF THE
DAYTON POWER AND LIGHT COMPANY'S
ALTERNATIVE ENERGY RIDER.

CASE NO. 20-553-EL-RDR

ENTRY

Entered in the Journal on May 6, 2021

{¶ 1} The 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.

{¶ 2} 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. Additionally, R.C. 4928.64 through R.C. 4928.645 define a renewable portfolio standard (RPS) that requires EDUs to acquire specific minimum percentages of electricity from renewable energy resources each year, with those requirements being implemented through annual compliance obligations beginning in 2009.

{¶ 3} Originating with the Company's first ESP, DP&L sought an avoidable alternative energy rider (AER) to recover costs incurred to comply with R.C. 4928.64, et seq. On June 24, 2009, the Commission approved the AER in an Opinion and Order adopting a stipulation and recommendation. *In re The Dayton Power and Light Co.*, Case No. 08-1094-EL-SSO, Opinion and Order (June 24, 2009) at 5. As originally designed by DP&L and approved by the Commission, the bypassable AER was subject to an annual true-up of actual costs incurred, with the annual true-up taking place no later than June 1 of each year through an annual ATA filing.

{¶ 4} With its second ESP application, DP&L proposed to continue the AER but to also modify the rider such that it was subject to true-up on a seasonal quarterly basis instead of annually. *In re The Dayton Power and Light Co.*, Case No. 12-426-EL-SSO (*ESP II Case*), Application (Oct. 5, 2012), Amended Application (Dec. 12, 2012). On September 4, 2013, the Commission issued an Opinion and Order in which the shift to seasonal quarterly true-ups of the AER was approved; other changes proposed by DP&L were not adopted or approved. *ESP II Case*, Opinion and Order (Sep. 4, 2013) at 31.

{¶ 5} Most recently, in the Company's third ESP proceeding (*ESP III*), DP&L proposed eliminating the AER as a separate rider mechanism and, instead, accounting for recovery of RPS compliance costs through an alternative energy component of the standard offer rate (SOR) tariff. *In re The Dayton Power and Light Co.*, Case No. 16-395-EL-SSO (*ESP III Case*), Application (Feb. 22, 2016), Amended Application (Oct. 11, 2016).¹ As part of this proposal, DP&L committed to separately identifying the RPS compliance costs represented by the alternative energy component in the SOR; cost recovery remains subject to Commission audit. On October 20, 2017, the Commission modified and adopted an amended stipulation to establish *ESP III*; the Opinion and Order approved the shifting of cost recovery of the RPS compliance costs as proposed by the Company. *ESP III Case*, Opinion and Order (Oct. 20, 2017) at ¶ 14. Consequently, effective November 1, 2017, DP&L began RPS cost recovery through the SOR.²

{¶ 6} On April 8, 2020, the Commission issued an Entry directing Staff to issue a request for proposal (RFP) for audit services to assist in a two-phase management/performance and financial audit of DP&L's AER recovery mechanism, with

¹ For purposes of this proceeding, the Commission uses "AER" to refer to both the AER itself and the subsequent alternative energy component included in DP&L's SOR.

² Subsequent proceedings in the *ESP III Case* have not affected DP&L's recovery of RPS compliance costs; these costs continue to be recovered through the alternative energy component of the SOR. See *In re the Application of The Dayton Power and Light Company to Update its Standard Offer Rate*, Case No. 18-638-EL-RDR; *In re the Application of the Dayton Power and Light Company to Update its Standard Offer Rate Tariffs*, Case No. 19-841-EL-RDR.

Audit 1 reviewing the AER in place from June 1, 2016, through May 31, 2020, and Audit 2 reviewing the AER in place from June 1, 2020, through May 31, 2021. In the RFP, the Commission indicated its intent that the auditor selected for Audit 1 would also conduct Audit 2. The Commission additionally stated that the timeline for Audit 2 would be set at a future date. The Commission instructed prospective bidders to submit proposals to Staff by May 6, 2020, and to demonstrate an understanding of the project and the work required.

{¶ 7} By Entry dated June 3, 2020, the Commission selected Larkin & Associates, PLLC (Larkin) to perform the requested audit services and directed the Company to enter into a contract with Larkin for the purpose of providing payment.

{¶ 8} On December 3, 2020, Staff filed the report for Audit 1 on behalf of Larkin.

{¶ 9} The attorney examiner now finds it appropriate to issue the following procedural schedule regarding Audit 2:

- (a) June 3, 2021 – DP&L to have the necessary information and personnel available for the auditor to begin the Audit 2 process;
- (b) June 3, 2021, through November 11, 2021 – Audit 2 to be conducted;
- (c) November 12, 2021 – draft audit report (Audit Report) presented to Staff;
- (d) December 3, 2021 – final Audit Report filed with the Commission;
- (e) January 7, 2022 – deadline for filing motions to intervene;
- (f) January 7, 2022 – deadline for parties to file initial comments regarding the Audit Report; and
- (g) January 21, 2022 – deadline for parties to file reply comments.

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That the procedural schedule set forth in Paragraph 9 be adopted. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/*Patricia A. Schabo*

By: Patricia A. Schabo
Attorney Examiner

SJP/hac

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Case No(s). 20-0553-EL-RDR

Summary: Attorney Examiner Entry ordering that the procedural schedule set forth in Paragraph 9 be adopted. electronically filed by Kelli C. King on behalf of Patricia A. Schabo, Attorney Examiner, Public Utilities Commission of Ohio