

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
THE DAYTON POWER AND LIGHT  
COMPANY D/B/A AES OHIO TO UPDATE  
ITS ECONOMIC DEVELOPMENT RIDER.

CASE NO. 21-184-EL-RDR

## FINDING AND ORDER

Entered in the Journal on May 19, 2021

### I. SUMMARY

{¶ 1} In this Finding and Order, the Commission approves the application to update the economic development rider of the Dayton Power & Light Company d/b/a AES Ohio.

### II. DISCUSSION

{¶ 2} The Dayton Power & Light Company d/b/a AES Ohio (AES Ohio 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, AES Ohio 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 AES Ohio, 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, AES Ohio 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 the Company's last rate proceeding. On August 12, 2011, AES Ohio 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.<sup>1</sup> 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), the Company has filed applications to update and reconcile its EDR on a semi-annual basis.

{¶ 5} On October 20, 2017, the Commission approved, with modifications, the Company'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 the Company to recover the costs of certain specified economic development incentives through its EDR. *ESP III Case* at ¶ 14, 123.

{¶ 6} On November 26, 2019, the Company 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), the Company filed proposed revised tariffs seeking to implement its most recent SSO (*ESP I*). *ESP I Case*, Proposed Revised Tariffs (Nov. 26, 2019).

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<sup>1</sup> The application noted that the Commission had previously approved the Company'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).

{¶ 7} On December 18, 2019, the Commission issued a Finding and Order approving the Company'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, the Company's proposed revised tariffs in order to continue the provisions, terms, and conditions of ESP I. *ESP I Case*, Second Finding and Order (Dec. 18, 2019).

{¶ 8} On March 17, 2021, AES Ohio filed its most recent application to update the EDR. In the application, AES Ohio represents that it currently has in place one Commission-approved reasonable arrangement. The Company additionally notes that, historically, AES Ohio has implemented the semi-annual reconciliation for rates to become effective on May 1 and November 1, but requests that the Commission adjust the implementation schedule by one month. The Company states that shifting to rates becoming effective June 1 and December 1 will improve administrative efficiencies and reduce customer bill confusion by aligning implementation of the EDR rate with other true-up riders in June. In support of the application, AES Ohio submits schedules and work papers to support the update and reconciliation of the rider, as well as proposed tariffs. As demonstrated in one of the attachments, AES Ohio projects that the bill impact of the EDR rate for a typical customer using 1000 kilowatt hours (kWh) per month will be a decrease of \$0.14 per month for the period spanning June 1, 2021, through November 31, 2021. 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 decrease for residential customers:

Customer Class	Current Rate	Proposed Rate	Proposed Decrease
Residential	\$0.0002427 per kWh	\$0.0001012 per kWh	\$0.0001415 per kWh
Residential (1,000 kWh)	\$0.24 per bill	\$0.10 per bill	\$0.14 per bill

{¶ 9} On April 12, 2021, Staff filed a review and recommendation regarding AES Ohio's application to update its EDR. According to Staff, the Company proposes to recover \$361,153 in costs from June 2021 through November 2021, including \$236,106 of forecasted costs for the same time period and \$125,047 of under-recovered costs as of February 2021. Based on its investigation, Staff concludes that the Company's proposed EDR rates reflect the current and projected costs through November 2021 resulting from a Commission-approved reasonable arrangement. Staff recommends approval of the application, with rates to become effective on a bills-rendered basis with AES Ohio's first billing cycle for June 2021. Staff also recommends approval of the Company's request to adjust its implementation dates to June 1 and December 1 of each year.

### III. CONCLUSION

{¶ 10} The Commission finds that AES Ohio'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 the Company's updated EDR should become effective on a bills-rendered basis for June 2021.

### IV. ORDER

{¶ 11} It is, therefore,

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

{¶ 13} ORDERED, That the Company be authorized to file two complete copies of tariffs in final form consistent with this Finding and Order. AES Ohio 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 AES Ohio shall notify customers via a bill message or bill insert within 30 days of the effective date of the tariffs. Additionally, the Company 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:***

Jenifer French, Chair  
M. Beth Trombold  
Lawrence K. Friedeman  
Daniel R. Conway  
Dennis P. Deters

PAS/hac

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Summary: Finding & Order approving the application to update the economic development rider of the Dayton Power & Light Company d/b/a AES Ohio. electronically filed by Ms. Mary E Fischer on behalf of Public Utilities Commission of Ohio