



Public Utilities Commission

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June 30, 2022

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

RE: *In the Matter of the Application of The Dayton Power and Light Company for
Authority to Recover Certain Storm-Related Service Restoration Costs, Case No. 22-
0054-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff Recommendation in the Matter of The Dayton Power and Light
Company to recover certain storm-related service restoration costs, Case No. 22-0054-EL-RDR.

A handwritten signature in black ink that reads 'Natalia Messenger'.

Natalia Messenger
Accounting and Finance Division
Public Utilities Commission of Ohio

Enclosure
Cc: Parties of Record

The Dayton Power and Light Company
Case No. 22-0054-EL-RDR

SUMMARY

In Case No. 08-1094-EL-SSO, the Public Utilities Commission of Ohio (Commission) approved the continuation of the Storm Cost Recovery Rider (SCRR) for The Dayton Power and Light Company d/b/a AES Ohio (AES Ohio or the Company), a recovery mechanism for the prudent costs associated with major storm restorations.¹ The SCRR allows AES Ohio to recover all Operating and Maintenance (O&M) expenses incurred from storms that are determined to be a “Major Event” as defined by Ohio Adm.Code 4901:1-10-01.

On February 16, 2022, AES Ohio filed an application to recover 2020 storm-related restoration costs, of which there were three major storms in 2020. On May 11, 2022, AES Ohio filed an amended application to remove labor dollars and overhead costs reflected in its original Application that were not, in fact, associated with the 2020 storms. This adjustment lowers the revenue requirement associated with the storms at issue in this proceeding, to a total revenue requirement of \$2,533,903. This correction was allocated in the appropriate months to eliminate associated carrying costs. Based on the revenue requirement proposed in the amended application, the Company calculated monthly rates of \$0.31 for residential, \$1.03 for non-residential, and \$0.09 for Private Outdoor Lighting.

AES Ohio stated it has not included any 2021 storms as part of this filing and expects to make a future filing for recovery of the 2021 storms.

On May 19, 2022, the Commission approved AES Ohio’s application in Case No. 21-0092-EL-RDR (2021 SCRR Order) to recover certain storm-related service restoration costs, subject to Staff’s recommendation that carrying charges only accrue based on the unrecovered monthly balances of storm restoration costs attributable to prior SCRR cases, without compounding.

STAFF REVIEW

In its review, Staff examined the as-filed schedules for consistency with previous storm rider cases to ensure proper accounting and regulatory treatment was applied. The audit consisted of a review of the financial statements for completeness, occurrence, presentation, valuation, allocation and accuracy. Staff conducted this audit through a combination of document review, interviews, and interrogatories.

During the review, Staff noted some adjustment costs for 2020 storms were made during 2021, outside of the current audit’s recovery period. The Company stated that accounting reconciliation was done for 2020 storms in 2021 due to accounting process delay. Staff reviewed these charges and noted they were appropriate 2020 storm related costs. While these costs did not result in any adjustments, Staff recommends that reconciliation should occur timely for future filings.

¹ Case No. 08-1094-EL-SSO, Second Finding and Order at 15 (Dec. 18. 2019).

Materials Issuances and Returns

Staff sampled storm materials issuances and returns. Previously, Staff had recommended that the Company improve the documentation process for these items. Staff found that the Company was able to provide adequate supporting documentation for each item for which Staff had requested support.

Carrying Charges

The Company is requesting carrying charges totaling \$258,009 in its amended application. In accordance with the Commission's 2021 SCRR Order, Staff recalculated carrying charges to only accrue based on the unrecovered monthly balances attributable to prior SCRR cases, without compounding. Staff notes that this is the same methodology used to recalculate the carrying charges that the Commission approved in the 2021 SCRR Order. Staff's recalculation of the carrying charges is \$192,279, which is a \$65,730 adjustment from the Company's amended application.

Meals

Staff eliminated from the rider expenses for snacks and meals purchased by employees totaling \$31.51, including two instances in which the Company did not provide legible supporting documentation. It is Staff's opinion that these costs should not be borne by the Company's customers, but by the Company or its employees.

In total, Staff's recommendations result in an adjustment of \$65,762, with a revenue requirement of \$2,468,141. Based on this revenue requirement, Staff recommends monthly rates of \$0.30 for residential, \$1.01 for non-residential, and \$0.09 for Private Outdoor Lighting.

STAFF RECOMMENDATION

Staff recommends approval of the amended application subject to the recommendations above.

**This foregoing document was electronically filed with the Public Utilities
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Case No(s). 22-0054-EL-RDR

Summary: Staff Review and Recommendation regarding the Application of The Dayton Power and Light Company to recover certain storm-related service restoration costs electronically filed by Zee Molter on behalf of PUCO Staff