

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
THE DAYTON POWER AND LIGHT
COMPANY D/B/A AES OHIO FOR
AUTHORITY TO RECOVER CERTAIN
STORM-RELATED SERVICE
RESTORATION COSTS.

CASE NO. 22-54-EL-RDR

ENTRY

Entered in the Journal on August 22, 2022

{¶ 1} The Dayton Power and Light Company d/b/a AES Ohio (AES Ohio or the Company) is a public utility and an electric distribution utility (EDU) as defined under R.C. 4905.02 and R.C. 4928.01, respectively. As such, AES Ohio is subject to this Commission's jurisdiction.

{¶ 2} R.C. 4928.141 mandates that an EDU shall provide customers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric service, including a firm supply of electric generation service. The SSO may be established as a market rate offer under R.C. 4928.142 or an electric security plan (ESP) under R.C. 4928.143.

{¶ 3} On October 20, 2017, the Commission approved a stipulation establishing AES Ohio's third ESP (ESP III). *In re The Dayton Power and Light Co.*, Case No. 16-395-EL-SSO, et al. (*ESP III Case*), Opinion and Order (Oct. 20, 2017). As part of ESP III, the Commission approved the creation of a nonbypassable Storm Cost Recovery Rider (SCRR) through which AES Ohio could recover operating and maintenance expenses incurred from storms that are determined to be "Major Events" as defined by Ohio Adm.Code 4901:1-10-01.

{¶ 4} Subsequently, however, AES Ohio filed a notice of withdrawal of its application for ESP III, as well as proposed revised tariffs seeking to implement its most recent SSO, which was its first ESP (ESP I). *ESP III Case*, Notice of Withdrawal (Nov. 26, 2019); *In re Application of The Dayton Power and Light Co.*, Case No. 08-1094-EL-SSO (*ESP I*

Case), Proposed Revised Tariffs (Nov. 26, 2019). On December 18, 2019, the Commission issued a Finding and Order approving AES Ohio's withdrawal of its application, thereby terminating ESP III. *ESP III Case, Finding and Order* (Dec. 18, 2019).

{¶ 5} Also on December 18, 2019, the Commission issued a Second Finding and Order approving, with modifications, AES Ohio's proposed revised tariffs to continue the provisions, terms, and conditions of ESP I. *ESP I Case, Second Finding and Order* (Dec. 18, 2019). Therein, the Commission found that the SCRR was authorized by ESP I and should be continued. *ESP I Case, Second Finding and Order* (Dec. 18, 2019) at ¶ 39. Accordingly, the SCRR remains as one of AES Ohio's electric distribution service tariffs.

{¶ 6} AES Ohio's SCRR was last updated by Finding and Order dated May 18, 2022. *In re the Application of The Dayton Power and Light Co. d/b/a AES Ohio for Authority to Recover Certain Storm-Related Service Restoration Costs*, Case No. 21-92-EL-RDR (2021 SCRR Case), Finding and Order (May 18, 2022). In that Finding and Order, the Commission granted—subject to Staff's recommendations regarding the recovery of carrying charges—AES Ohio's application to recover storm-related service restoration costs for two qualifying storms from 2018 and five qualifying storms that occurred in 2019. *2021 SCRR Case, Finding and Order* (May 18, 2022) at ¶ 15, 19, 22; Entry on Rehearing (July 13, 2022) at ¶ 29, 31.

{¶ 7} Previously, on February 16, 2022, AES Ohio had filed an application to recover through the SCRR storm-related service restoration costs for three qualifying weather events that occurred in 2020 over a twelve-month period.

{¶ 8} On April 7, 2022, Ohio Consumers' Counsel (OCC) filed a motion to intervene in this proceeding on behalf of AES Ohio's residential customers. OCC asserts that it is entitled to intervene under R.C. 4903.221 and Ohio Adm.Code 4901-1-11. The attorney examiner finds that the motion to intervene is reasonable and should be granted.

{¶ 9} On May 11, 2022, AES Ohio filed an amended application. The Company represents that the amended application removes labor dollars and overhead costs reflected

in its original application that were not, in fact, associated with the 2020 storms. The adjustment lowers the applied-for revenue requirement by \$52,878.84, for a total revenue requirement of \$2,533,903. The Company states that the correction was allocated in the appropriate months to eliminate associated carrying costs. With the amended application, the Company's proposed SCRR rates would be a monthly charge of \$0.31 for residential customers, \$1.03 for non-residential customers, and \$0.09 for Private Outdoor Lighting customers.

{¶ 10} Subsequently, on June 30, 2022, Staff filed its recommendation regarding the Company's amended application (Staff Report). Staff states that it examined the as-filed schedules for consistency with previous storm rider cases to ensure proper accounting and regulatory treatment was applied. Further, Staff's audit consisted of a review of the financial statements for completeness, occurrence, presentation, valuation, allocation, and accuracy through a combination of document review, interviews, and interrogatories. Staff found that some adjustment costs for 2020 storms were made during 2021, apparently due to accounting process delay. Staff noted that a review of the costs revealed they were appropriate 2020 storm-related costs and did not result in any adjustments. Staff recommends, however, that the reconciliation should occur timely for future filings. Staff also found that, consistent with a previous recommendation that the Company improve its documentation process, AES Ohio was able to provide adequate supporting documentation.

{¶ 11} The Staff Report also recommended certain adjustments. Primarily, Staff notes that it recalculated the Company's requested carrying charges to only accrue based on the unrecovered monthly balances attributable to prior SCRR cases, without compounding, in accordance with the Commission's Finding and Order in the *2021 SCRR Case*. Staff relates that, as a result of this recalculation, carrying charges totaled \$192,279, which is a \$65,730 downward adjustment from the amended application. Secondly, Staff eliminated \$31.51 of employee-purchased snacks and meals from rider expenses. In total, Staff's recommended adjustments result in a recommended revenue requirement of \$2,468,141.

Based on this revised revenue requirement, Staff recommends monthly rates of \$0.30 for residential customers, \$1.01 for non-residential customers, and \$0.09 for Private Outdoor Lighting customers.

{¶ 12} Ultimately, the Staff Report recommends approval of the amended application subject to Staff's recommendations and adjustments.

{¶ 13} To further assist the Commission in its review of AES Ohio's amended application, the attorney examiner finds that any initial comments shall be filed by August 30, 2022. Reply comments, if any, shall be filed by September 6, 2022.

{¶ 14} It is, therefore,

{¶ 15} ORDERED, That OCC's motion to intervene be granted. It is, further,

{¶ 16} ORDERED, That the procedural schedule set forth in Paragraph 13 be adopted. It is, further,

{¶ 17} 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

JRJ/dmh

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Case No(s). 22-0054-EL-RDR

Summary: Attorney Examiner Entry ordering that OCC's motion to intervene be granted and that the procedural schedule set forth in Paragraph 13 be adopted electronically filed by Ms. Donielle M. Hunter on behalf of Patricia A. Schabo, Attorney Examiner, Public Utilities Commission of Ohio