BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of

Case No. 23-1034-EL-RDR

The Dayton Power and Light

Company d/b/a AES Ohio to Update

Its Legacy Generation Rider

:

AES OHIO'S MEMORANDUM IN OPPOSITION TO APPLICATION FOR REHEARING

The Commission should deny the January 30, 2024 Application for Rehearing of the Ohio Manufacturers' Association Energy Group in this proceeding as moot.

Pursuant to R.C. 4928.148, the Commission established the Legacy Generation Resource Rider ("LGR Rider") for electric distribution utilities to recover prudently incurred costs relating to a legacy generation resource. In establishing the LGR Rider, the Commission determined that the rider would include two rate elements: a statewide rate (*i.e.*, the Part A Rate) and an EDU-specific reconciliation or true-up rate (*i.e.*, the Part B Rate). For residential customers, the LGR Rider is a single monthly flat rate, and for nonresidential customers, the LGR Rider is a single cents per kWh rate for usage up to 833,000 kWhs. The LGR Rider is updated every six months.

Section 4928.148(A)(2) of the Revised Code provides that the LGR Rider "shall not exceed one dollar and fifty cents per customer per month for residential customers. For all other

¹ In the Matter of Establishing the Nonbypassable Recovery Mechanism for Net Legacy Generation Resource Costs Pursuant to R.C. 4928.148, Case No. 19-1808-EL-UNC, Entry (Nov. 21, 2019) ("LGR Order").

 $^{^{2}}$ *Id.* at ¶ 33.

³ *Id*.

⁴ *Id*.

customer classes, the commission shall establish comparable monthly caps for each class at or below one thousand five hundred dollars per customer." In its LGR Order, the Commission recognized that "[t]he combination of Part A and Part B rates will be capped at \$1.50 per month for residential customers and \$1,500 per month for non-residential customers on a per account basis."

For the current LGR Rider period (*i.e.*, January 1, 2024 to June 30, 2024), the statewide Part A rate happens to hit the \$1,500 monthly cap for nonresidential customers using more than 833,000 kWh. Thus, any EDU-specific Part B rate that is more than zero in this period could cause high-usage customers to exceed the monthly cap as their usage approaches 833,000 kWh.

AES Ohio proposed its current LGR Rider rates on November 27, 2023. No party moved to intervene, and the rates became effective on January 1, 2024 pursuant to the LGR Order. Since AES Ohio's Part B rate was more than zero in this period (*i.e.*, \$0.000118 per kWh), high-usage nonresidential customers have been at risk of exceeding the monthly LGR Rider cap when the Part A rate is also taken into account.

This billing anomaly was inadvertent, and its impact has been limited. In January 2024, 90 customer accounts exceeded the monthly cap, and the maximum impact per account was \$97.69. Thus, while AES Ohio's LGR Rider rates are not inherently unjust, unreasonable, or unlawful, they can cause the rider's charges to exceed the monthly cap for some customers, depending on their usage level.

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⁵ *Id*.

To correct this issue, AES Ohio is adjusting all affected account balances to offset any impact of exceeding the monthly LGR Rider cap. On a prospective basis, AES Ohio has filed an updated LGR Rider tariff setting its Part B rate to zero as of March 1, 2024.

Respectfully submitted,

/s/ Christopher C. Hollon

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing document was e-filed with the Public Utilities

Commission of Ohio on February 9, 2024. The PUCO's e-filing system will electronically serve

notice of the filing of this document, and it has been served on the following parties via e-mail:

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> /s/ Christopher C. Hollon Christopher C. Hollon

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Summary: Memorandum AES Ohio's Memorandum in Opposition to Application for Rehearing electronically filed by Mr. Christopher C. Hollon on behalf of The Dayton Power and Light Company d/b/a AES Ohio.