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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

PUCO

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In the Matter of the Application of The : CASE NO. 05-~~277~~<sup>276</sup>-EL-AIR  
Dayton Power and Light Company for the :  
Creation of a Rate Stabilization Surcharge :  
Rider and Distribution Rate Increase :

MOTION OF  
THE DAYTON POWER & LIGHT COMPANY  
TO SET TEST PERIOD UNDER OHIO REV. CODE SECTION 4909.15(C)  
AND FOR WAVIER OF CERTAIN FILING REQUIREMENTS  
UNDER OHIO ADMINISTRATIVE CODE 4901-7-01


Pursuant to Section IX.E. of the approved Stipulation and Recommendation in PUCO Case Nos. 02-2779-EL-ATA, 02-2879-EL-AAM, 02-2364-EL-CSS and 02-570-EL-ATA ("MDP Stipulation"), The Dayton Power & Light Company ("DP&L") states that it intends to file an application for approval of a rate stabilization surcharge ("RSS") to be effective on or about January 1, 2006. The MDP Stipulation provides for a filing pursuant to Ohio Rev. Code § 4909.18 to establish the RSS to allow DP&L the opportunity to recover verifiable increases in certain generation-related costs. In connection with such an application, DP&L moves that the Commission: (1) issue an order allowing DP&L, pursuant to Ohio Rev. Code 4909.15(C) to use a test period from October 1, 2004 through September 30, 2005, to establish the verifiable cost increases; and (2) grant DP&L a wavier, pursuant to Ohio Admin. Code 4901-7-01, from certain filing requirements under Ohio Admin. Code 4901-7-01, Appendix A, allowing DP&L to file only those schedules which relate to the RSS rider.

The date for the RSS filing will be on or about April 4, 2005.

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Respectfully submitted,



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**MEMORANDUM IN SUPPORT OF THE MOTION OF  
THE DAYTON POWER & LIGHT COMPANY  
TO SET TEST PERIOD UNDER OHIO REV. CODE SECTION 4909.15(C)  
AND FOR WAIVER OF CERTAIN FILING REQUIREMENTS  
UNDER OHIO ADMINISTRATIVE CODE 4901-7-01**

**I. TEST PERIOD**

DP&L intends to file an application to establish the RSS on or about April 4, 2005. DP&L requests approval of a test period of the twelve months ending September 30, 2005, to be used to establish the verifiable cost increases that are components of the RSS.

As provided in ¶ IX.E. of the MDP Stipulation, certain verifiable cost increases over a base period of the twelve months ending May 31, 2003 are recoverable in the RSS. The designated test period will utilize the base period for the purpose of measuring verifiable increases in costs between the two periods.

Under Ohio Rev. Code § 4909.15(C), the test period shall be the twelve month period that begins six months prior to the filing date and ending six months after the filing date, unless otherwise ordered by the Commission. DP&L requests that the Commission issue an Order providing that, if DP&L files an application to establish an RSS for its electric generation service, then the test period will be the twelve months ending September 30, 2005. Such an order will provide DP&L with the certainty it needs to begin to prepare the financial data for its application.

**II. WAIVERS UNDER OHIO ADMIN. CODE 4901-7-01**

Under Ohio Admin. Code 4901-7-01, the Commission may grant a utility a waiver from the filing requirements for an application for an increase in rates. DP&L requests that the Commission grant DP&L a waiver from the standard and supplemental filing

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requirements ("SFRs") under Ohio Admin. Code 4901-7-01. Due to the very limited and specific scope of the RSS, DP&L requests approval to file only the information that specifically relates to the items described in ¶ IX.E. of the MDP Stipulation. The following paragraphs of this section describe those items that DP&L intends to file and requests that the Commission declare that such information is sufficient to determine the appropriate RSS pursuant to the provisions of the MDP Stipulation. In requesting this waiver, DP&L also commits that, as the case proceeds, should additional data schedules become necessary, DP&L will provide such data on a timely basis so as to meet the parties' intention, as stated in the MDP Stipulation, to avoid a hearing, if possible.

**A. Application Schedules**

Schedules with the following titles will be completed and filed for both the base period and the test year. In comparing both periods DP&L will determine all increases and decreases of applicable costs from the base period as compared to those costs in the test year, thus arriving at a net change in costs. After calculating the net change over the base period, a revenue requirement calculation will be made that applies such ratemaking elements as rate of return, gross revenue conversion factor, and jurisdictional allocation factors. All schedules and calculations will be filed with adequate working papers which provide support for the calculations and assumptions presented in the following applicable schedules:

**Revenue Requirement Calculation:**

- Increase Over Base Period Summary
- Jurisdictional Allocators
- Gross Revenue Conversion Factor

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Rate Base Schedules:

- Rate Base Summary
- Environmental Plant In Service
- Environmental Plant In Service by Account
- Environmental Plant In Service Adjustments
- Environmental Gross Additions, Retirements, Transfers
- Accumulated Depreciation – Environmental
- Working Capital - Environmental O&M, Fuel Stock, Material and Supplies, Taxes
- Deferred Income Taxes related to Production

Operating Expense Schedules:

- Operating Expenses Related to Fuel, Security, Emission Allowances, Tax, Environmental and Depreciation
- Operating Expenses by Account

Rate of Return Schedules:

- Rate of Return Summary
- Short Term Debt
- Long Term Debt
- Preferred Stock
- Comparative Financial Data

Rates and Tariffs Schedules:

- Scored Proposed Tariffs
- Scored Current Tariffs
- Narrative For Tariff Changes
- Class and Schedule Revenue Summary
- Annualized Test Year Revenue
- Typical Bills by Class and Schedule

**B. Waiver of all Standard and Supplemental Filing Requirements**

DP&L requests a waiver of some of the SFRs under Ohio Admin. Code 4901-7-01, Appendix A, to omit the filing of certain information on the SFRs related to the Distribution and Transmission services and all other subjects that fall outside of and are not relevant to the narrow scope of the RSS filing. As approved by the Commission, the MDP Stipulation provides

that the RSS shall be based on verifiable increases in costs over a base period of twelve months ending May 31, 2003 from only the following events:

"1. production costs per kWh directly related to the generation of electricity from plants owned by DP&L and its affiliates resulting from fuel price increase, or actions taken in compliance with environmental and tax laws, regulations or court or administrative orders; and

costs per kWh directly related to physical security and cyber-security costs associated with the generation of electricity from plants owned by DP&L and its affiliates imposed by final rule, regulation, or administrative or court order."

MDP Stipulation, ¶ IX.E.

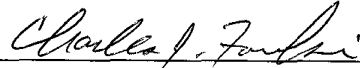
Thus, information outside this limited scope is not relevant to DP&L's RSS rider application. Therefore, DP&L requests waivers of the SFRs and asks that the Commission find the schedules described above sufficient and reasonable to support DP&L's RSS rider application.

### **III. CONCLUSION**

DP&L requests that the Commission: (1) issue an Order providing that, if DP&L files an application for approval of an RSS rider for its electric generation service on or about April 4, 2005, then the test period shall be the twelve months ending September 30, 2005; and (2) issue the requested Order granting a waiver from the SFRs under Ohio Admin. Code 4901-7-01, as described above.

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Respectfully submitted,



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