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BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

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PUCO

In the Matter of the Commission's)	
Promulgation of Rules for Certification)	
of Providers of Competitive Retail)	Case No.: 99-1609-EL- ORD
Electric Services, Pursuant to Chapter)	
4928, Revised Code)	
)	

REPLY COMMENTS OF
THE DAYTON POWER AND LIGHT COMPANY

The Dayton Power and Light Company ("DP&L") hereby files with the Public Utilities Commission of Ohio ("Commission") reply comments on Staff's proposed rules for certification of entities providing competitive retail electric service to consumers in Ohio ("Proposed Rules"). The foregoing comments are in addition to and supplement the comments previously filed by DP&L in the instant proceeding ("Initial Comments").

I. Purpose and Scope 4901:1-xx-01

OCC has commented that under Section (B) of the Proposed Rules, the Commission has discretion to waive any requirement of the certification rules without providing interested parties notice of the waiver or the opportunity to object to the waiver. DP&L agrees with OCC and objects to any waiver by the Commission that would not involve notice and opportunity to challenge such waiver. Further, DP&L urges the Commission to allow interested parties to be given the chance to object to these requests for waivers. This will be extremely important if the PUCO does not allow the electric distribution utilities ("EDU's") to have a registration process as suggested by some commenters. Further, such a waiver by the Commission could impact substantive rights of EDUs, who must have an opportunity to challenge such waivers.

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II. Default of Retail Electric Service Provider 4901:1-xx-09

The OCC is correct in stating that under certain circumstances an EDU may have trouble being made whole as the result of the default of the CRES provider. This is especially true if the PUCO limits the EDU's ability to require security assurances from the CRES provider. Neither the EDU nor its customers should bear the burden of such losses or costs. However, DP&L does not agree that specific language should be added that prohibits and EDU from collecting default-related losses from the defaulting CRES provider's customers. If an EDU is limited in obtaining proper security mechanisms from a CRES provider and prohibited from recovering the charges from the CRES provider's customers then the EDU will be required to take a loss, or it will be passed on to other customers.

CCE incorrectly states the EDU's risk in a default situation. The ultimate customers do not bear most of the risk in a default situation. The EDU is the supplier of last resort and must provide electric service at tariffed standard offer rates. If a CRES provider defaults during the peak periods of the summer and the EDU is forced to purchase power on the wholesale market at prices upwards of \$8,000/MWh to serve the defaulting CRES's customers then the EDU is at risk for the market price minus the standard offer price. The EDU must be able to require adequate financial security from CRES providers.

III. Certification Suspension, Rescission or Conditional Rescission 4901:1-xx-13

Various commenters have suggested that the proposed rules do not restrict a provider of CRES from marketing to new or existing customers during the time its certificate has been conditionally rescinded. DP&L agrees that this is a valid issue. DP&L agrees with and incorporates by reference the comments and suggested language on Proposed Rule 4901:1-XX-

13 on pages 9-10 in the Initial Comments of Columbus Southern Power Company and Ohio Power Company.

CONCLUSION

DP&L appreciates the opportunity to submit reply comments on Staff's Proposed Rules.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of The Dayton Power and Light Company's Reply Comments were served by First Class U.S. Mail, postage prepaid, this 14th day of February, 2000 upon the following:

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