

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE PROCUREMENT OF
STANDARD SERVICE OFFER GENERATION
FOR CUSTOMERS OF DAYTON POWER &
LIGHT COMPANY.

CASE NO. 17-957-EL-UNC

FINDING AND ORDER

Entered in the Journal on March 27, 2019

I. SUMMARY

{¶ 1} The Commission accepts the results of Dayton Power & Light Company's auction and authorizes Dayton Power & Light Company to file final tariffs implementing the rates for standard service offer customers.

II. DISCUSSION

{¶ 2} Dayton Power & Light Company (DP&L) is an electric utility as defined by R.C. 4928.01.

{¶ 3} R.C. 4928.141 provides that electric utilities shall provide consumers a standard service offer (SSO) of all competitive retail electric services in accordance with R.C. 4928.142 or 4928.143.

{¶ 4} On February 22, 2016, DP&L filed an application for an SSO in the form of an electric security plan (ESP) in accordance with R.C. 4928.143. *In re Dayton Power & Light Co.*, Case No. 16-395-EL-SSO (*ESP III*). Subsequently, on October 20, 2017, the Commission issued its Opinion and Order approving and modifying the amended stipulation filed by various parties to that proceeding and establishing DP&L's ESP (*ESP III Order*). In part, the *ESP III Order* provides that, for the period between November 1, 2017, and October 31, 2023, DP&L will supply its SSO load entirely through competitive bid auctions as accepted by the Commission in DP&L's original ESP and charged on a \$/kilowatt hour basis for all tariff classes.

{¶ 5} Thus, under the *ESP III*, retail generation rates for all non-shopping customers are to be determined by a competitive bid process (CBP). Under the CBP process, DP&L agreed to procure 100 percent of its aggregate, wholesale full requirements SSO supply. Further, the CBP is to be conducted by an independent bid manager, CRA International, Inc. (CRA). Finally, although CRA is to select the winning bidder(s), the Commission may reject the results within 48 hours of the auction conclusion.

{¶ 6} Pursuant to the *ESP III* Order, a CBP auction was held on March 26, 2019. The auction used a multi-product, descending-clock format. On March 27, 2019, CRA and Bates White Economic Consulting (Bates White), a consultant retained by the Commission to monitor the CBP auction, filed reports regarding the auction. These reports consisted of confidential versions, filed under seal, and a redacted version of the report filed by CRA, which is publically available in this docket.

{¶ 7} According to the reports filed by Bates White and CRA, the auction procured a total of 34 tranches equally spread over two products, with terms of 24- and 36-months, both of which commence June 1, 2019. For the two-year product, the auction resulted in a clearing price of \$44.92 per MWh for the June 1, 2019 - May 31, 2021 delivery period. For the three-year product, the auction resulted in a clearing price of \$46.51 per MWh for the delivery period of June 1, 2019, to May 31, 2022. CRA and Bates White each recommended that the Commission find that the CBP auction, within the limits of its structures, had sufficient competitive attributes and resulted in winning prices that are reasonable.

{¶ 8} The Commission finds that the reports filed by CRA and Bates White do not contain any recommendation or evidence that the auction violated the CBP rules in such a manner as to invalidate the auction. Accordingly, the Commission accepts the results of the CBP auction.

{¶ 9} On March 27, 2019, Staff filed a motion for protective order pursuant to Ohio Adm.Code 4901-1-24. The motion requests that both the report of the Commission's consultant regarding DP&L's auction and the notification of the auction results filed on March 27, 2019, be kept confidential. In support of the motion, Staff states that the documents are highly competitively sensitive because they identify details of various bids and parties making the bids in the auction. Staff submits that disclosure of this information would be highly prejudicial to the bidding parties and the viability of any future auction in Ohio.

{¶ 10} Ohio Adm.Code 4901-1-24 provides that, unless otherwise ordered, protective orders issued pursuant to the rule automatically expire after 24 months. However, given the highly competitive nature of the reports filed by CRA and Bates White, the Commission finds that sensitive information contained therein should be deemed confidential and remain under seal indefinitely, or until otherwise ordered by the Commission. Accordingly, we find that Staff's motion for protective order is reasonable and should be granted to the extent stated in this Finding and Order. Unless and until the Commission orders otherwise, the Bates White report and the following information related to the CRA report will be protected from public release: the names of unsuccessful bidders; price information, including starting price methodologies and round prices/quantities for individual bidders; all information contained in Part I and Part II bidder applications; and indicative pre-auction offers.

{¶ 11} However, the Commission also finds that certain information regarding the auction contained in the reports submitted by CRA should be released to the public after a brief time to allow the winning bidders to procure any additional necessary energy or capacity to serve the SSO load. Therefore, unless otherwise ordered by the Commission, the following information will be subject to public release 21 days after the issuance of this Finding and Order: the names of bidders who won tranches in the auction; the number of tranches won by each bidder; the first round ratio of tranches supplied

compared to tranches needed; and the redacted report filed by CRA detailing the CBP auction proceedings, subject only to the redaction of any confidential information enumerated in Paragraph 10.

{¶ 12} Finally, all bidders are required to immediately disclose to the Commission and Staff all prices, terms, and conditions for any post-auction assignments of the tranches obtained through the CBP auction, subject to any appropriate protections for confidential or proprietary information.

{¶ 13} Accordingly, the Commission accepts the results of the auction conducted March 26, 2019, and finds that DP&L should be authorized to file final tariffs implementing the rates for SSO customers consistent with this Finding and Order. The final tariffs shall be approved effective June 1, 2019, subject to upon final review by the Commission.

III. ORDER

{¶ 14} It is, therefore,

{¶ 15} ORDERED, That the information set forth in Paragraph 10 be deemed confidential and remain under seal indefinitely. It is, further,

{¶ 16} ORDERED, That, unless otherwise ordered by the Commission, the information set forth in Paragraph 11 be subject to public release 21 days after the issuance of this Finding and Order. It is, further,

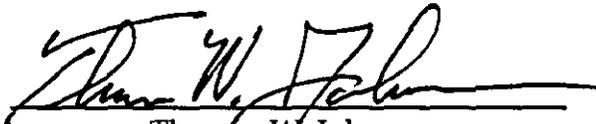
{¶ 17} ORDERED, That DP&L is authorized to file tariffs, in final form, consistent with this Finding and Order. DP&L shall file one copy in this case docket and one copy in its TRF docket. It is, further,

{¶ 18} ORDERED, That DP&L notify its customers of the changes to the tariff via bill message or bill insert within 30 days of the effective date. A copy of this notice shall be submitted to the Commission's Service Monitoring and Enforcement Department at least 10 days prior to distribution to customers. It is, further,

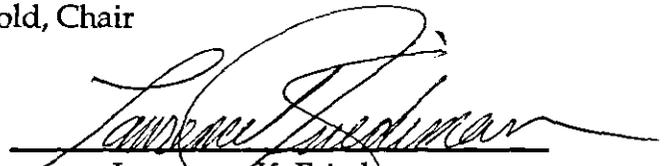
{¶ 19} ORDERED, That a copy of this Finding and Order be served on all interested persons and parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

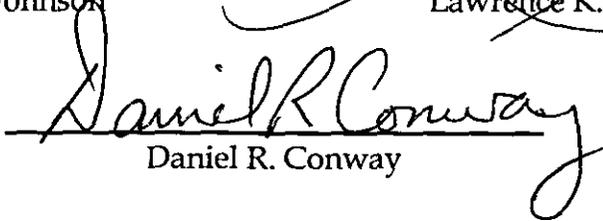
M. Beth Trombold, Chair



Thomas W. Johnson



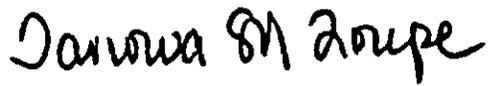
Lawrence K. Friedeman



Daniel R. Conway

GAP/sc

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Tanowa M. Troupe
Secretary