



June 15, 2024

Via eLibrary

Ms. Debbie-Anne A. Reese, Acting Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Informational Filing
The Dayton Power and Light Company d/b/a AES Ohio
Actual Annual Transmission Revenue Requirement and Annual
True-Up Adjustment for 2023
Docket No. ER20-1150-000

Dear Acting Secretary Reese:

The Dayton Power and Light Company d/b/a AES Ohio (“AES Ohio” or “Company”) hereby submits for informational purposes its actual annual transmission revenue requirement (“ATRR”) and annual true-up adjustment (“Annual True-Up” or “ATU”) for 2023 in accordance with its Formula Rate Implementation Protocols (“Protocols”) set forth in Attachment H-15B of the Open Access Transmission Tariff (“OATT”) of PJM Interconnection, L.L.C. (“PJM”).¹ This is filed with the Federal Energy Regulatory Commission (“Commission”) in accordance with Section 3.b. of the Protocols, which requires AES Ohio to calculate annually the true-up of its formula rate on or before June 15th and further provides that AES Ohio provide these calculations and other information in an information filing to the Commission that does not require any Commission action.

This Informational filing includes Attachment A. Attachment A is an Excel spreadsheet that contains the actual 2023 ATRR computations. The actual ATRR for the Dayton Zone for 2023 is \$87,187,098. Comparing this amount to the projected ATRR for the Dayton Zone for 2023 of \$72,272,710² results in a ATU for the Dayton Zone of \$14,914,388, excluding interest. In accordance with the Protocols, this ATU will be reflected in transmission rates beginning January 1, 2025, along with the projected 2025 ATRR, which will be posted on the PJM website on or before October 1, 2024. The October posting will also include interest on the 2023 ATU, calculated using the FERC interest rates. Attachment A, Worksheet 5 – CWIP in Rate base, contains the status of transmission projects during 2023 that have been granted the Construction Work in Progress (“CWIP”) incentive. Lastly, AES Ohio has noted in the applicable workpapers of Attachment A by highlighting in light blue 1) where changes in the formula rate references to the FERC Form 1 were needed; 2) where data included in the formula rate does not come from the FERC Form 1; and 3)

¹ These formula rate protocols were part of a comprehensive settlement package approved by the Commission in *The Dayton Power and Light Co.*, Docket No. ER20-1150-001, 175 FERC ¶ 61,021 (Letter Order of Apr. 15, 2021) (“Letter Order”).

² This 2023 Projected NITS ATRR was posted to the PJM website on December 7, 2022.



where additional data was added to increase transparency.

The Company's ultimate parent company, The AES Corporation, annually files FERC Form 60 (the 2023 Report was filed with the Commission on May 1, 2024), which on page 402 describes the allocation methodologies used to allocate costs of the centralized service company, AES US Services, LLC, by service category or function, among affiliated entities, including AES Ohio. AES Ohio further notes that its annual FERC Form 1, page 429, quantifies amounts over \$250,000 paid to or received from affiliated entities. There were no changes to cost allocations methodologies during 2023.

There were several adjustments made to the FERC Form 1 ("FF1") data for 2023 in determining formula rate inputs. Two of these adjustments, Accumulated Intangible Amortization (FF1 page 200-201) and Excluded Transmission Facilities (FF1 page 204-207 - specifically that associated with the Wright Patterson Air Force Base), involved the omission of the thirteen monthly balances in the FF1 during 2023. The beginning and end of year balances are in the FF1, but the intervening monthly balances are not. AES Ohio obtained those intervening month balances from its accounting records.³ There was also an error in the Administrative and General Expense account for property insurance (FF1, page 320-323). The correct amount is used in the actual 2023 ATRR calculation (Attachment A). The Allowance for Funds Used During Construction ("AFUDC") equity portion of depreciation (FF1, page 336-337) is incorrect in the FF1 and it has been corrected for use in the actual 2023 ATRR. The December 2023 balance for three projects included in CWIP on page 216 were incorrect (Madison Complex – New Madison 345 kV Substation, Amsterdam Area Improvements – Sidney Substation Expansion, and Madison Complex – New Fayette Substation), and the amounts have been corrected for use in the actual 2023 ATRR. Finally, the transmission plant in service amounts for December 2022 and January and February 2023 on FF1 page 204-207 inadvertently did not include the closing of the West Milton projects to plant in service that occurred in December 2022. AES Ohio used corrected transmission plant in service amounts in its 2023 actual ATRR calculations. The Company inadvertently omitted 1) the 13 month balances for the Marysville Project on Schedule 7B of Attachment (plant in service – FF1 page 204-207 and accumulated depreciation – FF1 page 200-201) and 2) depreciation expense (FF1, page 336-337). AES Ohio obtained these amounts from its accounting records.⁴ Lastly, there are two amounts in the accumulated depreciation and amortization footnote on pages 200-201 that are incorrect through they are not used in the formula rate (12/22 should be \$(1,257,955,022); and 7/23 should be \$1,256,830,739).

During 2023, AES Ohio 1) had no material changes in any accounting standards or policies; 2) had no accounting practices for unusual or unconventional items where FERC had not provided specific accounting direction; 3) had no corrections of material errors and material prior period adjustments that impacted the Annual True-up Adjustment or prior Annual True-up Adjustments; 4) used no new estimation methods or policies that changed prior estimates; 5) made no changes to income tax elections; 6) had no items included in the Annual True-up Adjustment at amounts other than historic costs; and 7) had no reorganizations or merger transactions during 2023.

³ Future annual FERC Form 1 reports will contain this information.

⁴ Future annual FERC Form 1 reports will contain this information.



AES Ohio is providing a copy of this filing to all parties to Docket No. ER20-1150-000 as well as to interested parties who have indicated that they wish to receive such updates. Additionally, as required by Section 3.b. of the Protocols, AES Ohio is providing this informational filing to PJM for posting on its website and posting it on its own website.

Please contact the undersigned should you have any questions.

Respectfully submitted,

/s/ William M. Rappolt

William M. Rappolt

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AES Ohio*

CERTIFICATE OF SERVICE

I hereby certify that I have this day, June 15, 2024, served via e-mail or by first-class mail, a copy of the foregoing on each party on the official service list compiled by the Secretary in this proceeding.

On behalf of The Dayton Power and Light Company:

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