BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 12-426-EL-SSO

CASE NO. 12-427-EL-SSO

CASE NO. 12-428-EL-SSO

CASE NO. 12-429-EL-SSO

CASE NO. 12-672-EL-SSO

MARKET RATE OPTION

BOOK III – Testimony and Appendices

THE DAYTON POWER AND LIGHT COMPANY
CASE NO. 12-426-EL-SSO

MRO Filing

Testimony

The Dayton Power & Light Company

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 12-426-EL-SSO

CASE NO. 12-427-EL-ATA

CASE NO. 12-428-EL-AAM

CASE NO. 12-429-EL-WVR

CASE NO. 12-672-EL-RDR

DIRECT TESTIMONY
OF CLAIRE E. HALE

- ☐ **MANAGEMENT POLICIES, PRACTICES, AND ORGANIZATION**
- ☐ **OPERATING INCOME**
- ☐ **RATE BASE**
- ☐ **ALLOCATIONS**
- ☐ **RATE OF RETURN**
- ■ **RATES AND TARIFFS**
- ☐ **OTHER**

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

DIRECT TESTIMONY OF

CLAIRE E. HALE

ON BEHALF OF
THE DAYTON POWER AND LIGHT COMPANY

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Claire E. Hale. My business address is 1065 Woodman Drive, Dayton, OH 45432.

Q. By whom and in what capacity are you employed?

A. I am employed by The Dayton Power and Light Company ("DP&L" or "Company") as a Rate Analyst.

Q. How long have you been in your present position?

A. I assumed my present position in January 2011.

Q. What are your responsibilities in your current position and to whom do you report?

A. In my current position, I am responsible for assisting in the development, analyses, revision, and administration of the Company's tariff schedules, rate designs, and policies. I have responsibility for the Transmission Cost Recovery Rider and the Reliability Pricing Model Rider. I report to the Supervisor of Regulatory Operations.

Q. Will you describe briefly your educational and business background?

A. I received a Bachelor of Science degree in Mathematics from The Ohio State University in June 2008. Prior to my position at DP&L, I was a Technical Analyst at Accenture. There I worked on the Service Oriented Architecture Team providing client support on middleware applications.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to support and explain the Company's Transmission Cost Recovery Rider (TCRR) and its Reliability Pricing Model (RPM) Rider. Specifically, I will describe the separation of market-based and non-market-based transmission-related costs into two TCRR riders, the bypassable TCRR-B and the non-bypassable TCRR-N. I will also explain how these riders will be implemented during the MRO period.

Q. What is Case No. 12-672-EL-RDR?

A. Case No. 12-672-EL-RDR is the complete TCRR filing for the proposed TCRR-N rates. This filing is intended to provide all schedules and workpapers that are required by OAC §4901:1-36-03 for developing and implementing a TCRR rate.

Q. What Schedules and Workpapers are you supporting?

A. I am supporting the following Schedules and Tariffs in Case No. 12-426-EL-SSO:

Schedule 2A, 2A-1, 2A-2, 2A-3 – TCRR Rate Adjustments

Schedule 2C, 2C-1 – RPM Rate Adjustments

Schedule 7C – TCRR-N Rates

Tariff Sheet No. T14 Transmission Cost Recovery Rider – Non-bypassable (TCRR-N)

Tariff Sheet No. T15 Transmission Cost Recovery Rider – Bypassable (TCRR-B)

Tariff Sheet No. G27 PJM RPM Rider

Additionally, I am supporting all of the Schedules, Workpapers, and Tariffs in Case No. 12-672-EL-RDR.

II. TRANSMISSION COST RECOVERY

Q. Please describe the Company's current methodology for cost recovery of transmission and transmission-related costs.

A. The Company currently has Tariff Sheet No. T15 Transmission Cost Recovery Rider (TCRR), which was originally approved by the Commission on May 27, 2009 in Case No. 09-256-EL-UNC. This rider recovers all transmission and transmission-related costs, net of transmission-related revenues, charged to the Company by PJM, the approved regional transmission organization (RTO) of which DP&L is a member. This rider is bypassable and reconciled annually, with filings made in February for rates effective in May. The current TCRR rates in effect were approved by the Commission in Case No. 11-547-EL-RDR on April 27, 2011 for rates effective May 2011 – April 2012.

Q. Please describe how the Company proposes to continue cost recovery of transmission and transmission-related costs.

A. The Company plans to separate the cost components of the TCRR into market-based and non-market-based subsets and to recover these costs separately. A similar construct was approved by the Commission for FirstEnergy Corporation and Duke Energy Ohio in Case Nos. 10-388-EL-SSO and 11-2641-EL-RDR, respectively. A new rider, TCRR-N, will be established that will recover network integration transmission services (NITS), Regional Transmission Expansion Plan (RTEP), and other non-market-based FERC/RTO charges. The current TCRR will become TCRR-B and will include the remaining ancillary and market-based charges from PJM that are billed directly to the load-serving entity (LSE) in proportion to the load being served.

Q. Why is it reasonable to implement NITS through a non-bypassable charge?

A. Currently the Company charges NITS costs to standard service offer (SSO) customers, while CRES providers pay DP&L (through PJM) for NITS to deliver energy to the retail customers that they serve. NITS, therefore, already functions as a non-bypassable charge. With the proposed TCRR-N, these charges will be paid by the Company to PJM for all shopping and SSO load, and therefore will be recovered from all customers in the Company's non-bypassable rider.

Q. What other charges will be included in the TCRR-N?

A. As stated above, the Company also proposes to recover RTEP and other non-market-based costs via this rider. These costs are billed to the Company under tariffs approved by FERC and recover operational costs for various services provided through PJM. Therefore it is reasonable that these costs should be billed to DP&L for all shopping and SSO load and recovered on a non-bypassable basis. I have reviewed each PJM bill line item and determined that, in addition to NITS and RTEP, the following charges are non-market-based and should be included in the TCRR-N: PJM Scheduling, System Control, and Dispatch Service; Transmission Owner Scheduling, System Control, and Dispatch Service; Reactive Supply and Voltage Control; Black Start Service; NERC and RFC; Expansion Cost Recovery; Load Response Charge Allocation; and Generation Deactivation. Additionally, Firm Point-To-Point credits to customers in the AEP zone and Non-Firm Point-To-Point credits are non-market-based and should be included in the TCRR-N. Since the PJM environment changes frequently, there may be new non-market-based costs that are billed to the Company by FERC or PJM. To the extent that

these new fees or charges are appropriate for inclusion in the TCRR-N, DP&L will seek approval from the PUCO for recovery of these charges.

Q. How will the non-bypassable charge TCRR-N benefit customers?

A. When the Company becomes responsible for these costs for all customers, DP&L removes the requirement for wholesale or retail suppliers to include them in their product. Excluding these costs should lower the generation price that suppliers charge to their customers. Additionally, moving these costs to a non-bypassable charge should cause less variation in the price to compare, making it easier for customers to compare offers from alternative retail electric generation suppliers.

Q. Is TCRR-N supported in the statute?

A. Yes. TCRR-N is founded in ORC §4928.05(A)(2):

> "[C]ommission authority under this chapter shall include the authority to provide for the recovery, through a reconcilable rider on an electric distribution utility's distribution rates, of all transmission and transmission-related costs, including ancillary and congestion costs, imposed on or charged to the utility by the federal energy regulatory commission or a regional transmission organization, independent transmission operator, or similar organization approved by the federal energy regulatory commission."

Q. Can you please expand on why Rider TCRR-B is reasonable within the MRO environment?

A. As explained in Witness Seger-Lawson's testimony, DP&L will employ a Competitive Bidding Process (CBP) to supply an increasing portion of the Company's SSO load throughout the blending period. All market-based services from PJM will be included in the CBP and wholesale suppliers will become the LSE for their portion of the SSO Load. DP&L will also continue to provide ancillary and market-based services through PJM for the portion of the total SSO load that it serves through the TCRR-B. Because responsibility for these services will shift from DP&L to winning bidders as more of DP&L's SSO load is included in the CBP, DP&L proposes to include TCRR-B in the rate blending process. This appropriately phases out DP&L's market-based tariff during the MRO, and more importantly, guarantees that the total blended SSO rate is a reasonable blend of comparable products.

Q. When and how will the new riders TCRR-B and TCRR-N initially be implemented?

A. The separation of TCRR costs will begin January 1, 2013, at which point TCRR-N and TCRR-B will supersede the current TCRR. At that time, the current TCRR rate as proposed in Case No. 12-524-EL-RDR will be adjusted down to remove the reconciliation portion and the non-market-based costs. The reconciliation piece will be removed because it is DP&L's intention that the TCRR-B begin the blending period with a deferral balance of zero. The existing TCRR deferral as of December 31, 2012 will be moved to the Company's Reconciliation Rider as discussed in Company Witness Seger-Lawson's testimony. In order to calculate the level of non-market-based costs to remove, the market-based charges shown in Case No. 12-524-EL-RDR are set to zero, which creates a non-market-based rate that can then be removed from the total proposed TCRR rate. The remaining rate, TCRR-B, will be included in the rate blending process. With

regard to the non-market-based costs, DP&L includes in this application the appropriate schedules and workpapers, pursuant to OAC §4901:1-36-03, to set new rates for TCRR-N for the period January 1, 2013 – May 31, 2013. These rates were reset for January 1, 2013 to reflect the applicable forecasted costs and sales for all distribution load.

Q. Will the sum of the TCRR-B rates and the TCRR-N rates be equal to the current TCRR rate? Why or why not?

A. No. While the TCRR-B rate is created directly off of the TCRR rate, the TCRR-N rate must now be calculated on all distribution load. The cost for each customer class per kWh or kW can vary depending on the type of customers included in the calculation. Therefore the non-market-based charges included in the TCRR-N must be forecasted and allocated across classes and energy/demand differently than when these same charges were forecasted and allocated on a bypassable basis in the TCRR. Additionally, the current TCRR rate includes a reconciliation component that will not initially be reflected in the TCRR-B or the TCRR-N.

Q. When and how will TCRR-N be trued-up?

A. DP&L plans to place all PJM-related riders on the same annual audit schedule, which will match up with the RPM June 1st – May 31st delivery year. Therefore DP&L proposes to file a true-up application on March 15 each year with rates effective on a bills-rendered basis beginning June 1. As before, the annual true-up process for Rider TCRR-N will be subject to audit by the PUCO. This annual filing, beginning March 15, 2013 for rates effective June 1, 2013, is intended to meet all of the requirements in OAC §4901:1-36-03 and will reconcile the applicable jurisdictional costs and revenues from

PJM with the rider revenue received from customers. Projected costs for each true-up period will be categorized based on energy, demand, or reactive demand. An adjustment for previous under- or over-collection will be applied proportionately to the energy and demand costs. Total energy costs will be allocated to each tariff class based on forecasted energy components, while demand and reactive demand costs will be allocated to tariff classes based on the Company's 1 or 12 Coincident Peak (CP) as applicable. Finally, these costs will be divided by the applicable projected distribution billing determinants (kWh, kW, kVar) per tariff class to create TCRR-N rates for each class.

Q. When and how will TCRR-B be trued-up?

A. Because TCRR-B recovers prudently incurred ancillary service costs, this rate will continue to be adjusted throughout the blending period to account for known and measurable changes in costs. Therefore TCRR-B will be trued-up quarterly as required by OAC §4901:1-35-03 (B)(2)(j). DP&L will continue to employ its existing true-up methodology but on a seasonal quarterly basis.

Q. Can you describe the TCRR-B true-up process in more detail?

Yes. DP&L will forecast allocated charges from PJM as well as its share of projected SSO sales for each quarterly period. Additionally, DP&L will calculate any over- or under-recovery from the previous periods. The PJM charges and over- or under-recovery will be classified as demand or energy components and then allocated across tariff classes by the Company's 1 or 12 CP or by projected sales. These allocated costs will be divided by the DP&L supplied portion of the forecasted SSO billing determinants to result in TCRR-B demand and energy rates per tariff class. Lastly, these rates will be multiplied

by the applicable ESP blend percent. This calculation ensures that SSO customers are appropriately charged the blended amount for this legacy ESP rate. Finally, the TCRR-B will be implemented on a bills-rendered basis and will be subject to an annual audit by the PUCO.

Q. How will the charges and credits that DP&L receives from PJM change with a CBP, and what impact will that have on the TCRR-B calculations?

A. DP&L classifies its market-based charges from PJM in two categories: load-based and generator-based. These categories describe how and why these charges are billed to DP&L and consequently how DP&L assigns these costs to customers. The winning bidders of the CBP will be billed directly by PJM for any load-based costs in proportion to the amount of load that they serve. As an increasing percentage of SSO load is served via CBP, the amount of load-based costs billed to DP&L for the remaining SSO load should decrease proportionately. Because DP&L acts as the LSE for SSO load that it continues to serve and for DPL Energy Resources (DPLER) customers, any load-based charges will continue to be allocated to SSO customers using a Retail/DPLER ratio. The Retail/DPLER energy ratio is calculated by SSO MWh / (SSO MWh + DPLER MWh), while the Retail/DPLER demand ratio is determined by SSO MW / (SSO MW + DPLER MW). As more SSO load is included in the CBP, this ratio will be adjusted, assigning fewer and fewer costs to SSO load.

Conversely, DP&L's generator-based charges from PJM will not decrease inherently with the blending percent. These charges are billed to DP&L based on the Company's monthly generation levels, which will not change with the implementation of a CBP (all

else being equal). This is because DP&L currently bids in all its generation to the PJM market and buys back what is required to serve its SSO and DPLER load. The difference either becomes wholesale sales or purchased power. With the implementation of a CBP, DP&L will purchase 10% less from the market for SSO load and should therefore increase its wholesale sales by the same amount. Generator-based charges are currently allocated to SSO customers using a Retail/Wholesale ratio that is calculated by SSO MWh / (SSO MWh + DPLER MWh + Wholesale MWh). As explained above, as more SSO load is included in the CBP, retail sales will decrease and wholesale sales should increase. This formula effectively reduces the Retail/Wholesale allocator by the same percent as the CBP load. Applying this reduced allocator to the generator-based charges properly assigns costs to SSO customers based on a diminishing proportion of load served by the utility.

Q. Do any charges in the TCRR-B require a different or additional allocator?

A. Yes. The charges related to the purchase of Financial Transmission Rights (FTR), including FTR Auction charges/credits as well as Transmission Congestion credits, will additionally be allocated based on a new LSE allocator for the period January – May 2013. DP&L will purchase FTRs in April 2012 for the June 2012 – May 2013 delivery year based on the Company's total SSO and DPLER load. These charges remain with the FTR holder and will not reduce with customer switching or a CBP. Currently DP&L allocates these charges/credits using the Retail/DPLER energy split, and then shares this FTR risk/reward with SSO customers at a Shareholder/Customer split of 25/75. Although the level of FTR charges/revenues will not change until the 2013 FTR Auction, a lower proportion of these charges/revenues will be applicable to SSO customers after

the implementation of the CBP. Therefore, for the period of January – May 2013, DP&L will use a LSE/SSO allocator to determine the level of SSO FTR charges/revenues to pass through to customers. This allocator is calculated by [SSO MWh + DPLER MWh] / [(SSO MWh / 90%) + DPLER MWh]. The SSO FTR charges/revenues will then be calculated by multiplying the total FTR charges/revenues by the Retail/DPLER energy allocator, the 75% share, and the LSE/SSO allocator to provide the appropriate level of FTR risk and reward that will be shared with customers. Beginning June 2013, DP&L will purchase FTRs at a reduced level to correspond with DP&L's reduced LSE load. For each period thereafter, the amount of SSO load that DP&L serves will reduce at the start of each PJM delivery year and therefore with the FTR holding period as well. Consequently, the LSE/SSO allocator will no longer be needed as of June 2013, as the Retail/DPLER energy allocator will suffice.

Q. Is there a simple way to see how these allocators will work?

A. Yes. Please refer to the simplified numeric example provided in Exhibit CEH-1 attached to my testimony. This example illustrates how the Retail/DPLER, Retail/Wholesale, and LSE/SSO allocators are calculated and used to assign charges or credits to SSO customers.

Q. Is DP&L forecasting any other changes to the TCRR-B rate?

A. The rate should continue to decrease with the Company's portion of the SSO load, barring any unforeseen changes in the market-based products or costs. Beginning June 2018, 100% of DP&L's SSO load will be served via CBP, and DP&L will cease to receive any applicable TCRR-B charges from PJM for SSO load. At that point the rate

will be set to zero pending a potential final true-up of any remaining over- or under-recovery.

III. RELIABILITY PRICING MODEL

Q. Please describe the Company's current methodology for cost recovery of capacity-related costs.

A. The Company currently has Tariff Sheet No. G27 Reliability Pricing Model (RPM) Rider, which was originally approved by the Commission on May 27, 2009 in Case No. 09-256-EL-UNC, and was made a separate rider by Order of the Commission on November 18, 2009. This rider recovers capacity-related costs, net of capacity-related revenues, charged to the Company by PJM. Currently this rider is bypassable and reconciled annually. The RPM rates currently in effect were approved by the Commission in Case No. 11-547-EL-RDR on April 27, 2011 for rates effective May 2011 – April 2012.

Q. Please describe the role of capacity and the RPM rider during the MRO blending period.

A. Winning bidders of the CBP will provide capacity for their portion of SSO load. DP&L will also continue to provide capacity through the PJM RPM market for the portion of the total SSO load that it serves. Therefore, as discussed in Company Witness Seger-Lawson's testimony, the RPM rider will be included as part of the rate blending process. Because the RPM rider recovers prudently incurred capacity costs, this rate will continue to be adjusted throughout the blending period to account for known and measurable

changes in costs. Therefore, as required by OAC §4901:1-35-03 (B)(2)(j), the RPM rider must be adjusted quarterly. DP&L will continue to employ its existing true-up methodology but on a seasonal quarterly basis.

Q. Can you explain in more detail how DP&L proposes to implement the RPM rider in the MRO period?

Yes. The process to modify the RPM Rider is very similar to that of the other true-up riders. First, the current RPM deferral as of December 31, 2012 will be removed from RPM so that it begins the blending period with a deferral balance of zero. Like TCRR, the existing RPM deferral will be included in the Company's Reconciliation Rider, Tariff Sheet No. G29. To accomplish this change, the reconciliation rate as proposed in Case No. 12-524-EL-RDR will be removed from the RPM rate, as illustrated in Schedule 2C. The resulting rate will then be included in the rate blending process on a bills-rendered basis and will remain bypassable.

Q. How does DP&L propose to true-up the RPM rider?

As in its current true-up methodology, DP&L will forecast allocated charges and credits from PJM as well as its share of projected SSO sales for each quarterly period. Additionally, DP&L will calculate any over- or under-recovery from the previous periods. The netted PJM RPM charges and credits and over- or under-recovery will be allocated across tariff classes by the Company's 5 CP. These allocated costs will then be divided by the DP&L supplied portion of the forecasted SSO billing determinants by tariff class to result in RPM rates per tariff class. The final step to producing tariffed rates will be to multiply the rates by the applicable blend percent. Similar to the other

true-up riders, the RPM Rider will be subject to an annual audit by the PUCO.

Q. Can you describe in more detail how the capacity-related charges and credits from PJM will be handled in the RPM rider going forward?

A. Yes. DP&L anticipates that RPM charges may increase/decrease in response to two factors: the RPM price, and DP&L's monthly load. After a drop to $16.46 in the 2012-2013 delivery year, the RPM clearing price increases to $27.73 and $125.99 for the 2013-2014 and 2014-2015 delivery years, respectively. This price has a direct impact on the level of capacity charges assessed to SSO customers, and DP&L will experience increased charges as the price rises. Conversely, as an increasing portion of the SSO load is included in the CBP, DP&L's load obligation will decrease, and therefore the amount of capacity-related charges which it receives from PJM should decrease as well. Because DP&L will continue to act as the LSE for the ESP percentage of the SSO load and DPLER customers, these load-based capacity charges will continue to be allocated to SSO customers using the Retail/DPLER demand ratio. As more SSO load is included in the CBP, this ratio will be adjusted, assigning a lower proportion of costs to SSO customers.

DP&L will continue to receive the same amount of RPM revenue in relation to the RPM price because this revenue is compensation for generation that is bid into the RPM market. Because these credits are generator-based, this revenue is allocated to SSO customers using a Retail/Wholesale ratio. As discussed above, the Retail/Wholesale allocator inherently decreases with the implementation of a CBP. Applying this reduced allocator to the RPM revenues properly assigns less revenue to SSO customers. After the

charges and revenues are each allocated appropriately, they will be netted and passed on to SSO customers through the RPM rider in the same manner that they are today.

Q. Is DP&L forecasting any other changes to the RPM rate?

A. The rate should continue to decrease with the ESP percentage of SSO load, barring any changes in the RPM construct. Beginning June 2018, 100% of DP&L's SSO load will be served via CBP, and DP&L will cease to receive any applicable RPM charges or credits from PJM. At that point, the RPM rate will be set to zero pending a potential final true-up of any remaining over- or under-recovery.

IV. SCHEDULES AND WORKPAPERS

Q. Are you responsible for Schedules 2A, 2A-1, 2A-2, 2A-3, 2C, and 2C-1? If so, what is contained in those schedules?

A. Yes. Schedule 2A-1 calculates the rate adjustment required to remove any non-market-based products from the TCRR rate that is proposed in Case No. 12-524-EL-RDR. Schedules 2A-2 and 2C show the reconciliation rate that will be removed from the proposed total rates for TCRR and RPM, respectively. These schedules also illustrate the methodology for incorporating any over- or under-recovery into these riders. Schedules 2A-3 and 2C-1 show how the aforementioned adjustments affect the max charge rates for TCRR and RPM. Schedule 2A sums the results of Schedule 2A-1 and 2A-2 to show the total adjustment to the TCRR rate.

Q. What is the source of the information shown on Schedules 2A, 2A-1, 2A-2, 2A-3, 2C, and 2C-1?

A. The information on these schedules was developed from Case No. 12-524-EL-RDR, which references both accounting records and Company projections.

Q. Can you describe the process that you used to calculate the figures shown on Schedule 2A-1?

A. Yes. I started with Schedule C-3a from Case No. 12-524-EL-RDR, which shows the development of the proposed base TCRR rates. Then I classified each line item as market-based or non-market-based, since this classification determines whether they remain in the bypassable TCRR-B rate or if they will move to the non-bypassable TCRR-N. All market-based charges, with the exception of the Synchronous Condensing charge, were then set to zero, leaving only the projected non-market-based costs. The resulting rate is the adjustment that is used to reduce the proposed TCRR rate to the market-based TCRR-B rate.

Q. Why is an exception made for the Synchronous Condensing charge?

The Synchronous Condensing charge is treated specially due to a change in its billing classification. In the TCRR, this line item is classified as a Reactive Demand component because it compensates synchronous condensers for their reactive-based services. However, it is billed to DP&L on a real-time load (energy) basis. With the separation of costs into the TCRR-B and TCRR-N, the primary share of DP&L's reactive charge, Reactive Supply and Voltage Control, will essentially function as a distribution charge for reactive demand. Leaving the nominal Synchronous Condensing charge as a bypassable reactive demand charge is simply redundant. Therefore it is more reasonable to eliminate the kVar charge in the TCRR-B and move Synchronous Condensing to an

Energy component in that rider. To illustrate this adjustment in Schedule 2A-1, this line item is shown as a charge that will be removed from the Reactive Demand rate (by increasing the non-market-based adjustment) and added to the Energy rate (by reducing the non-market-based adjustment).

Q. Are the results of the calculation reasonable?

A. Yes. This schedule shows what portion of the TCRR rate proposed in Case No. 12-524-EL-RDR is due to non-market-based charges. Simultaneously it makes an adjustment for the re-classification of PJM's Synchronous Condensing charge. By making this modification, removing the non-market-based portion, and subtracting the reconciliation portion in Schedule 2A-2, the remaining rate reflects only the fully bypassable, market-based charges.

Q. Are you responsible for Schedule 7C? If so, what is shown on that schedule?

A. Yes. Schedule 7C shows the proposed TCRR-N rate by tariff class. These rates are calculated via the schedules submitted in Case No. 12-672-EL-RDR.

Q. Are you responsible for all of the Schedules and Workpapers in Case No. 12-672-EL-RDR? If so, what is contained on those schedules?

A. Yes. These Schedules and Workpapers are intended to comply with the filing requirements of OAC §4901:1-36-03 for a Transmission Cost Recovery Rider. They show the development of the TCRR-N rates with all necessary supporting data.

V. CONCLUSION

Q. Does this conclude your direct testimony?

A. Yes, it does.

The Dayton Power and Light Company
Case Nos. 12-426-EL-SSO, 12-672-EL-RDR
TCRR and RPM Allocator Examples

Data: For Illustrative Purposes Only
Type of Filing: Original
Work Paper Reference No(s).: None

Exhibit CEH-1
Page 1 of 1
Witness Responsible: Claire E. Hale

FOR ILLUSTRATIVE PURPOSES ONLY

Line	Description	Allocators & Charges Prior to Competitive Bidding (CB)		Allocators & Charges Post Competitive Bidding	
(A)	(B)	(C)	(D)	(E)	(F)
1	Load (MWh)[1]	Prior to CB	Source	Post CB	Source
2	SSO Load	100	Illustrative	90	90% * Col (C)
3	DPLER Load	50	Illustrative	50	Col (C)
4	Wholesale Load	20	Illustrative	30	Col (C) + [Col (C) Line 2 - Col (E) Line 2]
5					
6	Total Charges at $1/MWh				
7	Load-Based Charges	$150.00	Line 2 + Line 3	$140.00	Line 2 + Line 3
8	Generator-Based Charges	$170.00	Sum (Lines 2 thru 4)	$170.00	Sum (Lines 2 thru 4)
9	FTR Charges[2]	$150.00	Line 2 + Line 3	$150.00	Col (C) Line 2 + Col (C) Line 3
10					
11	Allocators				
12	Retail/DPLER	66.7%	Line 2 / (Line 2 + Line 3)	64.3%	Line 2 / (Line 2 + Line 3)
13	Retail/Wholesale	58.8%	Line 2 / Sum (Lines 2 thru 4)	52.9%	Line 2 / Sum (Lines 2 thru 4)
14	LSE/SSO	100.0%	(Line 2 + Line 3) / [(Line 2 / 100%) + Line 3]	93.3%	(Line 2 + Line 3) / [(Line 2 / 90%) + Line 3]
15	Customer Share	75.0%	Commission Order in Case No. 09-256-EL-UNC, Dated May 27, 2009, Page 5, Paragraph (17)	75.0%	Commission Order in Case No. 09-256-EL-UNC, Dated May 27, 2009, Page 5, Paragraph (17)
16					
17	Allocated Charges				
18	Load-Based Charges	$100.00	Line 7 * Line 12	$90.00	Line 7 * Line 12
19	Generator-Based Charges	$100.00	Line 8 * Line 13	$90.00	Line 8 * Line 13
20	FTR Charges	$75.00	Line 9 * Line 12 * Line 14 * Line 15	$67.50	Line 9 * Line 12 * Line 14 * Line 15
21					
22	[1]The same illustrative example can be used with MW for SSO and DPLER Load.				
23	[2]FTR Charges will not change with the implementation of a Competitive Bidding since they are purchased in April for the June - May Delivery Year.				

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DIRECT TESTIMONY
OF ALDYN W. HOEKSTRA

- ☐ MANAGEMENT POLICIES, PRACTICES, AND ORGANIZATION
- ☐ OPERATING INCOME
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- ■ OTHER

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Aldyn W. Hoekstra and my business address is 1065 Woodman Drive, Dayton, Ohio, 45432.

Q. By whom and in what capacity are you employed?

A. I am employed by The Dayton Power and Light Company ("DP&L" or "Company") as Director, Origination and Structuring.

Q. How long have you been in your present position?

A. I assumed my present position in May 2010.

Q. What are your responsibilities in your current position and to whom do you report?

A. In my current position, I report to the Senior Vice President, Competitive Market Services, and I have responsibility for managing the Company's Commercial Structuring function, which includes commodity pricing, deal structuring, portfolio analytics and business planning responsibilities.

Q. Will you describe briefly your educational and business background?

A. I received a Bachelor of Science degree in Industrial Engineering from Purdue University in 1987 and a Master of Science degree in Engineering-Economic Systems from Stanford University in 1988. I have over 20 years of industry and consulting experience, focusing on North American energy markets, strategy and economics. Prior to joining DP&L, I spent over 15 years as a consulting energy economist with various firms, as well as 5

years as a member of the management team of Sempra Energy Solutions, most recently as the Vice President of Strategy and Risk Management.

Q. Have you previously provided testimony before the Public Utilities Commission of Ohio ("PUCO" or the "Commission"), any other state commission, or the Federal Energy Regulatory Commission ("FERC")?

A. I have not previously provided testimony before the PUCO, but I have sponsored testimony before the California Public Utilities Commission (CPUC) and Public Utilities Commission of Nevada (PUCN) in the following matters:

- **CPUC Application Nos. 90-08-066, 90-08-067, 90-09-001:** Certificate of Public Convenience and Necessity for the California-Oregon Transmission Project; Testimony on behalf of Toward Utility Rate Normalization (1990)
- **PUCN Docket Nos. 02-12046 through 02-12054:** Applications of MGM Mirage, et. al., to purchase energy, capacity and/or ancillary services from a provider of new electric resources; Testimony on behalf of Sempra Energy Solutions (2003)
- **PUCN Docket Nos. 02-12053 and 02-12054:** Applications of MGM Mirage and Victoria Partners to purchase energy, capacity and/or ancillary services from a provider of new electric resources; Affidavit on behalf of MGM Mirage and Victoria Partners (2003)
- **CPUC Rulemaking No. 06-02-012:** Order Instituting Rulemaking to Develop Additional Methods to Implement the California Renewables Portfolio Standard Program; Testimony on behalf of the Alliance for Retail Energy Markets (2006)

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to support the baseline volumes for DP&L distribution sales and DP&L Standard Service Offer (SSO) sales used for the projections of financial and rate impacts supported by other DP&L witnesses.

Q. What Workpapers are you supporting?

A. I am supporting Workpaper 8A "Distribution Sales Baseline Volumes" and Workpaper 8B "SSO Sales Baseline Volumes."

II. WORKPAPERS

Q. Are you responsible for Workpaper 8A? If so, please describe what is provided on Workpaper 8A.

A. Yes. Workpaper 8A "Distribution Sales Baseline Volumes" shows actual, weather-normalized distribution sales volumes on the DP&L system for calendar year 2011, differentiated by customer revenue class, and displayed as an annualized total and also by month.

Q. What is the source of the information shown on Workpaper 8A?

A. The information on Workpaper 8A contains historical distribution sales data obtained from the Company's accounting records, kept in the ordinary course of business, as adjusted to account for the impact on weather-sensitive customer usage of differences between actual weather conditions during 2011 and long-term average weather conditions, specifically Heating Degree Days (HDD) and Cooling Degree Days (CDD).

Q. How was the information contained on Workpaper 8A developed?

A. The information on Workpaper 8A was developed by adjusting recorded 2011 distribution sales through the use of statistical regression equations that the Company uses to adjust actual sales data for weather-sensitive customers based on the difference between normal and actual HDDs and CDDs.

Q. How is the information on Workpaper 8A used in the Company's filing?

A. The information on Workpaper 8A is used by Company Witness Jackson for projections of the financial impacts of the Company's filing, by Company Witness Seger-Lawson to establish the rates for the Reconciliation Rider and for projections of the rate impacts of the Company's filing, by Company Witness Rabb to demonstrate how the Competitive Bidding Rate will be set, and by Company Witness Hale to establish the rates for the Transmission Cost Recovery Rider – Non-bypassable.

Q. Is the information provided on Workpaper 8A reasonable?

A. Yes, the distribution sales volumes shown in Workpaper 8A reflect actual, weather-normalized distribution sales for the most recently-completed calendar year of 2011. As a result, these annualized and weather-normalized distribution sales baseline volumes provide a reasonable basis for the projections of financial and rate impacts of the Company's Application which are supported by other DP&L witnesses.

Q. Are you responsible for Schedule Workpaper 8B? If, yes, please describe what is provided on Workpaper 8B.

A. Yes. Workpaper 8B "SSO Sales Baseline Volumes" shows annualized SSO sales volumes, consistent with the distribution sales volumes shown on Workpaper 8A, differentiated by customer revenue class, and displayed as an annualized total and also by month.

Q. What is the source of the information shown on Workpaper 8B?

A. The information on Workpaper 8B was developed from the annualized and weather-normalized distribution sales volumes shown on Workpaper 8A, as adjusted to remove sales to customer accounts that were known to have switched from SSO service to retail

electric generation service from a Competitive Retail Electric Service (CRES) provider as of February 17, 2012, the date Workpaper 8B was prepared. The identification of accounts known to have switched to CRES providers as of that date was obtained from the Company's customer information records, kept in the ordinary course of business.

Q. How was the information contained on Workpaper 8B developed?

A. The information on Workpaper 8B was developed by subtracting, from the distribution sales volumes shown on Workpaper 8A, the most recent 12 months' usage for accounts that had switched to CRES service as of February 17, 2012.

Q. How is the information on Workpaper 8B used in the Company's filing?

A. The information on Workpaper 8B is used by Company Witness Jackson for projections of the financial impacts of the Company's filing, and by Company Witness Parke to demonstrate how the Competitive Bid True-up rate will be established on Schedule 7B.

Q. Is the information provided in Workpaper 8B reasonable?

A. Yes, the SSO sales baseline volumes shown on Workpaper 8B reflect annualized and weather-normalized sales to the customer accounts that are being served under DP&L's SSO tariff based on actual currently-known customer switching. As a result, these annualized and weather-normalized SSO sales baseline volumes provide a reasonable basis for the projections of financial and rate impacts of the Company's Application which are supported by other DP&L witnesses.

III. CONCLUSION

Q. Does this conclude your direct testimony?

A. Yes, it does.

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 12-426-EL-SSO

CASE NO. 12-427-EL-ATA

CASE NO. 12-428-EL-AAM

CASE NO. 12-429-EL-WVR

CASE NO. 12-672-EL-RDR

DIRECT TESTIMONY
OF CRAIG L. JACKSON

- ☐ MANAGEMENT POLICIES, PRACTICES, AND ORGANIZATION
- ■ OPERATING INCOME
- ☐ RATE BASE
- ☐ ALLOCATIONS
- ■ RATE OF RETURN
- ☐ RATES AND TARIFFS
- ■ OTHER

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

DIRECT TESTIMONY OF

CRAIG L. JACKSON

ON BEHALF OF
THE DAYTON POWER AND LIGHT COMPANY

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Craig Jackson and my business address is 1065 Woodman Drive, Dayton, Ohio, 45432.

Q. By whom and in what capacity are you employed?

A. I am employed by The Dayton Power and Light Company ("DP&L" or "Company") as Vice President and Treasurer.

Q. How long have you been in your present position?

A. I assumed my present position in December 2010.

Q. What are your responsibilities in your current position and to whom do you report?

A. In my current position, I report to the Company's interim Chief Financial Officer and have direct responsibility and oversight for the Company's corporate modeling, treasury, middle office, and enterprise risk management functions.

Q. Will you describe briefly your educational and business background?

A. I received a Bachelor of Science degree in Business Administration from Bloomsburg University in 1996. I also earned a Master of Business Administration degree in Finance from Wright State University in 2001.

I joined DP&L in February 2000 as a Financial Analyst, Corporate Modeling. In December 2002, I accepted the position of Team Leader, ISO Settlements, with PPL Corporation. In June 2004, I returned to DPL as Manager, Financial Planning and

Analysis, reporting to the Chief Financial Officer. From June 2004 to December 2010, I was promoted through several positions of increasing responsibility within the Treasury organization at DP&L, the last of which is my current position as Vice President and Treasurer.

Prior to joining DP&L in February of 2000, I served in the United States Air Force ("Air Force") as a Finance Technician. I began my service with the Air Force in May 1996.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. The purpose of my testimony in this proceeding is to support: (1) the Company's pro forma financial projections; and (2) the Company's cost of debt calculations.

Q. Does DP&L's Application comply with Ohio Administrative Code § 4901:1-35-03 (B) (2) (b), and if so, how?

A. Yes. In seeking approval of the Market Rate Offer ("MRO"), the Company must satisfy certain criteria as described in OAC §4901:1-35-03(B)(2)(b). These criteria include the requirement that the Company provide pro forma financial projections for the filing period (2013 – 2018). The application includes pro forma financial projections for the years 2013 through 2018. The projections are included in Workpapers 12, 12.1 and 12.1a.

III. FINANCIAL STATEMENTS

Q. What methodology and associated processes were used to develop the pro forma financial statements?

A. The pro forma financial statements included in Workpapers 12, 12.1 and 12.1a reflect the projected financial impact of the Company's MRO plan and were developed consistent with the methodology and process used by the Company for preparing its normal operating forecast. This methodology is a "bottom up" approach to forecasting that requires input and assumptions from a variety of areas within the Company. The assumptions, which include distribution sales, Standard Service Offer ("SSO") sales, customer shopping, generation plant characteristics, commodity price curves, and fuel and operating cost projections among others, are reviewed with the business areas to determine the most reasonable set of assumptions to be incorporated into the forecast. As we progress through the business year, we track and monitor actual results compared to the forecast. Based on actual results combined with potential changes in business and market conditions, the forecast is adjusted as needed. This process makes the forecast a reliable one.

Q. What are the major components of in the financial forecast?

A. The inputs and assumptions received from the various areas within the Company are used to derive the following major components of the forecast:

(1) distribution baseline sales volumes and SSO baseline sales volumes;

(2) commodity price forecast;

(3) generation dispatch forecast;

(4) retail and wholesale revenue estimates;

(5) operations and maintenance expenses forecast; and

(6) capital expenditures forecast.

Q. How are each of the above components developed?

A. The development and methodology for each of these major components are as follows:

(1) Distribution Sales and SSO Sales – The development of the distribution baseline sales volumes and SSO baseline sales volumes are described in Company Witness Hoekstra's testimony in this case.

(2) Commodity Price Forecast – The Company does not develop internal commodity price curve forecasts. We utilize publically available forward market curves in the Company's forecast.

(3) Generation Dispatch Forecast – The generation dispatch forecast, together with forecasted energy purchases, is modeled to meet sufficiently the Company's anticipated total energy requirements. Based on a number of assumptions, including plant operational characteristics, planned outages, plant availability, variable costs, and forward market curves, we model, by generating unit, the estimated generation megawatt hours, the cost of fuel consumed, variable production costs, and costs associated with the operation of environmental equipment. In addition to fuel and other generation-related costs, we model and forecast purchased power costs.

(4) Retail and Wholesale Revenue Estimates – Retail revenue estimates for customers under DP&L's SSO rates are developed by customer class. The retail revenues reflected in the Company's pro forma financials include existing tariff rates, adjustments to retail riders that are cost trackers (such as the fuel adjustment clause), the effects of the MRO

plan, and the distribution baseline sales volumes and SSO baseline sales volumes described earlier.

Wholesale revenues estimates include: (a) known special contracts, which are developed according to the terms of the contract; (b) known forward wholesale agreements, which are developed according to the terms of the agreements; and (c) spot market wholesale sales, which are not committed or known sales when the forecast is developed, but are projected based on forecasted generation output and expected wholesale market prices.

(5) Operations and Maintenance ("O&M") Expense Forecast – O&M expenses are forecasted by (and reviewed with) all of the business areas within the Company. Underlying the O&M forecast are assumptions for various items such as projected salary increases and inflationary factors. Each area's O&M forecast includes staffing plans, labor costs, and other operational costs necessary to perform the functions of the specific area.

(6) Capital Expenditures Forecast – Capital expenditures are forecasted by (and reviewed with) all of the business areas within the Company, although a substantial portion of the forecast is driven by the Company's operational groups: Transmission; Distribution; and Generation. The forecast includes specific projects with estimated in-service dates as well as dollars allocated to fund smaller projects under a blanket capital budget. The capital expenditures and related in-service dates are used to estimate book depreciation, tax depreciation, and capitalized interest.

Q. What assumptions did you make regarding the Company's transition to market?

A. The Company's transition to market is to begin in January 2013 with 10% of the standard service offer load being acquired via the competitive bidding process (CBP). Each year

from 2014 through 2017, an additional 10% of the Company's standard service offer load will be acquired through the CBP (i.e., a cumulative 20% in 2014; 30% in 2015; etc.). The Company's transition to market will be completed in June of 2018, when the remaining 50% of the standard service offer load is acquired through the CBP.

Q. Have you considered or factored into the pro forma financial statements the transfer of generating assets outside of the Company?

A. No. We have not included the effect of legally transferring the generation assets in the pro forma financial statements shown on Workpapers 12, 12.1 and 12.1a.

Q. How did you account for the $470 million, 5.125% First Mortgage Bonds due October 2013?

A. At this time, DP&L's plan is to refinance the $470 million, 5.125% First Mortgage Bonds due October 2013 at or prior to maturity. The pro forma financial statements included in Workpapers 12, 12.1 and 12.1a assume that the bonds are refinanced on October 1, 2013 at an interest rate of 5.125%.

IV. COST OF LONG-TERM DEBT

Q. Are there any noteworthy issues with the Company's long-term debt and associated annual interest expense?

A. Yes. The Company's debt portfolio includes $100 million of Pollution Control Bonds (PCBs) that mature on November 1, 2040. The bonds were issued with a variable rate that is indexed to the rate of the Securities Industry and Financial Markets Association (SIFMA) and is reset weekly. The Company's calculated average cost of debt, as of December 31, 2011, includes annualized interest costs related to the PCBs based on

variable rates at December 31, 2011. Future interest costs related to the PCBs will be dependent upon the variable interest rate which may fluctuate due to market conditions and rates. Additionally, this debt is backed by a bank-supported credit facility. The facility has a maturity date of December 9, 2013. Fees on this facility vary depending on the Company's credit rating. We are currently at the bottom pricing level of the credit rating grid. The pro forma financials on Workpapers 12, 12.1 and 12.1a assume no increases to our current fees.

Q. What is the Company's average cost of debt?

A. The Company's embedded cost of debt, as of December 31, 2011, was 5.034%.

Q. Please explain the basis for the Company's average cost of debt calculation.

A. WP-12.2 details the Company's average cost debt as of December 31, 2011. It is a function of the Company's long-term debt carrying value and its annualized long-term debt interest expense.

Q. How is the Company's cost of long-term debt used in this filing?

A. The Company's cost of long-term debt is used in the reconciliation rider referenced in WP-7A.1 and the CBT Rider referenced in WP-7B.

V. WORKPAPERS

Q. What Workpaper(s) are you supporting?

A. I am sponsoring the following workpapers, which satisfy the requirements set forth in Ohio Administrative Code §4901:1-35-03(B)(2)(b).

1. WP-12: Projected Statements of Income

2. WP-12.1: Projected Balance Sheet

3. WP-12.1a: Projected Statements of Cash Flow

4. WP-12.2: Embedded Cost of Long-Term Debt

5. WP-12.3: Unamortized Issuance Expense on Long-Term Debt

6. WP-12.4: Unamortized (Discount) or Premium and Unamortized Gain or (Loss)

7. WP-12.5: Annual Interest Cost Calculation

Q. Please identify and describe Workpaper 12.

A. Workpaper 12 is the pro forma Statements of Income for the Company for the years 2013 through 2018.

Q. Please identify and describe Workpaper 12.1

A. Workpaper 12.1 is the pro forma Balance Sheet for the Company for the years ending December 31, 2013 through 2018.

Q. Please identify and describe Workpaper 12.1a

A. Workpaper 12.1a is the pro forma Statements of Cash Flow for the Company for the years ending December 31, 2013 through 2018.

Q. Are the pro forma statements included in Workpapers 12, 12.1 and 12.1a accurate?

A. Based on the various assumptions and input received, and the review of them that the Company performed, the statements are accurate.

Q. Please identify and describe Workpaper 12.2

A. Workpaper 12.2 provides the Embedded Cost of Long-term Debt for the Company as of December 31, 2011.

Q. Please identify and describe Workpaper 12.3

A. Workpaper 12.3 provides the Unamortized Issuance Expense on Long-Term Debt as of December 31, 2011.

Q. Please identify and describe Workpaper 12.4

A. Workpaper 12.4 is the Unamortized (Discount) or Premium and Unamortized Gain or (Loss) as of December 31, 2011.

Q. Please identify and describe Workpaper 12.5

A. Workpaper 12.5 is the Annual Interest Cost Calculation.

Q. What is the source of the information shown on Work papers 12.3, 12.4, and 12.5?

A. The source of information for workpapers 12.4, 12.5, and 12.5 is the Company's actual long-term debt carrying value at December 31, 2011 and actual 2011 interest expense. Additionally, the interest expense related to the variable rate PCBs was adjusted to reflect variable rates at December 31, 2011.

Q. Are unamortized issue costs, discounts and premiums balances and expenses included in the average cost of debt calculation?

A. Yes. WP-12.3, WP-12.4 and WP-12.5 detail the unamortized balances and expenses that are included in the average cost of debt calculation.

VI. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does.

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 12-426-EL-SSO

CASE NO. 12-427-EL-ATA

CASE NO. 12-428-EL-AAM

CASE NO. 12-429-EL-WVR

CASE NO. 12-672-EL-RDR

DIRECT TESTIMONY OF TERESA F. MARRINAN

- ■ **MANAGEMENT POLICIES, PRACTICES, AND ORGANIZATION**
- □ **OPERATING INCOME**
- □ **RATE BASE**
- □ **ALLOCATIONS**
- □ **RATE OF RETURN**
- □ **RATES AND TARIFFS**
- □ **OTHER**

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

DIRECT TESTIMONY OF

TERESA F. MARRINAN

ON BEHALF OF
THE DAYTON POWER AND LIGHT COMPANY

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VII. CONCLUSION 18

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Teresa F. Marrinan. My business address is 1065 Woodman Drive, Dayton, OH 45432.

Q. By whom and in what capacity are you employed?

A. I am employed by The Dayton Power and Light Company ("DP&L" or "Company") as Senior Vice President, Competitive Market Services.

Q. How long have you been in your present position?

A. I assumed my present position in January 2012. Prior to that, I held the position of Senior Vice President, Business Planning and Development. I have also served as the Company's risk manager and held prior positions of Senior Vice President, Commercial Operations; Managing Director, Portfolio Management; and several other managerial and technical positions within the Company's wholesale and retail business units.

Q. What are your responsibilities in your current position?

A. In my current position, I am responsible for executing the Company's commercial operations and portfolio management strategies, including the unregulated retail electricity and street lighting businesses; short- and long-term coal, power, emission allowances, and natural gas purchasing and trading activities; the 24-hour real time dispatch of the Company's 3,700 megawatt power generation fleet; the scheduling and physical delivery of the Company's coal and other commodities and the Company's participation within the PJM Regional Transmission Organization market. I direct the

Company's strategic market assessment efforts and business and portfolio analytics capabilities. I am responsible for recommending investment alternatives and capital allocation decisions that improve the Company's ability to meet its growth and profitability objectives consistent with an acceptable overall corporate financial risk profile.

Q. Will you describe briefly your educational and business background?

A. I received a Bachelor of Science in Business Administration degree in December 1983 from the University of Dayton and a Master of Business Administration in June 1993 from Xavier University. I have been employed by DP&L since April 1984.

Q. Have you previously provided testimony before the Public Utilities Commission of Ohio ("PUCO" or the "Commission")?

A. Yes. I have sponsored testimony before the PUCO in several occasions during my years with the Company. Most recently I provided two pieces of testimony supporting DP&L's Electric Security Plan in Case Nos. 08-1094-EL-SSO, *et al*.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide an overview of DP&L's proposed Standard Service Offer (SSO) plan for the next five years and five months, which is in the form of a Market Rate Offer (MRO). I will provide a high-level overview of the MRO plan, and will cover key components in more detail. Other components of the filing that I will support and explain are: (1) how DP&L's plan complies with Ohio Revised Code §4928.142(B); (2) why certain components of DP&L's competitive bid plan are different

from bidding plans of other Ohio utilities; and (3) how the Company's plan advances the policy of the state.

II. PLAN OVERVIEW

Q. Please describe DP&L's SSO plan.

A. DP&L has the right under Ohio Revised Code §4928.141 to file either a MRO under ORC §4928.142 or an Electric Security Plan (ESP) under ORC §4928.143. DP&L has filed this MRO plan under ORC §4928.142 and plans to set its SSO rates through a blended competitive bid plan.

Q. Did DP&L own generation assets as of the effective date of SB 221?

A. Yes. DP&L owns and operates generation assets that are "used and useful" in Ohio today. The Company is an electric distribution utility that owned and operated those same assets as of the effective date of SB 221. Pursuant to ORC § 4928.142(D), the first MRO application of an electric distribution utility that owned and operated electric generating facilities that were used and useful in Ohio on that date must blend the competitive bid rate with the utility's most recent SSO price.

Q. Does DP&L's filing contain a Rate Blending Plan?

A. Yes. DP&L's MRO filing contains a rate blending plan that meets the requirements of ORC § 4928.142. DP&L's rate blending plan is sponsored by Company Witness Dona Seger-Lawson.

Q. Does DP&L's filing contain a competitive bidding plan ("CBP") that is open, fair and transparent?

A. Yes. DP&L's CBP is open, fair, and transparent and meets the requirements of ORC §4928.142. DP&L's competitive bid plan is sponsored by Witness Robert Lee from Charles River and Associates International.

III. DP&L MEETS THE MRO PREQUALIFICATION REQUIREMENTS

Q. Ohio Revised Code §4928.142(B)(1) and Ohio Admin. Code § 4901:1-35-03(B)(1)(a) state that DP&L must demonstrate that it, or its transmission affiliate, belongs to at least one regional transmission organization (RTO) that has been approved by the Federal Energy Regulatory Commission (FERC). Does DP&L's Application comply with those sections, and if so, how?

A. Yes. DP&L has been a member of the PJM RTO since October 1, 2004 and is listed as such in Schedule 12 of the Amended and Restated Operating Agreement of PJM Interconnection, LLC.

Q. Has this Commission approved DP&L's membership in the PJM RTO?

A. Yes. In PUCO Case No. 03-2779-EL-ATA, et. al, the Commission approved a Stipulation that required DP&L to turn over as many functions as possible to the PJM RTO and comply with the July 31, 2002 order issued by FERC.

Q. Ohio Revised Code §4928.142(B)(2) and Ohio Admin. Code § 4901:1-35-03(B)(1)(b) require DP&L to demonstrate that its RTO retains an independent market-monitor function that has the ability to identify any potential for a market participant or the electric utility to exercise market power in any energy, capacity, and/or ancillary service markets, and that has the ability to effectively mitigate the conduct of the market participants to prevent or preclude the exercise of such market power by

any market participant or the electric utility. Does DP&L's Application comply with those sections, and if so, how?

A. Yes, the PJM RTO complies with these requirements. PJM describes its Market Monitoring Plan in the FERC-approved PJM Open Access Transmission Tariff in Attachment M - PJM Market Monitoring Plan, which provides that the PJM Market Monitoring Plan Objectives are as follows: "The objectives of this PJM Market Monitoring Plan are to maintain an independent Market Monitoring Unit that will objectively monitor, investigate, evaluate and report on the PJM Markets, including, but not limited to, structural, design or operational flaws in the PJM Markets or the exercise of market power or manipulation in the PJM Markets. The Market Monitoring Unit shall have responsibility for implementing the Plan. In the event of any conflict between a provision in the Plan and a provision of the PJM Market Rules, the provision of the Plan shall control."

Q. **Ohio Revised Code §4928.142(B)(3) and Ohio Admin. Code § 4901:1-35-03(B)(1)(c) require DP&L to demonstrate that an independent and reliable source of electricity pricing information, in the format and under the conditions described within those Code provisions, for any energy product or service necessary for a winning bidder to fulfill the contractual obligations resulting from the competitive bidding process (CBP) is publicly available. Does DP&L's Application comply with those sections, and if so, how?**

A. Yes. The PJM RTO makes available on its web site all non confidential, non-discriminatory, publically-available pricing information for energy, capacity, financial transmission rights, ancillary services, credit and transmission services at an appropriate

interval (5 minutes to annual times). In addition, the Independent Market Monitor reviews and assesses the overall PJM market performance quarterly and annually in the PJM State of the Market Report. Further, forward market prices for AEP-Dayton Hub are available from internet sources such as NYMEX Web for free, or ICE Power Settlements for a fee. AEP-Dayton Hub forward market prices are also available from most energy market brokers.

IV. COMPETITIVE BID PLAN COMPONENTS

Q. Ohio Admin. Code § 4901:1-35-03(B)(2)(k) requires DP&L to demonstrate whether it owned, in whole or in part, operating electric generation facilities that were used and useful in the state of Ohio as of July 31, 2008. Did DP&L own such facilities?

A. Yes. Attachment TFM-1 is "PUCO Form FE-R3: Summary of Existing Electric Generation Facilities for the System" from DP&L's 2011 Long-Term Forecast Report to the Commission. The Form provides information on all of the Company's existing commonly-owned and individually-owned generating units, including the following information: "Station Name & Location," "Unit No.," "Type of Units," "Date of First On-Line Service," "Expected Retirement Date," "Generation Summer (MW)," "Generation Winter (MW)," and "Environmental Protection Measures."

With the minor exception of the 1.1 MW Yankee Solar facility, all of these generating units were constructed to meet the Company's electric demand and energy requirements in its Ohio service territory well before July 31, 2008, as demonstrated by the "Date of First On-Line Service" column. In fact, prior to the construction of the Yankee Solar facility, the most recent generating unit addition was in December 1998. As indicated by

the "Unknown" response under the "Expected Retirement Date" column, all of these generating units were operational as of July 31, 2008, and remain so currently.

Q. Ohio Admin. Code § 4901:1-35-03(B)(2)(n) requires DP&L's Application to show any relationship between the CBP plan and the electric utility's plans to comply with alternative energy portfolio requirements of section 4928.64 of the Revised Code, and energy efficiency requirements and peak demand reduction requirements of section 4928.66 of the Revised Code. Does DP&L's Application comply with that section, and if so, how?

A. Yes. Taking the items in reverse order, DP&L's current plan for compliance with the statutory energy efficiency and peak demand reduction requirements was approved by Opinion and Order dated April 27, 2011 in PUCO Case No. 09-1986-EL-POR. Under the terms of the Stipulation and Recommendation and subsequent Opinion and Order in that case, DP&L's next energy efficiency and demand reduction program portfolio plan is scheduled to be filed by April 15, 2013. Nothing in this filing modifies DP&L's energy efficiency portfolio compliance plans.

With respect to the alternative energy portfolio requirements, the Company's strategy to meet its renewable energy targets is primarily through the purchase of Renewable Energy Credits (RECs). To help meet the Company's Ohio Solar renewable requirement, the Company built the 1.1 MW Yankee solar facility which became operational on March 24th, 2010. The Yankee facility is currently being used to meet a portion of the Company's Ohio solar renewable requirement. The Company may file for non-bypassable recovery of investments and costs associated with the Yankee facility in the future. The Company's strategy to meet future renewable compliance may include the

combination of power purchase agreements, REC purchases and new construction. The actual results will be dependent on the overall economics of the alternatives combined with DP&L's expected future REC requirements, which is dependent on the current and future level of customer switching.

Q. Is the Company's current strategy for meeting its renewable requirements reasonable?

A. Yes. The Company's strategy of purchasing RECs to meet its renewable requirements is reasonable in light of the competitive state of electricity markets in the State of Ohio. Customers in Ohio have the right to take retail electric generation service from a Competitive Retail Electric Supplier (CRES) provider. This right has been exercised by a significant number of customers in the State. In Ohio, the CRES provider is responsible for meeting the ORC §4928.64 alternative energy requirements for the customers that it serves, based on a three-year rolling historical average of kWh served. The increasing rate of customer switching in Ohio creates uncertainty as to what the Company's future renewable requirements will be. The more customers that switch to CRES providers, the lower the Company's renewable energy requirement will be. A short term REC purchase strategy is therefore justified.

Q. Ohio Revised Code §4928.142(A)(1)(b) and Ohio Admin. Code § 4901:1-35-03(B)(2)(f) require DP&L to provide clear and detailed descriptions of the generation and related services that are to be provided by the winning bidder(s). Does DP&L intend to include an alternative energy requirement component to its generation-related services that must be provided by the winning bidder?

A. Yes. DP&L intends to require winning bidders to supply RECs to meet the alternative energy requirements contained in ORC §4928.64.

Q. Can you explain how that process will work?

A. Yes. The following is a summary of what the alternative energy requirement will entail in DP&L's CBP.

- Each CBP supplier will be responsible for providing PUCO-certified RECs that meet the requirements of ORC §4928.64 for the supplier's portion of the SSO load obligation in DP&L's service territory.

- DP&L will require each supplier to provide RECs in the year in which it is supplying power in an amount sufficient to cover DP&L's SB 221 renewable energy resource obligation for the subsequent 3 years, consistent with the 3-year average baseline provisions of SB 221. The REC requirement in each year will be a stated percentage multiplied by the load, in MWhs, being served by the supplier in each delivery year. The percentage(s) for each year will be included in the bidding rules and/or the Master SSO Supply Agreement.

  To illustrate, a supplier of DP&L's SSO load in 2013 would be obligated to transfer to DP&L an amount of RECs equal to 3.5% of the MWh sold in DP&L's service territory during each month of 2013, as shown below. Similarly, SSO suppliers in 2014 and later years would be obligated to transfer RECs in 2014 sufficient to cover their renewable energy resource obligation for the 2015-2017 requirements, and so on.

SB 221 Renewable Resource Requirements

2014	**2015**	**2016**	**2013 SSO Supplier Obligation**
2.5%	3.5%	4.5%	3.5% (Average of 2014-2016)

- Each supplier will be responsible for procuring the RECs and transferring the RECs to a DP&L-specified GATS account.

Q. What will happen if the CBP suppliers do not deliver RECs to meet the ORC §4928.64 requirements?

A. DP&L will have the right to net damages or replacement costs from suppliers for non-delivery of RECs. This process will be outlined in the CBP Master Supply Agreement.

Q. Please explain how the Company is proposing to recover the cost of complying with the ORC §4928.64 alternative energy requirements starting January 1, 2013 under this MRO filing?

A. The Company is proposing to recover the cost of complying with the ORC §4928.64 alternative energy requirements under this MRO filing by including the alternative energy requirement as a generation component in the CBP Master Supply Agreement. The cost of compliance will be included in each CBP suppliers energy bid price. The result is that the cost will be included in the energy price that is blended with DP&L's SSO rate and each supplier will transfer their RECs to DP&L. The utility will continue to be responsible for retiring the RECs for each respective year.

Q. Please explain why it is reasonable to include RECs in the CBP for the auction portion of the MRO load?

A. There are several reasons this approach is reasonable. The Ohio alternative energy requirements are a generation-related cost directly associated with serving a portion of

the competitively-bid SSO load. It is therefore reasonable and appropriate to include the alternative energy requirement as a component of the bid product. Moreover, inclusion of RECs is reasonable in that RECs are procured through an open market process, just like all other products being offered as part of the bid.

Q. How will DP&L meet its portion of the SSO alternative energy requirements of ORC § 4928.64?

A. DP&L will continue to meet its obligations the way that it does currently through purchase of RECs or through the use of the RECs generated by the Yankee solar facility. These costs will continue to be recovered through the Company's Alternative Energy Rider.

V. AUCTION PRICE

Q. Did you develop proxy auction prices to permit DP&L to demonstrate how its current prices would be blended with DP&L's current rates?

A. Yes. To assist in preparing the projected retail rate impacts of the Company's MRO plan, I developed proxy auction prices throughout the duration of the MRO. These proxy auction prices were then used by Company Witness Emily Rabb to demonstrate how the auction prices for the CBP will be blended with DP&L's current rates, and ultimately assigned to tariff classes. These proxy auction prices are derived from the actual auction results from recent First Energy (FE) and Duke Energy–Ohio (Duke) auctions, which were then adjusted to reflect an equivalent proxy market-based auction price for a CBP in the Dayton zone.

Q. Please explain the methodology you used in developing these proxy market-based auction prices for the CBP.

A. By way of background, the SSO auction supply contract commonly used in Ohio creates a complex fixed-price full requirements product which transfers certain risks to the winning auction supplier. These risks include variables such as forward market price volatility, day ahead and real time Locational Marginal Pricing (LMP) price volatility, unknown correlations between fuel and power prices, customer energy usage variations, customer switching risks, capacity cost recovery risk, and ancillary services price risk. When a supplier decides to participate in an SSO supply auction, it assigns a value to these various risks and prices those risks into its estimate of the overall cost to serve the SSO Load. Each supplier prices risks differently, based upon institutional beliefs, risk appetite and modeling techniques. These opinions will impact the price the suppliers will be willing to bid in the SSO supply auction. Since pricing methodologies employed by suppliers vary, DP&L looked to the results of actual supply auctions taking place in the most recent Duke and FE auctions to derive a reasonable publically-available indication of the market's assessment as to the value of these risk factors within Ohio.

Q. Did DP&L make adjustments to the Duke and FE auction results?

A. Yes. Starting with the winning prices in each SSO auction, DP&L removed known fixed-cost components and the locational energy price differences between the products being solicited in each auction, which left a cost to serve SSO auctions in Ohio at a common point which could be used in projecting auction clearing prices in a DP&L CBP. Specifically, for Ohio, this common pricing point is the PJM AEP-Dayton Hub. PJM RPM capacity prices are currently known through May 2015 delivery. This RPM capacity value was removed from the auction clearing price. The remaining price was

translated to the common PJM AEP-Dayton Hub by removing the locational energy price difference to the Duke and FE load zones. Using publicly available average PJM day-ahead LMP price differences between the delivery load zone and AEP-Dayton Hub as a proxy, the locational difference was removed, leaving a common cost to supply SSO auctions in Ohio at AEP-Dayton Hub. I next divided this cost to supply by the forward AEP-Dayton prices for a wholesale block over an equivalent time frame and on the same day as the auctions. This calculation yielded a ratio between market projections and actual auction results. This ratio was then applied to future AEP-Dayton forward curves on February 21st 2012 to project proxy auction clearing prices.

Q. What were the results?

A. This methodology produced fairly consistent results, with an average SSO Auction to AEP-Dayton Hub Scaling Factor (Scaling Factor), of 1.24 times the AD Hub wholesale block supply.

Q. What does the average Scaling Factor represent?

A. This average Scaling Factor represents a projection of the cost market participants would impute for the cost above a flat block product to deliver supply under an SSO auction contract, factoring in the risks I described earlier.

Q. How did you apply the average Scaling Factor?

A. Using this average Scaling Factor, DP&L used the AEP-Dayton forward price curve from February 21, 2012 for each of the auction periods and projected a cost to supply that the market would currently place on DP&L's auctions at AEP-Dayton hub. Using recent day-ahead LMP locational price differences to deliver to the Dayton load zone, actual and proxy PJM RPM capacity prices, and including proxy cost to supply renewable resources

per Ohio Alternative Energy requirements, a final proxy DP&L CBP auction clearing price was estimated.

Q. Does this calculation appear in any Exhibits that you are sponsoring?

A. Yes. A more detailed explanation is included in Exhibit TFM-2, and supported by Workpapers WP 13.1-13.4.

Q. Is that methodology reasonable?

A. Yes, the methodology is reasonable because it represents an unbiased measure of the market's view of the costs and risks of supplying SSO auction load in a CBP, based upon publically available information. A competitive supplier bidding in the CBP individually would make its own assessments of these costs and risks, choose one or more pricing methodologies to account for them, and adjust the bids it submits in the CBP based on its discretion. Any attempt to imply a particular set of assumptions and pricing methodology would be too subjective and speculative. The methodology DP&L has employed for purposes of projected proxy future auction clearing prices in the CBP for purposes of this filing looks to the results of the recent Duke and FE auctions, which is the confluence of all of the auction participants' assessments regarding pricing. Given that each auction has had multiple winning bidders, the projections DP&L used represent unbiased supplier views regarding the value of the various costs and risks of supplying SSO load, as reflected by the market's collective view in assessing these costs and risk premiums based on recent auction results.

VI. ADVANCEMENT OF STATE POLICY

Q. Ohio Admin. Code § 4901:1-35-03(B)(2)(n) also requires that DP&L's initial filing of a CBP plan shall include a detailed account of how the plan is consistent with and advances the policy of this state as delineated in divisions (A) to (N) of section

4928.02 of the Revised Code. Are you familiar with the state policies contained in Ohio Revised Code § 4928.02?

A. Yes, I have studied the policies and I am familiar with them. I have also been involved in each of DP&L's cases relating to the deregulation of the generation market, and have been involved in a number of related PUCO rulemaking procedures. I am thus familiar with the practical application of the § 4928.02 policies.

Q. Does DP&L's MRO filing advance those policies, and if so, how?

A. Yes, it does. As described below, DP&L's MRO filing advances many of the § 4928.02 policies. There are some policies in § 4928.02 that are unrelated to DP&L's MRO filing (e.g., those relating to transmission and distribution) that my testimony does not address; DP&L's MRO filing is consistent with those policies, since the filing does not adversely affect the achievement of those policies.

Q. Section 4928.02(A) states that it is the policy of the state to:

> **"Ensure the availability to consumers of adequate, reliable, safe, efficient, nondiscriminatory, and reasonably priced retail electric service."**

Does DP&L's MRO advance that policy, and if so, how?

A. Yes. Through the MRO, DP&L will obtain generation to satisfy its SSO obligations through a competitive bidding process. DP&L's customers should thus be assured of receiving reasonably priced retail electric service. Further, since only those suppliers that satisfy the PUCO's criteria will be allowed to bid, the consumer can be assured that the generation will be adequate, reliable, safe, efficient and nondiscriminatory.

Q. Section 4928.02(B) states that it is the policy of the state to:

> **"Ensure the availability of unbundled and comparable retail electric service that provides consumers with the supplier, price, terms, conditions, and quality options they elect to meet their respective needs."**

Does DP&L's MRO advance that policy, and if so, how?

A. Yes. Again, through DP&L's MRO, customers will receive generation from the lowest bidder. Further, customers will retain the right to select any generation provider from which they wish to buy.

Q. Section 4928.02(C) states that it is the policy of the state to:

> **"Ensure diversity of electricity supplies and suppliers, by giving consumers effective choices over the selection of those supplies and suppliers and by encouraging the development of distributed and small generation facilities."**

Does DP&L's MRO advance that policy, and if so, how?

A. Yes. DP&L's MRO process will be open to all qualified bidders, and based upon what has occurred in other bidding processes in the state, DP&L expects that a number of competitive providers will bid in DP&L's MRO process.

Q. Section 4928.02(I) states that it is the policy of the state to:

> **"Ensure retail electric service consumers protection against unreasonable sales practices, market deficiencies, and market power."**

Does DP&L's MRO advance that policy, and if so, how?

A. Yes. By conducting a competitive bidding process in which all qualified bidders are permitted to bid, DP&L's MRO should ensure that its customers receive the best

available market price. Further, the MRO bidding process will be conducted in accordance with Commission rules, so that there should be no unreasonable sales practices, market deficiencies or exercise of market power.

Q. Section 4928.02(J) states that it is the policy of the state to:

> **"Provide coherent, transparent means of giving appropriate incentives to technologies that can adapt successfully to potential environmental mandates."**

Does DP&L's MRO advance that policy, and if so, how?

A. Yes. As described above, DP&L's plan will require winning bidders in the CBP to supply RECs to comply with Ohio Rev. Code § 4928.64. The plan thus requires compliance with Ohio's environmental mandates.

Q. Section 4928.02(L) states that it is the policy of the state to:

> **"Protect at-risk populations, including, but not limited to, when considering the implementation of any new advanced energy or renewable energy resource."**

Does DP&L's MRO advance that policy, and if so, how?

A. Yes. DP&L's MRO protects at-risk populations by ensuring that they will receive the best available market price.

Q. Section 4928.02(N) states that it is the policy of the state to:

> **"Facilitate the state's effectiveness in the global economy. In carrying out this policy, the commission shall consider rules as they apply to the costs of electric distribution infrastructure, including, but not limited to, line extensions, for the purpose of development in this state."**

Does DP&L's MRO advance that policy, and if so, how?

A. Yes. DP&L's MRO will facilitate Ohio's effectiveness in the global economy by ensuring that Ohio businesses have access to low-cost, market-based generation.

VII. CONCLUSION

Q. Does this conclude your direct testimony?

A. Yes, it does.

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
PUCO Form FE-R3
Summary of Existing Electric Generation Facilities for the System (as of 12/31/2010)

Data: Actual
Type of Filing: Original
Work Paper Reference No(s).: None

Witness Responsible: Teresa Marrinan

Line	Station Name & Location	Unit No.	Type of Units	Date of First On-Line Service	Expected Retirement Date	Generation Summer (MW)	Generation Winter (MW)	Environmental Protection Measures
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	**Commonly Owned**							
2	J.M. Stuart, Aberdeen, Ohio	1	Coal - Steam	May-71	Unknown	202 *	202 *	Electrostatic precipitators on all units, flue gas de-sulfurization systems on all units, selective catalytic reactors on a units, wastewater treatment, Unit 4 cooling tower, flue gas conditioning (sulfur trioxide and sodium bi-sulfate) on all units, low NO_x burners on all units.
3		2		Oct-70		202 *	202 *	
4		3		May-72		202 *	202 *	
5		4		Jun-74		202 *	202 *	
6		1-4	Oil - Diesel	Oct-69		3 *	3 *	
7	W.H. Zimmer. Moscow, Ohio	1	Coal - Steam	Mar-91	Unknown	365 *	365 *	See Duke Energy Ohio Response
8	W.C. Beckjord, New Richmond, Ohio	6	Coal - Steam	Jul-69	Unknown	207 *	210 *	See Duke Energy Ohio Response
9	Conesville, Conesville, Ohio	4	Coal - Steam	Jun-73	Unknown	129 *	129 *	See AEP / CSP Response
10	Miami Fort, North Bend, Ohio	7	Coal - Steam	May-75	Unknown	184 *	184 *	See Duke Energy Ohio Response
11		8		Feb-78		184 *	184 *	
12	East Bend, Rabbit Hash, Kentucky	2	Coal - Steam	Mar-81	Unknown	186 *	186 *	Not in Ohio
13	Killen, Wrightsville, Ohio	2	Coal - Steam	Jun-82	Unknown	402 *	402 *	Electrostatic precipitators, flue gas de-sulfurization system, selective catalytic reactors, wastewater treatment, cooling tower, flue gas conditioning (sodium bi-sulfate), low NO_x burners.
14		1	Combustion Turbine	Apr-82		12 *	16 *	
15	**Total Commonly Owned**					**2,480.0**	**2,487.0**	
16								
17	**Individually Owned**							
18	O.H. Hutchings, Miamisburg, Ohio	1	Coal - Steam	Jul-48	Unknown	49.5	49.5	Hot gas electrostatic precipitators on all six boiler units, low sulfur coal, wastewater treatment, low NOx burners on Units 3-6
19		2		Mar-49		47.8	47.8	
20		3		Dec-50		59.0	59.0	
21		4		Feb-51		61.9	61.9	
22		5		Nov-52		58.5	58.5	
23		6		Sep-53		57.0	57.0	
24		7	Gas - Oil	Nov-68		25.0	33.0	
25	Yankee Street, Centerville, Ohio	1	Gas - Oil	Jul-69	Unknown	19.5	22.0	Existing-oil spill control system
26		2	Combustion Turbine	Jul-69		19.5	22.0	
27		3		Jul-69		19.5	22.0	
28		4		Nov-70		11.0	11.0	
29		5		Nov-70		8.0	8.0	
30		6		Nov-70		12.0	12.0	
31		7		Nov-70		11.0	11.0	
32		Solar	Photovoltaic	Mar-10		1.1	1.1	
33	Monument, Dayton, Ohio	1-5	Oil - Diesel	Jun-68	Unknown	12.0	12.0	
34	Sidney, Sidney, Ohio	1-5	Oil - Diesel	Jul-68	Unknown	12.0	12.0	
35	F.M. Tait, Dayton, Ohio	1-4	Oil - Diesel	May-67	Unknown	10.0	10.0	
36		1	Combustion Turbine	Jun-95		88.0	100.0	Water injection on Units 1-3
37		2		Dec-96		89.0	102.0	
38		3		Dec-98		80.0	102.0	
39	**Total Individually Owned**					**751.3**	**813.8**	
40								
41	**Total - All Units**					**3,231.3**	**3,300.8**	
42								
43	* Dayton Power and Light's share of commonly owned units							

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
Proxy DP&L Auction Results

Data: Proxy | TFM-2
Type of Filing: Original | Page 1 of 2
Work Paper Reference No(s).: WP-13.1 | Witness Responsible: Teresa Marrinan

Line	Delivery Start Date	Delivery End Date	Proxy Auction Price for the Term ($/MWh)	Number of Tranches to be Auctioned
(A)	(B)	(C)	(D)	(E)
			WP-13.1, Page 4, Col (I)	WP-13.1, Page 4, Col (J)
1	1/1/2013	5/31/2014	$47.00	10
2	6/1/2014	5/31/2015	$58.95	20
3	6/1/2015	5/31/2016	$65.00	15
4	6/1/2015	5/31/2017	$68.47	15
5	6/1/2016	5/31/2017	$71.95	9
6	6/1/2016	5/31/2018	$73.87	8
7	6/1/2016	5/31/2019	$75.07	8
8	6/1/2017	5/31/2018	$75.78	11
9	6/1/2017	5/31/2019	$76.63	11
10	6/1/2017	5/31/2020	$77.48	12
11	6/1/2018	5/31/2019	$77.47	23
12	6/1/2018	5/31/2020	$78.34	23
13	6/1/2018	5/31/2021	$78.96	23

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
Proxy DP&L Auction Results

Data: Proxy | TFM-2
Type of Filing: Original | Page 2 of 2
Work Paper Reference No(s).: None | Witness Responsible: Teresa Marrinan

Line	Delivery Start Date	Delivery End Date	Proxy Auction Price for the Term ($/MWh)
(A)	(B)	(C)	(D) *
1	1/1/2013	5/31/2014	$47.00
2	6/1/2014	5/31/2015	$58.95
3	6/1/2015	5/31/2016	$66.74
4	6/1/2016	5/31/2017	$71.65
5	6/1/2017	5/31/2018	$75.96
6	6/1/2018	5/31/2019	$77.73

* The Proxy Auction Price for each delivery date is calculated by weighting the auction price for each term shown on page 1 by the respective number of tranches for that term.

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 12-426-EL-SSO

CASE NO. 12-427-EL-ATA

CASE NO. 12-428-EL-AAM

CASE NO. 12-429-EL-WVR

CASE NO. 12-672-EL-RDR

DIRECT TESTIMONY
OF NATHAN C. PARKE

- ☐ **MANAGEMENT POLICIES, PRACTICES, AND ORGANIZATION**
- ☐ **OPERATING INCOME**
- ☐ **RATE BASE**
- ☐ **ALLOCATIONS**
- ☐ **RATE OF RETURN**
- ■ **RATES AND TARIFFS**
- ☐ **OTHER**

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

DIRECT TESTIMONY OF

NATHAN C. PARKE

ON BEHALF OF
THE DAYTON POWER AND LIGHT COMPANY

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Nathan C. Parke. My business address is 1065 Woodman Dr. Dayton, OH 45432.

Q. By whom and in what capacity are you employed?

A. I am employed by The Dayton Power and Light Company ("DP&L" or "Company") as Manager, Regulatory Operations.

Q. How long have you been in your present position?

A. I assumed my present position in November, 2010. Prior to that time, I held various positions in the Regulatory Operations division, including Supervisor and Rate Analyst. Prior to Regulatory Operations, I spent over five years as an analyst in the Power Production division of DP&L. During that time, I was involved in O&M and Capital spending plans, generation forecasting including modeling for the Corporate Plan, power plant evaluations, and overall performance reporting of the generation fleet.

Q. What are your responsibilities in your current position and to whom do you report?

A. In my current position, I have overall responsibility for designing, tracking, and ensuring cost recovery for several of DP&L's rate riders. I am involved in evaluating regulatory and legislative initiatives, and regulatory commission orders that affect the Company's rates and overall regulatory operations. I report to the Director of Regulatory Operations.

Q. Will you briefly describe your educational and business background?

A. I received a Bachelor of Arts degree in Business Administration with a concentration in Management from Wilmington College in Wilmington, Ohio in 2002. I have been employed by DP&L since 2002.

Q. Have you previously provided testimony before the Public Utilities Commission of Ohio ("PUCO" or the "Commission"), any other state commission or the Federal Energy Regulatory Commission ("FERC")?

A. Yes. I have sponsored testimony before the PUCO in the Company's Fuel Rider Case No. 09-1012-EL-FAC.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to support and explain several Tariff modifications including modifications to the methodology of setting the Alternative Energy Rider ("AER"), adjustments to the reconciliation of the Fuel Rider, and the removal of Rate B on the Residential Heating Tariff. My testimony explains the development of a new Competitive Bid True-up Rider. I also support the Typical Bill Comparisons.

Q. What Schedules and Workpapers are you supporting?

A. I am supporting Schedule 2D, Schedule 2E, Schedule 7B, Tariff Sheet Nos. G26, G28, a new G30, and Schedule 10. I also support Workpaper 7B, Workpaper 7B.1, and Workpaper 8.

II. ALTERNATIVE ENERGY RIDER ("AER")

Q. How is DP&L's AER currently designed?

A. The current AER is designed to reconcile the previous year's compliance costs and costs for the current year. It is set up to recover costs after the fact, and consequently does not currently reflect traditional recovery principles based upon cost-causation.

Q. What modifications to its AER does the Company propose?

A. The Company is now proposing to set the rate based on a forward-looking calculation so that current customers are paying for the liability that they create for the next three years.

Q. Why is there a three-year liability?

A. The Ohio Revised Code §4928.64(B) states that compliance with alternative energy resource requirements shall be based on the average of kWh sold in the preceding three calendar years. Therefore, a kWh sold this year will have a compliance requirement for the next three years.

Q. Why is this change necessary?

A. Generally accepted rate-making principles dictate that costs should be allocated to the customers that cause the cost to be incurred. Therefore, the Company should charge customers for their cost of compliance which applies to the next three years. A backward-looking rate allows the Company to recover only costs from previous years and not its current costs. Further, with customer switching, customers that are still on Standard Service Offer ("SSO") are paying for renewable obligations of customers that have left SSO service.

Q. Is this change reasonable?

A. Yes. Currently, Competitive Retail Electric Service ("CRES") providers are able to charge their customers for the costs of complying with the renewable benchmarks of Ohio Revised Code §4928.64 for future years. Therefore, this proposed change puts DP&L on a more even competitive footing with CRES providers. Further, the proposed revision to DP&L's AER is consistent with DP&L's proposal for its competitive bid product, which includes the associated alternative energy requirement that is based on the next three years because each kWh sale contributes to the next three years of alternative energy requirements.

Q. Are there any changes being proposed to the true-up process of the AER?

A. Yes. DP&L is proposing that, similar to all other true-up riders in this case, the rider will be reconciled and adjusted on a seasonal quarterly basis by filing one month in advance of the rate change. The rider will be subject to an annual audit by the PUCO or a third party as directed by the PUCO. The changes are reflected in Schedule 2D.

Q. How is the rate impacted by changing to a forward-looking calculation?

A. The rate will be higher since the benchmarks for alternative energy increase each year.

Q. Is the AER rate applied in the same manner as it is today?

A. Yes. The rider will be assessed to customers in the same manner it is today as an energy-based charge; the Company's outdoor lighting rates are listed as a per-lamp charge which is based on the same energy charge.

Q. Where can the Tariff be located?

A. The Tariff can be found on Tariff Sheet No. G26.

Q. Are there any other changes to the AER?

A. Yes. DP&L is proposing that, similar to other true-up riders in this case, the under- or over-collection balance at the end of the current ESP will be removed from the AER and included in the Reconciliation Rider. The reasonableness of this change to the under- or over- collection balance in the AER and other riders is more fully explained by DP&L witness Dona Seger-Lawson.

III. FUEL RIDER

Q. What modifications does the Company propose to its Fuel Rider?

A. The Company is proposing to change the reconciliation periods from three-month periods on a six-month lag to reconciling the balance of the most current complete month. The changes are shown in Schedule 2E. The reconciliation of this rider will then be the same as other true-up riders in this filing.

Q. Why is this change necessary?

A. Currently the Fuel Rider is reconciled on a six-month lag, and has two true-up periods. The summer and winter reconcile together and the spring and fall reconcile together. The swings in recovery balances between periods cause rate fluctuations between periods. The new method will stabilize the true-up portion of the Fuel Rider.

Q. Is this change reasonable?

A. Yes, this change allows the Company to reconcile the rider more quickly, and better aligns the costs of fuel with the customers who caused them to be incurred.

Q. How does the Fuel Rider change as a result of the Competitive Bidding Process?

A. The rate will be calculated in a similar manner as it is today by calculating a retail rate that is adjusted for losses. Because of the Competitive Bidding Process ("CBP"), however, the rate will now be blended with the auction result. DP&L witness Dona Seger-Lawson further explains the blending process.

Q. Are there any other changes to the Fuel Rider?

A. Yes. DP&L is proposing that, similar to other true-up riders in this case, the under- or over-collection balance at the end of the current ESP will be removed from the Fuel Rider and added into the Reconciliation Rider. The reasonableness of this change to the under- or over-collection balance in the Fuel Rider and other riders is more fully explained by DP&L witness Dona Seger-Lawson.

IV. COMPETITIVE BID TRUE-UP ("CBT") RIDER

Q. Can you give a brief description of the Competitive Bid True-up Rider that the Company is proposing?

A. Yes, the Competitive Bid True-up ("CBT") Rider is a true-up mechanism intended to recover the difference between amounts paid to suppliers for the delivery of SSO supply, as a result of the CBP auction(s), and amounts billed to customers through the Competitive Bidding ("CB") Rate. The CBT Rider will be assessed on a bills-rendered basis beginning June 1, 2013, and will be reconciled on a seasonal quarterly basis. The CBT Rider rate will be an energy-based charge that will be the same for all customer classes.

The Company is proposing that this Rider will be bypassable for shopping customers, with one exception. DP&L is proposing that in the event the balance of the CBT Rider

exceeds $5 million, the Rider will become applicable to all customers in the Company's electric service territory, including those taking generation service from CRES providers.

Q. Why does the CBT Rider convert to a non-bypassable charge when the balance exceeds $5 million?

A. The amount paid to suppliers for their share of the auctioned load will differ from the revenues received from customers. If the balance of the CBT Rider becomes excessive, it will lead to a higher rate, which could incentivize more customer switching. More switching would result in fewer SSO customers to pay the balance, which would lead to an even higher rate. Such a higher rate ultimately would lead to additional customer switching. Converting the CBT Rider to be non-bypassable in the event that the balance exceeds $5 million stabilizes the rate and provides benefits to both SSO customers and customers that may elect to return to SSO service in the future.

Q. When will the CBT Rider change between becoming bypassable or non-bypassable?

A. The Company is requesting Commission approval of a bypassable/non-bypassable status change for the CBT Rider in this filing. DP&L will implement the rider as bypassable or non-bypassable as necessary in the quarterly filings. This rider is subject to an annual audit by the PUCO or its designated third-party auditor.

Q. When will the Company notify the Commission and interested parties that it will be seeking non-bypassable status of the CBT Rider?

A. The Company will file this true-up rider one month in advance of the effective date, just as it is proposing with all other riders that adjust on a seasonal quarterly basis.

Q. Can you explain why there would be a difference in amounts paid to suppliers and amounts billed to customers?

A. Yes. Several factors such as switching, supplier default, or penalties, will cause a difference in the amount of revenue collected from SSO customers and the amount paid to suppliers. These factors will result in over- or under-recovery from the Competitive Bidding rates. The CBT Rider will ensure that the Company recovers the exact cost of acquiring the generation service supplied by winning bidders, and will also ensure that customers do not pay more than the cost incurred by the Company to provide the CBP portion of the SSO generation service.

Q. How will the CBT Rider be reconciled?

A. The CBT Rider will be reconciled on a seasonal quarterly basis. The rate will initially be set at zero on January 1, 2013. The Company is proposing that the first true-up filing will be made by May 1, 2013, effective June 1, 2013. On a typical seasonal quarterly true-up schedule, filings will be made no later than February 1st, May 1st, August 1st, and November 1st of each year, with effective dates of March 1st, June 1st, September 1st, and December 1st. The Company is proposing the initial 5-month period with a filing by May 1, 2013 because a typical February 1st filing does not allow enough time to reconcile any data. After the May 1, 2013 filing, the filings will follow the typical seasonal quarterly schedule.

Q. Does the Company propose including carrying charges in the CBT Rider rate calculation?

A. Yes. Carrying charges, as calculated on WP-12.2, are included in the CBT Rider rate calculation in order to make the Company whole.

Q. Is it reasonable to including carrying charges in the CBT Rider?

A. Yes. Carrying charges will be assessed both in cases of under-recovery, which will protect the Company, and will also be assessed in cases of over-recovery so that the same carrying charges would be included and credited back to the customers in those instances.

V. TYPICAL BILL COMPARISONS

Q. Can you give a brief description of the Typical Bill Comparisons?

A. Yes, the Typical Bills found in Schedule 10 illustrate the typical bill impacts by tariff class at various usage levels for all of the respective CBP periods 1 through 6 (2013 through 2018).

Q. Can you explain why Schedule 10 does not include Distribution Bill Impacts?

A. Yes. DP&L is not proposing to change distribution rates or riders in this filing; therefore no distribution impacts have been provided in Schedule 10.

Q. What is the source of the information shown on Schedule 10?

A. The information on Schedule 10 is sourced from the following Schedules:

- Schedule 1 - Current Rates
- Schedule 4 – Adjusted Rates at SSO Blend Percent
- Schedule 7A – Reconciliation Rider
- Schedule 7C – Transmission Cost Recovery Rider Non-bypassable
- DP&L Tariffs as of March 1, 2012 (with the exception of TCRR,PJM RPM Rider, and Alternative Energy Rider rates)

Q. Can you describe the process that you used to calculate the figures shown in column (E) of Schedule 10?

A. Yes. First, I calculated the TCRR bypassable and TCRR non-bypassable totals by multiplying the billing determinants in column (B) and (C) by the respective rates in Schedules 4 and 7C. Second, I summed the TCRR bypassable and TCRR non-bypassable amounts and subtracted that sum from the current TCRR bill amount in Schedule 1B, given the billing determinants in column (C). The resulting figure is the proposed Transmission bill impact.

Q. Can you describe the methodology that you used to arrive at the figures shown in column (F) of Schedule 10?

A. Yes. The figures illustrated in column (F) are the difference between the proposed generation rates multiplied by the billing determinants in column (C), and current generation rates as of March 1, 2012, multiplied by the billing determinants in column (C).

Q. Can you identify which components are included in the proposed generation rates that are part of the calculation in column (F) of Schedule 10?

A. Yes. The proposed generation components and supporting schedules are as follows:

- Base Generation – Schedule 4
- PJM RPM Rider – Schedule 4
- Alternative Energy Rider – Schedule 4
- Fuel Rider – Schedule 4
- Competitive Bidding Rate – Schedule 5

- Reconciliation Rider – Schedule 7A

Q. Can you identify which components are included in the current generation rates that are part of the calculation in column (F) of Schedule 10?

A. Yes. The current generation components and supporting schedules are as follows:

- Base Generation – Schedule 1
- PJM RPM Rider – Schedule 1
- Alternative Energy Rider – Schedule 1
- Fuel Rider – Schedule 1

Q. Can you describe the results in columns (G) and (H) of Schedule 10?

A. Yes. Column (G) shows the total dollar impact per month on a bill that results from the proposed rates in this filing. Column (H) illustrates the total percentage impact on a bill as a result of the proposed rates for the respective CBP period.

Q. What conclusions can you draw from this information?

A. During the first year of the MRO, customers in the Residential Tariff class will see approximately a 4% reduction in their bill, which can be shown as a typical 750 kWh customer experiencing a $3.92 decrease per month as a result of this filing. Customers in the Secondary, Primary, Primary Substation, and High Voltage classes will see an approximate 3% to 4% decrease.

Q. Do any of the tariff classes experience an increase?

A. The only tariff class that may experience a slight increase to rates in the first year of the MRO plan is the street lighting tariff class, with an increase of less than 1% in the first

year. Currently, this tariff class is not assigned the cost of capacity through DP&L's RPM rider because, by nature of the service, this load is served off peak. However, through the CBP, capacity will now be included in the rate that winning suppliers supply the SSO service through the CBP, and therefore street lighting customers will be assigned capacity as the CBP rate is blended in with DP&L's current ESP rates.

VI. RESIDENTIAL HEATING TARIFF

Q. What changes are being proposed regarding the Residential Heating Tariff?

A. DP&L is proposing to remove Rate B contained in the Tariff. Rate B is a legacy demand rate for residential customers. There are, and have been for decades, only two customers served under this provision.

Q. Why is DP&L proposing this change?

A. DP&L is proposing to remove Rate B because it is manually billed and creates excessive manual adjustments to reconcilable riders. DP&L is attempting to simplify its processes and streamline its true-up riders.

Q. What is the impact on the two customers?

A. On average, DP&L expects that the customers would see a rate decrease; however the amounts vary month by month.

VII. SCHEDULES AND WORKPAPERS

Q. What is contained in Schedule 2D?

A. Schedule 2D contains the proposed adjustment to the current Alternative Energy Rider.

Q. Can you explain how the total adjustment amount on line 24 was calculated?

A. Yes, line 24 is a summation of line 7, which is the reconciliation portion of the rate, and line 22, which is the forward-looking portion.

Q. Why are the benchmarks in Col (F) line 12, 13, and 14 an average of the next three years?

A. The Ohio Revised Code §4928.64(B) states that compliance with alternative energy resource requirements shall be based on the average of kWh sold in the preceding three calendar years. Therefore, a kWh sold this year creates a compliance requirement for the next three years.

Q. What is shown on Schedule 2E?

A. Schedule 2E shows the proposed adjustment to the current Fuel Rider.

Q. What is the purpose of Schedule 7B?

A. Schedule 7B is an illustrative example of how the CBT Rider is developed.

Q. Can you describe the process that you used to calculate the figures shown on Schedule 7B?

A. Yes. CBP costs (Column C) are subtracted from CB Rate revenue (Column D), which is added to CBT Rider revenue (Column E), to get an initial over- or under-recovery (Column F). Carrying costs are calculated based on the initial over- or under-recovery (see WP-7B). The sum of the initial over- or under-recovery and the carrying costs (Line 15) is multiplied by a gross revenue conversion factor (Line 16) to produce the CBT Rider balance (Line 17). The CBT Rider balance is divided by forecasted metered kWh sales (Line 18) to generate the Forecasted CBT Rider rate (Line 19).

Q. Is this the rate the Company is proposing to implement on January 1, 2013?

A. No, DP&L plans to make a filing by November 15, 2012 to propose Tariffs to be effective January 1, 2013. The CBT Rider will be set at zero until the first reconciliation occurs and is implemented effective June 1, 2013.

Q. What is shown on Workpaper 7B?

A. Workpaper 7B "Competitive Bid True-up Rider – Calculation of Carrying Costs" shows the development of carrying costs that are included in the CBT Rider balance.

Q. Can you describe the process that you used to calculate the figures shown on Workpaper 7B and Workpaper 7B.1?

A. Yes. CBP costs (Column D) are subtracted from CB Rate revenue (Column E), which is added to CBT Rider revenue (Column F), to get an initial over- or under-recovery, or "Net Amount" (Column G). Column H, or "End of Month before Carrying Cost" is calculated by adding the "Net Amount" to the "First of Month Balance" (Column C). Column K, or "Less: One-half Monthly Amount," is simply one-half of the current month "Net Amount." Column H and Column K are added to create the "Total Applicable to Carrying Cost" (Column L). Finally, the "Total Applicable to Carrying Cost" is multiplied by the result of 5.034% divided by 12 to generate the monthly carrying charges. Workpaper 7B.1 shows the calculation of the Private Outdoor Lighting rates.

Q. What is shown on Schedule 10?

A. Schedule 10 illustrates the typical bill impacts by tariff class at various usage levels for all of the respective CBP periods, 1 through 6.

Q. What is the source for the Typical Bill Comparisons?

A. The billing determinants were derived by DP&L pursuant to OAC §4901-1-07, Standard Filing Requirements. The billing determinants were selected to represent a range of typical customer consumption patterns. DP&L utilizes typical bill comparisons to assess typical customer impacts when the Company files for changes in cost recovery.

Q. Are the results of the calculations accurate?

A. Yes.

Q. What is shown on Workpaper 8?

A. Workpaper 8 shows the 2013 forecasted billing determinants by Tariff class. This Workpaper was developed by using Workpaper 8A and 8B which is the Revenue Class forecast that is supported by Company witness Aldyn Hoekstra.

Q. How is this Workpaper used?

A. This Workpaper is used in Schedule 8, Schedule 5, Appendix D, and for the development of the Reconciliation Rider found in Schedule 7A.

Q. What is the basis for the allocation factors?

A. The allocator percentages were developed by using historical data. Each customer is categorized in both a Revenue Class and a Tariff Class. Customer usage data, for each category, is divided by the total to develop a percentage that is then applied to the forecast.

Q. Is this method reasonable and does is produce accurate results?

A. Yes, this approach is reasonable and accurate.

VIII. TARIFFS

Q. What is contained on Tariff Sheet No. G26?

A. Tariff Sheet No. G26 contains DP&L's new Alternative Energy Rider.

Q. What is contained on Tariff Sheet No. G28?

A. Tariff Sheet No. G28 contains DP&L's Fuel Rider which will be implemented essentially the same as it exists today.

Q. What is contained on Tariff Sheet No. G30?

A. Tariff Sheet No. G30 contains DP&L's proposed Competitive Bid True-up Rider which is a new rider established to true-up the Competitive Bidding rates charged on Tariff Sheet No. G19. This rider will be adjusted on a seasonal quarterly basis.

IX. CONCLUSION

Q. Does this conclude your direct testimony?

A. Yes, it does.

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 12-426-EL-SSO

CASE NO. 12-427-EL-ATA

CASE NO. 12-428-EL-AAM

CASE NO. 12-429-EL-WVR

CASE NO. 12-672-EL-RDR

DIRECT TESTIMONY
OF EMILY W. RABB

- ☐ **MANAGEMENT POLICIES, PRACTICES, AND ORGANIZATION**
- ☐ **OPERATING INCOME**
- ☐ **RATE BASE**
- ☐ **ALLOCATIONS**
- ☐ **RATE OF RETURN**
- ■ **RATES AND TARIFFS**
- ☐ **OTHER**

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

DIRECT TESTIMONY OF

EMILY W. RABB

ON BEHALF OF
THE DAYTON POWER AND LIGHT COMPANY

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Emily W. Rabb. My business address is 1065 Woodman Drive, Dayton, Ohio 45432.

Q. By whom and in what capacity are you employed?

A. I am employed by The Dayton Power and Light Company ("DP&L" or "Company") as Supervisor of Regulatory Operations.

Q. How long have you been in your present position?

A. I assumed my present position on December 13, 2010. Prior to this position, I was an Accountant II in the Accounting Policy and External Reporting department for DP&L, beginning in May 2008. From December 2009 to December 2010, I was responsible for Regulatory accounting for DP&L.

Q. Will you describe briefly your educational and business background?

A. Yes. I received a Bachelor of Science degree in Business Administration with a major in Accounting from the Ohio State University in 2004, and am a Certified Public Accountant. From 2005 to 2008, I was employed as a Senior Accountant for Deloitte & Touche.

Q. What are your responsibilities in your current position and to whom do you report?

A. In my current position, I am responsible for various assignments relating to the development of retail electric rates, evaluating regulatory and legislative initiatives and regulatory

commission orders that impact the Company's rates and overall regulatory operations. I report to the Director of Regulatory Operations.

Q. Have you previously provided testimony before the Public Utilities Commission of Ohio ("PUCO" or the "Commission"), any other state commission or the Federal Energy Regulatory Commission ("FERC")?

A. Yes. I sponsored written testimony before the PUCO in the Company's Energy Efficiency Portfolio Case No. 09-1986-EL-POR.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to explain and support schedules, workpapers and the resulting tariff sheets relating to: (1) the overall calculation of revenue requirements and rate design for the Competitive Bidding (CB) Rates; (2) the calculation and rate design for the Residential Time of Use (R-TOU) rate pilot program; and (3) the gross revenue conversion factor.

Q. What Schedules and Workpapers are you supporting that support the CB rates?

A. I am supporting Schedule 5, Schedule 5A, Schedule 5B, Schedule 5C, Workpaper-5, Workpaper-5.1, Appendix B, Appendix B.1, Appendix B.2, Appendix B.3 and Tariff Sheet No. G19 Competitive Bidding Rate.

Q. What Schedules and Workpapers are you supporting that support the R-TOU rates?

A. I am supporting Schedule 7E-1, Schedule 7E-2, Schedule 7E-3, Schedule 7E-4, Schedule 7E-5, Schedule 7E-6 and Tariff Sheet No. G20 Residential Time of Use.

Q. Are you supporting any Workpapers relating to the gross revenue conversion factor?

A. Yes. I am supporting Workpaper-11.

II. COMPETITIVE BIDDING (CB) RATES

Q. Can you give a brief description of the CB rate that the Company is proposing in this proceeding?

A. Yes. The CB rate is designed to recover supply costs associated with the Competitive Bidding Process (CBP). The CB rate will be blended with the adjusted generation service price to come up with the Blended Standard Service Offer (SSO) rate. Pursuant to ORC §4928.142(D), "the standard service offer price for retail electric generation service under this first application shall be a proportionate blend of the bid price and the generation service price for the remaining standard service offer load." As Company Witness Dona Seger-Lawson discusses further in her testimony, in period one, January 2013 - May 2014, the blend shall be 90% of the current adjusted generation service offer price and 10% of the CB rate. DP&L plans that its initial CB auction will take place in October 2012. The result of that auction will be the price at which the winning bidders will supply 10% of the standard service offer load.

Q. What is the source of the auction price used each year in Schedule 5B?

A. For illustration purposes only, the Company's Commercial Structuring department used recent SSO auction results from First Energy and Duke Energy Ohio to develop a market-based auction price for the Dayton zone. These results are shown on Exhibit TFM-2 which I used in Schedule 5B to demonstrate how the auction results will be assigned to tariff classes.

Support for the development of the auction results is contained in Company Witness Teresa Marrinan's testimony.

Q. How will the results of the auction be translated into retail rates?

A. The CB price will be stated on a $/MWh basis and will include unbundled energy, capacity, market-based transmission and ancillary services from PJM, transmission and distribution losses to the delivery point, congestion and imbalance costs and alternative energy attributes to comply with ORC §4928.64. DP&L will assign the CB price to tariff classes and adjust for distribution losses to the meter point, commercial activities tax (CAT) and uncollectible expense. DP&L will adjust the CB price for distribution losses by multiplying it by the Loss Factor by tariff class as determined in the Company's most recent Loss Study. DP&L will also adjust the CB price for CAT and uncollectible expenses by multiplying it by the gross revenue conversion factor as calculated on Workpaper-11. This rate will be multiplied by forecasted distribution level sales from Workpaper-8 to compute a total CB amount.

Q. How is the CB amount converted into demand and energy components?

A. The CB amount is converted into demand and energy components using the same relationship of demand and energy that exists today in DP&L's generation rates by applying these rates to DP&L's total distribution load.

Q. Why did you calculate revenue from all distribution load instead of using DP&L's current SSO customers?

A. The level of switching can dramatically impact the demand and energy proportions within a tariff class. A disproportionate number of SSO customers in a particular class when

compared to historical norms may distort prices. In order to prevent any variations caused by switching, DP&L used total distribution level billing determinants since the CB rate is part of the Blended SSO rate that is available to all customers that are located within DP&L's service territory.

Q. Did DP&L consider other options when converting the CB amount into demand and energy components?

A. Yes. As illustrated in Appendix B, DP&L also used a method which reflected the actual Reliability Pricing Model (RPM) price within the CB results. Appendix B and Appendix B.1 use the same overall structure as Schedule 5B and Schedule 5C to calculate the results under this methodology. DP&L calculated the capacity component by tariff class using the following formula:

> DP&L's capacity component by tariff class = RPM final zonal capacity price times the reliability obligation per tariff class times days in the period adjusted for the demand distribution loss factor.

The capacity component is then subtracted from the total CB amount to compute the energy component.

Q. Why did DP&L choose to compute the CB rate based on the current revenue distribution instead of using the RPM methodology discussed above?

A. For the period of January 2013 through May 2014, the RPM methodology resulted in a significant cost shift from demand rates to energy rates. Since this shift would impact customers differently based on their load factors and cause a dramatic deviation from

DP&L's current rate structure, DP&L believes that the use of the current revenue distribution method is a better method for calculating the CB rate for period one. It serves the customers' interest in rate stability. DP&L suggests that both methodologies be applied to the CB results in the future to ensure the CB rate reflects at least the RPM value in the demand charge. In the event that future RPM values surpass DP&L's current demand rates, the demand rate derived from the auction results should equate at least to the RPM value to provide accurate price signals to customers for generation demand.

Q. How will the CB rate be calculated in years where the CB schedule contains multiple bid products?

A. For years when DP&L proposes a CB schedule that contains multiple bid products in a given period, the CB rate will be established by taking the weighted average of each auction(s) bid results for that period.

Q. How often will the CB rate be reset and how long will the CB rate be in effect?

A. The CB rate will be set once for each period using this weighted average price. The CB rate will continue to increase in proportion with the load served by the CBP in each period. Beginning in June 2018, the CB rate will be the total SSO generation tariff price.

Q. Where can the CB rate by tariff class be found in this filing?

A. The CB rate by tariff class is contained in Tariff Sheet No. G19 Competitive Bidding Rate. These rates are summarized on Schedule 5 with supporting calculations on Schedule 5A, Schedule 5B, Schedule 5C, Workpaper-5 and Workpaper-5.1. The proposed CB rates shown on Tariff Sheet No. G19 Competitive Bidding Rate are calculated on Schedule 5C

and summarized on Schedule 5. Of course these calculations and the resulting rates are for illustrative purposes only and will be re-calculated based on the actual results of DP&L's first CB auction taking place in October 2012.

III. RESIDENTIAL TIME OF USE (R-TOU)

Q. Can you give an overview of the proposed R-TOU pilot program?

A. Yes. Through this filing, DP&L seeks Commission authority to implement a R-TOU rate pilot program that will be available to Residential customers who would otherwise be taking SSO under Tariff Sheet Nos. G10 or G11. DP&L created a R-TOU pilot program with two objectives in mind: (1) to design a rate that is revenue neutral for the typical residential customer who does not change usage characteristics; and (2) to design on-peak and off-peak rates with enough price differentiation for customers to be able to realize cost savings by shifting more of their load to off-peak.

Q. By taking R-TOU service which rates/riders does the customer avoid?

A. The customer will avoid the Standard Offer Generation Service Rates contained on Tariff Sheet Nos. G10 – G11, the FUEL Rider contained on Tariff Sheet No. G28, the RPM Rider contained on Tariff Sheet No. G27 and the Competitive Bidding rate contained in Tariff Sheet No. G19.

Q. Can you give an overview of how the proposed R-TOU pricing option will work?

A. Yes. The proposed rate has a two-period design, on-peak and off-peak, and two seasons: summer and winter. More specifically, on-peak periods are 3 pm to 10 pm Monday through Friday excluding holidays, as provided in the R-TOU Tariff Sheet No. G20. Off-peak

periods are all other hours. Summer months are June through October while winter months are November through May. This is consistent with DP&L's current monthly seasonal designations.

Q. How were the on- and off-peak periods determined?

A. On- and off-peak periods were determined by using historical locational marginal price (LMP) data at the Dayton Hub from 2007 to 2011 as shown on Schedule 7E-4.

Q. How often will the R-TOU rates be adjusted?

A. The R-TOU rates will be adjusted throughout the year in conjunction with any rate changes for Base Generation, RPM, Fuel or the CB rate because the R-TOU rates are created based off of these rates.

Q. To whom will this program be available?

A. This program will be available to the first 50 interested residential customers that are not net-metering customers.

Q. Will participants be required to pay a monthly administrative charge?

A. Yes, participants will be required to pay a monthly administrative charge of $5 to cover a portion of the cost to administer the program. Costs to DP&L to implement the pilot program include but are not limited to: administering, tracking and reporting on how the program is working. It is therefore appropriate that customers taking advantage of this program help to cover some of the costs of the program.

Q. How will customers be notified about this program?

A. Customers will be notified via bill inserts and the DP&L website. Sign-up will be on a first-come, first-served basis during November and December 2012. During the first half of 2013, DP&L will order and install dynamic pricing meters with a target program start date of July 2013. Customers choosing to participate will not be permitted to choose an alternative retail generation supplier during the pilot program period.

Q. How long will this R-TOU pilot last?

A. The R-TOU rate pilot will last for a year and a half at which point DP&L will determine whether or not to continue the program based on customer interest and any other factors that may develop. At that time, DP&L may modify the program after evaluating observations and lessons learned over the course of the pilot period. If it is determined this tariff will continue, DP&L will re-file with any proposed updates by November 2014, and notify customers to allow them to determine whether or not they would like to continue participating in the program.

Q. Where can the R-TOU rates be found in this filing?

A. The R-TOU rates are contained in Tariff Sheet No. G20. These rates are calculated on Schedule 7E.

IV. GROSS REVENUE CONVERSION FACTOR

Q. Can you explain the purpose of a gross revenue conversion factor?

A. Yes. DP&L has uncollectible expense and pays Commerial Activities Tax (CAT) on gross receipts. The purpose of the gross revenue conversion factor is to determine how much total

revenue DP&L must receive to compensate DP&L for its total revenue requirement after accounting for uncollectible expense and CAT.

Q. How is the gross revenue conversion factor calculated?

A. As shown on WP-11, the gross revenue conversion factor is calculated as 100% less the percent of 2011 uncollectible expense and the percent of the current statutory rate for CAT tax. The resulting percent divided into 100% results in the gross revenue conversion factor.

Q. Where and how is the gross revenue conversion factor used in this filing?

A. The gross revenue conversion factor is used to calculate the CB Rate on Schedule 5B, the Reconciliation Rider (RR) revenue requirement on Schedule 7A, the CBT Rider revenue requirement on Schedule 7B and the alternative CB Rate methodology calculation on Appendix B.

V. SCHEDULES AND WORKPAPERS

Q. What is the purpose of Schedule 5, Schedule 5A and Schedule 5B?

A. Schedule 5A shows the CB rate by tariff class and by block. Schedule 5 multiplies the rates shown on Schedule 5A by the SSO Blend percent by period. Schedule 5B converts the auction price into demand and energy components by tariff class by period.

Q. What is the source of the Retail Revenue shown on Schedule 5B?

A. The demand and energy retail revenue shown on Schedule 5B comes from Workpaper-5 and is based on the retail revenue that would result from DP&L's generation rates as if all

customers were taking generation service under SSO tariffs. The assumed SSO rates used in this filing are summarized on Schedule 1A.

Q. Can you describe the process that you used to calculate the figures shown on Schedule 5C?

A. Yes. Schedule 5C converts the demand and energy components calculated in Schedule 5B into $/kWh or $/kW by tariff class and by block (e.g., 0-750 kWh, over 750 kWh). These components are divided by projected distribution billing determinants from Workpaper-8 to compute $/kWh or $/kW rates by tariff class and by block.

Q. What is the purpose of Work paper-5.1?

A. Workpaper-5.1 translates the Private Outdoor Lighting kWh rate on Schedule 5 into a per lamp per month rate as shown on Tariff Sheet No. G19 Competitive Bidding Rate.

Q. Can you describe what is calculated on Schedule 7E and Schedule 7E-1?

A. Schedule 7E calculates summer and winter R-TOU rates for Residential and Residential Heating customers by multiplying the appropriate average rate to the scalars established on Schedule 7E-1. The scalars on Schedule 7E-1 first discount the off-peak rate so that it reflects approximately the lowest average daily LMP price for 2007 through 2011. The discount required to move the average rate to the lowest average daily LMP price is 70%. The on-peak scalar is then designed to counterbalance the off-peak discount. This method successfully maintains revenue neutrality for the average Residential and Residential Heating customer.

Q. What is the purpose of Schedule 7E-2, Schedule 7E-3 and Schedule 7E-4?

A. Schedule 7E-2 calculates the summer and winter average rates for Residential and Residential Heating. Schedule 7E-3 calculates average customer usage based on Company load profile information and the average customer's on- and off-peak usage. Schedule 7E-4 graphically summarizes the hourly LMP data from 2007 – 2011 and summarizes the percent of summer and winter usage for the average Residential and Residential Heating customer between on- and off-peak.

Q. What is the purpose of Schedule 7E-5?

A. Schedule 7E-5 calculates example summer and winter bills for Residential and Residential Heating customers. This schedule illustrates how the average customer will remain revenue neutral on the proposed R-TOU rates with no changes in their consumption patterns. This schedule also shows monthly savings for customers who are able to shift 5% and 10% of their load from on-peak to off-peak. A customer that shifts 5% of their on-peak load to off-peak will save approximately $3 - $4 a month and a customer that shifts 10% of their on-peak load to off-peak will save approximately $6 - $8 a month.

Q. What is the purpose of Schedule 7E-6?

A. Schedule 7E-6 supports the monthly administrative fee. As previously explained, there are costs that the Company would not incur but for implementation of this program. This program will require additional labor hours of DP&L's billing and regulatory departments. DP&L calculated this cost by taking the fully loaded hourly labor rates for these departments multiplied by the estimated time spent on the program divided by the number of program participants. Although this calculation yielded a charge greater than $5 a month,

DP&L chose $5 as a fair and reasonable amount for customers who participate in this pilot program to pay.

Q. What is the purpose of Appendix B?

A. Appendix B shows the results of DP&L's alternative CB rate design which reflects the actual RPM price in the CB results to calculate a capacity component by tariff class. Appendix B calculates demand and energy components based on the final RPM zonal capacity price for that year, obtained from Workpaper-13.1.

Q. What is the source of the auction price used each year in Appendix B?

A. DP&L used the same auction prices and assumptions used in Schedule 5B.

Q. How was the reliability obligation by tariff class determined?

A. The reliability obligation by tariff class for all distribution customers was determined by taking DP&L's zonal load by PJM planning year multiplied by each tariff class's contribution to PJM's 2011 five Coincident Peaks.

Q. What is the purpose of Appendix B.1?

A. Appendix B.1 converts the demand and energy components calculated in Appendix B into $/kWh or $/kW by tariff class and by block (e.g., 0-750 kWh, over 750 kWh). The calculated demand and energy components from Appendix B.1 are multiplied against the revenue proportions based on the same relationships that exist in DP&L's current rate structure to compute the CB amount by demand and energy and by block. This revenue is

then divided by projected distribution billing determinants from Workpaper-8 to compute $/kWh or $/kW rates by tariff class and by block.

Q. What is the purpose of Appendix B.2?

A. Appendix B.2 compares the results of the RPM methodology and the results of the current revenue distribution methodology on Schedule 5C to illustrate how the RPM methodology resulted in a significant cost shift from demand rates to energy rates.

Q. What is the purpose of Appendix B.3?

A. Appendix B.3 calculates the reliability obligation by class.

VI. CONCLUSION

Q. Does this conclude your direct testimony?

A. Yes, it does.

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 12-426-EL-SSO

CASE NO. 12-427-EL-ATA

CASE NO. 12-428-EL-AAM

CASE NO. 12-429-EL-WVR

CASE NO. 12-672-EL-RDR

DIRECT TESTIMONY
OF DONA R. SEGER-LAWSON

- ■ **MANAGEMENT POLICIES, PRACTICES, AND ORGANIZATION**
- □ **OPERATING INCOME**
- □ **RATE BASE**
- □ **ALLOCATIONS**
- □ **RATE OF RETURN**
- ■ **RATES AND TARIFFS**
- ■ **OTHER**

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

TESTIMONY OF
DONA R. SEGER-LAWSON

ON BEHALF OF
THE DAYTON POWER AND LIGHT COMPANY

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Dona R. Seger-Lawson. My business address is 1065 Woodman Drive, Dayton, Ohio 45432.

Q. By whom and in what capacity are you employed?

A. I am employed by The Dayton Power and Light Company ("DP&L" or "Dayton" or the "Company") as Director, Regulatory Operations.

Q. Will you describe briefly your educational and business background?

A. I received a Bachelor of Science degree in Business Administration with majors in Finance and Management from Wright State University in Dayton, Ohio in 1992. I earned a Masters in Business Administration with a Finance Administration concentration also from Wright State University in August of 1997. I have been employed by DP&L in the Regulatory Operations division since 1992.

Q. How long have you been Director of Regulatory Operations?

A. I assumed my present position on August 25, 2002. Prior to that time, I held various positions in the Rates/Pricing Services/Regulatory Operations division, my most recent prior position being that of Manager, Regulatory Operations, beginning in February 2001.

Q. What are your responsibilities in your current position?

A. I have overall responsibility for all base rate development, for both retail and wholesale electric rates. I am responsible for evaluating regulatory and legislative initiatives, and commission orders that impact the Company's retail and wholesale rates and overall regulatory operations.

Q. Have you previously provided testimony before the Public Utilities Commission of Ohio ("PUCO" or the "Commission")?

A. Yes. I have sponsored testimony in Case No. 99-220-GA-GCR; Case No. 00-220-GA-GCR; DP&L's Electric Transition Plan Case, No. 99-1687-EL-ETP; DP&L's Extension of the Market Development Period Case, No. 02-2779-EL-ATA; in Opposition to the Complaints in Case Nos. 03-2405-EL-CSS, and 04-85-EL-CSS; in the Company's Rate Stabilization Period Case, No. 05-276-EL-AIR, and in the Company's Electric Security Plan filing Case, No. 08-1094-EL-SSO.

II. PURPOSE OF TESTIMONY

Q. What are the purposes of your testimony in this proceeding?

A. The purposes of my testimony are to support the Company's current rates, the Rate Blending Plan, the Electric Service Stability Charge, the Reconciliation Rider and any impacts of the Company's plan on Government Aggregation efforts. I am sponsoring Schedules 1, 1A, and 1B, Schedule 2 and 2B, Schedules 3, 4, 6, Schedule 7, 7A and 7D, and Schedule 8. I also support the changes to Tariff Sheet Nos. G10 – G18, G25 and the implementation of Tariff Sheet No. G29.

III. BACKGROUND

Q. Are you generally familiar with Ohio SB 221?

A. Yes. Among other points, I understand Ohio SB 221, as it relates to the Ohio retail electric industry, and as it established two methodologies for setting Standard Service Offer (SSO) rates. Utilities are permitted to file either a Market Rate Offer (MRO) under Ohio Revised Code §4928.142, or an Electric Security Plan (ESP) under Ohio Revised Code §4928.143.

Q. How were DP&L's current Standard Service Offer (SSO) rates established?

A. DP&L filed an Electric Security Plan (ESP) on October 10, 2008 in Case No. 08-1094-EL-SSO. The Commission issued an Opinion and Order in that case on June 24, 2009 approving DP&L's ESP. DP&L's current ESP rates went into effect in July 2009.

Q. Are any of DP&L's current rates scheduled to expire or to be set to zero as of December 31, 2012?

A. No. DP&L's current rate plan, like other rate plans before it, established rates for a period of time. Specifically, Paragraph 1 of the ESP Stipulation reached in Case No. 08-1094-EL-SSO states "the parties agree to extend DP&L's current rate plan through December 31, 2012 except as expressly modified herein." The remainder of the ESP Stipulation further states that certain rates will be charged through December 31, 2012. The ESP Stipulation does not state that any charge will be set to zero on January 1, 2013.

Q. Under which methodology did DP&L choose to implement SSO rates through this filing?

A. DP&L filed this case under ORC §4928.142, and therefore has put forth its filing under the provisions of the MRO section of the Ohio Revised Code. Since DP&L owned generation assets as of the effective date of SB 221, it is required by the provisions of ORC §4928.142 to implement the MRO in a blended fashion.

Q. Consistent with ORC §4928.142 (D), what will be DP&L's "most recent standard service offer price" for retail electric generation service when the MRO goes into effect in 2013?

A. In 2013, DP&L's "most recent standard service offer price" will be the standard service offer rate that was in effect as of December 31, 2012. That price is not yet known because several rates/riders will be trued-up during the remainder of calendar year 2012. The assumed standard offer service price that is used in this filing can be found on Schedule 1A of this filing.

IV. RATE BLENDING PLAN

Q. Please explain DP&L's Rate Blending Plan.

A. DP&L's Rate Blending Plan can be found in Book I of this filing. The Company's Rate Blending Plan describes all changes to DP&L's standard service offer (SSO) rates and how the competitive bidding price will be blended with standard service offer to effectuate the rate blending that is required by the Ohio Revised Code. Some of the rates that make up DP&L's most recent standard service offer price are fixed

and do not change. Those rates will simply be adjusted downward by the portion of the SSO load that is part of the Competitive Bidding Process ("CBP"). Other rates/riders are rate "trackers" or are adjusted up or down for changes in actual costs and revenues recovered through the rate. It is DP&L's intent that those rates will remain in their current form to the extent possible, but the underlying costs recovered through those rates should decrease over time as more of the SSO load is bid out.

Q. What is the overall impact of the Company's Rate Blending Plan?

A. DP&L's Rate Blending Plan is expected to result in a rate decrease for customers. Although the amount of the decrease will ultimately depend upon the results of the CBP,[1] using a placeholder for the CBP result, DP&L's current estimate is that proposed rates will result in an overall annual revenue decrease to DP&L of approximately $30 Million (5.24%) in the first year of the Rate Blending Plan when rates are applied to current SSO billing determinants. The subsequent three periods of the plan will also result in annual revenue decreases of $33 M, $27 M, $19 M, and $6 M respectively with a slight increase to revenue occurring in the sixth period due to expected, but uncertain, increases to market prices.

Q. Has DP&L taken measures through this filing to mitigate rate shifts between and among tariff classes?

[1] According to DP&L's plan the first Competitive Bidding Process will take place in October 2012.

A. Yes. Throughout this filing, DP&L attempts to maintain its current rate structure to the extent possible. This is best shown in Schedule 5 where we have spread the results of the CBP into demand and energy components based on current tariff class rate patterns. Further, by keeping the rate/rider components of the blending process separate, we are attempting to keep costs assigned to those that cause the cost to be incurred to the extent possible. By maintaining DP&L's current rate structure, we will minimize cost shifts between tariff classes and between customers in the same tariff class with different usage patterns. Therefore the Rate Blending Plan serves customers' interests in rate stability.

Q. Are all rates that are currently in effect impacted by the Rate Blending Plan?

A. No. Several rates or riders that relate to distribution service are not affected by the Rate Blending Plan. Those rates are:

1. Distribution Base Rates
2. Energy Efficiency Rider
3. Economic Development Rider
4. Universal Service Fund Rider
5. Excise Tax Rider

These rates will remain in their current form and may be trued-up periodically based on how these rates are currently implemented.

Q. Which of DP&L's current rates/riders are part of the Blended SSO rate?

A. The following rates/riders are part of the Blended SSO rate:

1. Base Generation Rates

2. FUEL Rider
3. Reliability Pricing Model (RPM) Rider
4. Alternative Energy Rider (AER)
5. Transmission Cost Recovery Rider - Bypassable (TCRR-B)

Q. Which rates are fixed, and thus simply decrease by the percentage of load that is served through the competitive bidding process?

A. DP&L's base generation rates are fixed. Through this filing DP&L has merged its environmental investment rider into the base generation rates. The base generation rates as proposed in Tariff Sheet Nos. G10 – G18 of this filing reflect the percentage of load that will be supplied by DP&L. In other words, the base generation rate for the period beginning January 1, 2013 and going through May 31, 2014 is designed to reflect 90% of DP&L's base generation rate and environmental investment rider as those charges are in place as of March 1, 2012. The base generation rate will be reduced for each period during the MRO by the percentage of load supplied by the utility. Since the CBP is designed to coincide with the PJM auction year starting in 2014, beginning June 1st, 2014, and for every subsequent June through 2017, the blending mix will shift from ESP to CB in increments of 10% consistent with the Ohio Revised Code requirements. On June 1, 2018, one hundred percent of the SSO will be procured through the CBP. The periods and the corresponding blend percent are summarized in the table below:

Period	ESP %	CB %
January ’13 – May ‘14	90%	10%
June ’14 – May ‘15	80%	20%
June ’15 – May ‘16	70%	30%
June ’16 – May ‘17	60%	40%
June ’17 – May ‘18	50%	50%
Beginning June ‘18	0%	100%

Q. Which of the rates/riders that are part of the Blended SSO rate are “trackers” and will continue to be trued-up through the MRO period?

A. The FUEL rider, RPM Rider, AER and TCRR are currently trackers and will continue to be trued–up during the MRO period. We expect that the level of these charges will decrease over time, since the underlying supply costs should decrease as the percentage of load that is bid out increases.

Q. Is DP&L proposing any rate adjustment to implement the MRO plan?

A. Yes. The Company is proposing three changes to rates to implement the MRO plan. First, DP&L is proposing to split the TCRR into bypassable and non-bypassable rates. This split is explained in more detail by Company Witness Claire Hale. Second, through this filing, the Company plans to include its Environmental Investment Rider (EIR) in base generation rates. Finally, the Company plans to remove any under- or over-recovery from the “tracker” rates that are in effect December 31, 2012 and place

those amounts into a Reconciliation Rider that would recover any rates that are the residual effect of the ESP environment. Those rate changes are addressed in more detail below.

Q. Are there any new rates included in DP&L's Rate Blending Plan?

A. Yes. There will be four new rates to implement the MRO Rate Blending Plan. First, to implement the results of the CBP, there will be a new Competitive Bidding ("CB") Rate that will charge customers for the 10% of the SSO load that is procured through the auction process. This rate has been designed to keep the Company's current rate structure to the extent practical. This rate is supported by Company Witness Emily Rabb.

Second, the costs of energy, capacity, alternative energy attributes, and market-based TCRR costs will not likely match dollar for dollar the revenue recovered from customers through the CB Rate. Thus the Company plans to implement the Competitive Bid True-up (CBT) rider. This rate could be positive or negative depending upon the difference between the costs associated with procuring the competitive bidding product and the revenues collected. This Rider is supported by Company Witness Nathan Parke.

Third, the costs of conducting the CBP, and the costs associated with transitioning from ESP-era rates to the MRO environment will be included in a new Reconciliation Rider ("RR"). This charge is fully supported below.

Finally, in an effort to meet the requirements contained in OAC§4901:1-35-03 (B)(2)(i) and the policy of the State as expressed in ORC §4928.02 (D), DP&L has proposed a time-differentiated rate option available to residential customers, with the planned availability of this service beginning in Summer of 2013. The Residential Time of Use Pilot (R-TOU) Pilot program is being sponsored by Company Witness Emily Rabb.

Q. How will the "tracker" rates be trued-up?

A. DP&L's current FUEL rider is designed to be trued-up based on a seasonal quarter basis, meaning the rate changes March 1, June 1, September 1, and December 1. The Company plans to implement all of the tracker riders (FUEL, AER, TCRR-B, RPM, and CBT) on a consistent schedule to minimize the number of times the standard service offer rates will be modified throughout the calendar year. The initial tracker riders will be set via filings on November 15 that will remove the expected deferral balance as of December 31, 2012 and set the rates for the period January 1, 2013 through May 31, 2013. The next set of tracker filings will be submitted on May 1, 2013 with a requested implementation date of June 1, 2013. The May 1 filing will true up actual costs through March 31, 2012. A graph of the true–up schedule is at Appendix C of this filing.

V. ELECTRIC SERVICE STABILITY CHARGE (ESSC)

Q. What is the new Electric Service Stability Charge (ESSC)?

A. Similar to the ESSC provision agreed to in the Duke ESP Stipulation in Case No. 11-3549-EL-SSO, DP&L is proposing a new ESSC charge that will take the place of DP&L's current Rate Stabilization Charge (RSC). The ESSC charge is designed to compensate the company for maintaining electric service stability for customers and the Company.

Q. Does the ESSC result in a rate increase to customers?

A. No. The ESSC rate is equal to the Company's RSC rate that is in place today.

Q. Was the RSC rate scheduled to expire as of December 31, 2012?

A. No. As discussed previously, the current standard service offer rates were established through the ESP Stipulation, and although that Stipulation established the rates, there were no end dates for rates established in that Stipulation. The ESP Stipulation also stated that DP&L will file a new ESP and/or MRO case by March 31, 2012 to set rates to apply for the period beginning January 1, 2013. Thus, DP&L's current rates would continue unless or until modified by the Commission through this or another proceeding.

VI. RECONCILIATION RIDER (RR)

Q. What is the purpose of the Reconciliation Rider?

A. The RR is designed to transition certain rate structures and functions from the current ESP environment to the MRO environment and to recover costs associated with implementing the new provisions of the MRO plan.

Q. What is the RR designed to recover?

A. The RR is designed to recover three types of costs: (1) any over- or under-recovery of December 31, 2012 deferral balances for rate riders that will be included in the Blended SSO rate (Tariff Sheet No. G27 PJM Reliability Pricing Model (RPM) Rider, G28 FUEL Rider, Tariff Sheet No. T15 Transmission Cost Recovery Rider (TCRR) and Tariff Sheet No. G26 Alternative Energy Rider (AER)); (2) case expenses; and (3) costs associated with implementing and administering the CBP.

Q. Why do you think there will be deferral balances as of December 31, 2012 in these riders?

A. Although the current FUEL Rider and AER are designed to recover all costs as of December 31, 2012 based on forecasted switching and consumption, actual revenue will not exactly match the forecasted revenue. Therefore, these riders are likely to have some sort of over- or under-recovery deferral balance on December 31, 2012. Annual updates to the TCRR and RPM Rider were filed February 15, 2012 in Case No. 12-524-EL-RDR. These rates were designed to recover all costs, including deferral balances, by April 30, 2013. Therefore, there will be outstanding over- or under-recovered balances for TCRR and RPM as of December 31, 2012.

Q. Why is it appropriate to include ESP-era rider deferral balances in the RR?

A. As opposed to the ESP structure, the MRO environment assumes that more of the SSO generation is coming from sources other than traditional utility generation. Since the FUEL, AER, TCRR, and RPM riders were designed to be bypassable, in theory more

customer shopping occurs as the costs for these items increase. Therefore the utility is left with costs associated with providing service to customers who are no longer taking SSO from the utility. Customers that remain on SSO should not be required to bear the brunt of costs associated with those that have switched to an alternative generation supplier, nor should the utility. Since the MRO environment decreases the amount of generation that customers take from the utility, the Company should be made whole by all customers for any unrecovered costs from the ESP environment.

Q. Please explain the case expense items included in the RR.

A. As shown on Workpaper 7A, DP&L is seeking recovery of its case expenses for outside attorneys' fees, consulting fees, hearing costs, required newspaper publications and other costs associated with this case.

Q. Why did DP&L decide to engage outside counsel?

A. DP&L made the decision to engage outside counsel for two reasons. First, DP&L's overall goal is to keep costs for its cases to a minimum. DP&L's legal department is leanly staffed and currently could not take on the substantial additional work of litigating a case before the Commission such as this one. Second, DP&L has a long established history of using Mr. Faruki's law firm, Faruki Ireland & Cox P.L.L. ("FI&C") to handle litigation of its major cases. FI&C has developed expertise in handling cases before this Commission, and DP&L's in-house attorneys do not have similar experience. It is thus more efficient to use outside counsel.

Q. What effort is DP&L making to keep its case expense to a minimum?

A. DP&L personnel meet with outside counsel about once a week and communicate with them on the telephone and through email more frequently than that. DP&L monitors the work done by outside counsel to ensure that their work is necessary and cannot be done in-house at a lower cost. Additionally, DP&L monitors bills from outside counsel to ensure that the number of hours expended is reasonable for the nature of the tasks assigned.

Q. What is included in CBP expenses?

A. The CBP expenses include costs for administering the CBP auction, CBP consultant, supplier default costs, PUCO consultant costs (if any), audit costs (if any), and any other costs directly attributable to the auction or interaction with suppliers.

Q. Why is it appropriate to include CBP expenses in the RR?

A. Pursuant to ORC §4928.142(C)(3), DP&L has the right to recover all costs incurred as a result of or related to the CBP. Additionally, pursuant to Ohio Administrative Code § 4901:1-35-3(B)(2)(l), an electric utility may recover the cost of the CBP consultant in its CBP plan.

Q. Over what time frame are you planning to recover case expenses and CBP expenses?

A. Case expenses and CBP expenses will be tracked in two separate deferred accounts for accounting purposes. These expenses will be deferred until the Commission's final

order in this case is issued or when costs are fully recovered. DP&L has proposed that RR will be designed to recover all previously stated deferral balances and case expenses over three years. As the CBP expenses are ongoing for the duration of the MRO period, the RR will be subject to an annual true-up to account for any over- or under- collection of CBP related costs.

Q. Will RR include carrying charges?

A. Yes, any over- or under-recovery will accrue carrying charges equal to DP&L's December 31, 2011 embedded cost of long-term debt as shown on Workpaper 12.2.

Q. Will RR be a bypassable or non-bypassable charge?

A. The RR is designed to be a non-bypassable charge. The costs of implementing and administering the CBP should be shared by all customers because customers are free to switch to alternative suppliers and return to SSO at anytime. This non-bypassable charge is necessary to eliminate the potential for having the remaining SSO customers pay for the entire auction and its related costs. In addition, it is appropriate for the over- or under-recovery balances of the RPM Rider, the FUEL Rider, TCRR and the AER to be charged to all customers because these costs have been incurred by both shopping and non-shopping customers.

In a competitive environment, where customers are free to switch to alternative suppliers, there is the risk that costs will be incurred during a period when there was

little to no switching, but which must be recovered in another period during significant switching. To the extent that such switching occurs, all customers that have switched since the inception of these riders will have avoided costs that were incurred because DP&L supplied SSO service to them, yet recovery of these costs, and the increased carrying charges, would be borne by the remaining SSO customers. DP&L has experienced significant switching levels over the last 18 months and there is no way to determine which shopping or non-shopping customers caused these costs to be incurred. Once again, a non-bypassable charge is necessary to avoid the potential for having the remaining SSO customers pay for all of the costs that were incurred to provide service to the customers who have already switched.

Q. Where can the RR rate by tariff class be found in this filing?

A. The RR rate by tariff class is contained in Tariff Sheet No. G29 Reconcilation Rider. These rates are calculated on Schedule 7A. The proposed RR rates are for illustrative purposes only. DP&L plans to finalize updated RR Schedules and Workpapers by November 15, 2012 including updated deferral information for the RPM Rider, the FUEL Rider, TCRR, and AER deferral balances, Case Expenses, and CBP costs.

VII. SCHEDULES AND WORKPAPERS

Q. What is contained on Schedules 1 and 1A?

A. Schedule 1 contains a summary of DP&L's rates that are part of the blending process, while Schedule 1A contains a listing of all of DP&L's rates that are in effect as of March 1, 2012 with the exception of TCRR, RPM, and AER.

Q. What TCRR and RPM riders are listed on Schedule 1A?

A. DP&L filed its annual update to TCRR and RPM riders on February 15, 2012 in Case No. 12-524-EL-RDR. The rates contained on Schedule 1A for TCRR and RPM reflect the rates as proposed in the February 15, 2012 filing. These proposed rates were used in this filing to ensure the most up-to-date information is contained in the Company's MRO proceeding.

Q. What AER rate is listed on Schedule 1A?

A. The AER rate listed on Schedule 1A is the rate that DP&L proposed in Case No. 10-89-EL-RDR on June 1, 2011. For the purposes of this filing, we assumed this rate would be approved and in place prior to December 31, 2012.

Q. What is contained on Schedule 1B?

A. Schedule 1B shows the revenues that are generated by the current rates that are part of the blending process being applied to forecasted SSO billing determinants. It shows that total Transmission and Generation Revenue from current SSO sales applied to current rates result in annual revenues of approximately $570 million.

Q. What is the source of the forecasted SSO billing determinants?

A. The forecasted SSO billing determinants can be found on Workpaper 8.

Q. What is the purpose of Schedule 1B?

A. This schedule is used to compare to Schedule 8 to demonstrate the impacts of DP&L's MRO plans on generation and transmission revenues to satisfy OAC §4901:1-35-03(B)(2)(c).

Q. Please explain what information is provided on Schedule 2.

A. Schedule 2 contains a summary of the changes that were made to the current rates that are subject to the blending process. The change to each rate/rider is supported by its own separate Schedule or short series of Schedules and sponsored by various Company witnesses.

Q. Are you sponsoring Schedule 2B? If so, what does it contain?

A. Yes. Schedule 2B shows that aside from adding the EIR rate to the base generation rates, the Company is not proposing any other adjustments to its base generation rates.

Q. What is contained on Schedule 3?

A. Schedule 3 contains a summary of the rates that are part of the blending process after the adjustments are made.

Q. How are these rates calculated?

A. The rates contained on Schedule 3 are the sum of the rates contained on Schedule 1 and the rates contained on Schedule 2.

Q. What is contained on Schedule 4?

A. Schedule 4 shows the adjusted rates from Schedule 3 multiplied by the percentage of SSO load supplied by the utility, or the ESP percentage for the period. There is a separate page for each period during the MRO.

Q. Why does Schedule 4, page 6 contain rates that are all zero?

A. Page 6 is for the period starting June 2018 and shows that the blending process is complete at that time. Thus, the generation rates for SSO load will be 100% CB and 0% ESP.

Q. What is contained on Schedule 6?

A. Schedule 6 shows the Blended SSO rates that will be in effect during each of the six periods during the MRO plan. This schedule takes the ESP rates contained on Schedule 4 and blends them with the CB rate that is contained on Schedule 5 based on the ESP to CB percentages. In other words, column C shows the SSO rate that would be in effect January 1, 2013 through May 31, 2014, assuming the CBP results in the rate that was used in Schedule 5 for illustrative purposes.

Q. What is contained on Schedule 7?

A. Schedule 7 shows a summary of the rates that are not part of the blending process. The rates that are not part of the blending process are 1) the Reconciliation Rider, 2) the Competitive Bid True-up Rider, 3) the TCRR-N, 4) the Electric Service Stability Charge, and 5) the Residential TOU pilot rates proposed in this filing.

Q. Why are the Electric Service Stability Charge (ESSC) and the TCRR-N not part of the blending process?

A. These rates are not part of the blending process because they are non-bypassable. All rates that are part of the Blended SSO are bypassable rates paid only by customers that are taking SSO service during the MRO period.

Q. What is the purpose of Schedule 7A?

A. Schedule 7A summarizes the revenue requirement and rate design for the RR. The revenue requirement is an estimate of the deferred costs to be recovered plus carrying costs divided over the proposed three-year amortization period. The revenue requirement is then divided by forecasted distribution sales to derive a rate per kWh for the RR.

Q. What is the purpose of Workpaper 7A and Workpaper 7A.1?

A. Workpaper 7A summarizes the expense items associated with case expenses and CBP expenses. The amounts represent the Company's best estimate of what those costs will be as of December 31, 2012. Workpaper 7A.1 calculates the estimated carrying costs equal to the cost of debt applied to the end-of-the-year balances and assumes recovery over three years. As previously explained, DP&L proposes RR recovery of applicable deferral balances and case expense of a three-year period with annual true-ups to account for changes in the CBP expenses.

Q. Please describe Schedule 8.

A. Schedule 8 shows the revenues that are generated by the proposed rates that are part of the blending process being applied to forecasted SSO billing determinants.

Q. What conclusions can be drawn from Schedule 8?

A. As described above, comparing the revenues contained on Schedule 8 to the revenues contained on Schedule 1B, the Company's plan is expected to result in a total rate decrease of approximately $30 M during the first year.

Q. Do other periods of the MRO result in rate decreases as well?

A. Yes. Periods 2 – 5 also result in annual rate decreases from current rate levels. Period 6 shows a slight increase over current rates. This is a function of the market price that is assumed to be the result of the CBP.

VIII. TARIFFS

Q. What is contained on Tariff Sheet Nos. G10 – G18?

A. Tariff Sheet Nos. G10 – G18 contain DP&L's Base Generation rates. These rates are the ESP rates that will be in phased out as part of the CBP. These rates are the sum of base generation rates and EIR rates that are in place today, as phased out per the ESP percentage.

Q. Why are they contained on their own tariff sheets?

A. DP&L's base generation rates have historically been provided on their own separate tariff sheets by tariff class. DP&L contemplated rolling into one single rate, all of the

rate/rider components that are part of the blending process; however, we decided against doing so, because there are several components that make up the Blended SSO rate that are still subject to true-up. It is easier administratively to track and true-up revenues collected verses expenses by rate/rider if each rate/rider continues to be separately stated. Therefore, we separately stated each rate/rider that is part of the Blended SSO rate.

Q. What is contained on Tariff Sheet G25?

A. Tariff Sheet G25 contains the Company's Electric Service Stability Charge. It is designed to compensate the company for maintaining electric service stability for the Company and its customers. It will be assessed on a non-bypassable basis and varies by tariff class.

Q. What is contained on Tariff Sheet G29?

A. Tariff Sheet G29 currently is a placeholder for the RR. Since the costs that are designed to be recovered through this rider will not be known until later this year, DP&L plans to make an updated filing on November 15 to establish the RR based on actual and estimated costs at that time.

IX. GOVERNMENT AGGREGATION

Q. Ohio Administrative Code §4901:1-35-03(B)(4) requires the utility to discuss how it proposes to address governmental aggregation programs. How does DP&L's plan address governmental aggregation programs?

A. DP&L's MRO plan does not provide disincentives for municipal corporations or townships to implement governmental aggregation programs. DP&L has had a number of communities pass ballot issues allowing them to implement opt out governmental aggregation programs. Several communities have stated their intention to implement such programs while others have not affirmatively stated that they plan to implement programs. There is nothing in DP&L's MRO plan that would make it easier or harder for governmental aggregation programs to go forward with their plans to aggregate.

X. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does.

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 12-426-EL-SSO

CASE NO. 12-427-EL-ATA

CASE NO. 12-428-EL-AAM

CASE NO. 12-429-EL-WVR

CASE NO. 12-672-EL-RDR

DIRECT TESTIMONY

OF JUDI L. SOBECKI

- ☐ **MANAGEMENT POLICIES, PRACTICES, AND ORGANIZATION**
- ☐ **OPERATING INCOME**
- ☐ **RATE BASE**
- ☐ **ALLOCATIONS**
- ☐ **RATE OF RETURN**
- ☐ **RATES AND TARIFFS**
- ■ **OTHER**

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

DIRECT TESTIMONY OF

JUDI L. SOBECKI

ON BEHALF OF
THE DAYTON POWER & LIGHT COMPANY

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Judi L. Sobecki and my business address is 1065 Woodman Drive, Dayton, Ohio, 45432.

Q. By whom and in what capacity are you employed?

A. I am employed by The Dayton Power and Light Company ("DP&L" or the "Company") as Senior Counsel.

Q. Will you describe briefly your educational and business background?

A. I earned a Bachelor of Arts degree in Political Science from Kent State University in Kent, Ohio, in 1993. I earned a Juris Doctor degree from Case Western Reserve University in 1996. I am licensed to practice law in the State of Ohio and in the U.S. District Court for the Southern District of Ohio and the Sixth Circuit Court of Appeals. I have been employed by DP&L in my current position since 2007. Prior to that, I spent eleven years in the private practice of law.

Q. What are your responsibilities in your current position and to whom do you report?

A. I provide legal services to DP&L primarily in connection with state regulatory matters, including corporate compliance relating to DP&L's Corporate Separation plan and the PUCO Code of Conduct. In addition, I am involved in representing the Company in the government contracting area, as well as advising DP&L's Government Relations groups in connection with proposed legislative initiatives. I also represent the Company in connection with select litigation matters. I report directly to the Chief Regulatory Counsel.

II. SUBJECT OF TESTIMONY

Q. What is the purpose of your testimony in this proceeding?

A. My testimony sponsors DP&L's Third Amended Corporate Separation Plan in this proceeding, which remains substantially unchanged from DP&L's Second Amended Corporate Separation Plan, which was approved by the Commission in Case No. 08-1094-EL-SSO, and is consistent with the Commission's Rules and prior orders. The Third Amended Corporate Separation Plan is attached as Appendix A.

III. DP&L'S THIRD AMENDED CORPORATE SEPARATION PLAN

Q. Is DP&L currently in compliance with its Second Amended Corporate Separation Plan dated October 1, 2008?

A. Yes. DP&L has functionally separated its businesses of providing noncompetitive retail electric service from its businesses of providing competitive retail electric service and services other than retail electric service and has maintained the functional separation organizational structure at the DPL Inc. level. DP&L has implemented and complied with the Code of Conduct that governs its financial and other relationships with its DPL Inc. affiliates, and DP&L has maintained a Cost Allocation Manual. The acquisition of DPL Inc. by the AES Corporation has not changed the functional separation at the DPL Inc. level.

Q. Has the Commission issued any waivers to DP&L regarding the Second Amended Corporate Separation Plan under which DP&L now operates?

A. No.

Q. Under the Third Amended Corporate Separation Plan proposed in this filing, will necessary separation of functions be maintained?

A. Yes. DP&L and its affiliates will continue to provide noncompetitive retail electric services and products or services other than retail electric service separately from either (i) a competitive retail electric service or (ii) a non-electric product or service, in compliance with a Commission-approved Corporate Separation Plan, except as otherwise expressly permitted by state statute.

Q. Please describe DP&L's proposed Third Amended Corporate Separation Plan.

A. DP&L's Third Amended Corporate Separation Plan is substantially unchanged from DP&L's Second Amended Corporate Separation Plan currently on file with the Commission, but has been updated to reflect the acquisition by DPLER of MC Squared, and the acquisition of DPL Inc. by the AES Corporation. DP&L's operations under the Third Amended Corporate Separation plan with respect to Corporate Separation and the PUCO Code of Conduct will remain unchanged. DP&L will continue to operate all such businesses under a Code of Conduct and separately account for each business with a Cost Allocation Manual, to avoid any cross-subsidies. DP&L will continue its existing education plan that requires (either on-line or in person) each employee to receive training to understand employee obligations under DP&L's Third Amended Corporate Separation Plan.

IV. GENERATING ASSETS

Q. Is DP&L seeking the Commission's authority, pursuant to O.R.C. §4928.17(E), to transfer any ownership interest in its generation facilities?

A. No, not at this time. DP&L is willing to study the issue of legal separation of its generation assets. DP&L has not performed such a detailed study in connection with this proceeding, and is not presently seeking the Commission's authority to transfer its generation assets into a separate legal entity.

V. CONCLUSION

Q. Does this conclude your pre-filed direct testimony?

A. Yes it does.

THE DAYTON POWER AND LIGHT COMPANY
CASE NO. 12-426-EL-SSO

MRO Filing

Appendices

The Dayton Power & Light Company

Appendix A

THE DAYTON POWER AND LIGHT COMPANY

THIRD AMENDED CORPORATE SEPARATION PLAN

March 30, 2012

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THIRD AMENDED CORPORATE SEPARATION PLAN

I. INTRODUCTION

This Third Amended Corporate Separation Plan is being filed by The Dayton Power and Light Company (the "Company" or "DP&L") pursuant to OAC 4901:1-35-03(B)(3), which provides that in any SSO application that contains a proposal for an MRO, "the electric utility shall provide a description of its corporate separation plan, adopted pursuant to section 4928.17 of the Revised Code, including but not limited to, the current status of the corporate separation plan, a detailed list of all waivers previously issued by the commission to the electric utility regarding its corporate separation plan, and a timeline of any anticipated revisions or amendments to its current corporate separation plan on file with the commission pursuant to Chapter 4901:1-37 of the Administrative Code." This plan amends, supersedes and replaces the Company's Second Corporate Separation Plan as filed October 1, 2008.

This Third Amended Corporate Separation Plan demonstrates that DP&L will continue to maintain functional separation of its businesses of providing competitive retail electric services and products or services other than retail electric services from its business of providing noncompetitive retail electric services, except when specifically permitted to do otherwise. This Third Amended Corporate Separation Plan also demonstrates how DP&L and its fully separated affiliates will operate in relation to each other in compliance with the provisions of Chapter 4928.

DP&L's has not yet applied to the Commission for authority pursuant to R.C. 4928.17(E) to sell or transfer DP&L's generating assets, both wholly and partly owned, away from the electric distribution utility and to an unregulated affiliate. DP&L is willing to study the issue of legal separation of its generation assets. DP&L has not yet performed such a detailed study in connection with this proceeding, and is not presently seeking the Commission's authority to transfer its generation assets into a separate legal entity. Unless and until DP&L applies for and is granted authority to transfer its generating assets to an unregulated affiliate, DP&L intends to continue operating under the same functional separation as explained in detail in DP&L's Second Amended Corporate Separation plan as filed October 10, 2008, which was approved by the Commission by Opinion and Order dated June 24, 2009 in Case No. 08-1094-EL-SSO, et al.

This Third Amended Corporate Separation Plan addresses, in general terms, (1) how DP&L will maintain separation of its competitive retail electric service and products and services other than retail electric service from its noncompetitive retail electric service, (2) a description of the separate accounting practices that perform this separation of competitive versus noncompetitive retail electric service, (3) a description of the Company's Code of Conduct, (4) its Cost Allocation Manual, and (5) how the Company's structure and operation is in the public interest and does not create an undue preference or competitive advantage for DP&L's affiliates.

A. Current Organization

DP&L is a regional electric public utility that sells electricity to residential, commercial, industrial and governmental customers in West Central Ohio. DP&L provides "retail electric service" to consumers as defined in Revised Code Section 4928.01(A)(27). DP&L is an "electric utility" as defined in Revised Code Section 4928.01(A)(11) that is engaged in the business of

supplying both a noncompetitive retail electric service and competitive retail electric services under Revised Code Section 4928.03. Electricity for the Company's service area is primarily generated by plants wholly-owned or co-owned by DP&L.

As an integrated electric utility, DP&L operates within the statutory and regulatory framework of the state of Ohio and applicable federal law, providing services to its retail customers within its certified territory pursuant to its obligation to serve. Utility services are provided to its retail customers based on tariffed rates previously approved by the Commission.

On November 28, 2011, The AES Corporation ("AES") closed on the acquisition of DPL Inc., the parent company of DP&L. As a result of the acquisition, DPL became a wholly-owned direct subsidiary of AES. On December 22, 2011, after closing of the acquisition of DPL, AES Parent interposed AES DPL Holdings, LLC as an intermediate holding company between AES Parent and DPL. As a result, AES DPL Holdings is a wholly-owned direct subsidiary of AES, and DPL Inc. is a wholly-owned direct subsidiary of AES DPL Holdings and a wholly-owned indirect subsidiary of AES. Therefore, at all times since November 28, 2011, DPL Inc. has been a wholly-owned subsidiary of AES.

A current organization chart of DPL Inc. and its subsidiaries, including a brief description of subsidiary activities, is attached as Exhibit 1.

B. Deregulation Legislation

On May 31, 2008, the Ohio General Assembly enacted Substitute Senate Bill 221, creating a new framework under which electric utilities must provide electric service to their customers. This regulatory framework continues the functional separation between the electric utility that generally provides noncompetitive retail electric service and electric utility affiliates

that may provide competitive retail electric services and products and services other than retail electric service. Under this statute, an electric utility cannot, directly or indirectly, provide such competitive retail electric services, as defined by R.C. 4928.01(B), (i) except through a separate affiliate and pursuant to a Commission-approved corporate separation plan that meets the requirements described in Revised Code Section 4928.17, or (ii) except as otherwise permitted by state statute.

C. Purpose of Third Amended Corporate Separation Plan

Consistent with the policy goals specified in Revised Code Section 4928.02, the requirements of Revised Code Section 4928.17 and the corporate separation rules adopted by the Commission, this Third Amended Corporate Separation Plan of DP&L is intended to achieve the following:

> (1) Describe the framework under which DP&L and/or its affiliates will engage in the businesses of supplying competitive retail electric services and products or services other than retail electric service; the policies, rules and procedures that will govern the interrelationships among DP&L and its affiliates with respect to such business activities; and how such policies, rules and procedures will be implemented.
>
> (2) Help to effectuate the policy specified in Revised Code Section 4928.02, specifically to help ensure the availability of adequate, reliable, safe, efficient, nondiscriminatory and reasonably priced retail electric service; ensure the availability of unbundled and comparable retail electric service; ensure diversity of electricity supplies and suppliers; encourage innovation and market access for cost effective supply- and demand-side retail electric service; encourage cost-effective and efficient access to information to promote effective customer choice.
>
> (3) Satisfy the public interest in preventing unfair competitive advantages and preventing the abuse of market power.
>
> (4) Allow DP&L and its affiliates to compete fairly, without competitive disadvantages, with other companies engaged in the same or similar businesses, including those companies that are not subject to regulation as electric utilities.

D. Process of Implementing the Third Amended Corporate Separation Plan

DP&L's original Corporate Separation Plan as amended was implemented in response to S. B. 3 and was modified for DP&L's first Standard Service Offer filing made October 10, 2008, to ensure compliance with S. B. 221. A number of factors, events and circumstances, many of which cannot reasonably be foreseen or predicted, will influence DP&L's planning. Some of these factors will be beyond DP&L's ability to control or will be dependent on the actions of unrelated third parties (e.g., competitors, the co-owners of DP&L's jointly-owned generation and transmission facilities, etc.). Accordingly, DP&L and its affiliates will need a reasonable degree of flexibility. For this reason, the plan is structured in a way to ensure compliance with applicable statutory and regulatory law, while affording DP&L a modicum of discretion to select the precise means for achieving and maintaining such compliance in light of the relevant circumstances.

II. THIRD AMENDED CORPORATE SEPARATION PLAN PROVISIONS

A. Policy

DP&L acknowledges the policy goals of the state of Ohio as described in Revised Code Section 4928.02. Accordingly, consistent with the corporate separation rules, DP&L will not extend any undue preference or advantage to any of its affiliates that engage in the business of providing a competitive retail electric service or a non-electric retail product or service without just compensation as provided herein. Further, DP&L will act so as to effectuate the policy specified in Revised Code Section 4928.02 and to satisfy the public interest in preventing unfair competitive advantage and abuse of market power.

As required by Revised Code Section 4928.17 and the corporate separation rules, DP&L will not engage, either directly or through an affiliate, in the business of supplying a noncompetitive retail electric service and either a competitive retail electric service or a product or service other than retail electric service, except as otherwise authorized by law and except pursuant to the provisions of this Third Amended Corporate Separation Plan as approved by the Commission.

B. Fully Separated Affiliates

Except as permitted by state law and pursuant to its Commission-approved Third Amended Corporate Separation Plan, DP&L will not directly engage in the business of supplying competitive retail electric services, as defined in Revised Code Section 4928.01(B). Competitive retail electric service will be provided only through an affiliate or affiliates that are fully separate from DP&L, as required by Revised Code Section 4928.17(A)(1).

Each such affiliate or business unit offering competitive retail electric services will generally operate separately from DP&L, except as specifically permitted by state statute under this Commission-approved Third Amended Corporate Separation Plan, and such affiliates or business units will operate independently of each other, all as provided herein.

To the extent deemed economically feasible and prudent, DP&L and its affiliates that provide a competitive retail electric service will endeavor to satisfy their own respective needs through their own respective employees, facilities, equipment and other assets and resources. Employees will be employed by one corporate entity (*i.e.*, DP&L or an affiliate) and no employee will be employed by more than one entity, although an employee may in certain instances provide services for both his or her employer and an affiliate. As required by Revised

Code Section 4928.18(D)(2) and OAC Section 4901:1-37-04(A)(5), any common use or sharing of employee services, consultant services, independent contractor services, facilities, equipment, employee benefit plans and/or other services permitted by Revised Code Section 4928.18(D)(2) shall not in any way violate the Code of Conduct adopted herein and shall be appropriately accounted for and the costs thereof allocated pursuant to the terms of this plan and as more specifically described in the Cost Allocation Manual provided for under Section II.F. DP&L will maintain a copy of any shared employee's job description in the Cost Allocation Manual.

While the DP&L affiliated group may have certain officers and directors in common, such officers and directors owe a fiduciary duty under general corporate law principles to each of the entities he or she is serving as well as an obligation to such entity to abide by the terms and conditions of this Third Amended Corporate Separation Plan, including without limitation, the Code of Conduct.

C. Accounting Records

As required by Revised Code Section 4928.17(A)(1) and corporate separation rule OAC Section 4901:1-37-04(B), DP&L and each affiliate or business unit in the DP&L group will maintain, in accordance with generally accepted accounting principles, an applicable uniform system of accounts, books, records and accounts that are separate from the books, records and accounts of each other affiliate or business unit.

D. Financial Arrangements

To the extent required by Revised Code Section 4928.17(A)(3) and the applicable corporate separation rules, subject to the provisions of Subsection II.A.3. regarding currently existing financing arrangements, and except as may otherwise be approved by the Commission, the financial arrangements of DP&L with respect to its affiliates engaged in the business of providing a competitive retail electric service or a product or service other than retail electric service will be subject to the following restrictions:

(1) Any indebtedness incurred by an affiliate shall be without recourse to DP&L.

(2) DP&L will not enter into any agreement with terms under which it is obligated to commit funds to maintain the financial viability of its affiliate.

(3) DP&L will not make any investment in an affiliate under any circumstances in which it would be liable for the debts or liabilities of such affiliate incurred as a result of actions or omissions of such affiliate.

(4) DP&L will not issue any security for the purpose of financing the acquisition, ownership or operation of any of its affiliates.

(5) DP&L will not assume any obligation or liability as a guarantor, endorser, surety, or otherwise with respect to any security of any of its affiliates.

(6) DP&L will not pledge, mortgage or use as collateral any of its assets for the benefit of any of its affiliates.

E. Code of Conduct

Pursuant to Revised Code Section 4928.17(A)(1), which requires the corporate separation plan to include the Code of Conduct ordered by the Commission pursuant to a rule adopted under Revised Code Section 4928.06, and consistent with corporate separation rules OAC Section 4901:1-37-04(D)(1) through (D)(11), DP&L adopts the following Code of Conduct to govern the

relationship of DP&L with its affiliates or business units engaged in the business of providing a competitive retail electric service or a product or service other than retail electric service:

(1) DP&L shall not release any proprietary customer information (*e.g.*, individual customer load profiles or billing histories) to an affiliate, or otherwise, without the prior authorization of the customer, except as required by a regulatory agency or court of law.

(2) DP&L shall make customer lists, which include names, addresses and telephone numbers, available on a non-discriminatory basis to all non-affiliated and affiliated certified retail electric competitors transacting business in its service territory, unless otherwise directed by the customer. This paragraph does not apply to customer-specific information, obtained with proper authorization, necessary to fulfill the terms of a contract, or information relating to the provision of general and administrative support services.

(3) Employees of DP&L's affiliates shall not have access to any information about DP&L's transmission or distribution systems (*e.g.*, system operations, capability, price, curtailments and ancillary services), that is not contemporaneously and in the same form and manner available to a non-affiliated competitor of retail electric service.

(4) DP&L shall treat as confidential all information obtained from a competitive retail electric service provider, both affiliated and non-affiliated, and shall not release such information unless a competitive retail electric service provider provides authorization to do so or unless the information was or thereafter becomes available to the public other than as a result of disclosure by DP&L.

(5) Except as specifically authorized by state statute and as set forth in its Commission-approved Third Amended Corporate Separation Plan, DP&L shall not tie (nor allow its affiliates to tie) or otherwise condition the provision of its services, discounts, rebates, fee waivers or any other waivers of its ordinary terms and conditions of service, including but not limited to DP&L's tariff provisions, to the taking of any goods or services from affiliates.

(6) In order to ensure effective competition in the provision of retail electric service, DP&L shall avoid anticompetitive subsidies flowing from a noncompetitive retail electric service to a competitive retail electric service or to a product or service other than retail electric service, and vice versa.

(7) Upon a request from a customer, DP&L shall provide a complete list of all certified suppliers, registered pursuant to DP&L's tariff requirements, of competitive retail electric services operating on DP&L's system, but shall not endorse any suppliers nor indicate that any supplier will receive preference because of an affiliate relationship.

(8) DP&L shall strive to ensure that its activities do not create unreasonable sales practices, market deficiencies or market power.

(9) Employees of DP&L shall not indicate a preference for an affiliated company's services.

(10) DP&L shall provide comparable access to products and services related to tariffed products and services.

(a) DP&L shall not unduly discriminate in the offering of its products and/or services.

(b) DP&L shall apply all tariff provisions in the same manner to the same or similarly situated entities, regardless of any affiliation or non-affiliation.

(c) DP&L shall not, through a tariff provision, a contract, or otherwise, give its affiliates preference over non-affiliated competitors providing a competitive retail electric service or their customers in matters relating to any product and/or service.

(d) DP&L shall follow all tariff provisions.

(e) Except to the extent legally permitted, DP&L shall not be permitted to provide discounts, rebates, or fee waivers for any state regulated monopoly service.

(f) Violations of this code of conduct shall be enforced and subject to the disciplinary actions described in Revised Code Sections 4928.18(C) and (D).

(11) Shared representatives and employees of DP&L shall clearly disclose upon whose behalf public representations are being made.

(12) Notwithstanding any provision contained in this code of conduct, in an emergency situation, DP&L may take actions necessary to ensure public safety and system reliability. DP&L will maintain a log of all such actions that do not comply with this code of conduct.

As part of meeting the requirements of paragraph (8) above, DP&L does not intend to engage in joint advertising or joint marketing of any kind with its affiliates supplying a competitive retail electric service or directly promote or market any product or service offered by any such affiliate, except as authorized by state statute and pursuant to its Commission-approved Third Amended Corporate Separation Plan. DP&L's generation affiliate and other non-EDU affiliates will not trade upon, promote, or advertise their affiliate relationship with DP&L, nor will DP&L allow the name "The Dayton Power and Light Company" or the logo shown on Exhibit 2 to be used in Ohio by an affiliate in any material circulated by the affiliate, unless it discloses in plain legible or audible language, on the first page or at the first point where DP&L's name or logo is mentioned, that: (i) the affiliate is not the same company as DP&L; (ii) the affiliate is not regulated by the Commission; and (iii) the customer does not have to buy the affiliate's products in order to continue to receive quality, regulated service from DP&L.

F. Cost Allocation Manual

In order to help ensure that anticompetitive cross-subsidization does not occur between DP&L and its affiliates and business units providing any competitive retail electric service or any product or service other than retail electric service, DP&L or its business unit will maintain a Cost Allocation Manual as required by OAC 4901:1-37-08. With respect to any asset, product or service provided or transferred by an affiliate or business unit to DP&L, or by DP&L to an affiliate or business unit, the affiliate or business unit providing or receiving the same shall submit to DP&L for inclusion in the Cost Allocation Manual, and DP&L shall maintain in the Cost Allocation Manual, information documenting the allocation of costs between the affiliate or

business unit and DP&L. The Cost Allocation Manual will include the methods to be used for allocating costs and transferring assets between DP&L and its affiliates and business units, which costs will be based on "fully allocated costs" as required by corporate separation rule OAC 4901:1-37-04(B) and will be traceable to the books of the applicable corporate entity providing such product or service or making such transfer.

In addition to this information, the Cost Allocation Manual will include the following:

(a) An organization chart of DPL Inc. depicting all active affiliates, as well as a description of activities in which such affiliates are involved.

(b) A description of all assets, services and products provided to and from DP&L and its affiliates.

(c) A copy of the job description of each shared employee.

(d) Information on employees who have either transferred from DP&L to one of its affiliates or are shared between DP&L and such affiliate, including a copy of all transferred employees' previous and new job descriptions and a list of names and job summaries for shared consultants and shared independent contractors.

(e) A log of all complaints made to DP&L regarding corporate separation.

(f) Minutes of each DP&L board of directors meeting.

DP&L and its affiliates and business units will maintain all affiliate transaction information and the DP&L board of directors minutes in the Cost Allocation Manual for not less than three years. As required by the corporate separation rules, the initial version of the revised Cost Allocation Manual will be made available to the Commission's Staff for review. Upon approval of this Third Amended Corporate Separation Plan, DP&L will send to the Director of the Utilities Department of the Commission (or their designee) a summary every twelve months of any significant changes made in the Cost Allocation Manual during such twelve-month

period. Pursuant to corporate separation rule OAC 4901:1-37-08(I), DP&L designates the general counsel of DP&L or his designee to act as a contact person for the Commission's Staff when seeking data regarding affiliate and business unit transactions, personnel transfers and sharing of employees. DP&L may change this designation at any time, and will promptly notify the Commission of any change.

G. Complaint Procedures

All complaints received by DP&L with respect to compliance with the corporate separation rules will be referred to the General Counsel of DP&L or his or her designee. If and to the extent that the complaint provides basic information sufficient to enable the General Counsel or his or her designee to do so, the General Counsel or his or her designee will acknowledge the complaint within five business days of its receipt and will thereafter prepare a written statement of the complaint, containing the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved and the specific claim. The General Counsel or his or her designee will communicate the results of any preliminary investigation made by legal counsel or his or her designee to the complainant in writing in not less than 30 days after the complaint has been received, including a description of any course of action taken. The legal counsel or his designee will also keep a file to be placed in the Cost Allocation Manual of any complaint statements for a period of not less than three years. This complaint procedure will not in any way limit the rights of a party to file a complaint with the Commission.

H. Access to Books and Records

DP&L will comply with legally enacted corporate separation rules relating to Commission and Staff access to, and review of, books and records of DP&L and its affiliates.

I. Effective Date

The above plan provisions will become effective upon Commission approval.

III. IMPLEMENTATION OF AMENDED CORPORATE SEPARATION PLAN

A. Corporate Reorganization

1. Transfer of Businesses and Assets to Separate Corporate Entities

DP&L has (i) previously transferred some of its generating assets and some of its retail generation service business to one or more fully separated affiliates or business units or (ii) functionally separated its retail generation business from its non-competitive retail electric service under DP&L. Both the fully separated retail electric affiliate and DP&L are wholly-owned by DPL Inc.

In addition, since the approval of DP&L's Second Amended Corporate Separation Plan, on November 28, 2011, DPL Energy Resources, Inc. acquired MC Squared Energy Services, LLC ("MC2"), a competitive retail electric service supplier based in Illinois. As a result, MC2 is a wholly-owned direct subsidiary of DPLER, which in turn is a wholly-owned direct subsidiary of DPL Inc.

Organization charts showing how DPL Inc. and its affiliates are organized are attached as Exhibit 1.

2. Functional Separation

DP&L's various operations have been functionally separated for a number of years. Functional separation is used where legal separation is not feasible or is unnecessary. The obstacles to legal separation are described below.

3. Indenture and Related Issues

Substantially all of the assets of DP&L, including its electric generating assets and transmission and distribution assets, are subject to, and encumbered by, the first mortgage lien of the indenture pursuant to which DP&L's outstanding first mortgage bonds were issued. The controlling indenture was drafted in the 1930's and did not contemplate or include provisions readily enabling DP&L to redeploy its assets as required by, or desirable in connection with, the deregulation of the electric utility industry. As a result, a large number of complex indenture-related issues would have to be analyzed and resolved for DP&L to permit the legal transfer of the electric generating assets.

B. Sharing of Employees, Facilities and Services

Shared employees, facilities and services are accounted for according to the time or use they provide to each entity.

The transmission service business unit of DP&L is administered entirely through the PJM Interconnection.

As described in Subsection III.A.1., DPL Inc. currently has a number of wholly-owned subsidiaries that provide services or facilities to DP&L and its affiliates. It is anticipated that these subsidiaries will continue. In addition, it is possible that DPL Inc. will determine that it is economically feasible and prudent to provide additional services on a company-wide or shared

basis, such as legal, accounting, auditing, finance, real estate or human resource services. Also, employees of DP&L and its affiliates currently participate in employee benefit plans that are common to one or more of such entities. For economic purposes as well as for Internal Revenue Code and ERISA compliance reasons, DPL Inc. and its subsidiaries may determine that their current employee benefit plans should continue to cover employees of DP&L and one or more of its affiliates rather than causing each entity to establish and maintain separate plans. In such event, the costs of employee benefit plans are allocated to each affiliate in proportion to the number of employees covered by each such plan or, if not allocable on such basis, in accordance with the other rules for allocating these costs among affiliates as described in the Cost Allocation Manual. In the event that separation of such plans becomes economically feasible and prudent, DP&L and the other subsidiaries of DPL Inc. may establish and maintain separate employee benefit plans.

Any of the above-described services (or any other services) which are provided by DP&L to an affiliate or by an affiliate to DP&L will be properly described in the Cost Allocation Manual, and the cost of such services shall be allocated pursuant to the methods of allocation described in the Cost Allocation Manual.

C. Employee Education and Training

To maintain employee awareness of the requirements in this Second Amended Corporate Separation Plan, including, without limitation, the Code of Conduct provisions and the Cost Allocation Manual requirements, DP&L will train its employees on the subject. This training is either provided live or via a web-based program. The program describes the Third Amended

Corporate Separation Plan (and how the plan affects each employee in light of his or her job description and the specific company for which the employee works or will be working), the provisions of the Code of Conduct to be followed by the employees, the appropriate documentation to be forwarded to DP&L to be included in the Cost Allocation Manual and when such documentation should be forwarded, the complaint procedure and the methods for bringing complaints and violations to the attention of the appropriate party. The compliance procedure (described below) and penalties and consequences with respect to the failure of an employee or an affiliate to comply with the Third Amended Corporate Separation Plan or the Code of Conduct will also be explained at these sessions. The employees will also be advised of the penalties to which DP&L will be subject in the event of a failure to comply. Once the Third Amended Corporate Separation plan is approved, DP&L will implement the Employee Education Plan as set forth in Exhibit 4.

D. Compliance Procedure

To ensure that its Third Amended Corporate Separation Plan is implemented properly by DP&L and its affiliates, DP&L will implement the following compliance monitoring procedures and plans for corrective action:

(1) After training, each employee of DP&L or its affiliates will be required to acknowledge participation in the training.

(2) Employees may report to the General Counsel possible violations of the Code of Conduct and other failures to comply with the Third Amended Corporate Separation Plan.

(3) Possible violations and other failures will be reported to the General Counsel , who will investigate such matters, prepare a report and, if appropriate, a course of

recommended action and report to management. DP&L and the relevant affiliate will take reasonable steps necessary to remedy such violation.

(4) Failure to observe the limitations described in the Code of Conduct with regard to the use of non-public DP&L information will result in appropriate disciplinary action.

IV. DESCRIPTION OF COMPLIANCE WITH COMMISSION RULES FOR CORPORATE SEPARATION PLANS.

In accordance with Corporate Separation Rule OAC 4901:1-37-05(B)(12), DP&L lists below each corporate separation rule and a description of how DP&L will comply with that rule:

Corporate Separation Rule OAC 4901:1-37-04(A)(2) – Each electric utility and its affiliate that provide services to customers within the electric utility's service territory shall not share facilities and services if such sharing in any way violates paragraph (D) of this rule.

As described in Section II.B., any sharing of facilities or services by DP&L with any of its affiliates will be subject to the Code of Conduct restrictions and Cost Allocation Manual requirements.

Corporate Separation Rule OAC 4901:1-37-04(B) - Each electric utility and its affiliates shall maintain, in accordance with generally accepted accounting principles, an applicable uniform system of accounts, books, records and accounts that are separate from the books, records and accounts of its affiliates.

As described in Section II.C., DP&L and each of its affiliates will maintain separate books, records and accounts in accordance with the provisions of this rule.

Corporate Separation Rule OAC 4901:1-37-04(C)(1) – Unless otherwise approved by the Commission, the financial arrangements of an electric utility are subject to the following

restrictions: Any indebtedness incurred by an affiliate shall be without recourse to the electric utility.

> As described in Subsection II.D.1., any indebtedness incurred by an affiliate of DP&L will be without recourse to DP&L.

Corporate Separation Rule OAC 4901:1-37-04(C)(2) – Unless otherwise approved by the Commission, the financial arrangements of an electric utility are subject to the following restrictions: an electric utility shall not enter into any agreement with terms under which the electric utility is obligated to commit funds to maintain the financial viability of an affiliate.

> As described in Subsection II.D.2., DP&L will not enter into any agreement with terms under which it is obligated to commit funds to maintain the financial viability of an affiliate.

Corporate Separation Rule OAC 4901:1-37-04(C)(3) - An electric utility shall not make any investment in an affiliate under any circumstances in which the electric utility would be liable for the debts and/or liabilities of the affiliate incurred as a result of actions or omissions of an affiliate.

> As described in Subsection II.D.3., DP&L will not make any investment in an affiliate under any circumstances in which DP&L would be liable for the debts and/or liabilities of such affiliate incurred as a result of actions or omissions of such affiliate.

Corporate Separation Rule OAC 4901:1-37-04(C)(4) - An electric utility shall not issue any security for the purpose of financing the acquisition, ownership or operation of an affiliate.

> As described in Subsection II.D.4., DP&L will not issue any security for the purpose of financing the acquisition, ownership or operation of any of its affiliates.

Corporate Separation Rule OAC 4901:1-37-04(C)(5) - An electric utility shall not assume any obligation or liability as a guarantor, endorser, surety, or otherwise with respect to any security of an affiliate.

> As described in Subsection II.D.5., DP&L will not assume any obligation or liability as a guarantor, endorser, surety or otherwise with respect to any security of any of its affiliates.

Corporate Separation Rule OAC 4901:1-37-04(C)(6) - An electric utility shall not pledge, mortgage, or use as collateral, any assets of the electric utility for the benefit of an affiliate.

> As described in Subsection II.D.6., DP&L will not pledge, mortgage or use as collateral, any assets of DP&L for the benefit of any of its affiliates.

Corporate Separation Rule OAC 4901:1-37-04(D)(1) - The electric utility shall not release any proprietary customer information (*e.g.*, individual customer load profiles or billing histories) to an affiliate, or otherwise, without the prior authorization of the customer, except as required by a regulatory agency or court of law.

> See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also See Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-04(D)(2) - On or after the effective date of this chapter, the electric utility shall make customer lists, which include name, address and telephone number, available on a nondiscriminatory basis to all nonaffiliated and affiliated certified retail electric service providers transacting business in its service territory, unless otherwise directed by the customer. This provision does not apply to customer-specific information, obtained with proper authorization, necessary to fulfill the terms of a contract, or information relating to the provision of general and administrative support services.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-04(D)(3) - Employees of the electric utility's affiliates shall not have access to any information about the electric utility's transmission or distribution systems (*e.g.*, system operations, capability, price, curtailments and ancillary services), that is not contemporaneously and in the same form and manner available to a nonaffiliated competitor of retail electric service.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-04(D)(4) – An electric utility shall treat as confidential all information obtained from a competitive retail electric service provider, both affiliated and non-affiliated, and shall not release such information unless a competitive retail electric service provider provides authorization to do so or unless the information was thereafter becomes available to the public other than as a result of disclosure by the utility.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-04(D)(5) - The electric utility shall not tie (nor allow an affiliate to tie)or otherwise condition the provision of the electric utility's regulated services, discounts, rebates, fee waivers, or any other waivers of the electric utility's ordinary terms and conditions of service, including but not limited to tariff provisions, to the taking of any goods and/or services from the electric utility's affiliates.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-04(D)(6) – The electric utility shall ensure effective competition in the provision of retail electric service by avoiding anticompetitive subsidies flowing from a noncompetitive retail electric service to a competitive retail electric service or to a product or service other than retail electric service, and vice versa.

> See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-04(D)(7) - The electric utility, upon request from a customer, shall provide a complete list of all competitive retail electric service providers operating on the system, but shall not endorse any competitive retail electric service providers or indicate that any competitive retail electric service providers will receive preference because of an affiliate relationship.

> See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-04(D)(8) – The electric utility shall ensure retail electric service consumers protection against unreasonable sales practices, market deficiencies, and market power.

> See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-04(D)(9) – Employees of the electric utility shall not indicate a preference for an affiliated electric services company.

> See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-04(D)(10) - The electric utility shall provide comparable access to products and services related to tariffed products and services and specifically comply with the following:

Corporate Separation Rule OAC 4901:1-37-04(D)(10)(a) - An electric utility shall be prohibited from unduly discriminating in the offering of its products and/or services.

> See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule 4901:1-37-04(D)(10)(b) - The electric utility shall apply all tariff provisions in the same manner to the same or similarly situated entities, regardless of any affiliation or non-affiliation.

> See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-04(D)(10)(c) - The electric utility shall not, through a tariff provision, a contract, or otherwise, give its affiliates preference over nonaffiliated competitors of retail electric service or their customers in matters relating to any product and/or service.

> See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-04(D)(10)(d) - The electric utility shall strictly follow all tariff provisions.

> See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-04(D)(10)(e) - Except to the extent allowed by state law, the electric utility shall not be permitted to provide discounts, rebates, or fee waivers for any state regulated monopoly service.

> See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule 4901:1-37-04(D)(11) – Shared representatives or shared employees of the electric utility and affiliated electric services company shall clearly disclose upon whose behalf their public representations are being made.

> See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-04(E)(1) and (2) – Notwithstanding the foregoing, in a declared emergency situation, an electric utility may take actions necessary to ensure public safety and system reliability. The electric utility shall maintain a log of all such actions that do not comply with this chapter and such log shall be subject to review by the Commission and its staff.

> See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-05(B)(8) - A description and timeline of all planned education and training, throughout the holding company structure, to ensure that electric utility and affiliate employees know and can implement the policies and procedures of this rule.

> As described in Section III.C., DP&L has instituted an education and training program to familiarize the employees of DP&L and its affiliates with the requirements of the Amended Corporate Separation Plan. Information will be maintained on the Company website. See Exhibit 4.

Corporate Separation Rule OAC 4901:1-37-05(B)(9) - A copy of a policy statement to be signed by electric utility and affiliate employees who have access to any nonpublic electric utility information, which indicates that they are aware of, have read, and will follow all policies and procedures regarding limitation on the use of nonpublic electric utility information. The statement will include a provision stating that failure to observe these limitations will result in appropriate disciplinary action.

See Exhibit 3.

Corporate Separation Rule OAC 4901:1-37-05(B)(10) - A description of the internal compliance monitoring procedures and the methods for corrective action for compliance.

See Section III.D.

Corporate Separation Rule OAC 4901:1-37-05(B)(14)(a)-(f) - The electric utility shall establish a complaint procedure for the issues concerning compliance with this chapter, which at minimum shall include the following: All complaints, whether written or oral, shall be referred to the General Counsel of the utility or his or her designee. The General Counsel shall orally acknowledge the complaint within five working days of its receipt. The General Counsel shall prepare a written statement of the complaint that shall contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and the specific claim. The General Counsel s hall communicate the results of the preliminary investigation to the complainant in writing within thirty days after the complaint was received, including a description of any course of action that was taken. The General Counsel shall keep a file in the CAM of all such complaint statements for a period of not

less than three years. This complaint procedure shall not in any way limit the rights of a party to file a complaint with the Commission.

> As described in Section II.G. above, DP&L will establish a complaint procedure concerning compliance with the corporate separation rules. Such procedure will follow those described by this rule.

Corporate Separation Rule OAC 4901:1-37-07(A) – The electric utility shall maintain records sufficient to demonstrate compliance with this chapter, and shall produce, upon request of staff, all books, accounts, and/or other pertinent records kept by an electric utility or its affiliates as they may relate to the businesses for which corporate separation is required under Section 4928.17 of the Revised Code, including those required under section 4928.145 of the Revised Code.

> As described in Section II.H. above, DP&L will comply with the corporate separation rules relating to the examination of books and pertinent records.

Corporate Separation Rule OAC 4901:1-37-07(B) - The staff may investigate such electric utility and/or affiliate operations and the interrelationship of those operations at the staff's discretion. In addition, the employees and officers of the electric utility and its affiliates shall be made available for informational interviews, at a mutually agreed time and place, as required by the staff to ensure proper separations are being followed.

> As described in Section II.H. above, DP&L will comply with the corporate separation rules relating to investigating DP&L and will make available its employees and officers for informational interviews.

Corporate Separation Rule OAC 4901:1-37-07(C) - If such employees, officers, books and records cannot be reasonably made available to the staff in the state of Ohio, then upon request

of the staff, the appropriate electric utility or affiliate shall reimburse the Commission for reasonable travel expenses incurred.

Section II.H. above.

Corporate Separation Rule OAC 4901:1-37-08(A) - Each electric utility that receives products and/or services from an affiliate and/or that provides products and/or services to an affiliate shall maintain information in the CAM, documenting how costs are allocated between the electric utility and affiliates and the regulated and nonregulated operations.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(B) - The CAM will be maintained by the electric utility.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(C) - The CAM is intended to ensure the Commission that no cross-subsidization is occurring between the electric utility and its affiliates.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D) - The CAM will include:

Corporate Separation Rule OAC 4901:1-37-08(D)(1) - An organization chart of the holding company, depicting all affiliates, as well as a description of activities in which the affiliates are involved.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(2) - A description of all assets, services and products provided to and from the electric utility and its affiliates.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(3) - All documentation including written agreements, accounting bulletins, procedures, work order manuals, or related documents, which govern how costs are allocated between affiliates.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(4), (5) and (6) – A copy of the job description of each shared employee. A list of names and job summaries for shared consultants and shared independent contractors. A copy of all transferred employees' (from the electric utility to an affiliate or vice versa) previous and new job descriptions.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(7) - A log of all complaints brought to the utility regarding this rule.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(8) – A copy of the minutes of each board of directors meeting, where it shall be maintained for a minimum of three years.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(E) - The method for charging costs and transferring assets shall be based on fully allocated costs.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(F) - The costs should be traceable to the books of the applicable corporate entity.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(G) - The electric utility and affiliates shall maintain all underlying affiliate transaction information for a minimum of three years.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(H) - Following approval of a corporate separation plan, an electric utility shall provide the director of the utilities department (or their designee) with a summary of any changes in the CAM at least every twelve months.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(I) - The compliance officer designated by the electric utility will act as a contact for the staff when staff seeks data regarding affiliate transactions, personnel transfers, and the sharing of employees.

See Section II.F. regarding the adoption and use of a Cost Allocation Manual by DP&L and its affiliates.

Corporate Separation
Exhibit 1
March 30, 2012

DPL Inc. and Subsidiaries

Entity	**Business description**
DPL Inc.	An Ohio corporation that is a holding company.
The Dayton Power and Light Company	An Ohio corporation that is a regulated electric utility engaged in the businesses of electric generation, transmission and distribution.
DPL Energy, LLC	An Ohio limited liability company that owns and operates electric generation facilities and markets wholesale electric energy.
DPL Energy Resources, Inc.	An Ohio corporation that is a competitive retail electric supplier providing retail electric service.
MC Squared Energy Services, LLC	An Illinois limited liability company that is a competitive retail electric supplier providing retail electric service.
MacGregor Park, Inc.	An Ohio corporation that owns and manages real estate.
Miami Valley Insurance Company	A Vermont corporation that provides insurance to DPL Inc. and its subsidiaries.
Miami Valley Leasing, Inc	An Ohio corporation that owns real estate and leases equipment.
Miami Valley Lighting, LLC	An Ohio limited liability company engaged in the business of street lighting.
Diamond Development, Inc.	An Ohio corporation that buys and sells real estate interests.
Miami Valley Solar, LLC	An Ohio limited liability company that currently has no operations.
DPL Dredging, LLC	An Ohio limited liability company that provides dredging services.
DPL Capital Trust II	A Delaware business trust that was formed for the limited purposes of issuing and selling securities, acquiring debt and engaging in related matters.

DPL Inc.
Organizational Chart
March 30, 2012

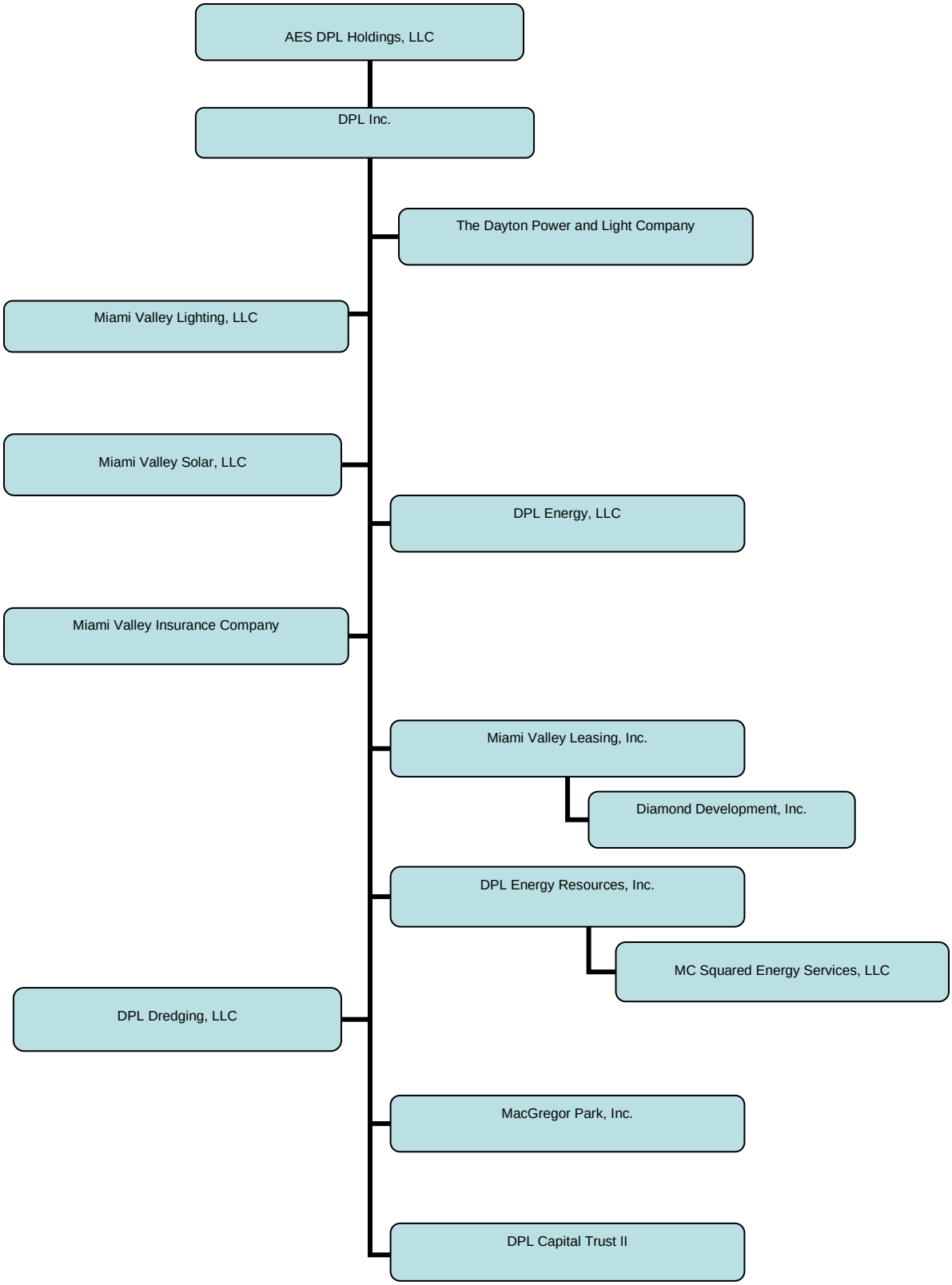


EXHIBIT 2

DP&L

Corporate Separation
Exhibit 3
March 30, 2012

POLICY STATEMENT

The undersigned has been made aware of, has read and will follow each of the policies and procedures regarding limitations and restrictions on the use of non-public information of The Dayton Power and Light Company ("DP&L") and its affiliates as contained in the Code of Conduct adopted by DP&L and each of its affiliates as part of DP&L's Third Amended Corporate Separation Plan filed with the Public Utilities Commission of Ohio. The undersigned acknowledges that failure by the undersigned to observe these limitations and restrictions will result in appropriate disciplinary action taken against the undersigned.

The undersigned has also been informed that the Cost Allocation Manual requires employees, as part of the Third Amended Corporate Separation Plan, to account for their time so that the appropriate costs and expenses can be reported and correctly accounted for. The undersigned has been given the opportunity to ask questions regarding the Code of Conduct and Cost Allocation Manual and understands the compliance program included therein, including the appropriate method in which complaints are to be handled and the appropriate persons to whom possible violations should be reported. The undersigned has attended one or more training sessions offered by DP&L with regard to the implementation and operation of the Third Amended Corporate Separation Plan.

_____
Signature

_____
Printed Name

Date: _____

Corporate Separation
Exhibit 4
March 30, 2012

Employee Education Plan

The Dayton Power and Light Company ("DP&L" or the "Company") will implement a program to accomplish the training of employees within six months of approval of the Third Amended Corporate Separation Plan. Plan training will reintroduce the plan to employees. In particular, employees will be made aware that the Commission has rules that apply to DP&L and its (1) accounting for costs, (2) employees' use of customer and supplier information, and (3) prohibitions on recommending any particular electric supplier.

Upon approval of the Third Amended Corporate Separation Plan, if necessary, current training materials, whether for a web-based, live or written presentation, will be updated within six weeks. The legal department will contact We Comply, the Company's internet-based training facilitator, and review each page and quiz question, making changes as necessary to ensure that the material accurately presents the Company's policies and obligations. At the same time, materials used for live and written training sessions will be similarly updated.

Two weeks after training materials have been updated and internally approved, each employee with computer access will receive notice that he or she has four weeks to complete the training. Each week for the next three weeks, any of these employees who have not completed the program, will be sent weekly reminders. Those who have still not completed training at the end of four weeks will be individually contacted so that the program is completed. DP&L's web-based training programs create electronic verifications of the training and the time it was completed by each employee.

Following roll-out of web-based training, live and written training will be scheduled for those employees unable to complete training via the internet. This process will be completed as quickly as possible, but six weeks will be scheduled to allow the time necessary to reach employees in outlying locations and to accommodate work schedules.

New employees will receive training on the Company's Third Amended Corporate Separation Plan as part of their new employee orientation. These employees usually receive the web-based program, but occasionally may be trained via a live presentation. The Human Resources Department assigns training to new employees.

Training verification as recorded electronically will be stored on the We Comply server. Verification that other employees have been trained will be kept by DP&L's Legal Department.

Finally, DP&L's Legal and Regulatory staffs will be available on an ongoing basis to answer corporate separation questions and interpret the plan as might be requested.

Corporate Separation Training Timeline

Date from approval of plan	**Task**
6 weeks	Update all training materials, if necessary.
8 weeks	Notice to begin web-based training, with weekly reminders in weeks 9, 10 and 11.
9 weeks	Live presentations, to the extent necessary, will be arranged and scheduled for completion within the next six weeks. Revised written materials will be distributed to employees who do not have computer access and will not be available for a live presentation and training completed within six weeks.
16 weeks	All employees will have received the new training.
Ongoing	New employees trained as part of new employee orientation. Legal and Regulatory Staffs available to answer questions.

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
Capacity (RPM) and Energy Prices for Delivery Periods

Data: Actual and Forecasted
Type of Filing: Original
Work Paper Reference No(s).: WP-5, WP-8, WP-11

Witness Responsible: Emily Rabb

Line (A)	Description (B)	Total (C)	Residential (D)	Residential Heat (E)	Secondary (F)	Primary (G)	Primary Substation (H)	High Voltage (I)	Private Outdoor Lighting (J)	School (K)	Street Lighting (L)	Source (M)
		Jan '13 - May '13										
1	**Retail Market Price (per MWh)**											
2	Weighted Average Auction Price		$47.00	$47.00	$47.00	$47.00	$47.00	$47.00	$47.00	$47.00	$47.00	TFM-2
3	Distribution Loss Factor - Energy		1.04687	1.04687	1.04687	1.01732	1.00583	1.00583	1.04687	1.04687	1.04687	DP&L's Loss Study
4	Gross Revenue Conversion Factor		1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	WP-11, Col (D), Line 41
5	**Retail Market Price at the Meter (per MWh)**		$49.56	$49.56	$49.56	$48.16	$47.61	$47.61	$49.56	$49.56	$49.56	Line 2 * Line 3 * Line 4
6												
7	Forecasted Distribution Billing Determinants (MWh)	5,641,292	1,384,376	968,591	1,566,121	1,072,828	226,071	363,414	12,511	25,186	22,194	WP-8, Col (D) / 1000, Pg 3 - Pg 1 or WP-8, Col (D) / 1000, Pg 4 - Pg 2
8												
9	**Total CB Amount**	**$276,930,977**	**$68,609,675**	**$48,003,370**	**$77,616,957**	**$51,667,396**	**$10,763,240**	**$17,302,141**	**$620,045**	**$1,248,218**	**$1,099,935**	Line 5 * Line 7
10												
11	**Retail Capacity Price (per MWh)**											
12	Reliability Obligation		1,154.1	400.9	1,170.0	528.1	95.8	185.9	-	12.2	-	Appendix B.3, Ln 12
13	Final Zone Capacity Price		$ 16.47	$ 16.47	$ 16.47	$ 16.47	$ 16.47	$ 16.47	$ 16.47	$ 16.47	$ 16.47	WP-13.1, Col (J)
14	Days in Period		151	151	151	151	151	151	151	151	151	Days in the period
15	Distribution Loss Factor - Demand		1.04364	1.04364	1.04364	1.02352	1.00495	1.00495	1.04364	1.04364	1.04364	DP&L's Loss Study
16	**CB Capacity Component**	**$9,152,717**	**$2,995,423**	**$1,040,650**	**$3,036,842**	**$1,344,218**	**$239,358**	**$464,596**	**$0**	**$31,630**	**$0**	Line 12 * Line 13 * Line 14 * Line 15
17												
18	**CB Energy Component**	**$267,778,259**	**$65,614,252**	**$46,962,720**	**$74,580,114**	**$50,323,179**	**$10,523,882**	**$16,837,545**	**$620,045**	**$1,216,588**	**$1,099,935**	Line 9 - Line 16
19												
20	**Retail Capacity Price (per MWh)**		**$2.16**	**$1.07**	**$1.94**	**$1.25**	**$1.06**	**$1.28**	**$0.00**	**$1.26**	**$0.00**	Line 16 / Line 7
21	**Retail Energy Price (per MWh)**		**$47.40**	**$48.49**	**$47.62**	**$46.91**	**$46.55**	**$46.33**	**$49.56**	**$48.30**	**$49.56**	Line 5 - Line 20
22												
23		Jun '13 - May '14										
24												
25	**Retail Market Price (per MWh)**											
26	Weighted Average Auction Price		$47.00	$47.00	$47.00	$47.00	$47.00	$47.00	$47.00	$47.00	$47.00	TFM-2
27	Distribution Loss Factor - Energy		1.04687	1.04687	1.04687	1.01732	1.00583	1.00583	1.04687	1.04687	1.04687	DP&L's Loss Study
28	Gross Revenue Conversion Factor		1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	WP-11, Col (D), Line 41
29	**Retail Market Price at the Meter (per MWh)**		$49.56	$49.56	$49.56	$48.16	$47.61	$47.61	$49.56	$49.56	$49.56	Line 26 * Line 27 * Line 28
30												
31	Forecasted Distribution Billing Determinants (MWh)	13,822,395	3,575,777	1,810,851	4,004,114	2,760,799	593,323	936,155	30,214	57,237	53,925	WP-8, Col (D) / 1000, Pg 1 & Pg 2
32												
33	**Total CB Amount**	**$678,190,296**	**$177,215,508**	**$89,745,776**	**$198,443,890**	**$132,960,080**	**$28,248,108**	**$44,570,340**	**$1,497,406**	**$2,836,666**	**$2,672,523**	Line 29 * Line 31
34												
35	**Retail Capacity Price (per MWh)**											
36	Reliability Obligation		1,154.1	400.9	1,170.0	528.1	95.8	185.9	-	12.2	-	Appendix B.3, Ln 12
37	Final Zone Capacity Price		$ 27.73	$ 27.73	$ 27.73	$ 27.73	$ 27.73	$ 27.73	$ 27.73	$ 27.73	$ 27.73	WP-13.1, Col (J)
38	Days in Period		365	365	365	365	365	365	365	365	365	Days in the period
39	Distribution Loss Factor - Demand		1.04364	1.04364	1.04364	1.02352	1.00495	1.00495	1.04364	1.04364	1.04364	DP&L's Loss Study
40	**CB Capacity Component**	**$37,249,654**	**$12,190,746**	**$4,235,230**	**$12,359,316**	**$5,470,686**	**$974,138**	**$1,890,808**	**$0**	**$128,729**	**$0**	Line 36 * Line 37 * Line 38 * Line 39
41												
42	**CB Energy Component**	**$640,940,642**	**$165,024,762**	**$85,510,545**	**$186,084,574**	**$127,489,394**	**$27,273,970**	**$42,679,532**	**$1,497,406**	**$2,707,937**	**$2,672,523**	Line 33 - Line 40
43												
44	**Retail Capacity Price (per MWh)**		**$3.41**	**$2.34**	**$3.09**	**$1.98**	**$1.64**	**$2.02**	**$0.00**	**$2.25**	**$0.00**	Line 40 / Line 31
45	**Retail Energy Price (per MWh)**		**$46.15**	**$47.22**	**$46.47**	**$46.18**	**$45.97**	**$45.59**	**$49.56**	**$47.31**	**$49.56**	Line 29 - Line 44

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
Capacity (RPM) and Energy Prices for Delivery Periods

Data: Actual and Forecasted
Type of Filing: Original
Work Paper Reference No(s).: WP-5, WP-8, WP-11

Witness Responsible: Emily Rabb

Line (A)	Description (B)	Total (C)	Residential (D)	Residential Heat (E)	Secondary (F)	Primary (G)	Primary Substation (H)	High Voltage (I)	Private Outdoor Lighting (J)	School (K)	Street Lighting (L)	Source (M)
		Jun '14 - May '15										
1	**Retail Market Price (per MWh)**											
2	Weighted Average Auction Price		$58.95	$58.95	$58.95	$58.95	$58.95	$58.95	$58.95	$58.95	$58.95	TFM-2
3	Distribution Loss Factor - Energy		1.04687	1.04687	1.04687	1.01732	1.00583	1.00583	1.04687	1.04687	1.04687	DP&L's Loss Study
4	Gross Revenue Conversion Factor		1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	WP-11, Col (D), Line 21
5	**Retail Market Price at the Meter (per MWh)**		$62.16	$62.16	$62.16	$60.40	$59.72	$59.72	$62.16	$62.16	$62.16	Line 2 * Line 3 * Line 4
6												
7	Forecasted Distribution Billing Determinants (MWh)	13,822,395	3,575,777	1,810,851	4,004,114	2,760,799	593,323	936,155	30,214	57,237	53,925	WP-8, Col (D) / 1000, Pg 1 & Pg 2
8												
9	**Total CB Amount**	**$850,609,141**	**$222,270,298**	**$112,562,498**	**$248,895,726**	**$166,752,260**	**$35,433,250**	**$55,907,177**	**$1,878,102**	**$3,557,852**	**$3,351,978**	Line 5 * Line 7
10												
11	**Retail Capacity Price (per MWh)**											
12	Reliability Obligation		1,154.1	400.9	1,170.0	528.1	95.8	185.9	-	12.2	-	Appendix B.3, Ln 12
13	Final Zone Capacity Price		$ 125.99	$ 125.99	$ 125.99	$ 125.99	$ 125.99	$ 125.99	$ 125.99	$ 125.99	$ 125.99	WP-13.1, Col (J)
14	Days in Period		365	365	365	365	365	365	365	365	365	Days in the period
15	Distribution Loss Factor - Demand		1.04364	1.04364	1.04364	1.02352	1.00495	1.00495	1.04364	1.04364	1.04364	DP&L's Loss Study
16	**CB Capacity Component**	**$169,242,116**	**$55,388,103**	**$19,242,577**	**$56,153,991**	**$24,855,815**	**$4,425,954**	**$8,590,800**	**$0**	**$584,875**	**$0**	Line 12 * Line 13 * Line 14 * Line 15
17												
18	**CB Energy Component**	**$681,367,025**	**$166,882,195**	**$93,319,921**	**$192,741,735**	**$141,896,445**	**$31,007,295**	**$47,316,376**	**$1,878,102**	**$2,972,977**	**$3,351,978**	Line 9 - Line 16
19												
20	**Retail Capacity Price (per MWh)**		**$15.49**	**$10.63**	**$14.02**	**$9.00**	**$7.46**	**$9.18**	**$0.00**	**$10.22**	**$0.00**	Line 16 / Line 7
21	**Retail Energy Price (per MWh)**		**$46.67**	**$51.53**	**$48.14**	**$51.40**	**$52.26**	**$50.54**	**$62.16**	**$51.94**	**$62.16**	Line 5 - Line 20
22												
23		Jun '15 - May '16										
24												
25	**Retail Market Price (per MWh)**											
26	Weighted Average Auction Price		$66.74	$66.74	$66.74	$66.74	$66.74	$66.74	$66.74	$66.74	$66.74	TFM-2
27	Distribution Loss Factor - Energy		1.04687	1.04687	1.04687	1.01732	1.00583	1.00583	1.04687	1.04687	1.04687	DP&L's Loss Study
28	Gross Revenue Conversion Factor		1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	WP-11, Col (D), Line 21
29	**Retail Market Price at the Meter (per MWh)**		$70.37	$70.37	$70.37	$68.38	$67.61	$67.61	$70.37	$70.37	$70.37	Line 26 * Line 27 * Line 28
30												
31	Forecasted Distribution Billing Determinants (MWh)	13,822,395	3,575,777	1,810,851	4,004,114	2,760,799	593,323	936,155	30,214	57,237	53,925	WP-8, Col (D) / 1000, Pg 1 & Pg 2
32												
33	**Total CB Amount**	**$962,966,587**	**$251,627,427**	**$127,429,585**	**$281,769,502**	**$188,783,436**	**$40,114,568**	**$63,293,440**	**$2,126,159**	**$4,027,768**	**$3,794,702**	Line 29 * Line 31
34												
35	**Retail Capacity Price (per MWh)**											
36	Reliability Obligation		1,154.1	400.9	1,170.0	528.1	95.8	185.9	-	12.2	-	Appendix B.3, Ln 12
37	Final Zone Capacity Price		$ 166.90	$ 166.90	$ 166.90	$ 166.90	$ 166.90	$ 166.90	$ 166.90	$ 166.90	$ 166.90	WP-13.1, Col (J)
38	Days in Period		366	366	366	366	366	366	366	366	366	Days in the period
39	Distribution Loss Factor - Demand		1.04364	1.04364	1.04364	1.02352	1.00495	1.00495	1.04364	1.04364	1.04364	DP&L's Loss Study
40	**CB Capacity Component**	**$224,810,674**	**$73,574,103**	**$25,560,640**	**$74,591,460**	**$33,016,914**	**$5,879,161**	**$11,411,484**	**$0**	**$776,911**	**$0**	Line 36 * Line 37 * Line 38 * Line 39
41												
42	**CB Energy Component**	**$738,155,913**	**$178,053,325**	**$101,868,945**	**$207,178,042**	**$155,766,521**	**$34,235,407**	**$51,881,956**	**$2,126,159**	**$3,250,856**	**$3,794,702**	Line 33 - Line 40
43												
44	**Retail Capacity Price (per MWh)**		**$20.58**	**$14.12**	**$18.63**	**$11.96**	**$9.91**	**$12.19**	**$0.00**	**$13.57**	**$0.00**	Line 40 / Line 31
45	**Retail Energy Price (per MWh)**		**$49.79**	**$56.25**	**$51.74**	**$56.42**	**$57.70**	**$55.42**	**$70.37**	**$56.80**	**$70.37**	Line 29 - Line 44

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
Capacity (RPM) and Energy Prices for Delivery Periods

Data: Actual and Forecasted
Type of Filing: Original
Work Paper Reference No(s).: WP-5, WP-8, WP-11

Witness Responsible: Emily Rabb

Line (A)	Description (B)	Total (C)	Residential (D)	Residential Heat (E)	Secondary (F)	Primary (G)	Primary Substation (H)	High Voltage (I)	Private Outdoor Lighting (J)	School (K)	Street Lighting (L)	Source (M)
		Jun '16 - May '17										
1	**Retail Market Price (per MWh)**											
2	Weighted Average Auction Price		$71.65	$71.65	$71.65	$71.65	$71.65	$71.65	$71.65	$71.65	$71.65	TFM-2
3	Distribution Loss Factor - Energy		1.04687	1.04687	1.04687	1.01732	1.00583	1.00583	1.04687	1.04687	1.04687	DP&L's Loss Study
4	Gross Revenue Conversion Factor		1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	WP-11, Col (D), Line 21
5	**Retail Market Price at the Meter (per MWh)**		$75.55	$75.55	$75.55	$73.42	$72.59	$72.59	$75.55	$75.55	$75.55	Line 2 * Line 3 * Line 4
6												
7	Forecasted Distribution Billing Determinants (MWh)	13,822,395	3,575,777	1,810,851	4,004,114	2,760,799	593,323	936,155	30,214	57,237	53,925	WP-8, Col (D) / 1000, Pg 1 & Pg 2
8												
9	**Total CB Amount**	**$1,033,874,186**	**$270,149,952**	**$136,809,793**	**$302,510,813**	**$202,697,863**	**$43,069,317**	**$67,955,491**	**$2,282,668**	**$4,324,255**	**$4,074,034**	Line 5 * Line 7
10												
11	**Retail Capacity Price (per MWh)**											
12	Reliability Obligation		1,154.1	400.9	1,170.0	528.1	95.8	185.9	-	12.2	-	Appendix B.3, Ln 12
13	Final Zone Capacity Price		$214.12	$214.12	$214.12	$214.12	$214.12	$214.12	$214.12	$214.12	$214.12	WP-13.1, Col (J)
14	Days in Period		365	365	365	365	365	365	365	365	365	Days in the period
15	Distribution Loss Factor - Demand		1.04364	1.04364	1.04364	1.02352	1.00495	1.00495	1.04364	1.04364	1.04364	DP&L's Loss Study
16	**CB Capacity Component**	**$287,626,969**	**$94,132,079**	**$32,702,760**	**$95,433,706**	**$42,242,456**	**$7,521,909**	**$14,600,065**	**$0**	**$993,995**	**$0**	Line 12 * Line 13 * Line 14 * Line 15
17												
18	**CB Energy Component**	**$746,247,217**	**$176,017,873**	**$104,107,033**	**$207,077,107**	**$160,455,407**	**$35,547,408**	**$53,355,426**	**$2,282,668**	**$3,330,261**	**$4,074,034**	Line 9 - Line 16
19												
20	**Retail Capacity Price (per MWh)**		**$26.32**	**$18.06**	**$23.83**	**$15.30**	**$12.68**	**$15.60**	**$0.00**	**$17.37**	**$0.00**	Line 16 / Line 7
21	**Retail Energy Price (per MWh)**		**$49.23**	**$57.49**	**$51.72**	**$58.12**	**$59.91**	**$56.99**	**$75.55**	**$58.18**	**$75.55**	Line 5 - Line 20
22												
23		Jun '17 - May '18										
24												
25	**Retail Market Price (per MWh)**											
26	Weighted Average Auction Price		$75.96	$75.96	$75.96	$75.96	$75.96	$75.96	$75.96	$75.96	$75.96	TFM-2
27	Distribution Loss Factor - Energy		1.04687	1.04687	1.04687	1.01732	1.00583	1.00583	1.04687	1.04687	1.04687	DP&L's Loss Study
28	Gross Revenue Conversion Factor		1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	WP-11, Col (D), Line 21
29	**Retail Market Price at the Meter (per MWh)**		$80.09	$80.09	$80.09	$77.83	$76.95	$76.95	$80.09	$80.09	$80.09	Line 26 * Line 27 * Line 28
30												
31	Forecasted Distribution Billing Determinants (MWh)	13,822,395	3,575,777	1,810,851	4,004,114	2,760,799	593,323	936,155	30,214	57,237	53,925	WP-8, Col (D) / 1000, Pg 1 & Pg 2
32												
33	**Total CB Amount**	**$1,095,993,649**	**$286,383,980**	**$145,031,057**	**$320,689,490**	**$214,872,986**	**$45,656,205**	**$72,037,127**	**$2,419,839**	**$4,584,111**	**$4,318,853**	Line 29 * Line 31
34												
35	**Retail Capacity Price (per MWh)**											
36	Reliability Obligation		1,154.1	400.9	1,170.0	528.1	95.8	185.9	-	12.2	-	Appendix B.3, Ln 12
37	Final Zone Capacity Price		$ 233.41	$ 233.41	$ 233.41	$ 233.41	$ 233.41	$ 233.41	$ 233.41	$ 233.41	$ 233.41	WP-13.1, Col (J)
38	Days in Period		366	366	366	366	366	366	366	366	366	Days in the period
39	Distribution Loss Factor - Demand		1.04364	1.04364	1.04364	1.02352	1.00495	1.00495	1.04364	1.04364	1.04364	DP&L's Loss Study
40	**CB Capacity Component**	**$314,398,199**	**$102,893,537**	**$35,746,609**	**$104,316,314**	**$46,174,224**	**$8,222,020**	**$15,958,984**	**$0**	**$1,086,512**	**$0**	Line 36 * Line 37 * Line 38 * Line 39
41												
42	**CB Energy Component**	**$781,595,450**	**$183,490,443**	**$109,284,448**	**$216,373,176**	**$168,698,762**	**$37,434,185**	**$56,078,143**	**$2,419,839**	**$3,497,599**	**$4,318,853**	Line 33 - Line 40
43												
44	**Retail Capacity Price (per MWh)**		**$28.78**	**$19.74**	**$26.05**	**$16.72**	**$13.86**	**$17.05**	**$0.00**	**$18.98**	**$0.00**	Line 40 / Line 31
45	**Retail Energy Price (per MWh)**		**$51.31**	**$60.35**	**$54.04**	**$61.11**	**$63.09**	**$59.90**	**$80.09**	**$61.11**	**$80.09**	Line 29 - Line 44

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
Capacity (RPM) and Energy Prices for Delivery Periods

Data: Actual and Forecasted
Type of Filing: Original
Work Paper Reference No(s).: WP-5, WP-8, WP-11

Witness Responsible: Emily Rabb

Line (A)	Description (B)	Total (C)	Residential (D)	Residential Heat (E)	Secondary (F)	Primary (G)	Primary Substation (H)	High Voltage (I)	Private Outdoor Lighting (J)	School (K)	Street Lighting (L)	Source (M)
		Jun '18 - May '19										
1	**Retail Market Price (per MWh)**											
2	Weighted Average Auction Price		$77.73	$77.73	$77.73	$77.73	$77.73	$77.73	$77.73	$77.73	$77.73	TFM-2
3	Distribution Loss Factor - Energy		1.04687	1.04687	1.04687	1.01732	1.00583	1.00583	1.04687	1.04687	1.04687	DP&L's Loss Study
4	Gross Revenue Conversion Factor		1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	1.0072	WP-11, Col (D), Line 21
5	**Retail Market Price at the Meter (per MWh)**		$81.96	$81.96	$81.96	$79.65	$78.75	$78.75	$81.96	$81.96	$81.96	Line 2 * Line 3 * Line 4
6												
7	Forecasted Distribution Billing Determinants (MWh)	13,822,395	3,575,777	1,810,851	4,004,114	2,760,799	593,323	936,155	30,214	57,237	53,925	WP-8, Col (D) / 1000, Pg 1 & Pg 2
8												
9	**Total CB Amount**	**$1,121,596,424**	**$293,070,683**	**$148,417,348**	**$328,177,183**	**$219,897,640**	**$46,724,186**	**$73,722,206**	**$2,476,339**	**$4,691,145**	**$4,419,693**	Line 5 * Line 7
10												
11	**Retail Capacity Price (per MWh)**											
12	Reliability Obligation		1,154.1	400.9	1,170.0	528.1	95.8	185.9	-	12.2	-	Appendix B.3, Ln 12
13	Final Zone Capacity Price		$238.85	$238.85	$238.85	$238.85	$238.85	$238.85	$238.85	$238.85	$238.85	WP-13.1, Col (J)
14	Days in Period		365	365	365	365	365	365	365	365	365	Days in the period
15	Distribution Loss Factor - Demand		1.04364	1.04364	1.04364	1.02352	1.00495	1.00495	1.04364	1.04364	1.04364	DP&L's Loss Study
16	**CB Capacity Component**	**$320,846,729**	**$105,003,956**	**$36,479,797**	**$106,455,915**	**$47,121,290**	**$8,390,659**	**$16,286,314**	**$0**	**$1,108,797**	**$0**	Line 12 * Line 13 * Line 14 * Line 15
17												
18	**CB Energy Component**	**$800,749,696**	**$188,066,727**	**$111,937,551**	**$221,721,268**	**$172,776,351**	**$38,333,527**	**$57,435,892**	**$2,476,339**	**$3,582,347**	**$4,419,693**	Line 9 - Line 16
19												
20	**Retail Capacity Price (per MWh)**		**$29.37**	**$20.15**	**$26.59**	**$17.07**	**$14.14**	**$17.40**	**$0.00**	**$19.37**	**$0.00**	Line 16 / Line 7
21	**Retail Energy Price (per MWh)**		**$52.59**	**$61.81**	**$55.37**	**$62.58**	**$64.61**	**$61.35**	**$81.96**	**$62.59**	**$81.96**	Line 5 - Line 20

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
Capacity (RPM) and Energy Prices for Delievey Periods

Data: Actual and Forecasted
Type of Filing: Original
Work Paper Reference No(s).: WP-5, WP-8

Witness Responsible: Emily Rabb

		Jan '13 - May '14 Rates						Jun '14 - May '15 Rates					
		Usage / Allocations		Rate Calculation				Usage / Allocations		Rate Calculation			
Line (A)	Description (B)	Forecasted Billing Determinants kWh, kW (C)	Percent of Revenue (D)	Allocated Demand Cost (E)	Allocated Energy Cost (F)	Allocated Revenue (G)	Rates (per kWh, kW) (H)	Forecasted Billing Determinants kWh, kW (I)	Percent of Revenue (J)	Allocated Demand Cost (K)	Allocated Energy Cost (L)	Allocated Revenue (M)	Rates (per kWh, kW) (N)
		(C) = WP-8, Col (D), Pg 3 & Pg 4	(D) = WP-5, Col (H)	(E) = App B, Pg 1, Line 16 + 40	(F) = App B, Pg 1, Line 18 + 42	(G) = (D) * [(E) and/or (F)]	(H) = (G) / (C)	(I) = WP-8, Col (D), Pg 1 & Pg 2	(J) = WP-5, Col (E)	(K) = App B, Pg 2, Line 16	(L) = App B, Pg 2, Line 18	(M) = (J) * [(K) and/or (L)]	(N) = (M) / (I)
1	**Residential**			$20,462,049	$363,112,279					$74,630,681	$260,202,116		
2	Energy												
3	First 750 kWh	3,306,107,424	47.94%			$183,869,766	$0.0556152	2,362,115,016	48.59%			$162,689,757	$0.0688746
4	Over 750 kWh	1,654,045,650	20.38%			$78,155,694	$0.0472512	1,213,662,081	21.21%			$71,019,355	$0.0585166
5													
6	**Residential Heating**												
7	Energy												
8	First 750 kWh	1,217,920,131	17.66%			$67,734,850	$0.0556152	850,917,590	17.50%			$58,606,619	$0.0688746
9	Summer, Over 750 kWh	216,560,454	2.67%			$10,232,748	$0.0472512	217,324,513	3.80%			$12,717,087	$0.0585166
10	Winter, Over 750 kWh	1,344,961,514	11.36%			$43,581,270	$0.0324034	742,608,839	8.90%			$29,799,978	$0.0401288
11													
12	**Secondary**			$15,396,158	$260,664,689					$56,153,991	$192,741,735		
13	Demand												
14	Over 5 kW	15,876,791	100.00%			$15,396,158	$0.9697273	11,341,013	100.00%			$56,153,991	$4.9514088
15	Energy												
16	First 1,500 kWh	737,617,181	24.24%			$63,180,411	$0.0856547	521,022,251	23.88%			$46,024,162	$0.0883344
17	Next 123,500 kWh	3,944,123,674	63.08%			$164,414,510	$0.0416859	2,827,226,099	63.06%			$121,539,986	$0.0429891
18	Over 125,000 kWh	888,493,842	12.69%			$33,069,768	$0.0372200	655,865,345	13.06%			$25,177,587	$0.0383883
19													
20	**Primary**			$6,814,904	$177,812,573					$24,855,815	$141,896,445		
21	Demand												
22	All kW	8,650,765	100.00%			$6,814,904	$0.7877805	6,196,844	100.00%			$24,855,815	$4.0110441
23	Energy												
24	All kWh	3,833,627,236	100.00%			$177,812,573	$0.0463823	2,760,799,351	100.00%			$141,896,445	$0.0513969
25													
26	**Primary Substation**			$1,213,497	$37,797,852					$4,425,954	$31,007,295		
27	Demand												
28	All kW	1,536,715	100.00%			$1,213,497	$0.7896694	1,086,090	100.00%			$4,425,954	$4.0751264
29	Energy												
30	All kWh	819,393,397	100.00%			$37,797,852	$0.0461291	593,322,537	100.00%			$31,007,295	$0.0522604
31													
32	**High Voltage**			$2,355,404	$59,517,076					$8,590,800	$47,316,376		
33	Demand												
34	All kW	2,623,878	100.00%			$2,355,404	$0.8976803	1,887,602	100.00%			$8,590,800	$4.5511715
35	Energy												
36	All kWh	1,299,568,603	100.00%			$59,517,076	$0.0457976	936,155,081	100.00%			$47,316,376	$0.0505433
37													
38	**Private Outdoor Lighting**			$0	$2,117,451					$0	$1,878,102		
39	Energy												
40	9500 Lumens High Pressure Sodium	405,541	0.95%			$20,099	$0.0495600	295,537	0.98%			$18,370	$0.0621596
41	28000 Lumens High Pressure Sodium	463,902	1.09%			$22,991	$0.0495600	339,243	1.12%			$21,087	$0.0621596
42	7000 Lumens Mercury	29,387,043	68.78%			$1,456,421	$0.0495600	20,770,936	68.75%			$1,291,113	$0.0621596
43	21000 Lumens Mercury	11,908,942	27.87%			$590,207	$0.0495600	8,412,127	27.84%			$522,895	$0.0621596
44	2500 Lumens Incandescent	5,706	0.01%			$283	$0.0495600	4,154	0.01%			$258	$0.0621596
45	7000 Lumens Fluorescent	16,167	0.04%			$801	$0.0495600	11,551	0.04%			$718	$0.0621596
46	4000 Lumens PT Mercury	537,717	1.26%			$26,649	$0.0495600	380,643	1.26%			$23,661	$0.0621596
47													
48	**School**												
49	Energy			$160,359	$3,924,524					$584,875	$2,972,977		
50	All kWh	82,423,202	100.00%			$4,084,884	$0.0495599	57,236,738	100.00%			$3,557,852	$0.0621603
51													
52	**Streetlighting**			$0	$3,772,458								
53	Energy									$0	$3,351,978		
54	All kWh	76,119,673	100.00%			$3,772,458	$0.0495596	53,925,368	100.00%			$3,351,978	$0.0621596

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
Capacity (RPM) and Energy Prices for Delievey Periods

Data: Actual and Forecasted
Type of Filing: Original
Work Paper Reference No(s).: WP-5, WP-8

Witness Responsible: Emily Rabb

		Jun '15 - May '16 Rates						Jun '16 - May '17 Rates					
		Usage / Allocations		Rate Calculation				Usage / Allocations		Rate Calculation			
Line (A)	Description (B)	Forecasted Billing Determinants kWh, kW (C)	Percent of Revenue (D)	Allocated Demand Cost (E)	Allocated Energy Cost (F)	Allocated Revenue (G)	Rates (per kWh, kW) (H)	Forecasted Billing Determinants kWh, kW (I)	Percent of Revenue (J)	Allocated Demand Cost (K)	Allocated Energy Cost (L)	Allocated Revenue (M)	Rates (per kWh, kW) (N)
		(C) = WP-8, Col (D), Pg 1 & Pg 2	(D) = Wp-5, Col (E)	(E) = App B, Pg 2, Line 40	(F) = App B, Pg 2, Line 42	(G) = (D) * [(E) and/or (F)]	(H) = (G) / (C)	(I) = WP-8, Col (D), Pg 1 & Pg 2	(J) = WP-5, Col (E)	(K) = App B, Pg 3, Line 16	(L) = App B, Pg 3, Line 18	(M) = (J) * [(K) and/or (L)]	(N) = (M) / (I)
1	**Residential**			$99,134,743	$279,922,269					$126,834,839	$280,124,906		
2	Energy												
3	First 750 kWh	2,362,115,016	48.59%			$184,177,577	$0.0779715	2,362,115,016	48.59%			$197,735,057	$0.0837110
4	Over 750 kWh	1,213,662,081	21.21%			$80,399,485	$0.0662454	1,213,662,081	21.21%			$86,317,765	$0.0711217
5													
6	**Residential Heating**												
7	Energy												
8	First 750 kWh	850,917,590	17.50%			$66,347,294	$0.0779715	850,917,590	17.50%			$71,231,179	$0.0837110
9	Summer, Over 750 kWh	217,324,513	3.80%			$14,396,741	$0.0662454	217,324,513	3.80%			$15,456,499	$0.0711217
10	Winter, Over 750 kWh	742,608,839	8.90%			$33,735,915	$0.0454289	742,608,839	8.90%			$36,219,246	$0.0487730
11													
12	**Secondary**			$74,591,460	$207,178,042					$95,433,706	$207,077,107		
13	Demand												
14	Over 5 kW	11,341,013	100.00%			$74,591,460	$6.5771427	11,341,013	100.00%			$95,433,706	$8.4149190
15	Energy												
16	First 1,500 kWh	521,022,251	23.88%			$49,471,360	$0.0949506	521,022,251	23.88%			$49,447,258	$0.0949043
17	Next 123,500 kWh	2,827,226,099	63.06%			$130,643,300	$0.0462090	2,827,226,099	63.06%			$130,579,652	$0.0461865
18	Over 125,000 kWh	655,865,345	13.06%			$27,063,382	$0.0412636	655,865,345	13.06%			$27,050,197	$0.0412435
19													
20	**Primary**			$33,016,914	$155,766,521					$42,242,456	$160,455,407		
21	Demand												
22	All kW	6,196,844	100.00%			$33,016,914	$5.3280209	6,196,844	100.00%			$42,242,456	$6.8167693
23	Energy												
24	All kWh	2,760,799,351	100.00%			$155,766,521	$0.0564208	2,760,799,351	100.00%			$160,455,407	$0.0581192
25													
26	**Primary Substation**			$5,879,161	$34,235,407					$7,521,909	$35,547,408		
27	Demand												
28	All kW	1,086,090	100.00%			$5,879,161	$5.4131439	1,086,090	100.00%			$7,521,909	$6.9256772
29	Energy												
30	All kWh	593,322,537	100.00%			$34,235,407	$0.0577012	593,322,537	100.00%			$35,547,408	$0.0599125
31													
32	**High Voltage**			$11,411,484	$51,881,956					$14,600,065	$53,355,426		
33	Demand												
34	All kW	1,887,602	100.00%			$11,411,484	$6.0454924	1,887,602	100.00%			$14,600,065	$7.7347158
35	Energy												
36	All kWh	936,155,081	100.00%			$51,881,956	$0.0554203	936,155,081	100.00%			$53,355,426	$0.0569942
37													
38	**Private Outdoor Lighting**			$0	$2,126,159					$0	$2,282,668		
39	Energy												
40	9500 Lumens High Pressure Sodium	295,537	0.98%			$20,797	$0.0703696	295,537	0.98%			$22,328	$0.0755495
41	28000 Lumens High Pressure Sodium	339,243	1.12%			$23,872	$0.0703696	339,243	1.12%			$25,630	$0.0755495
42	7000 Lumens Mercury	20,770,936	68.75%			$1,461,642	$0.0703696	20,770,936	68.75%			$1,569,234	$0.0755495
43	21000 Lumens Mercury	8,412,127	27.84%			$591,958	$0.0703696	8,412,127	27.84%			$635,532	$0.0755495
44	2500 Lumens Incandescent	4,154	0.01%			$292	$0.0703696	4,154	0.01%			$314	$0.0755495
45	7000 Lumens Fluorescent	11,551	0.04%			$813	$0.0703696	11,551	0.04%			$873	$0.0755495
46	4000 Lumens PT Mercury	380,643	1.26%			$26,786	$0.0703696	380,643	1.26%			$28,757	$0.0755495
47													
48	**School**												
49	Energy			$776,911	$3,250,856					$993,995	$3,330,261		
50	All kWh	57,236,738	100.00%			$4,027,768	$0.0703703	57,236,738	100.00%			$4,324,255	$0.0755503
51													
52	**Streetlighting**			$0	$3,794,702					$0	$4,074,034		
53	Energy												
54	All kWh	53,925,368	100.00%			$3,794,702	$0.0703695	53,925,368	100.00%			$4,074,034	$0.0755495

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
Capacity (RPM) and Energy Prices for Delievey Periods

Data: Actual and Forecasted
Type of Filing: Original
Work Paper Reference No(s).: WP-5, WP-8

Witness Responsible: Emily Rabb

		Jun '17 - May '18 Rates						Jun '18 - May '19 Rates					
		Usage / Allocations		Rate Calculation				Usage / Allocations		Rate Calculation			
Line (A)	Description (B)	Forecasted Billing Determinants kWh, kW (C)	Percent of Revenue (D)	Allocated Demand Cost (E)	Allocated Energy Cost (F)	Allocated Revenue (G)	Rates (per kWh, kW) (H)	Forecasted Billing Determinants kWh, kW (I)	Percent of Revenue (J)	Allocated Demand Cost (K)	Allocated Energy Cost (L)	Allocated Revenue (M)	Rates (per kWh, kW) (N)
		(C) = WP-8, Col (D), Pg 1 & Pg 2	(D) = Wp-5, Col (E)	(E) = App B, Pg 3, Line 40	(F) = App B, Pg 3, Line 42	(G) = (D) * [(E) and/or (F)]	(H) = (G) / (C)	(I) = WP-8, Col (D), Pg 1 & Pg 2	(J) = WP-5, Col (E)	(K) = App B, Pg 4, Line 16	(L) = App B, Pg 4, Line 18	(M) = (J) * [(K) and/or (L)]	(N) = (M) / (I)
1	**Residential**			$138,640,146	$292,774,891					$141,483,753	$300,004,277		
2	Energy												
3	First 750 kWh	2,362,115,016	48.59%			$209,617,481	$0.0887414	2,362,115,016	48.59%			$214,511,783	$0.0908134
4	Over 750 kWh	1,213,662,081	21.21%			$91,504,828	$0.0753956	1,213,662,081	21.21%			$93,641,350	$0.0771560
5													
6	**Residential Heating**												
7	Energy												
8	First 750 kWh	850,917,590	17.50%			$75,511,650	$0.0887414	850,917,590	17.50%			$77,274,751	$0.0908134
9	Summer, Over 750 kWh	217,324,513	3.80%			$16,385,321	$0.0753956	217,324,513	3.80%			$16,767,897	$0.0771560
10	Winter, Over 750 kWh	742,608,839	8.90%			$38,395,757	$0.0517039	742,608,839	8.90%			$39,292,249	$0.0529111
11													
12	**Secondary**			$104,316,314	$216,373,176					$106,455,915	$221,721,268		
13	Demand												
14	Over 5 kW	11,341,013	100.00%			$104,316,314	$9.1981478	11,341,013	100.00%			$106,455,915	$9.3868083
15	Energy												
16	First 1,500 kWh	521,022,251	23.88%			$51,667,036	$0.0991647	521,022,251	23.88%			$52,944,089	$0.1016158
17	Next 123,500 kWh	2,827,226,099	63.06%			$136,441,611	$0.0482599	2,827,226,099	63.06%			$139,814,036	$0.0494527
18	Over 125,000 kWh	655,865,345	13.06%			$28,264,529	$0.0430950	655,865,345	13.06%			$28,963,143	$0.0441602
19													
20	**Primary**			$46,174,224	$168,698,762					$47,121,290	$172,776,351		
21	Demand												
22	All kW	6,196,844	100.00%			$46,174,224	$7.4512484	6,196,844	100.00%			$47,121,290	$7.6040788
23	Energy												
24	All kWh	2,760,799,351	100.00%			$168,698,762	$0.0611050	2,760,799,351	100.00%			$172,776,351	$0.0625820
25													
26	**Primary Substation**			$8,222,020	$37,434,185					$8,390,659	$38,333,527		
27	Demand												
28	All kW	1,086,090	100.00%			$8,222,020	$7.5702930	1,086,090	100.00%			$8,390,659	$7.7255651
29	Energy												
30	All kWh	593,322,537	100.00%			$37,434,185	$0.0630925	593,322,537	100.00%			$38,333,527	$0.0646082
31													
32	**High Voltage**			$15,958,984	$56,078,143					$16,286,314	$57,435,892		
33	Demand												
34	All kW	1,887,602	100.00%			$15,958,984	$8.4546339	1,887,602	100.00%			$16,286,314	$8.6280444
35	Energy												
36	All kWh	936,155,081	100.00%			$56,078,143	$0.0599026	936,155,081	100.00%			$57,435,892	$0.0613530
37													
38	**Private Outdoor Lighting**			$0	$2,419,839					$0	$2,476,339		
39	Energy												
40	9500 Lumens High Pressure Sodium	295,537	0.98%			$23,669	$0.0800895	295,537	0.98%			$24,222	$0.0819595
41	28000 Lumens High Pressure Sodium	339,243	1.12%			$27,170	$0.0800895	339,243	1.12%			$27,804	$0.0819595
42	7000 Lumens Mercury	20,770,936	68.75%			$1,663,534	$0.0800895	20,770,936	68.75%			$1,702,375	$0.0819595
43	21000 Lumens Mercury	8,412,127	27.84%			$673,723	$0.0800895	8,412,127	27.84%			$689,454	$0.0819595
44	2500 Lumens Incandescent	4,154	0.01%			$333	$0.0800895	4,154	0.01%			$340	$0.0819595
45	7000 Lumens Fluorescent	11,551	0.04%			$925	$0.0800895	11,551	0.04%			$947	$0.0819595
46	4000 Lumens PT Mercury	380,643	1.26%			$30,486	$0.0800895	380,643	1.26%			$31,197	$0.0819595
47													
48	**School**												
49	Energy			$1,086,512	$3,497,599					$1,108,797	$3,582,347		
50	All kWh	57,236,738	100.00%			$4,584,111	$0.0800904	57,236,738	100.00%			$4,691,145	$0.0819604
51													
52	**Streetlighting**			$0	$4,318,853					$0	$4,419,693		
53	Energy												
54	All kWh	53,925,368	100.00%			$4,318,853	$0.0800895	53,925,368	100.00%			$4,419,693	$0.0819594

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
Revenue Distribution Comparison

Data: Actual and Forecasted
Type of Filing: Original
Work Paper Reference No(s).: None

Witness Responsible: Emily Rabb

		Jan '13 - May '14 Rates				Jun '14 - May '15 Rates			
Line (A)	Description (B)	Allocated Cost by Revenue (C)	Current Revenue Distribution (D)	Allocated Cost by RPM (E)	RPM Revenue Distribution (F)	Allocated Cost by Revenue (G)	Current Revenue Distribution (H)	Allocated Cost by RPM (I)	RPM Revenue Distribution (J)
		Sch 5C, Pg 1, Col (E) + Col (F)	[Sch 5C, Pg 1, Col (G)] / Col (C)	App B.1, Pg 1, Col (E) + Col (F)	[App B.1, Pg 1, Col (G)] / Col (E)	Sch 5C, Pg 1, Col (K) + Col (L)	[Sch 5C, Pg 1, Col (M)] / Col (G)	App B.1, Pg 1, Col (K) + Col (L)	[App B.1, Pg 1, Col (M)] / Col (I)
1	**Residential**	$383,574,328		$383,574,328		$334,832,796		$334,832,796	
2	Energy								
3	First 750 kWh		47.94%		47.94%		48.59%		48.59%
4	Over 750 kWh		20.38%		20.38%		21.21%		21.21%
5									
6	**Residential Heating**								
7	Energy								
8	First 750 kWh		17.66%		17.66%		17.50%		17.50%
9	Summer, Over 750 kWh		2.67%		2.67%		3.80%		3.80%
10	Winter, Over 750 kWh		11.36%		11.36%		8.90%		8.90%
11									
12	**Secondary**	$276,060,847		$276,060,847		$248,895,726		$248,895,726	
13	Demand								
14	Over 5 kW		32.35%		5.58%		32.37%		22.56%
15	Energy								
16	First 1,500 kWh		16.40%		22.89%		16.15%		18.49%
17	Next 123,500 kWh		42.67%		59.56%		42.65%		48.83%
18	Over 125,000 kWh		8.58%		11.98%		8.83%		10.12%
19									
20	**Primary**	$184,627,476		$184,627,476		$166,752,260		$166,752,260	
21	Demand								
22	All kW		37.15%		3.69%		37.13%		14.91%
23	Energy								
24	All kWh		62.85%		96.31%		62.87%		85.09%
25									
26	**Primary Substation**	$39,011,348		$39,011,348		$35,433,250		$35,433,250	
27	Demand								
28	All kW		35.46%		3.11%		35.03%		12.49%
29	Energy								
30	All kWh		64.54%		96.89%		64.97%		87.51%
31									
32	**High Voltage**	$61,872,480		$61,872,480		$55,907,177		$55,907,177	
33	Demand								
34	All kW		36.81%		3.81%		36.89%		15.37%
35	Energy								
36	All kWh		63.19%		96.19%		63.11%		84.63%
37									
38	**Private Outdoor Lighting**	$2,117,451		$2,117,451		$1,878,102		$1,878,102	
39	Energy								
40	9500 Lumens High Pressure Sodium		0.95%		0.95%		0.98%		0.98%
41	28000 Lumens High Pressure Sodium		1.09%		1.09%		1.12%		1.12%
42	7000 Lumens Mercury		68.78%		68.78%		68.75%		68.75%
43	21000 Lumens Mercury		27.87%		27.87%		27.84%		27.84%
44	2500 Lumens Incandescent		0.01%		0.01%		0.01%		0.01%
45	7000 Lumens Fluorescent		0.04%		0.04%		0.04%		0.04%
46	4000 Lumens PT Mercury		1.26%		1.26%		1.26%		1.26%
47									
48	**School**	$4,084,884		$4,084,884		$3,557,852		$3,557,852	
49	Energy								
50	All kWh		100.00%		100.00%		100.00%		100.00%
51									
52	**Streetlighting**	$3,772,458		$3,772,458		$3,351,978		$3,351,978	
53	Energy								
54	All kWh		100.00%		100.00%		100.00%		100.00%

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
Revenue Distribution Comparison

Data: Actual and Forecasted
Type of Filing: Original
Work Paper Reference No(s).: None

Witness Responsible: Emily Rabb

		Jun '15 - May '16 Rates				Jun '16 - May '17 Rates			
Line (A)	Description (B)	Allocated Cost by Revenue (C)	Current Revenue Distribution (D)	Allocated Cost by RPM (E)	RPM Revenue Distribution (F)	Allocated Cost by Revenue (G)	Current Revenue Distribution (H)	Allocated Cost by RPM (I)	RPM Revenue Distribution (J)
		Sch 5C, Pg 2, Col (E) + Col (F)	[Sch 5C, Pg 2, Col (G)] / Col (C)	App B.1, Pg 2, Col (E) + Col (F)	[App B.1, Pg 2, Col (G)] / Col (E)	Sch 5C, Pg 2, Col (K) + Col (L)	[Sch 5C, Pg 2, Col (M)] / Col (G)	App B.1, Pg 2, Col (K) + Col (L)	[App B.1, Pg 2, Col (M)] / Col (I)
1	**Residential**	$379,057,012		$379,057,012		$406,959,745		$406,959,745	
2	Energy								
3	First 750 kWh		48.59%		48.59%		48.59%		48.59%
4	Over 750 kWh		21.21%		21.21%		21.21%		21.21%
5									
6	**Residential Heating**								
7	Energy								
8	First 750 kWh		17.50%		17.50%		17.50%		17.50%
9	Summer, Over 750 kWh		3.80%		3.80%		3.80%		3.80%
10	Winter, Over 750 kWh		8.90%		8.90%		8.90%		8.90%
11									
12	**Secondary**	$281,769,502		$281,769,502		$302,510,813		$302,510,813	
13	Demand								
14	Over 5 kW		32.37%		26.47%		32.37%		31.55%
15	Energy								
16	First 1,500 kWh		16.15%		17.56%		16.15%		16.35%
17	Next 123,500 kWh		42.65%		46.37%		42.65%		43.17%
18	Over 125,000 kWh		8.83%		9.60%		8.83%		8.94%
19									
20	**Primary**	$188,783,436		$188,783,436		$202,697,863		$202,697,863	
21	Demand								
22	All kW		37.13%		17.49%		37.13%		20.84%
23	Energy								
24	All kWh		62.87%		82.51%		62.87%		79.16%
25									
26	**Primary Substation**	$40,114,568		$40,114,568		$43,069,317		$43,069,317	
27	Demand								
28	All kW		35.03%		14.66%		35.03%		17.46%
29	Energy								
30	All kWh		64.97%		85.34%		64.97%		82.54%
31									
32	**High Voltage**	$63,293,440		$63,293,440		$67,955,491		$67,955,491	
33	Demand								
34	All kW		36.89%		18.03%		36.89%		21.48%
35	Energy								
36	All kWh		63.11%		81.97%		63.11%		78.52%
37									
38	**Private Outdoor Lighting**	$2,126,159		$2,126,159		$2,282,668		$2,282,668	
39	Energy								
40	9500 Lumens High Pressure Sodium		0.98%		0.98%		0.98%		0.98%
41	28000 Lumens High Pressure Sodium		1.12%		1.12%		1.12%		1.12%
42	7000 Lumens Mercury		68.75%		68.75%		68.75%		68.75%
43	21000 Lumens Mercury		27.84%		27.84%		27.84%		27.84%
44	2500 Lumens Incandescent		0.01%		0.01%		0.01%		0.01%
45	7000 Lumens Fluorescent		0.04%		0.04%		0.04%		0.04%
46	4000 Lumens PT Mercury		1.26%		1.26%		1.26%		1.26%
47									
48	**School**								
49	Energy	$4,027,768		$4,027,768		$4,324,255		$4,324,255	
50	All kWh		100.00%		100.00%		100.00%		100.00%
51									
52	**Streetlighting**	$3,794,702		$3,794,702		$4,074,034		$4,074,034	
53	Energy								
54	All kWh		100.00%		100.00%		100.00%		100.00%

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
Revenue Distribution Comparison

Data: Actual and Forecasted
Type of Filing: Original
Work Paper Reference No(s).: None

Witness Responsible: Emily Rabb

		Jun '17 - May '18 Rates				Jun '18 - May '19 Rates			
Line (A)	Description (B)	Allocated Cost by Revenue (C)	Current Revenue Distribution (D)	Allocated Cost by RPM (E)	RPM Revenue Distribution (F)	Allocated Cost by Revenue (G)	Current Revenue Distribution (H)	Allocated Cost by RPM (I)	RPM Revenue Distribution (J)
		Sch 5C, Pg 3, Col (E) + Col (F)	[Sch 5C, Pg 3, Col (G)] / Col (C)	App B.1, Pg 3, Col (E) + Col (F)	[App B.1, Pg 3, Col (G)] / Col (E)	Sch 5C, Pg 3, Col (K) + Col (L)	[Sch 5C, Pg 3, Col (M)] / Col (G)	App B.1, Pg 3, Col (K) + Col (L)	[App B.1, Pg 3, Col (M)] / Col (I)
1	**Residential**	$431,415,037		$431,415,037		$441,488,031		$441,488,031	
2	Energy								
3	First 750 kWh		48.59%		48.59%		48.59%		48.59%
4	Over 750 kWh		21.21%		21.21%		21.21%		21.21%
5									
6	**Residential Heating**								
7	Energy								
8	First 750 kWh		17.50%		17.50%		17.50%		17.50%
9	Summer, Over 750 kWh		3.80%		3.80%		3.80%		3.80%
10	Winter, Over 750 kWh		8.90%		8.90%		8.90%		8.90%
11									
12	**Secondary**	$320,689,490		$320,689,490		$328,177,183		$328,177,183	
13	Demand								
14	Over 5 kW		32.37%		32.53%		32.37%		32.44%
15	Energy								
16	First 1,500 kWh		16.15%		16.11%		16.15%		16.13%
17	Next 123,500 kWh		42.65%		42.55%		42.65%		42.60%
18	Over 125,000 kWh		8.83%		8.81%		8.83%		8.83%
19									
20	**Primary**	$214,872,986		$214,872,986		$219,897,640		$219,897,640	
21	Demand								
22	All kW		37.13%		21.49%		37.13%		21.43%
23	Energy								
24	All kWh		62.87%		78.51%		62.87%		78.57%
25									
26	**Primary Substation**	$45,656,205		$45,656,205		$46,724,186		$46,724,186	
27	Demand								
28	All kW		35.03%		18.01%		35.03%		17.96%
29	Energy								
30	All kWh		64.97%		81.99%		64.97%		82.04%
31									
32	**High Voltage**	$72,037,127		$72,037,127		$73,722,206		$73,722,206	
33	Demand								
34	All kW		36.89%		22.15%		36.89%		22.09%
35	Energy								
36	All kWh		63.11%		77.85%		63.11%		77.91%
37									
38	**Private Outdoor Lighting**	$2,419,839		$2,419,839		$2,476,339		$2,476,339	
39	Energy								
40	9500 Lumens High Pressure Sodium		0.98%		0.98%		0.98%		0.98%
41	28000 Lumens High Pressure Sodium		1.12%		1.12%		1.12%		1.12%
42	7000 Lumens Mercury		68.75%		68.75%		68.75%		68.75%
43	21000 Lumens Mercury		27.84%		27.84%		27.84%		27.84%
44	2500 Lumens Incandescent		0.01%		0.01%		0.01%		0.01%
45	7000 Lumens Fluorescent		0.04%		0.04%		0.04%		0.04%
46	4000 Lumens PT Mercury		1.26%		1.26%		1.26%		1.26%
47									
48	**School**								
49	Energy	$4,584,111		$4,584,111		$4,691,145		$4,691,145	
50	All kWh		100.00%		100.00%		100.00%		100.00%
51									
52	**Streetlighting**	$4,318,853		$4,318,853		$4,419,693		$4,419,693	
53	Energy								
54	All kWh		100.00%		100.00%		100.00%		100.00%

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
Capacity (RPM) and Energy Prices for Delivery Periods
Reliability Obligation by Class

Data: Actual and Forecasted
Type of Filing: Original
Work Paper Reference No(s).: None

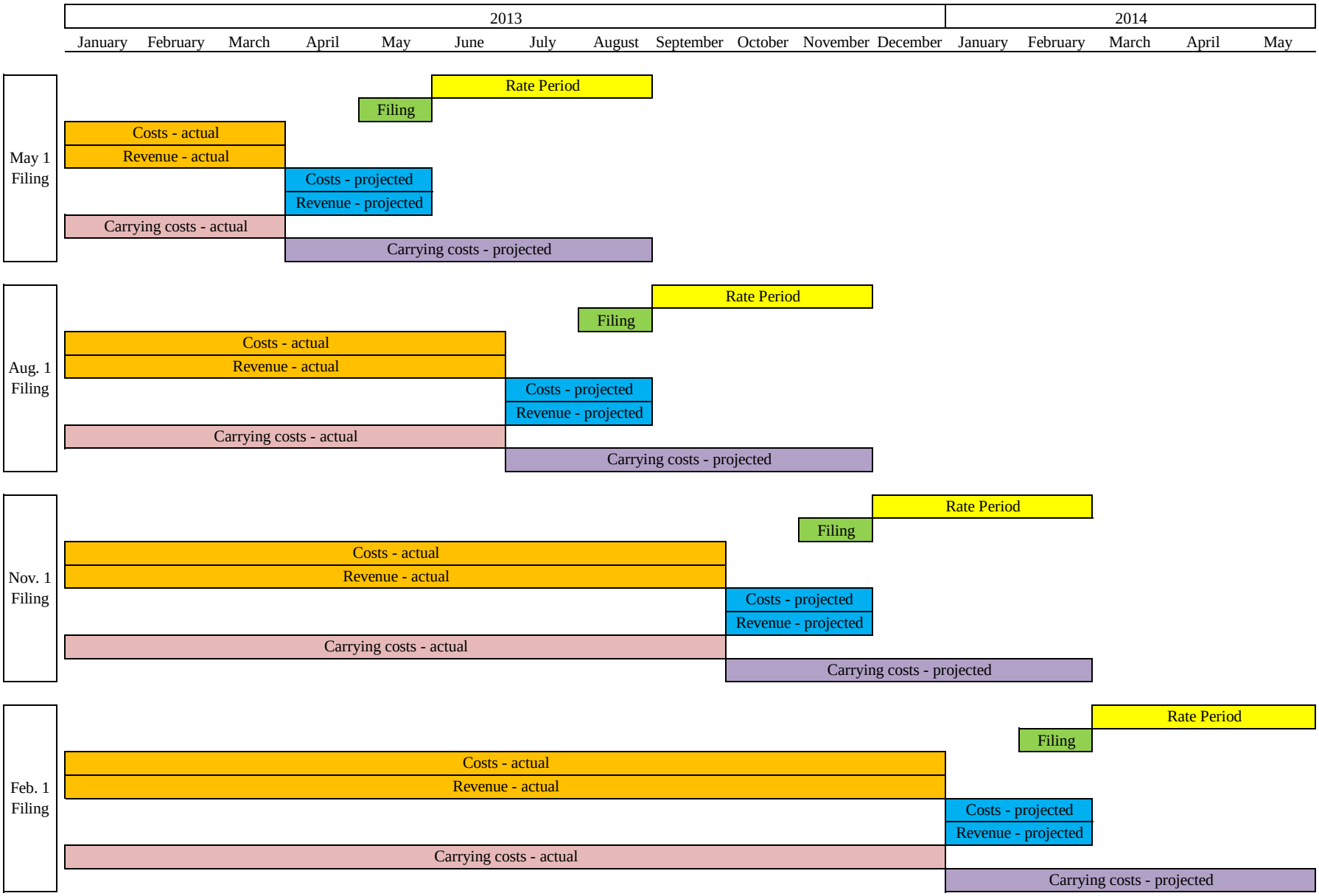
Witness Responsible: Emily Rabb

Line (A)	Description (B)	Total (C)	Residential (D)	Residential Heat (E)	Secondary (F)	Primary (G)	Primary Substation (H)	High Voltage (I)	Private Outdoor Lighting (J)	School (K)	Street Lighting (L)
			(D) = (D) / (C)	(E) = (E) / (C)	(F) = (F) / (C)	(G) = (G) / (C)	(H) = (H) / (C)	(I) = (I) / (C)	(J) = (J) / (C)	(K) = (K) / (C)	(L) = (L) / (C)
1	**5 CP by Tariff Class - total distribution system**										
2	Class Load (kW) ^1	2,809,632	914,166	317,594	926,807	418,303	75,862	147,248	-	9,653	-
3	**Class Percent**	**100.00%**	**32.54%**	**11.30%**	**32.99%**	**14.89%**	**2.70%**	**5.24%**	**0.00%**	**0.34%**	**0.00%**
4											
5											
6											
7		**Reliability Obligation by Class**									
8											
9		Total Zonal Load	Residential	Residential Heat	Secondary	Primary	Primary Substation	High Voltage	Private Outdoor Lighting	School	Street Lighting
10		(MW)	Col (C) * Col (D), Ln 3	Col (C) * Col (E), Ln 3	Col (C) * Col (F), Ln 3	Col (C) * Col (G), Ln 3	Col (C) * Col (H), Ln 3	Col (C) * Col (I), Ln 3	Col (C) * Col (J), Ln 3	Col (C) * Col (K), Ln 3	Col (C) * Col (L), Ln 3
11											
12	**Planning Periods**	3,547 ^2	1,154.1	400.9	1,170.0	528.1	95.8	185.9	-	12.2	-
13											
14											
15											
16											
17											
18											
19	Source:										
20	^1 Internal Documents										
21	^2 PJM Planning Period Parameters and RPM base residual auctions results are from the PJM website as of 2/15/12										

The Dayton Power and Light Company
Case No. 12-426-EL-SSO
True-up Schedule

Data: None
Type of Filing: Original
Workpaper Reference No(s).: None

Witness Responsible: Nathan Parke



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Case No(s). 12-0426-EL-SSO, 12-0427-EL-ATA, 12-0428-EL-AAM, 12-0429-EL-WVR, 12-0672-EL-RDR

Summary: Application (Part 3 of 3), Book III - Testimony and Appendices, electronically filed by Irda Hoxha Hinders on behalf of The Dayton Power and Light Company