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Feb. 1, 2013

Ohio PUCO
Examiner, Bryce McKeany
Mr. McKeany,

Re-DP & L Rate Increase Request

An article (copy enclosed) in the Dayton Daily News caught my attention. It also angered me. Let me get to the point. I was employed in the trucking industry for nearly 50 years. We understood the word competitive. If you did not or could not you usually went out of business. Apparently DP & L must have been asleep at the wheel the past several years. But that is not unusual with organizations who have little or no competition and are regulated by government agencies. That is a formula for malaise and then when the crunch comes, they only know one solution. Ask the PUCO to bless their incompetence. Their scapegoat (spokesperson) made ludicrous statements, some listed below.

1) They need \$600 million to "get competitive". Energy prices have been dropping since 2008. They've had nearly 5 years to get competitive. Did they think it was going to go away and they could merely ride out the storm and continue their bureaucratic ways?

2) They basically make threats they need the mass infusion so they can continue to satisfy electricity demands. 3) Then the clincher of stupid remarks. "Residential customers using more than an AVERAGE household will see a DECREASE". Translation: that means customers like myself who have economized the last several years will get screwed and pay the increase.

Mr. McKeany, in the private sector you DON'T raise prices when your competition is reducing them. Had I gone to P & G or Alcoa or Wal-Mart and told them I was raising prices to "get competitive" they would have said OK, you just won't see any business. That's how it works in the real world.

My suggestion would be to advise DP & L to reduce salaries, stop paying dividends, reduce staff (possibly the spokesperson) etc. Is being the spokesperson position below any of the probably numerous VPs or even the CEO himself? Then put together a plan showing the savings and how and when it is being implemented. Then if that indicates some assistance is still needed it would be considered.

I'm 77 yrs. old a family man, owned and operated a business and served my country. I worked until 70. My wife, a retired RN, are middle class citizens. Not destitute and not wealthy. Prices increase daily. Our health insurance just increased over 30 %. Food, gasoline, prescription drugs are increasing almost daily. If DP&L reasons for a rate adjustment were based in solid reasoning, we wouldn't object. The statements they need \$600 million to get competitive is not. What they are really saying is they will use the \$600 million to stay in business with little effort being made to get competitive. Then after several years their snouts will be back at the public feeding trough. You may even be retired by then. I trust you understand our frustration.

Sincerely,
Thomas Subler

Thomas Subler

Enclosure-DDN article

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LOCAL IMPACT: CONSUMER COSTS

DP&L says it needs \$600M to compete

Requesting rate increase that would be effective through 2017.

By Steve Bennish
Staff Writer

The Dayton Power & Light Co. got support and criticism at a public hearing Tuesday on its request to charge customers \$600 million over five years to help it transition to a competitive market for electricity.

The utility has said the charge – which will amount to \$5 a month for a typical household – is necessary because the company is losing customers and revenue. The charge is “critical” to the company’s financial health, a DP&L spokeswoman said last week.

DP&L serves more than 500,000 customers spread



Public Utilities Commission Attorney Examiner Bryce McKeany at a public hearing at Dayton City Hall on Tuesday.

JIM WITMER / STAFF

over 24 counties throughout the Miami Valley, including Montgomery, Preble, Greene, Clinton, Fayette, Darke, Mercer, and also parts of

DP&L continued on A4

Energy prices dropped

DP&L

continued from A1

Auglaize, Butler, Clark, Madison, Shelby, Logan, Champaign, Union, Hardin, Van Wert, Ross and Warren.

DP&L's request won't be decided by the Ohio Public Utility Commission until sometime after March. The request has been criticized by industry and the Ohio Consumers' Counsel.

The afternoon hearing at Dayton City Hall lasted just 32 minutes. Aside from DP&L representatives, attorneys representing DP&L, PUCO officials, and the Ohio Consumers' Counsel, only a few others attended the first of two hearings Tuesday.

Gene Krebs, a former state legislator and Preble County Commissioner, complained that service in rural areas wasn't up to par, adding that power restoration during blackouts takes too long.

"We rural people feel like we are second-class citizens subject to benign neglect," he said.

Sampson Wright, 30, of Dayton, said he didn't be-

lieve the utility had made a good enough case for a rate change.

"My experience overall has been great," he said. "My only complaint is the justification of the rate going up."

The Dayton Art Institute's executive director, Michael R. Roediger, praised the utility for its steadfast support of the arts through the DP&L Foundation even during tough economic times.

The utility and foundation, which provides \$1 million to the community annually, are financially separate, said DP&L spokeswoman Lesley Sprigg. Ratepayers do not bear any costs of foundation activities.

Sprigg said before the hearing that DP&L has worked to reach a settlement on the rate changes since March with the PUCO and the more than 25 intervening parties.

"We are facing the same challenge as other utilities in Ohio - lower energy prices coupled with an increase in customers switching" energy providers. "This significantly affects the company's ability to attract capital and maintain financial integrity."

She said a drop in energy prices since 2008 has significantly reduced company earnings and an increase in customers switching to other suppli-

ers causes a revenue decline, but the utility still has fixed costs to meet required generation availability, reliability and service levels. Other anticipated costs will be in the required legal separation of generating plants from the utility.

"DP&L is seeking an orderly transition to a competitive market to ensure its future financial viability," Sprigg said. The rate change, known as a service stability rider, "is critical because it will maintain DP&L's financial health which will enable DP&L to satisfy the electricity demands."

Customers are free to choose among utilities providing electricity. Ratepayers will continue to pay a portion of their bills to use the delivery system provided by DP&L.

The company said in filings that the charge would generate \$600 million over five years.

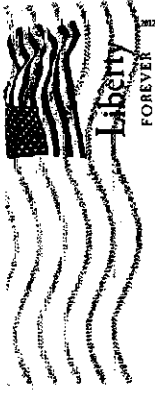
It's unavoidable by customers, regardless of whether they've signed up with a competing electricity provider. If approved, it would be effective through December 2017.

Even with the charge, DP&L said, other parts of the rates would decrease. Residential customers using more than a household average would see a decrease.

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