

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 15-1830-EL-AIR

CASE NO. 15-1831-EL-AAM

CASE NO. 15-1832-EL-ATA

2015 DISTRIBUTION BASE RATE CASE

BOOK III – TESTIMONY

VOLUME 1 OF 4

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Dayton Power and Light Company
DP&L Case No. 15-1830-EL-AIR
Standard Filing Requirements for Rate Increases
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DOCKETING DIVISION
Public Utilities Commission of Ohio

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BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 15-1830-EL-AIR
CASE NO. 15-1831-EL-AAM
CASE NO. 15-1832-EL-ATA

DIRECT TESTIMONY OF
ROBERT J. ADAMS

- ☐ **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
ROBERT J. ADAMS
ON BEHALF OF
THE DAYTON POWER AND LIGHT COMPANY

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Robert J. Adams. My business address is 1065 Woodman Drive, Dayton,
4 OH 45432.

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

6 A. I am employed by The Dayton Power and Light Company ("DP&L" or "Company") as a
7 Rate Analyst III in the Regulatory Operations department.

8 **Q. What are your responsibilities in your current position?**

9 A. I am responsible for assisting in the development, analysis, revision, and administration
10 of the Company's tariff schedules, rate designs, and policies. I have responsibility for
11 regulatory compliance with the electric service and safety standards, load research and
12 sales forecasting for the department.

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

14 A. Yes. I earned a Bachelor of Science degree in Business Economics from Wright State
15 University in April 2006. I have been employed by DP&L since 2006. I am currently
16 pursuing a Master's Degree in Social and Applied Economics at Wright State University.

17 **Q. Have you previously testified before this Commission?**

18 Yes. I presented testimony in support of the Stipulation on behalf of DP&L before the
19 Commission in Case No. 12-1832-EL-ESS.

20 **II. PURPOSE OF TESTIMONY**

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

1 A. My testimony will support the schedules that I sponsor which are required by the
2 Standard Filing Requirements in distribution rate proceedings. They are current and
3 proposed tariffs, rationale for tariff changes, tariff class revenue summary, annual test
4 year revenue at proposed vs. current rates, actual test year revenues, results of the
5 Company's load research study, and typical bill comparisons.

6 **III. SPONSORED SCHEDULES AND WORKPAPERS**

7 **Q. What schedules and workpapers in the filing are you sponsoring?**

8 A. I am sponsoring the following schedules included in the Standard Filing Requirements:

- 9 • Schedule C-3.25 – Adjust Test Year Revenues
- 10 • Schedules E-1, E-2, E-2.1 – Clean Copy of Proposed Tariff Schedules;
11 Current Tariff Schedules; Redlined Copy of Proposed Tariff Schedules
- 12 • Schedule E-3 – Rationale for Tariff Changes
- 13 • Schedules E-4, E-4.1 – Tariff Class Revenue Summary; Test Year Revenue at
14 Proposed vs. Current Rates
- 15 • Schedule E-4.3 – Actual Test Year Revenues; Information for this Schedule is
16 not available at this time and will be supplemented
- 17 • Schedule E-5 – Typical Bill Comparison
- 18 • Workpaper E-4.1a & b – Billing Determinant Forecast – Base Distribution
19 Rate Blocks and Billing Determinant Forecast - Customer Bills

20 **Q. Were the schedules and supporting workpapers that you are sponsoring prepared**
21 **or assembled by you or under your direction or supervision?**

1 A. Yes.

2 **Q. Please explain Schedule C-3.25.**

3 A. Schedule C-3.25 illustrates the adjustment made to reconcile the adjusted jurisdictional
4 test year revenues in Schedule C-3, to the actual and projected revenues located on
5 Schedule E-4.

6 **Q. Is the adjustment proposed in Schedule C-3.25 reasonable?**

7 A. Yes. The calculation of projected revenues presented in Schedule E-4 more closely
8 follows how the Company collects revenues from customers today. This calculation
9 applies tariff class level billing determinants to tariff class level rates while the adjusted
10 jurisdictional test year revenues are based on an average kilowatt hour rate applied to
11 revenue class total kilowatt hours.

12 **Q. Please explain Schedule E-3.**

13 A. Schedule E-3 contains the narrative rationale for the modifications to the tariff terms and
14 the conditions that the Company has proposed as part of this case. Generally, the
15 proposed amendments were included to clarify the Company's Policies and Procedures.

16 **Q. Please explain the proposed modification to Tariff D10 regarding Redundant
17 Service.**

18 A. DP&L proposes a tariff revision to clarify its policies and procedures for establishing the
19 Contract Capacity charge used in billing for redundant service. Company Witness Storm
20 explains the justification for this amendment.

1 **Q. Did the Company propose a test year adjustment to revenue to account for the**
2 **proposed change regarding Redundant Service?**

3 A. No. The result of the proposed tariff amendment regarding redundant service is unknown
4 and thus, not measurable.

5 **Q. Please explain the proposed amendments to the Company's Street Lighting Service**
6 **in Tariff D25 and Unmetered Secondary Service in Tariff D19.**

7 A. DP&L proposes to grandfather the existing customers taking service under the Street
8 Lighting and Unmetered Secondary tariff provisions. All new secondary services will be
9 metered and take service under the Company's Secondary tariff. All new street lighting
10 services will be metered and take service under the Company's Street Lighting tariff.
11 Company Witness Hall explains the justification for these amendments and the
12 provisions required for existing unmetered customers that wish to maintain this service.

13 **Q. Please explain the amendments to the Miscellaneous Service Charges provided in**
14 **Tariff D26.**

15 A. In addition to updating the Electric Meter Testing Charge and the hourly charge for
16 Engineering Studies with the Company's current costs, DP&L proposes to add a Service
17 Trip Charge and a Collection Charge to Tariff D26. Company Witness Storm provides
18 the justification for the new charges and cost support for all charges in Tariff D26.

19 **Q. Please explain Schedule E-4.**

20 A. Schedule E-4 is the revenue summary showing distribution revenues at current and
21 proposed rate levels. This schedule is a summary of the sales, current revenue, proposed

1 revenue by rate schedule as calculated in Schedule E-4.1 and the percentage of revenue
2 that each rate schedule contributes to total distribution service revenue. In addition,
3 Schedule E-4 displays the proposed amount and percentage increase proposed by rate
4 class.

5 **Q. Please explain Schedule E-4.1.**

6 A. Schedule E-4.1 provides the detail of the revenue calculations by rate class as
7 summarized in Schedule E-4. This schedule also displays the billing determinants
8 associated with the respective rate schedules. The sales revenues for the 12 months
9 ended May 31, 2016 are based upon historical data for the four months ended September
10 30, 2015. The eight months ended May 31, 2016 are based upon a kilowatt hour sales
11 and customer forecast.

12 **Q. Please explain Workpaper E-4.1a.**

13 A. Workpaper E-4.1a summarizes the billing determinants for the Company's Base
14 Distribution, Universal Service Fund and Excise Tax rates required for Schedule E-4.1.
15 The billing determinants are comprised of actuals for the period June through September
16 2015 and a forecast for the period October 2015 through May 2016.

17 **Q. Describe how the forecasted billing determinants were derived for Workpaper E-**
18 **4.1a.**

19 A. The forecasted billing determinants were derived from five years of historical billing
20 data. The historical data was used to develop allocators that represent the percentage of
21 total for each respective kWh, kW and kVar rate block. The respective allocators were

1 then applied to the Company's Long term Forecast Report filed in Case No. 15-663-EL-
2 FOR.

3 **Q. Describe how the customer bills were derived for Workpaper E-4.1b.**

4 A. The customer bill totals were derived using 12 months historical data for the period
5 October 2014 through September 2015.

6 **Q. Do you believe the projected values are reasonable?**

7 A. Yes. The values presented in Workpaper E-4.1a and Workpaper E-4.1b are based on
8 historical billing data.

9 **Q. Please explain Schedule E-5.**

10 A. Schedule E-5 is a typical bill comparison that illustrates the effect of the proposed rates
11 on customer bills by tariff class. Schedule E-5 shows the dollar amount and percentage
12 difference for a total bill at various kilowatt hour usage levels.

13 **Q. Can you describe the rate impact for a typical Residential customer as a result of
14 this proceeding?**

15 A. Yes. A typical Residential customer using 1000 kWh per month can expect to experience
16 a bill impact of \$4.07 per month, or 3.13% increase.

17 **Q. Can you explain what is represented in column I on Schedule E-5?**

18 A. Yes. The value in column I represents the per bill cost for the Company's current Storm
19 Rider.

20 **Q. Why did you include 2015 Storm Rider as part of Schedule E-5?**

1 A. The Storm Rider is set to expire December 31st, 2015. Since this Rider is included as part
2 of the current bill amount in column E, and in order to illustrate the offsetting impact of
3 the Storm Rider's expiration on customer bills, it is necessary to capture the decrease in
4 column I.

5 **Q. Can you explain what is represented in column J Lost Revenue Offset on Schedule**
6 **E-5?**

7 A. Yes. The value in column J represents the amount of lost revenue eliminated from the
8 Company's Energy Efficiency Rider as part of this rate proceeding.

9 **Q. Why did you include column J Lost Revenue Offset as part of Schedule E-5?**

10 A. Column J was included as part of Schedule E-5 to illustrate the neutral impact of the
11 Company's proposal to move the lost revenue from the Company's Energy Efficiency
12 Rider to the Base Distribution Rate. Without such adjustment, including the lost revenue
13 component only within the Base Distribution Rate would overstate the bill increase.

14 **Q. Will the EER rate be updated as a result of this case?**

15 A. Yes, the Company will file to update its Energy Efficiency Rider to be consistent with the
16 results of this case.

17 **Q. Did the Company perform a load research study in preparation for this filing?**

18 A. Yes. DP&L hired Christensen Associates Energy Consulting ("CAEC") to complete a
19 load research study for the period November 2013 through October 2014.

20 **Q. How did you utilize the results of the load research study performed in preparation**
21 **for this filing?**

1 A. I used the results of the load research study to derive tariff class level non-coincident
2 peak values. I provided the non-coincident peak values to Company Witness Chapman
3 for the cost of service study.

4 **Q. Do you believe that the results of the load research study are reasonable?**

5 A. Yes. I compared the results of this study with the results of a prior study that CAEC
6 performed for the Company and the results were consistent.

7 **IV. CONCLUSION**

8 **Q. Does this conclude your testimony?**

9 A. Yes. It does.

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THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 15-1830-EL-AIR
CASE NO. 15-1831-EL-AAM
CASE NO. 15-1832-EL-ATA

DIRECT TESTIMONY
OF STEPHEN A. ALLAMANNO

- ☐ **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
STEPHEN A. ALLAMANNO
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 Stephen A. Allamanno. My business address is 1 Monument Circle,
Indianapolis, IN 46204.

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

A. I am employed by AES US Services, LLC ("AES Services") as Tax Director for the US
Strategic Business Unit ("SBU").

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

A. I assumed my present position on January 2, 2014.

Q. What are your responsibilities in your current position?

A. In my current position, I am responsible for all aspects of federal and state income,
property, and sales and use tax for US SBU entities, including The Dayton Power and
Light Company ("DP&L" or the "Company"). I report to both the Chief Financial
Officer of the US SBU, as well as the global Vice President – Tax of AES Corporation.

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

A. Yes. I am a Certified Public Accountant in the State of Indiana and received a Bachelor
of Science degree in Business Administration from The Ohio State University in 1987. I
subsequently obtained a Master's Degree in Business Administration ("MBA") from The
Ohio State University in 1993. I have spent my entire professional career of
approximately 27 years working in the corporate tax field. From January 1988 to
October 1998, I worked in the tax department of Cummins Inc. in Columbus, Indiana.

1 From 1988 to 1991, my responsibilities primarily related to US federal, state, and local
2 tax compliance work. From September 1991 to June 1993, I took a leave of absence
3 from Cummins to obtain my MBA. I returned to Cummins on a full-time basis from July
4 1993 to October 1998. During this time, I focused on international tax compliance and
5 planning efforts. From October 1998 through March 1999, I served as Director of
6 International Tax for Cardinal Health, Inc. in Dublin, Ohio, holding responsibility for all
7 US tax aspects of the company's non-US operations. I once again returned to Cummins
8 in May 1999 and remained with the company through July 2011. Over this period of
9 time, I served in a variety of roles, handling tax compliance, planning, and provision
10 work for both domestic and international operations. From August 2011 through
11 December 2013, I served as Vice President – US Tax for Technicolor USA, Inc. in
12 Carmel, Indiana. At Technicolor, I was responsible for managing all US tax matters of
13 the company. Since January 2014, I have served as the Tax Director of the US SBU for
14 AES Services.

15 **II. PURPOSE OF TESTIMONY**

16 **Q. What is the purpose of this testimony?**

17 A. The purpose of my testimony is to present and support the federal, state, and municipal
18 tax information in Schedules A, B, and C for the Company. I am also responsible for the
19 calculation of the Gross Revenue Conversion Factor.

20 **Q. What Schedules are you sponsoring or co-sponsoring?**

21 A. I am sponsoring the tax portions of the following schedules in this proceeding:

- 22 • Schedule A-2: Computation of Gross Revenue Conversion Factor

- 1 • Schedule B-6: Other Rate Base Items Summary
- 2 • Schedule C-3.1: Adjust Federal and State Income Taxes
- 3 • Schedule C-3.8: Eliminate State Excise Tax Rider Revenue and Expense
- 4 • Schedule C-3.9: Annualize Property Tax to Reflect Plant in Service on Date
- 5 Certain
- 6 • Schedule C-3.10: Annualize Commercial Activity Tax
- 7 • Schedule C-4: Adjusted Jurisdictional Income Taxes
- 8 • Schedule C-4.1: Development of Jurisdictional Income Taxes

9 **Q. Were the Schedules or portions of the Schedules that you are sponsoring prepared**
10 **or assembled by you or under your direction or supervision?**

11 **A. Yes.**

12 **III. DISCUSSION OF SCHEDULES**

13 **Q. Were these schedules prepared in accordance with the Standard Filing**
14 **Requirements of Chapter 4901-7 of the Ohio Administrative Code?**

15 **A. Yes.** The Test Year Schedules are based on four months actual information ended
16 September 30, 2015 and eight months forecast information for the period from October 1,
17 2015 through May 31, 2016. The forecast process is further explained by Company
18 Witnesses Santacruz and Rabb.

19 **Q. Please describe Schedule A-2.**

20 **A. Schedule A-2** presents the Computation of the Gross Revenue Conversion Factor. This
21 schedule includes items of expense that would increase as a result of a change in
22 Company revenues. These expenses include the Ohio Commercial Activity Tax ("CAT")

1 and Federal, State, and Municipal Income Taxes. The factors on this schedule represent
2 the most recent information available.

3 **Q. Please describe Schedule B-6.**

4 A. Schedule B-6 presents a summary of Other Rate Base Items as of the September 30, 2015
5 date certain. Tax items included in this schedule are details for Accumulated Deferred
6 Income Taxes and Deferred Investment Tax Credits. All of the amounts on this schedule
7 begin with the total Company per books amounts and then allocate a portion to
8 distribution operations. The development of the allocation percentages applicable to
9 distribution operations is further explained by Company Witnesses Tornquist and Rennix.

10 **Q. Please describe Schedule C-3.1.**

11 A. Schedule C-3.1 summarizes the adjustments required to current and deferred Federal,
12 State, and Local income tax expense based on the adjustments to operating revenue and
13 expense reflected on Schedules C-3.2 through C-3.25.

14 **Q. Please describe Schedule C-3.8.**

15 A. Schedule C-3.8 summarizes the elimination of State Excise Tax Rider revenue and
16 expense. Revenues and expenses for the State Excise Tax Rider have been removed from
17 the distribution cost of service because those revenues and expenses are collected and
18 recovered separately through the State Excise Tax Rider approved by the Commission in
19 Case No. 09-1908-EL~ATA. This jurisdictional adjustment results in a decrease in
20 expense of \$49,785,674. The elimination of State Excise Tax Rider revenue is being
21 sponsored by Company Witness Whitehead.

22 **Q. Please describe Schedule C-3.9.**

1 A. Schedule C-3.9 summarizes the adjustment required to jurisdictional property tax
2 expense to reflect the annualized liability based on jurisdictional plant-in-service as of
3 September 30, 2015. This calculation is performed using the most recent assessments
4 and estimated rates available.

5 **Q. Please describe Schedule C-3.10.**

6 A. Schedule C-3.10 summarizes the adjustment required to annualize jurisdictional Ohio
7 CAT to reflect the appropriate amount of CAT for the Test Year. The amount of CAT
8 ultimately included in the adjusted test year is the CAT incurred on jurisdictional
9 revenues, the State Excise Tax Rider, and the Universal Service Fund Rider, as CAT
10 incurred due to these revenues is unrecovered elsewhere.

11 **Q. Please describe Schedule C-4.**

12 A. Schedule C-4 presents the calculation of the Company's adjusted jurisdictional income
13 taxes for the test year ending May 31, 2016. The schedule starts with the unadjusted
14 jurisdictional pre-tax income and Schedule M book-tax difference amounts from
15 Schedule C-4.1. The Schedule C-4.1 starting-point balances are then adjusted to reflect
16 the tax effect of the ratemaking adjustments supported by various Company witnesses on
17 both pre-tax book income and the related Schedule M adjustments that must be made for
18 income tax purposes. Adjustments are then made to incorporate increased revenues at
19 proposed rates in order to determine the pro forma jurisdictional income tax expense.

20 **Q. Please describe Schedule C-4.1.**

21 A. Schedule C-4.1 represents the calculation of the Company's jurisdictional income taxes
22 for the test year ending May 31, 2016. The schedule starts with the results for the entire

Company's operational activity and then allocates income, expense, and Schedule M items to the Company's Ohio Retail jurisdictional operations.

IV. FEDERAL, STATE, AND LOCAL TAXES

Q. Please describe the methodology used to develop the Federal, State, and Municipal Income Tax Expense for the forecasted period from October 1, 2015 through May 31, 2016 as included in Schedules C-4 and C-4.1.

A. The Company's Federal, State, and Municipal Income Tax expense for the forecasted period from October 1, 2015 through May 31, 2016 is based on Company Witnesses Santacruz's and Rabb's components of pre-tax book income and expense, as well as the forecast of Schedule M items that would affect the computation of current and deferred income tax expense for the forecasted period. The tax expense calculation also includes the reversals of deferred tax items and amortization of deferred investment tax credits from prior years. This calculation utilized the most recent available Federal, State and Municipal tax rates and apportionment factors.

Q. Please describe the income tax pro forma adjustments that have been included in this filing.

A. Per book current income tax amounts have been adjusted to reflect the taxable income effect of ratemaking adjustments supported by various Company witnesses that affect pre-tax income and any related Schedule M adjustments. Deferred income tax expense amounts have similarly been adjusted.

Q. Are the tax results of the schedules described above reasonable?

1 A. Yes. These schedules incorporate test year and date certain data, as well as up-to-date tax
2 information, to accurately calculate the appropriate levels of Taxes Other Than Income
3 Taxes as well as Income Taxes that should be reflected on the pro forma jurisdictional
4 test year. Including such tax calculations are imperative to allow the Company the
5 opportunity to earn a fair rate of return on its electric distribution operations.

6 V. **CONCLUSION**

7 Q. **Does this conclude your direct testimony?**

8 A. Yes.

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THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 15-1830-EL-AIR
CASE NO. 15-1831-EL-AAM
CASE NO. 15-1832-EL-ATA

DIRECT TESTIMONY
OF BARRY J. BENTLEY

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

BEFORE THE
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DIRECT TESTIMONY OF
BARRY J. BENTLEY
ON BEHALF OF
THE DAYTON POWER AND LIGHT COMPANY
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I. INTRODUCTION

Q. What is your name and business address?

A. My name is Barry J. Bentley. My business address is 1900 Dryden Road, Dayton, Ohio.

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

A. I am employed by AES Corporation ("AES") as Vice President, Customer Operations for Dayton Power & Light Company ("DP&L" or "The Company") and Senior Vice President, Customer Operations for Indianapolis Power & Light Company ("IPL").

Q. What is your work experience?

A. Including my Cooperative Engineering assignments while attending Purdue University, I have been employed at IPL for nearly 30 years. My experience includes positions of increasing responsibility in the areas of power generation, transmission and distribution, customer service, corporate venture capital, fuel supply, and energy dispatching and marketing. I began my career with IPL in 1984 as a Cooperative Engineering student while attending Purdue University. In 1988, I became a full-time employee, working as an engineer in Power Production. In 1990, I became Supervisor, Instrument Electrical at the H. T. Pritchard Generation Station. In 1992, I moved to Supervisor, Maintenance for all electrical and mechanical maintenance at the Pritchard Plant. Between 1993 and 1998, I was Supervisor and then Director, System Operation, responsible for the operation of the transmission system and dispatching of generation assets. In 1999, I became Manager, Bulk Power, which included responsibility and oversight of the planning, engineering, operations, and maintenance for all IPL transmission and substation assets. In 2000, I was promoted to Principal in IPL's Corporate Venturing

Group. In 2002, I was promoted to the Director, Demand Coordination, responsible for strategic account management for IPL's top 300 retail customers. In 2003, I transitioned to the Director, Supply Coordination and later to the Vice President, Fuel and Energy supply, responsible for energy dispatching, wholesale sales, and fuel procurement for IPL's generation fleet. In 2008, I transitioned from generation supply to the Vice President, Power Delivery, in IPL's electric delivery organization. In 2014, I was appointed to my current position of AES United States Strategic Business Unit Vice President, Customer Operations leading both groups at IPL and DP&L.

Q. What is your education background and professional experience?

A. I hold a Bachelor of Science degree in Electrical Engineering from Purdue University. I have attended several management courses from the University of Michigan, the University of Indianapolis and the University of Virginia Darden School of Business. I am a former member of the East Central Area Reliability Council ("ECAR") Operation and Compliance Panels.

Q. What are your responsibilities as Vice President, Customer Operations for AES?

I am responsible for the planning, construction, operation and maintenance of the transmission and distribution systems and customer service at both DP&L and IPL.

Have you previously testified in regulatory proceedings?

Yes, I testified on behalf of the Joint Petitioners in Indiana in Cause No. 42685, involving their request to recover their costs associated with taking transmission service under the Midwest Independent Transmission System Operator, Inc.'s ("MISO" or "Midwest ISO") Open Access Transmission and Energy Markets Tariff ("TEM"), and on behalf of the

1 Joint Petitioners in Cause No. 42962 involving Day Ahead and Real Time Revenue
2 Sufficiency Guarantee credits and charges. I also testified in Cause No. 43414 regarding
3 IPL's Purchased Power Benchmark proceeding and in Cause No. 43623 regarding IPL's
4 pending demand-side management proceeding. I also have testified in numerous Fuel
5 Adjustment Clause ("FAC") proceedings in Indiana.

6 **II. PURPOSE OF TESTIMONY**

7 **Q. What is the purpose of this testimony?**

8 A. The purpose of my testimony is to discuss DP&L's distribution reliability performance
9 over the past five years, discuss the programs and practices that continue to drive the
10 favorable performance both during storms and normal weather days, and additional
11 challenges that could impact future reliability performance.

12 **III. DP&L OVERVIEW**

13 **Q. Please describe the DP&L Service Territory?**

14 A. DP&L's distribution system is approximately 6,000 square miles serving 24 counties in
15 west central Ohio. DP&L has over 500,000 distribution customers being served from
16 voltages of 12KV and 4KV. DP&L operates approximately 10,500 miles of distribution
17 overhead facilities and 3,600 miles of underground facilities served from approximately
18 150 substations.

19 **Q. Please describe how the transmission and distribution system is designed,**
20 **constructed, maintained, and operated?**

1 A. The transmission system is designed to deliver bulk electricity safely and reliably from
2 generating stations to distribution substations and to interconnection substations between
3 utilities. DP&L transmission voltages are 345KV, 138KV, 69KV, and sub-transmission
4 at 33KV. The transmission line construction is generally steel towers for the 345KV
5 system and a combination of steel structures and wood poles for the 138KV transmission
6 lines. The substations include power transformers of varying sizes and capacities,
7 switches, circuit breakers, system protection, and control equipment. The system is
8 operated under the requirements of ReliabilityFirst which is the Regional Reliability
9 Organization in the Midwest and under reliability standards from the North American
10 Electric Reliability Corporation ("NERC"). In addition, the transmission system is under
11 the operating control of the PJM regional transmission organization under the approval of
12 the Federal Energy Regulatory Commission ("FERC").

13 The electric distribution system is designed to receive bulk power at the transmission
14 voltages above, step the voltage down to 12KV, and 4KV, and deliver to the customer
15 premises to be largely stepped down to secondary voltages (e.g. 277/480 Volts, 120/208
16 Volts and 120/240 Volts). Consistent with the transmission system, the distribution
17 system consists of substation power transformers of varying sizes and capacities,
18 switches, circuit breakers, wood and metal poles, overhead conductors, underground
19 cables, capacitors, relay protection devices, and communication and control devices. The
20 design and construction of the distribution system is governed by the National Electric
21 Safety Code ("NESC").

22 IV. RELIABILITY INDICES

23 Q. Please provide and discuss the Company's Reliability indices.

1 A. Consistent with good utility practice, DP&L measures service reliability by the industry
2 accepted metrics of System Average Interruption Frequency Index (“SAIFI”), Customer
3 Average Interruption Duration Index (“CAIDI”) and System Average Interruption
4 Duration Index (“SAIDI”).

5 DP&L calculates and reports to the Commission SAIFI and CAIDI excluding
6 transmission events and Major Event Days (“MED”) consistent with O.A.C. 4901:1-10-
7 01, Section 4.5 of Standard 1366-2003 as adopted in the Institute of Electrical and
8 Electronics (“IEEE”) Guide for Electric Power Distribution Reliability Indices. MED are
9 major customer interruption events (e.g., major storms) and the methodology for
10 determining a major event is provided in the IEEE Standard 1366-2003. Calculating
11 reliability indices without transmission interruptions and major events provides the
12 reliability performance for DP&L’s distribution system that can be consistently
13 benchmarked relative to the other investor-owned utilities in the state of Ohio.

14 SAIFI represents the average number of interruptions per customers. SAIFI is not
15 measured in minutes like the other reliability metrics and is derived by taking the total
16 number of customer interruptions divided by the total number of customers served.

17 CAIDI is the Customer Average Interruption Duration Index and represents the average
18 time measured in minutes to restore service per interrupted customer and is derived by
19 summing the customer minutes of interruption divided by the total number of customer
20 interruptions.

21 SAIDI is the System Average Interruption Duration Index and represents the average
22 time measured in minutes a customer is interrupted and is derived by summing the total

minutes of customer interruption divided by the total number of customers served. Also, SAIDI is more quickly derived by multiplying CAIDI times SAIFI.

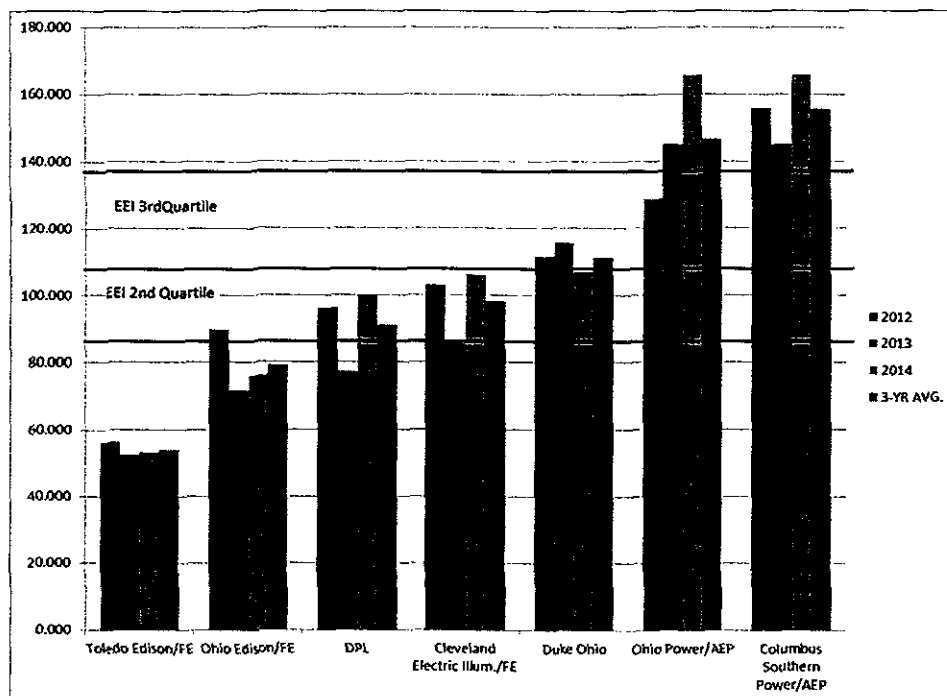
The following Chart provides DP&L's distribution SAIFI, CAIDI, and SAIDI performance over the past five years:

Chart Number 01
DP&L Reliability Indices

Year End	SAIFI	CAIDI	SAIDI
2010	0.83	116.09	96.41
2011	0.81	120.61	98.18
2012	0.80	120.15	95.63
2013	0.70	110.51	77.13
2014	0.82	121.86	99.66

The following graph shows the Commission's reliability indices for the investor-owned utilities in the state of Ohio. The graph shows the past three years and a column that represents the three-year average.

Graph Number 01
Ohio Investor Owned PUCO Reliability Indices



1 **Q. How does DP&L measure customer satisfaction and what are the results of the most**
2 **recent surveys?**

3 A. DP&L measures customer satisfaction through multiple channels to ensure that we
4 understand what our customers are looking for in their electric provider. Metrix Matrix is
5 a third party vendor that surveys approximately 400 of our customers on a quarterly
6 basis. The customers rate DP&L on several different areas including price, reliability,
7 company image, and customer care. For 2014, our results with Metrix Matrix indicate an
8 88% customer satisfaction rate. Metrix Matrix is able to provide DP&L an impartial
9 view from our customers' perspective. DP&L also uses JD Power to measure customer
10 satisfaction as compared to other similarly-sized utilities. JD Power measures similar
11 categories as Metrix Matrix while providing additional details in each of those
12 categories. For 2014, JD Power results indicate that we are in the third quartile compared
13 to other Midwest mid-size utilities.

14 Along with measuring customer satisfaction, DP&L also benchmarks the performance of
15 different areas in the company against other utilities to uncover areas of opportunity as
16 well as best practices. This benchmarking includes DataSource and Benchmark Portal
17 for Customer Service.

18 **Q. As customer sensitivity to reliability related service interruptions increases, what**
19 **are some of the major challenges DP&L will face in meeting its customers' future**
20 **expectations for an enhanced level of service?**

21 A. Vegetation causes nearly 40% of all customer minutes of interruption and presents a
22 continuing challenge. With the infestation of the Emerald Ash Borer, we expect a
23 significant number of ash trees that reside outside of the vegetation trim zone to die in the

future, leading to more distribution overhead electric infrastructure potentially being damaged by the falling trees.

V. DISTRIBUTION SYSTEM, DESIGN, CONSTRUCTION, OPERATION, AND MAINTENANCE

Q. What is DP&L's approach to designing, constructing, operating and maintaining, its distribution facilities?

A. DP&L's distribution facilities are designed, constructed, operated and maintained consistently with good utility practice, with the objective of continuing to provide safe, reliable and affordably priced electric distribution service to our customers.

Q. Please describe some of the factors that the Company must consider in attempting to achieve this objective of providing customers with safe, reliable and reasonably priced electric service.

A. DP&L must provide safe and reliable electrical distribution service to customers while balancing the investment and expenses to maintain affordability. The Company administers its planning and operating criteria consistently with good utility practice. In addition, DP&L must adhere to requirements mandated by the PUCO, other regulatory entities and/or reliability councils, and any governmentally-mandated projects or requirements.

Q. How does DP&L balance all of these factors?

A. DP&L's planning and operations personnel perform short and long term electric system modeling to determine reliability concerns due to equipment overloads, voltage issues, transient stability issues, etc. That information is provided to our Asset Management

1 personnel to determine the annual capital expenditures necessary to continue providing
2 safe, reliable and affordable electrical service to customers.

3 **Q. How does DP&L maintain and improve reliability within its distribution system?**

4 A. DP&L has adopted a results-based approach to the development and evaluation of
5 maintenance and inspection programs. All maintenance, inspection and capital planning
6 practices contribute to overall system performance and are regularly reviewed. DP&L's
7 maintenance programs consist of performing maintenance on each of the following:

- 8 • Poles and Towers - DP&L performs inspections on poles with an actual or
9 estimated vintage greater than 25 years or those poles that have visible defects, to
10 determine structural soundness and need for maintenance, repair, reinforcement
11 or replacement if applicable.
- 12 • Circuit and Line Inspections – The Overhead Distribution Line Patrol (“DLP”)
13 examines the condition of the hardware, conductor, poles, clearances, and tree
14 conditions. This comprehensive inspection includes the mainline overhead
15 distribution facilities from the substation including all branch lines to the service
16 drop. DP&L inspects 20% of its overhead circuits on an annual basis.
- 17 • Primary and Secondary Enclosures - The Underground Residential Distribution
18 (“URD”) inspection program is a comprehensive program to verify the physical
19 and visual condition of URD devices and to correct any safety and reliability
20 issues. These inspections are performed by map grid and 20% of all grids are
21 inspected yearly, with the entire system being inspected once every five years.
- 22 • Line Reclosers - DP&L visually inspects the physical condition, records counter
23 readings, ambient temperature and load on its reclosers annually.

- 1 • Line Capacitors - Capacitors are inspected annually, which includes inspection
2 of the cutouts, switches and controls.
- 3 • Distribution Right of Way (Vegetation Management) - The goal of the
4 vegetation management program is to maintain the reliability of the electric
5 distribution system by preventing outages and equipment damage due to trees or
6 other vegetation contacting the lines. Line clearance is performed on overhead
7 primary and secondary distribution conductors using American National
8 Standards Institute ("ANSI") standards as a basis for clearance from the
9 substation to the customer service drop with no circuit having a last trim date
10 greater than 5 calendar years.
- 11 • Substation - The goal of this program is to ensure continued reliable operation
12 and to extend the operating life of substation class transformers. DP&L performs
13 an external visual inspection monthly, checking for oil leaks, ground faults,
14 failed cooling fans, high temperature, high or low pressure, clogged or damaged
15 radiator grills, and damaged gauges. We also perform thermographic imaging on
16 a yearly basis, checking for hot spots due to loose connections. A dielectric oil
17 breakdown test is performed every five years to test the dielectric strength of the
18 oil and replace or filter oil if needed. Routine maintenance is performed on load
19 tap changers every 5 years. Doble testing is performed every 5 years to check for
20 insulation degradation. An operational test is performed on circuit breakers as
21 needed to ensure breakers are operated at least once per year to ensure proper
22 operation. A visual inspection is also completed annually to check for oil leaks,
23 cracked or damaged bushings. Substation switches are inspected annually to

1 check for hot spots. Relays are calibrated and trip tested by voltage level to
2 ensure reliable operation of relays.

- 3 • Air Break Switches - A visual inspection of air break switches is performed
4 annually, checking for handle and locking mechanism, ground connection,
5 insulators, and lightning arresters.
- 6 • Voltage Regulators – Voltage regulators are inspected biennially and include a
7 control check, visual check of the physical condition and status of indicator
8 readings.

9 In addition to its maintenance programs, DP&L monitors reliability daily and addresses
10 concerns through its Overhead Reliability Program (“ORP”) and Reliability Action
11 Program (“RAP”). The ORP addresses concerns on DP&L’s 8% worst performing
12 circuits and the RAP addresses concerns on branch lines.

13 **Q. Briefly describe DP&L’s Distribution Asset Management programs?**

14 A. To summarize, the DP&L Asset Management Strategy is the methodology and practices
15 for providing a systematic representation, governance and management framework that
16 will enable DP&L to:

- 17 • Understand what system capacity and reliability is required, both now and in the
18 future, and what issues drive these requirements;
- 19 • Have robust and transparent processes in place for managing all phases of the
20 electric system and asset life cycles;

- 1 • Adequately consider the classes of asset risk that DP&L's system faces, and to
- 2 ensure that DP&L has systematic processes in place to mitigate these identified
- 3 risks;
- 4 • Have an ever-increasing knowledge of our assets, the health of our assets
- 5 (locations, ages, conditions, etc.) and projected future performance;
- 6 • Make all decisions within systematic frameworks and guidelines.

7 The Asset Management Strategy is built upon systematic data-driven decisions for all
8 dimensions of asset maintenance, operation, risk, and investment. This strategy drives a
9 range of initiatives that ensure consistent collection, organization and communication of
10 asset data. The data is used to measure and monitor the performance and health of each
11 asset, which is in turn used to identify and prioritize system and asset risks to optimize
12 investment decisions.

13 The process is a dynamic one, recognizing that new information may impact the
14 achievability of the plan and therefore change priorities. This means that there is a
15 continuous process of dialogue in which the Asset Management team interacts with other
16 internal stakeholders on a regular basis, consistent with good management practice (e.g.
17 managerial approval, meetings, communications, etc.)

18 Key internal stakeholders are the delivery organizations for our asset management
19 processes and procedures (e.g. Lines and Substations). They are continuously involved in
20 assessing the profile of future risks and investment levels in the system to ensure that the
21 plan can be implemented within the existing resource and delivery constraints. Each
22 year, DP&L develops a comprehensive set of Asset Management related objectives.

1 These objectives contain a broad scope of activities and achievements planned for the
2 coming year.

3 **VI. CONCLUSION**

4 **Q. Does that conclude your direct testimony?**

5 **A. Yes.**

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 15-1830-EL-AIR
CASE NO. 15-1831-EL-AAM
CASE NO. 15-1832-EL-ATA

DIRECT TESTIMONY
OF BRUCE R. CHAPMAN

- ☐ **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
BRUCE R. CHAPMAN
CHRISTENSEN ASSOCIATES ENERGY CONSULTING, LLC
ON BEHALF OF
THE DAYTON POWER AND LIGHT COMPANY

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1 **I. INTRODUCTION**

2 **Q. Would you please state your name and business address?**

3 A. My name is Bruce R. Chapman. My business address is 800 University Bay Drive, Suite
4 400; Madison, Wisconsin 53705. I am a Vice President with Christensen Associates
5 Energy Consulting, LLC ("CA Energy Consulting").

6 **Q. Would you please describe your educational background and employment
7 experience?**

8 A. I received a Bachelor of Arts degree from the University of Pittsburgh in 1976 and hold a
9 Master of Arts (in fact, a Ph.D., all but dissertation) in Economics from the University of
10 Wisconsin. I majored in Industrial Organization. I have been employed by three
11 economic consulting firms. Since 1986, I have worked at Christensen Associates Energy
12 Consulting or its parent, Laurits R. Christensen Associates, Inc., in positions of
13 increasing responsibility. The focus of my work has been regulated utility costing and
14 pricing, including both traditional and innovative rate design, embedded and marginal
15 costing. I have prepared, analyzed, and advised for nearly a decade on both cost of
16 service ("COS") studies and COS methodology. I have supervised the design of our
17 firm's most recent COS model and an associated rate design model, and I have applied
18 our models in the service of clients. Additionally, I have undertaken COS studies making
19 use of our clients' in-house models, and have provided advice on COS issues on
20 numerous occasions. Recent projects have included evaluation of various utilities' COS
21 methodologies. I testified recently in regulatory hearings on cost-of-service methodology
22 issues before the Nova Scotia Utility and Review Board.

1 **II. PURPOSE OF TESTIMONY**

2 **Q. What is the purpose of your testimony?**

3 A. The purpose of my testimony is to present and explain the COS study filed by The
4 Dayton Power and Light Company ("DP&L" or "Company") in this proceeding.

5 **Q. Would you please describe your role in preparing the COS Study?**

6 A. The COS Study was conducted under my supervision and control. The COS model
7 design originated with DP&L. I reviewed their model for reasonableness. DP&L
8 provided the financial data necessary to populate the model, as well as the original
9 classification information and allocator designations. DP&L also provided fixed cost
10 breakdowns by service level and metering information detail that supported the
11 development of certain allocators. CA Energy Consulting advised DP&L with respect to
12 the selection of allocators and the development of classification calculations.
13 Subsequently we reviewed all files and computations that develop classification shares
14 and allocators. Additionally, we tested the functioning of the model under various
15 alternative assumptions, and generally audited its performance. I supervised this activity.
16 My conclusion is that the model records the utility's full costs and reliably computes
17 costs allocated to the utility's various classes. As a result of my work with DP&L in
18 preparing the study and its underlying model I adopt and sponsor the model and support
19 the study results.

20 **Q. Are you supporting any schedules with your testimony?**

21 A. Yes. I am supporting the following schedules, which represent DP&L's COS study:

- 22 • Schedules E-3.2, E-3.2a, E-3.2b, and E-3.2c.

1 **Q. Would you please summarize your testimony?**

2 A. Yes. In Section III, I provide an overview of the reasons for conducting a COS study, the
3 steps involved in a study, and the ways in which the study is used. Sections IV and V
4 describe how the financial costs of the utility are associated with the classes deemed
5 responsible for those costs. These sections include a discussion of DP&L's approach to
6 the various steps involved in developing the cost of service. In Section VI, I review the
7 results of the study, and Section VII provides conclusions.

8 **III. THE NATURE AND PURPOSE OF A COS STUDY**

9 **Q. Please explain the basis of and need for a cost of service study.**

10 A. An electric COS study separates a utility's total electric investments, revenues, and
11 expenses into the jurisdictions that a utility serves, and then among the rate classes or
12 groups within each jurisdiction. The primary goal is to identify the costs incurred by the
13 utility in providing service to each group of customers. A study is necessary to enable a
14 regulatory commission to review a utility's jurisdictional earnings and to evaluate the
15 contribution made by rates within its jurisdiction. DP&L, like other electric utilities,
16 maintains its books and records in accordance with the Uniform System of Accounts as
17 directed by the Federal Energy Regulatory Commission ("FERC") and the Public
18 Utilities Commission of Ohio ("PUCO" or "Commission"). Although this system of
19 accounting contains company-wide information, it does not separate the company's
20 investments, revenues, and expenses by jurisdiction or by rate classes or groups within
21 the jurisdiction. A COS study performs this role. A thorough, well-performed COS
22 study can be a useful (and often the primary) tool for determining the adequacy of current
23 rates. For those rates that the study reveals to be inadequate at current tariff levels, the

1 study can be an appropriate tool for determining what rate changes should be made to
2 achieve revenue adequacy. Ultimately, a COS study establishes cost responsibility by
3 tariff class that enables the utility to determine just and reasonable rates. The COS study
4 filed in this proceeding accomplishes this objective of separating costs by rate class
5 groupings.

6 **Q. How are COS studies used in the regulatory process?**

7 A. A COS study is often used as a tool to determine earnings and cost recovery by
8 regulatory jurisdiction (if the utility has multiple jurisdictions) and by customer
9 group/rate class. The regulatory body can use these COS results to ascertain the utility's
10 overall revenue requirement as well as to judge the adequacy of rates within the
11 jurisdiction. The National Association of Regulatory Utility Commissioners ("NARUC")
12 identifies the COS study among the basic tools of ratemaking, and it is used to attribute
13 costs to different categories of customers based on how those customers cause costs to be
14 incurred.

15 **Q. Once the COS study was completed, was it used by DP&L in this rate filing?**

16 A. Yes. DP&L examined the results of the study to determine how well each rate class's
17 revenues were covering costs. Company Witness Parke then used the data to develop the
18 proposed target rate of return and rate design for each tariff class.

19 **Q. In preparing a COS study, is there a guiding principle that a utility should follow?**

20 A. Yes. The overall objective of a COS study is to assign or allocate costs fairly and
21 equitably to all customers. This objective is accomplished when the resulting study
22 reflects the principle of "cost causation." This principle states that those customers who

1 caused a particular cost to be incurred by the company in providing service to them
2 should be responsible for those costs.

3 When certain costs are readily identified with a particular customer group, the assignment
4 of those costs to that group reflects cost causation, which is fair and equitable to all
5 customers. However, it must be recognized that most parts of an electric system are
6 planned, designed, constructed, operated, and maintained to serve all customers. These
7 costs are referred to as “joint” or “common” costs. Joint or common costs must be
8 allocated to customer groups based on the cost-causative nature, or “drivers” of the costs
9 incurred, and the aggregate requirements and service characteristics of the customers that
10 caused the costs to be incurred. By adhering to this fundamental and essential principle
11 of cost causation, the results of the COS study will be fair and equitable to all customers.

12 **Q. What are the major “drivers” that cause costs to be incurred?**

13 A. Costs are normally influenced by three factors that are observable for most customers.
14 Cost causation can be viewed as: (1) demand-related – costs incurred to serve peak needs
15 for electricity (kW); (2) energy-related – costs that vary with energy consumption (kWh);
16 and (3) customer-related – costs that vary with the number of customers or record the
17 presence of a customer. Utilities classify each of their assets and expenses according to
18 their cost-causative factors and then allocate each set of classified assets and expenses.
19 Each of these three drivers has its own separate and appropriate allocators to spread
20 respective costs to rate groups within the utility.

21 **Q. Would you please summarize the steps to perform a COS study?**

1 A. Typically, a COS study consists of five major steps. These steps are: (1) functionalization
2 of the financial accounting data, (2) levelization of the data, (3) cost-causative
3 classification of the financial costs, (4) assignment of certain costs and revenues, and (5)
4 allocation of common costs. After these steps are completed, by comparing revenues
5 with cost to serve, by tariff class, one can observe how well customer groupings cover
6 their cost to serve.

7 **Q. What is the first step, functionalization?**

8 A. Functionalization is the subdivision of a utility's assets and costs into the main functions
9 required to provide electricity to customers. DP&L follows the functional categories
10 contained in the FERC Uniform System of Accounts, namely production, transmission,
11 distribution, customer services (customer accounting, customer assistance, sales), and
12 administrative and general.

13 **Q. Does your analysis address all of those functions?**

14 A. Production and transmission expenses are naturally incurred in the service of customers,
15 but these expenses are excluded from the COS study, since they are not the subject of this
16 proceeding. The other functions are included.

17 **Q. Please describe the second step, levelization.**

18 A. Levelization is the process of disaggregating costs by the customers' voltage service
19 levels. The service level designations are a means of identifying and associating
20 investment and expenses with customers and their loads at established points of service.
21 In general, the lower the voltage level of service required by the customer, the greater the
22 cost of providing service, because additional equipment is necessary to deliver lower

1 voltage service and additional load losses are incurred when stepping down the load to
2 lower voltages.

3 **Q. At what voltage service levels are DP&L's customers served?**

4 A. DP&L has customers at secondary and primary distribution levels, at the substation level,
5 in which customers are connected directly to the primary voltage side of a substation, and
6 at the high voltage or transmission level of service. Representative voltage service levels
7 for these groups of customers are: 1) secondary – less than 2.4 kV; 2) primary – 2.4 kV or
8 higher; 3) substation – 2.4 kV or higher, with service taken directly from the substation;
9 and 4) transmission – 69 kV or higher.¹

10 **Q. What is the next step, classification?**

11 A. Classification segregates costs into the three primary “cost-causative” characteristics of
12 investment and expenses described above. Each type of cost varies in response to changes
13 in one or more of: energy consumed (kWh), peak demand (kW), and number of
14 customers.

15 **Q. What is included in the assignment step?**

16 A. As noted above, if costs are the responsibility of certain customers or groups of
17 customers, these costs can be assigned directly to the customers responsible for them.

18 **Q. What is the final step of allocation?**

19 A. Allocation is the process of dividing common costs (costs that cannot be assigned to
20 specific customers) among rate groups. This process requires the development of

¹ See The Dayton Power & Light Company's Proposed Tariff Sheet No. D14, Electric Distribution Service, General Service Rules and Regulations, Definitions and Amendments, pages 3-4.

1 allocators. An allocator provides the share of each type of costs for which each rate
2 group bears responsibility.

3 **Q. Which jurisdictional tariff classes are used in this COS study?**

4 A. The jurisdictional classes used in this COS study are Residential, Secondary, Private
5 Outdoor Lighting, Street Lighting, Primary, Primary Substation, and High Voltage. The
6 first four classes are all served at the secondary voltage level.

7 **IV. CLASSIFICATION OF DISTRIBUTION COSTS AT DP&L**

8 **Q. How do utilities typically classify distribution costs?**

9 A. Utilities usually divide distribution costs between demand-related and customer-related
10 categories. In many cases, classification is not an issue, since the cost can be related
11 exclusively to peak demand or number of customers. For example, substation costs are
12 generally regarded as demand-related, while meter costs are viewed as customer-related.
13 However, in other cases, distribution classification is complicated by recognition that
14 both demand and customer numbers play a role in causing costs. In particular, assets
15 under FERC account numbers 364-368 must usually be studied in order to classify costs
16 successfully. Those accounts cover poles, towers, and fixtures (364); overhead
17 conductors and devices (365); underground conduit (366); underground conductors and
18 devices (367); and line transformers (368).

19 **Q. What methods are used to classify these accounts?**

20 A. Two methods are typically used: "minimum-size" and "minimum-intercept" (or "zero-
21 intercept"). The former classifies the costs of a hypothetical minimum-size version of the
22 utility's distribution system capable of connecting to all customers as customer-related,

1 then classifies all residual costs as demand-related. The analyst examines the assets of
2 each account, identifying the smallest type of pole, conductor, etc., valuing this smallest
3 unit and multiplying by the total number of units of that type. Comparison with the value
4 of all the assets in the account yields the result.

5 The “minimum-intercept” method calculates the costs associated with zero loads by
6 valuing the costs of all assets and conducting regression analysis of cost on current-
7 carrying capacity or demand rating to establish the cost of a zero-load system.

8 Each approach has its merits. The minimum-size approach is economical because the
9 data are available and the computations are straightforward. The minimum-intercept
10 approach makes use of cost information on assets of all sizes in each class and computes
11 a zero-load estimate, as opposed to a minimum-load presumption generated by the
12 minimum-size method. Both methods are acceptable to the industry, as may be seen by
13 referencing the NARUC Electric Utility Cost Allocation Manual.²

14 **Q. What method does DP&L use?**

15 A. DP&L uses the minimum-size method. Its approach enumerates system assets and values
16 them at current replacement cost to determine the customer cost. DP&L then analyzes
17 each account’s costs by vintage year, using the 2015 Handy-Whitman Index to determine
18 the total account investment in today’s dollars. The customer cost is divided into this
19 adjusted total to determine the customer and demand shares. The results of its research
20 are in the table below.³

² See Chapter 6, Section II, pages 90-96.

³ Classification of FERC account 366, underground conduit, is based on analysis of other accounts. Such practice is common classification methodology.

FERC A/C	Account Name	Customer	Demand
364	Poles – Primary	21.50%	78.50%
	Poles – Secondary	21.70%	78.30%
365	Overhead Conductors – Primary	11.47%	88.53%
	Overhead Conductors – Secondary	22.60%	77.40%
367	Underground Conductors – Primary	5.76%	94.24%
	Underground Conductors – Secondary	6.69%	93.31%
368	Transformers – Primary	0.37%	99.63%
	Transformers – Secondary	19.49%	80.51%

1

2 **Q. Have you reviewed the information provided by DP&L on its minimum size**
3 **method?**

4 A. Yes. I reviewed each account's asset enumeration and the computations that were used
5 to derive the classification results. Based on my experience, the computations are
6 reasonable, and should be accepted by the Commission.

7 **V. ALLOCATION OF DISTRIBUTION COSTS AT DP&L**

8 **Q. How do utilities typically allocate demand-related distribution costs?**

9 A. Utilities allocate demand-related distribution costs primarily by reference to class shares
10 of non-coincident peak ("NCP") demand. Load research reveals each class's single
11 maximum level of consumption over the course of a year. The 1NCP allocator is simply
12 each class's share of the sum of these values. (The "1" denotes the single annual
13 maximum value.) Investment in distribution expenses is presumed to occur in response
14 to the increase in peak demands of subgroups of customers on individual feeder lines,
15 with such peak demands not necessarily corresponding in timing to system peak
16 demands. Accordingly, measuring each subgroup's peak or, more feasibly, each class's

1 peak, and then estimating the class's share in the sum of the peaks across all classes, is a
2 reasonable way to judge responsibility for demand-related cost causation applying to
3 distribution investment.

4 **Q. How does DP&L allocate demand-related distribution costs?**

5 A. DP&L applies the 1NCP approach, in line with the practices of many other utilities. As
6 with other utilities, the allocator has several representations based on the levelization of
7 costs. Thus, the DP&L COS model features three NCP allocators applicable to
8 substation, primary, and secondary service levels. The "Pri_Sub_Dem" allocator is based
9 on the peak demands of all distribution customers and allocates substation-related costs to
10 all distribution customers. The "Pri_Dem" allocator is based on the peak demands of
11 distribution customers excluding substation customers and allocates costs at the primary
12 level, costs for which all customers whose classes are included in the allocator are
13 responsible. The "Sec_Dem" allocator, in contrast, includes only secondary service level
14 classes in the allocator computation, and allocates costs for which only secondary
15 customers are responsible. This practice is common among utilities.

16 **Q. Are you familiar with the development of DP&L's 1NCP allocators?**

17 A. Yes. Although I did not supervise their construction, I have reviewed their development
18 and find them to be reasonable and acceptable for cost allocation.

19 **Q. How did DP&L develop its 1NCP allocators?**

20 A. DP&L possesses load research data for its customer classes. The utility collaborated with
21 CA Energy Consulting to develop class load profiles for the period November 1, 2013 to
22 October 31, 2014. The results of the load research study are sponsored by Company

1 Witness Adams. DP&L then calculated annual class maxima and the resulting allocators
2 by voltage service level.

3 **Q. Why do you characterize this process as reasonable?**

4 A. This application of load research data to generate demand-related allocators is
5 conventional. Again, it is consistent with other utilities' practices and my experience.

6 **Q. How do utilities typically allocate customer-related distribution costs?**

7 A. Utilities develop customer-related allocators that record the shares of customers by class,
8 often weighted to represent cost variation across customer classes. For example, a utility
9 might use customer numbers, weighted by meter cost in each class as a customer-related
10 allocator of meter costs.

11 **Q. How does DP&L allocate customer-related distribution costs?**

12 A. DP&L uses allocators based on customer numbers and defined by voltage service level
13 for various types of assets and expenses. In addition to these customer accounts
14 allocators, there are allocators for service drops and meter equipment, based on
15 enumeration of the utility's assets and expenses in these categories. In addition, the utility
16 develops allocators for customer deposits and contributions in aid of construction, again
17 based on enumeration of financial data pertaining directly to these cost categories.

18 **VI. COST-OF-SERVICE RESULTS**

19 **Q. Would you please discuss the schedules that you are supporting with your**
20 **testimony?**

21 A. I am supporting four schedules. They are Schedule E-3.2, Cost of Service - Total
22 Jurisdictional Costs; Schedule E-3.2a, Cost of Service - Demand Costs; Schedule E-3.2b,

1 Cost of Service - Customer Costs; and Schedule E-3.2c, Cost of Service - Allocators.
2 The first of these provides a summary of the computations in the next two schedules,
3 while the allocators schedule provides the means by which classification and allocation
4 shares are developed.

5 **Q. Would you please describe the contents of Schedule E-3.2?**

6 A. Schedule E-3.2, Cost of Service - Total Jurisdictional Costs, presents summary
7 information for all financial accounts for the twelve-month adjusted test period ending
8 May 31, 2016, first classified into demand- and customer-related categories and then
9 allocated (or assigned) to the utility's rate classes. The schedule contains eight pages, the
10 first of which presents aggregate rate base, expense, net return, actual rates of return,
11 revenue deficiency given target rate of return, and culminates in proposed revenue
12 increase overall and by class. Subsequent pages present the details that produce the totals
13 on the first page. This schedule was prepared using information provided by other
14 Company witnesses in Schedules B, C, and D.

15 **Q. What does the first summary page (page 1 of 8) of Schedule E-3.2 show?**

16 A. In brief, the first summary page indicates that DP&L has a jurisdictional revenue base
17 requirement of \$278.059 million (line 32) and currently earns a rate of return of 1.65%
18 (line 21). This filing requests that the Commission approve a rate of return of 7.86%
19 (line 14). That rate of return ("ROR") produces a revenue deficiency and proposed
20 revenue increase of \$65.772 million (lines 26 and 28).

21 Page 1 (line 21) also reveals that rates of return currently vary between -236.55% for the
22 Private Outdoor Lighting rate class and 3.38% for the Secondary Customers rate class.

1 The proposed revenue increases by tariff class are predicated upon a target rate of return
2 for each class, as supported by Company Witness Parke.

3 **Q. Did you review the Company's proposed revenue change by tariff class and**
4 **resultant RORs?**

5 A. Yes. I reviewed the proposal and, given DP&L's proposed overall ROR, I believe that
6 the adjustments made to individual tariffs' present revenues are reasonable and that an
7 appropriate and fair methodology for adjustment was used. This methodology avoids
8 excessive rate changes, to the extent possible within classes, and moves all of the rate
9 classes' RORs closer to the Company's proposed overall ROR.

10 **Q. What does the second Schedule E-3.2a present?**

11 A. Schedule E-3.2a, Cost of Service - Demand Costs, provides information for the utility
12 and each rate class covering costs caused by demand. The schedule is structured to be
13 exactly parallel with Schedule E-3.2, with summary information on page 1 of 8. The two
14 leftmost columns containing numbers present jurisdictional total cost and demand-related
15 cost. Columns to the right contain demand-related cost by tariff class.

16 **Q. What is contained on the first page of Schedule E-3.2a?**

17 A. The first page (page 1 of 8) shows that about 70% of rate base is deemed demand-related,
18 and about 72% of operating expenditures are so deemed. (Lines 5 and 12, respectively.)

19 **Q. What is shown on subsequent pages of Schedule E-3.2a?**

20 A. Each subsequent page displays the allocator used to determine class shares of an
21 account's demand-related costs. For example, line 8 on page 2 of 8 shows that the
22 Dist_Land_Dem allocator was used to allocate the gross plant value of Land and Land

1 Rights. As the name suggests, the allocator is a reflection of a demand-related allocator
2 that, as shown on Schedule E-3.2c, is partially based on the INCP Pri_Sub_Dem
3 allocator discussed earlier.

4 **Q. How were these demand-related and customer-related allocators on Schedule E-3.2a**
5 **selected?**

6 A. CA Energy Consulting and DP&L reviewed the various investments, revenues, and
7 expenses in need of allocation and collaboratively determined the appropriate allocation
8 method for each item. CA Energy Consulting concluded that the allocators comport with
9 industry practice and/or have a common-sense basis.

10 **Q. Are you confident that these allocators are correctly applied by the model?**

11 A. Yes. CA Energy Consulting reviewed the model in detail and concluded that the
12 allocators identified in the model in Schedules E-3.2a and E-3.2b utilize the proper
13 allocator values and correctly calculate class shares.

14 **Q. If we turn to Schedule E-3.2b, Customer Costs, what are the salient points?**

15 A. This schedule is structured identically to its two predecessors. Page 1 of 8 provides the
16 shares of rate base and expenses that are customer-related. (Please see lines 5 and 12,
17 respectively.) Customer-related distribution costs appear to be relatively less significant
18 than demand-related costs, in aggregate.

19 **Q. Should we note anything else in Schedule 3-2b?**

20 A. Yes. On rare occasion, an account will be allocated by the term "Direct." An example
21 appears on page 2 of 8, at line 18. FERC account 371, Installations on Customer
22 Premises, is assigned entirely to the Private Outdoor Lighting class. In this case, lighting

1 equipment can be identified with a unique class, so an allocation of common costs is not
2 necessary.

3 **Q. Turning to Schedule 3-2c, Cost of Service - Allocators, would you please describe**
4 **the purpose of this schedule and its functioning in the development of the preceding**
5 **schedules?**

6 A. Yes. This schedule computes or acquires the shares used in allocating individual
7 accounts' costs in Schedules E-3.2a and E-3.2b. Schedule E-3.2c consists of four pages.
8 Pages 1 and 2 contain the basic demand and customer allocators. The demand allocators
9 are derived, as mentioned, from the load research study of DP&L, while the customer
10 allocators originate with customer numbers and weights computed by DP&L for services,
11 meters, and other categories. I have reviewed the associated workbooks and verified
12 their calculations.

13 **Q. What information appears on subsequent pages of Schedule 3-2c?**

14 A. Pages 2 and 3 of that schedule contain calculations of the demand and customer
15 components of the main distribution accounts (FERC accounts 360-368): land, structures,
16 poles, conductor, underground conduit, and line transformers. The calculations reveal
17 compartmentalization between primary and secondary voltage service levels, followed by
18 division between demand and customer components and, ultimately, rate classes. The
19 primary/secondary split occurs off-board based on calculations by DP&L staff while
20 classification and allocation makes reference to the previous basic demand- and
21 customer-related allocators.

Page 4 develops additional allocators based on aggregates that are computed in the preceding schedules. Examples include gross and net plant, types of expenditures, and income tax. Examination of Schedules E-3.2a and E-3.2b reveals that these allocators are used in locations where no previous allocator is appropriate. For example, the allocation of customer-related miscellaneous intangible plant (Schedule E-3.2b, page 2, line 38) is based on shares of gross distribution plant that is customer-related (Gr_Dist_Plant_Cust).

VII. CONCLUSIONS

Q. What are the conclusions of your testimony?

A. DP&L's COS Study fairly and accurately presents the classification and allocation of the utility's financial information to its retail customer classes. Reasonable and well established allocators are used in cost allocation. Classification percentages are derived in demonstrably reliable computations of cost shares by voltage service level and minimum size for the major asset accounts. Classification for other accounts is consistent with industry standards. Additionally, the COS study reveals the current rate of return for the utility as a whole and for individual classes, based upon sound cost causation and provides essential information for guidance in rate setting.

Q. Does this conclude your direct testimony?

A. Yes.

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 15-1830-EL-AIR
CASE NO. 15-1831-EL-AAM
CASE NO. 15-1832-EL-ATA

DIRECT TESTIMONY
OF ALAN D. FELSENTHAL

- ☐ **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
ALAN D. FELSENTHAL
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 Alan D. Felsenthal. My business address is One North Wacker Drive, Chicago, Illinois, 60606.

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

A. I am a certified public accountant and a Managing Director at PricewaterhouseCoopers LLP ("PwC"). PwC performs examinations in accordance with generally accepted auditing standards of the financial statements of public utilities and other companies and entities for the purpose of evaluating whether they were prepared in conformity with generally accepted accounting principles and applicable rules of regulatory agencies. We also conduct special studies requested by our clients, prepare tax returns and provide other consulting services. Throughout my career, my focus is on the regulated industry sector, primarily electric, gas, telecommunication and water utilities.

Q. On whose behalf are you offering this testimony?

A. I am presenting testimony on behalf of The Dayton Power and Light Company ("DP&L" or "Company").

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

A. I graduated from the University of Illinois in 1971 and began my career at Arthur Andersen & Co ("Arthur Andersen"), where I was an auditor, focusing on audits of financial statements of regulated entities. In 2002, I joined PricewaterhouseCoopers and became a Managing Director in their Utilities Group and continued performing audits for

1 regulated entities. I was hired by Huron Consulting Group ("Huron") in 2008 and
2 returned to PwC in November of 2010.

3 At both Arthur Andersen and PwC, I supervised audits of financial statements on which
4 the firms issued audit opinions that were filed with the Securities and Exchange
5 Commission ("SEC"), the Federal Communications Commission, the Federal Energy
6 Regulatory Commission ("FERC") and various state commissions. At Arthur Andersen,
7 PwC and Huron, I consulted on a significant number of utility rate cases and helped
8 develop testimony for myself and others on a variety of issues, including construction
9 work in progress in rate base, projected test years, lead-lag studies, cost allocation,
10 several accounting issues (e.g., pension accounting, regulatory accounting, income tax
11 accounting, cost of removal) and compliance with the income tax normalization
12 requirements. The testimony developed for myself or others was filed in Arizona,
13 Florida, Illinois, Iowa, Indiana, Michigan, Minnesota, Nevada, New Mexico, Texas,
14 Washington and Wisconsin. I have testified before the Arizona Corporation
15 Commission, the Florida Public Service Commission, the Illinois Commerce
16 Commission, the Indiana Utility and Regulatory Commission, the Public Utility
17 Commission of Texas and the Washington Utilities and Transportation Commission.

18 **Q. Have you dealt with the unique accounting, tax, and financial reporting issues**
19 **encountered by regulated enterprises?**

20 A. Yes. Throughout my career, I have focused on utility accounting, income tax and
21 regulatory issues, primarily as a result of auditing regulated enterprises. The unique
22 accounting standards applicable to regulated entities embodied in Accounting Standards
23 Codification ("ASC") 980, Regulated Operations (formerly, Statement of Financial

Accounting Standards ("SFAS") 71, FAS 90, FAS 92, FAS 101 and various Emerging Issues Task Force ("EITF")) issues all need to be understood so that auditors can determine if a company's accounting has been applied appropriately. During my career, I have witnessed the issuance of these standards and have consulted with utilities as to how they should be applied. At both Arthur Andersen and PwC, I worked with the technical industry, accounting and auditing leadership to communicate and consult on utility accounting and audit matters.

Q. Have you provided training on the application of Generally Accepted Accounting Principles ("GAAP") to regulated enterprises?

A. Yes. At Arthur Andersen, Huron and PwC, I developed and presented utility accounting seminars focusing on the unique aspects of the regulatory process and the resulting accounting consequences of the application of GAAP. I have presented seminars, as well as delivered training on an in-house basis. Seminar participants have included utility company and regulatory commission staff accountants, utility rate departments and internal auditors, tax accountants and others. I have also conducted these seminars in-house for the FERC and several state commissions, and I have presented at various Edison Electric Institute and American Gas Association ratemaking and accounting seminars.

Q. Have you ever been associated with the determination of working capital requirements?

A. Yes. I have consulted with various clients on a variety of questions and matters related to that subject, and I have led engagements to perform lead-lag studies for utilities in New Mexico and Illinois.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of this testimony?

A. The purpose of my testimony is to support the cash working capital component of the working capital component of rate base as applied through the performance of a lead-lag study.

Q. What schedules and workpapers in the filing are you sponsoring?

A. I am sponsoring the following schedules and workpaper:

- Schedule B-5, Allowance for Working Capital, page 1
- Schedule B-5.1, Miscellaneous Working Capital Items, page 1
- Workpaper B-5.1a, Cash Working Capital Items

Q. What is the overall result of the Lead-Lag Study?

A. As shown on Schedule B-5.1, page 1, the revenue lag is \$36,608,278 and the expense lead is \$38,435,765, producing a cash working capital requirement of (\$1,827,487). Workpaper B-5.1a contains the various lead and lag days applied to the various revenue requirement components (e.g. revenues, costs and return) to derive the overall cash working amounts. Exhibits ADF- 1 through ADF-8 provide support for the lead and lag days used to develop the cash working capital requirement.

III. LEAD-LAG STUDY OVERVIEW

Q. What is a Lead-Lag Study?

A. A lead-lag study is a means to identify the cash working capital requirements of a utility that recognizes the need for additional investment from debt and equity holders in order to pay for the shortfall between (a) the time period in which service has been provided to

1 customers and such customers actually pay for such service (“revenue lag”) and (b) the
2 time period in which vendors, employees and investors provide service to the Company
3 and such vendors, employees and investors are fully paid for rendering this service
4 (“expense lead”).

5 As with prior cases at the Public Utilities Commission of Ohio (“PUCO”) and consistent
6 with the PUCO Staff guidance on preparing a lead lag study, the lead lag study includes the
7 cash working capital requirements for all of DP&L’s revenue requirement/cost of service
8 components. Considering all revenue requirement/cost of service components is necessary
9 to produce a complete measure of the investor-supplied cash working capital committed to
10 providing utility service.

11 Said another way, the overall revenue requirement consists of recovery of various
12 operating expenses and a return. From the revenue requirement, a tariff is developed
13 which is billed to customers as service is rendered to those customers. There is a lag
14 from the time that service is provided to customers and those customers pay for this
15 service. On the other hand, many of the expenses and the overall return that the revenue
16 requirement is meant to recover are incurred by the Company in advance of when
17 actually paid. When the lag in revenue recovery is greater than the lead in payment of
18 expenses and costs, that difference requires additional investor (i.e., debt and equity)
19 funding. That additional investor funding requires a return and, therefore, the amount of
20 such funding represents the cash working capital requirement that is included in rate base.

21 In the first part of a lead-lag study, the revenue lag is determined by measuring the number of
22 days from the date service is provided to customers until cash collection occurs. This
23 revenue lag represents a use of funds which must be supplied by the Company through its

1 investors to provide service to customers prior to cash collection. The second step is to
2 determine the expense lead, or the period of time between the receipt of goods and services
3 provided to Company and the date at which payment for those goods and services is required.
4 This expense lead represents a source of funds which, during the duration of the period,
5 reduces the amount of funds to be provided by the Company through its investors as such
6 funds are provided temporarily by the Company's creditors.

7 The net result of the revenue lag as applied to the test period revenues and the expense and
8 return lead as applied to the test period expenses and overall return is added to rate base
9 representing the additional capital supplied by debt and equity holders needed to fund the
10 day-to-day operations of the Company.

11 **Q. Does the Lead-Lag Study look at revenues and costs independently?**

12 A. Yes. Revenue lags and expense leads are calculated independently. By this I mean that the
13 study identifies the unique characteristics of various revenue and costs. For instance, the
14 time between when service is rendered and employees are paid is different than the time
15 between when current income tax is expensed versus when paid or when insurance coverage
16 is provided versus when paid. The resulting weighted average lag or lead days are applied to
17 the overall revenue requirement and to the individual categories of test year costs comprising
18 the revenue requirement. The net result, either positive or negative, represents the allowance
19 for cash working capital. If positive, the allowance for cash working capital indicates the
20 need for additional investor investment. If negative, the result would indicate that non-
21 investor sources are available.

1 The cash working capital allowance determined from the Lead-Lag Study is added to other
2 balance sheet items, such as materials and supplies and various prepaid assets, to yield the
3 total working capital allowance, which is included in rate base.

4 **IV. PROCEDURES USED TO PREPARE THE LEAD-LAG STUDY**

5 **Q. How did you develop the Lead-Lag Study?**

6 A. In March 2014, initial discussions were held with Company personnel to obtain an
7 understanding of various DP&L processes regarding billings, payroll and benefits, insurance,
8 taxes other than income taxes and income taxes. From these discussions lead and lag days
9 were developed considering the processes in place in 2014. The results of this initial work
10 were updated in 2015, where necessary, to include the number of days reflecting the processes
11 in existence in the April-June 2015 period.

12 **Q. What is the source of the information that you used to prepare the Study?**

13 A. The sources of the information are the processes in place throughout 2014 and updated, as
14 necessary, for any process changes occurring in the months preceding the beginning of the test
15 period (the test period is June 2015-May 2016). Information from the books and records of
16 the Company was used to develop the lead and lag days for the various revenue and expense
17 components of the Lead-Lag Study.

18 **Q. Why were periods in 2014 used for the Lead-Lag Study when the test year for the**
19 **rate case is the twelve months ended May 31, 2016?**

20 A. Because of the nature, complexity and timing of a lead-lag study, it is not practicable to
21 use the test year as the study period. Data from both 2014 and 2015 was used to obtain
22 the lead and lag days that were indicative of the processes that are representative of the

1 test period and applied the results to the components of the Company's revenue
2 requirement. Unless there have been or will be changes in processes or activities
3 requiring updating, the study period results should be representative of the test year.

4 **Q. Were there any times in the Lead-Lag Study where conditions had changed from**
5 **your initial study period to the results reflected in your updated study?**

6 A. Yes. The insurance leads changed due to several director, officer and fiduciary policies
7 purchased at the time The AES Corporation ("AES") (DP&L's parent company) acquired
8 DP&L. DP&L prepaid these policies for 3 years. The majority of their insurance policies
9 are now currently prepaid for a one-year term. By removing the multi-year policies and
10 replacing them with one year policies, the negative lead days has changed to
11 approximately 29 days.

12 In the more recent study period, DP&L also stopped issuing manual payroll checks to its
13 employees. This process change reduced the payroll expense lead days by approximately
14 one-half a day.

15 Third, in the more recent study period, the collection of the Ohio Development Services
16 Agency ("ODSA") receivables was approximately 2 days faster than the original results.
17 ODSA pays a portion of low income customers' electric bills who qualify for its
18 Percentage of Income Payment Plan ("PIPP") Plus program.

19 Finally, the allocated expenses lead days decreased to a negative 3.99 days from a
20 positive 36.4 days. The original testing included the first few months of AES U.S.
21 Services, LLC ("AES Services"). In 2015, the Company changed its payment process to
22 AES Services to require monthly payments, typically in advance, so that the updated days
23 are the most representative of the going forward activity.

1 The other components of the Lead-Lag Study have not been adjusted as there have been no
2 process changes.

3 **Q. On what basis was the Lead-Lag Study performed?**

4 A. DP&L is a vertically integrated utility and uses a single customer billing system, accounts
5 payable system and payroll system for billing its customers and paying its employees and
6 vendors. We performed a single study primarily covering only the distribution components of
7 Company processes. In almost all cases, the leads and lags for the Company's distribution
8 activities mirror the activities of the Company as a whole.

9 **Q. Please describe how the Lead-Lag Study was prepared.**

10 A. Payment patterns were measured for various periods in 2014, and then updated as
11 necessary for changes closer to the beginning of the test period. The use of this historic
12 period is appropriate because a basic foundation of any lead-lag study is that customer
13 collection and Company payroll and invoice payment patterns do not change significantly
14 from period to period. Based on that premise, one can measure these patterns for a historical
15 period and apply them to a current or future test period in the rate case to reach valid
16 results. As long as there are no significant changes between the historical period and the
17 test year, the premise is valid.

18 **Q. Please discuss the lead-lag summary Workpaper B-5.1a.**

19 A. Workpaper B-5.1a is an overall summary of the lead-lag days for the various revenue,
20 expense and return components making up DP&L's revenue requirement. Exhibits ADF-1
21 through ADF-8 contain the lead and lag days by revenue, expense and return category that roll up
22 to this summary workpaper.

Q. Please discuss the determination of the revenue lag days (Exhibits ADF-1 and Exhibit ADF-2).

A. There are three components comprising the revenue lag: 1) the meter reading lag, measured from the middle of the month for which electric service is provided until the meter is read; 2) the billing lag, reflecting the time required to process and record bills; and 3) the collection lag, representing the time delay between the recording of bills and the receipts from customers. The total number of days produced by these components represents the amount of time between the delivery of electric service to customers and the receipt of the revenues related to such service. Because of billing and collection differences between revenues billed and collected from DP&L customers versus the revenues billed and collected from ODSA on behalf of certain customers, a separate revenue lag was calculated for these two payment sources. The revenue lag for DP&L customers is shown on Exhibit ADF-1 and the revenue lag for customers paid through ODSA is shown on Exhibit ADF-2.

Q. How is the meter reading lag computed?

A. The meter reading lag represents the time from when the customer receives electric service to the day that the customer meter is read (i.e., end of service period). Because service is generally received over a period of time (i.e., a calendar month), the actual meter reading lag is calculated as the midpoint of the service period, assuming that service is received uniformly over the period.

DP&L assigns each of its meters to one of 21 cycles over the month, each of which is read approximately every 30 days. Based upon this methodology, the meter reading lag is calculated by dividing the number of days in the test period (365) by the applicable

monthly midpoints factor (24, or 12 months divided by 0.5). The resulting lag is 15.2 days.

Q. Please describe the determination of the billing lag.

A. DP&L has three different billing processes for its revenue: traditional system billing (Traditional and PIPP customers), Bill Ready, and Summary Billing.

Traditional system billing applies to those customers whose meter readings are downloaded into the customer revenue billing system, which automatically calculates and processes the bill on the next business day. The average billing lag for traditional customers is 1.6 days and for PIPP customers is 1.5 days.

Bill Ready customers' bills are calculated in the same manner as the traditional system billing, but there is an additional lag because DP&L must wait to receive the charges from the supplier to include on the customer's bill. The billing lag for these customers is 3.9 days.

Lastly, summary billed customers have several metered locations whereby the individual bills for each location are accumulated until the bill date of the meter with the latest read date, at which time one bill is sent for all accounts related to the master account. The billing lag for this group of customers is 13.7 days.

Using a weighted average approach to the revenue derived from each of these customer groups results in a billing lag of 2.2 days.

Q. How is the final component of the revenue lag, the collection lag, determined?

A. This calculation measures the number of days from when the revenue is recorded to accounts receivable to when the bill is paid by the customer and deposited by the

1 Company. The "accounts receivable turnover approach" method was used. A separate
2 calculation was made for traditional/ summary bill customers and PIPP customers as the
3 process is different for these two categories of customers.

4 For traditional and summary bill customers (a master account bill for summary bill
5 customers), payment is due within 20 days from the bill date. PIPP customer installment
6 bills are also due within 20 days, but their ability to pay is different (longer) than that of
7 the traditional population and therefore they were segregated for purposes of determining
8 the collection lag.

9 For each of these populations, the average collection lag was calculated by dividing the
10 average accounts receivable by the average daily billings (revenue). These two amounts
11 were calculated as follows:

- 12 • Because daily reports were not available, the average daily accounts receivable
13 balance was calculated by summing the test period monthly balances and dividing
14 by the number of months applicable.
- 15 • The average daily billings' was calculated by first summing annual revenue
16 (including any additional charges included in revenue) to determine gross
17 revenue. All of the items used to calculate gross revenue were included to be
18 consistent with the components included with the average daily accounts
19 receivable balances (i.e., the receivable balance is the sum of outstanding
20 customers' bills, which include electric revenue, and additional charges). Gross
21 revenue was then divided by the number of days within a year (365) to identify
22 average daily billings.

Collection lags of 24.9 days for traditional and summary bill customers and 35.4 days for PIPP customers resulted. The weighted average collection lag using revenue derived from each of these customer groups is 25.3 days.

Q. Can you summarize the results of the revenue lag calculation?

A. Yes. The revenue lag is the sum of the three components:

Meter Reading Lag	15.2 days
Billing Lag	2.2 days
Collection Lag	<u>25.3 days</u>
Total Revenue Lag	42.7 days

Q. Did the revenue lag give any consideration for allowance for doubtful accounts?

A. No. The Company is excluding bad debt expense from normal customer activity in this Lead-Lag Study. A separate rider to recover bad debt expense is anticipated.

Q. Did your update testing produce similar results?

A. Yes. Even though similar processes were maintained for both study periods, the updated testing produced a lag of 43.8 days for an increase of 1.1 days. However, the level pay customer receivable balances were at historically high levels during this period. The Company was in the process of adjusting the monthly amounts customers needed to pay under this program to bring the receivable balances back to normal levels. The majority of the lag increase was due to the level pay customer receivable balances and not representative of test period conditions and thus, the lag days determined in the original study were used for the Lead-Lag Study.

1 **Q. Can you discuss the effect of the Universal Service Fund (“USF”) rider on the**
2 **study?**

3 A. The Universal Service Fund rider is a bill component paid by all customers to subsidize
4 low income customers. There are three main cash flows from this rider. First, the
5 Company collects the rider amount from its customers on the same revenue lag as
6 discussed previously at 42.7 days. Second, the rider amounts billed to customers the
7 previous month are summarized, reduced by an estimated bad debt amount and remitted
8 to the ODSA. This payment lead is 30.9 days. Though the updated testing resulted in a
9 30.2 day lag, it was determined that the lag based on the original calculation continues to
10 be the best representation of prospective activity as the process had not changed. The
11 third cash flow is the receipt of the subsidy from ODSA that pays for a portion of the
12 PIPP customers’ electric bill. The PIPP customer payment lag is calculated at 54.5 days.
13 The updated testing produced 55.5 days, but because the basic process had not changed,
14 the lag days from the original calculation were used. The projected amount of revenue
15 paid by ODSA for PIPP customers has been established on a separate revenue line in
16 summary Workpaper B-5.1a to reflect the different lag days.

17 **Q. Turning to expenses, what is the first major expense category?**

18 A. The first major category is payroll. The Company has a bi-weekly payroll that includes
19 exempt, union, and non-union hourly employees. It was necessary to analyze the payment
20 leads and lags associated with net pay for payroll, as well as the payment lead and lags
21 associated with payroll taxes and other deductions during the study period. All of the
22 components were analyzed in their entirety, except for manual payroll checks, which were
23 sampled due to the size of the population.

1 **Q. What procedures did you perform to determine the payroll lead?**

2 A. The lead days for payroll costs were computed by determining the average days of
3 service being reimbursed during the service period and adding the days from the end of
4 the service period to the point of reimbursement. Specifically, this calculation measures
5 the number of days from the middle of the service period to the point of reimbursement.
6 For the majority of the payroll that is paid using direct deposit, funds are disbursed 6 days
7 following a pay period. Manual checks were sampled to determine the lead days for
8 employees who are not utilizing direct deposit.

9 Other components of payroll costs including payroll taxes, 401(k) contributions,
10 healthcare related contributions, United Way, union dues and garnishments were
11 separately evaluated similar to the net payroll costs above. The exempt and union
12 bonuses' leads were separately computed as being earned over the previous year (i.e.
13 service period) and adding the days from the end of that period to the point of
14 reimbursement. A weighted average was developed for the leads associated with these
15 individual payroll components producing an overall payroll lead of 25.7 days. The
16 updated testing produced a lead of 25.2 days with the removal of the manual checks.
17 The 25.2 days are supported on Exhibit ADF-3.

18 **Q. What is the next expense category?**

19 A. The next category analyzed is Other Operating & Maintenance ("O&M"). Exhibit ADF-4
20 contains the support for this analysis. This category measures the interval between the receipt
21 of goods and services not separately studied (i.e., payroll, insurance, expenses allocated from
22 AES Services, taxes other than income taxes ("TOIT"), income taxes and return) and
23 payment for such goods and services. Because O&M is a large population of individual

1 transactions with varying service periods and payment lead times, it was necessary to use a
2 statistical sampling methodology. The sample size was determined in order to achieve a 95%
3 confidence level. The original sample was selected from a population of O&M transactions
4 processed during the period July 1, 2013 through June 30, 2014 and contained 68 selections.
5 The updated sample in 2015 had 10 selections. Once the samples were assessed for their lead
6 times, the average lead was calculated using the days and dollars for the individual selections.
7 The sample derived a lead of 35.2 days. The updated sample derived a lead of 37.6 days, but
8 because the basic process had not changed and there were no individual selections outside of
9 the original sample lead day range, the original number of lead days was used in the lead-lag
10 analysis.

11 **Q. How has insurance been included in the Lead-Lag Study?**

12 A. DP&L has several different insurance policies, but the majority of the policies are paid for a
13 full year of coverage. The insurance companies generally require that coverage be paid in
14 advance of the service period. This lead was computed by determining the service (i.e.,
15 coverage) period and deducting the amount of days prepaid from the midpoint of the service
16 period. In the initial study period, the insurance expense negative lead was calculated to be
17 187.9 days, but as discussed previously, there was a change from multi-year to single year
18 coverage periods producing a negative lead of 159.7 days which was utilized in determining
19 the Lead-Lag Study amounts. The supporting detail is contained on Exhibit ADF-5.

20 **Q. How have allocated expenses been included in the Lead-Lag Study?**

21 A. Exhibit ADF-6 supports the days applied to AES Services costs billed to DP&L. AES
22 established AES Services in January 2014 to provide common services to their domestic

1 utilities. Examples of these common services include human resources, legal and finance.
2 DP&L and the other AES U.S. entities provide cash to the service company so the service
3 company can pay its obligations. The lead for this expense category was determined by
4 deducting the days from the prepayments to the midpoint of service. In the original study
5 period, the lead for this expense was 36.4 days. As previously noted, the original study period
6 coincided with the beginning of AES Services and process changes have subsequently taken
7 place. The updated testing lead days reflect the updated processes resulting in a negative lead
8 of 3.99 days which is used in the Lead-Lag determination.

9 **Q. How was bad debt expense treated?**

10 A. In determining the collection lag using the turnover approach, the reserve for uncollectible
11 accounts was deducted from the accounts receivable balance. This reduces the overall
12 revenue lag. Accordingly, the bad debt expense is assigned zero lead days.

13 **Q. How have non-income related taxes been included in the Lead-Lag Study?**

14 A. Taxes other than income taxes ("TOIT") are composed primarily of revenue related taxes
15 (i.e. kWh) and property taxes. The kWh taxes are paid monthly while the Ohio property
16 taxes are paid a year in arrears. All tax payments can be identified with a specific
17 statutory requirement and are separately evaluated for purposes of the Lead-Lag Study. As
18 shown on Exhibit ADF-7, for all of such taxes, the midpoint of the service period was
19 identified and the respective lead or lag days from this midpoint to the payment date was
20 determined. The weighted dollars for each payment were calculated and divided by the total
21 payment to determine the number of lead-lag days. The TOIT expense lead days averaged

179.1 days. As payments are based on statutory requirements which have not changed, the 179.1 days determined in our original study period is used for this expense.

Q. What are the lead days for federal income taxes?

A. The lead for federal income taxes is 37.0 days. The number of days was calculated by measuring the days between the midpoint of an annual calendar year service period and the statutory payment dates for estimated and final federal income tax payments. Estimated tax payments are made quarterly on April 15, June 15, September 15 and December 15. The estimated payments must equal at least 100% of the annual liability. These quarterly payments made on the indicated dates and measured against the midpoint of the year results in a 37.0 day expense lead.

Q. How are lead days for the depreciation expense and deferred income taxes determined?

A. These expense categories are assigned zero lead days. The recording of depreciation expense and deferred income tax expense results in balance sheet offsets (Accumulated Depreciation and Accumulated Deferred Income Taxes) that are deducted from rate base as though fully recovered and available as cost free capital. In other words, because rate base is reduced for the recorded balance of such costs at the time the related expense is recorded in the books and records (whether or not actual recovery matches the amounts recorded as expense) for rate case purposes, it is believed that such non-investor sources of capital have been supplied. However, even with this premise, there continues to be a revenue recovery lag for the recorded amount of depreciation and deferred income tax expense included in the revenue requirement that is not received for 42.7 days.

Q. How is the return treated in the Lead-Lag Study?

1 A. All components of return have been given a lead of zero days as both common
2 stockholders and debt holders are each considered as investors and as such, entitled to a
3 daily return on "investor supplied funds."

4 V. **OTHER CONSIDERATIONS**

5 Q. **Did you consider anything else in this Lead-Lag Study?**

6 A. Yes. There are two other issues requiring cash working capital that have not been
7 considered in determining DP&L's base rate cash working capital requirement. The
8 Company is required to become the Provider of Last Resort ("POLR") for customers that
9 have not selected a generation supplier. This POLR activity has a working capital aspect.
10 The revenue for the generation supply will have the same 42.7 day lag as discussed in
11 this testimony. However, the POLR supplier payments must be paid by the 19th day of
12 the following month, creating a 33.2 day lead. The Company believes that this working
13 capital component should be borne only by the POLR customers. It is my understanding
14 the Company will be asking for POLR working capital relief in a future rate filing.
15 Similarly, consideration was given to the Company billings to the OSDA for the PIPP
16 customer bills. This billing is for generation, transmission and distribution service. In
17 the Lead-Lag Study, the distribution portion of these receipts was split from the revenue
18 requirement as these collections have a 54.5 day lag. There is a similar shortfall for the
19 production and transmission services received by the distribution customer. The amounts
20 of such costs and revenues have been separately shown on the summary schedule and the
21 investor-supplied capital required to fund this difference should be considered for
22 recovery through a separate mechanism.

1 **VI. CONCLUSION**

2 **Q. How are the Lead-Lag days determined in your total Company study applied to**
3 **determine the cash working capital requirement in DP&L's Rate Case?**

4 A. Schedule B-5.1 and Workpaper B-5.1a contain the application of the results of the Lead-Lag Study.
5 On Workpaper B-5.1a, the lead or lag days were applied to the daily revenue requirement for
6 comparable components of revenue, expense or return which are included in the filed case, to derive
7 the cash working capital requirement. Exhibit ADF- 1 through ADF-8 provide support
8 for the lead and lag days used to develop the cash working capital requirement. The daily
9 revenue requirement is the jurisdictional adjusted revenues and expenses divided by 365.
10 Schedule B-5.1 sums the revenue lead and expense lag from Workpaper B-5.1a. These
11 calculations result in a cash working capital requirement of (\$1,827,487).

12 **Q. Does this conclude your direct testimony?**

13 A. Yes, it does.

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Total Blended Revenue Lag

Line No	Lag Type	Original Results Lag Days (7/1/13 - 6/30/14)	Updated Results Lag Days (6/1/14 - 5/31/15)
1			
2	[a] Meter Reading Lag	15.2	15.2
3			
4	Billing Lag	2.2 Page 2	2.4 Page 3
5			
6	Collection Lag	25.3 Page 31	26.2 Page 32
7			
8	Total Revenue Lag	42.7	43.8 [b]

[a] Meters are read on a monthly cycle, which to determine the average time during the month the customers meter is read, the average midpoint of all the months during the year is used. (365days/12months/2midpoint of the month)

[b] During the update testing, Budget Billing A/R balances were unusually high due to weather. Since the increase in Budget Billing A/R was a one time event and is not expected to recur, the lag days of 42.7 appears to be the most appropriate prospectively.

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Weighted Average Billing Lag - Original Results

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Line No	Revenue Type	Average Daily Revenue	WP	Lag Days	Dollar-Days Lag
1					
2	PIPP	Page 17	\$ 77,304	Page 4 1.5	\$ 114,050
3					
4	Summary Bill	Page 17	\$ 32,518	Page 8 13.7	\$ 446,101
5					
6	Bill Ready	Page 17	\$ 411,231	Page 9 3.9	\$ 1,596,813
7					
8	Traditional (All Other) Customers	Page 17	\$ 1,660,392	Page 13 1.6	\$ 2,585,404
9					
10	Total		\$ 2,181,446		\$ 4,742,368
11					
12	Weighted Average Day Lag				2.2

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Weighted Average Billing Lag - Updated Results

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Line No	Revenue Type	Average Daily Revenue	WP	Lag Days	Dollar-Days Lag
1					
2	PIPP	Page 30 \$ 82,384	Page 18	1.5	\$ 120,389
3					
4	Summary Bill	Page 30 \$ 39,823	Page 22	13.6	\$ 540,630
5					
6	Bill Ready	Page 30 \$ 564,346	Page 23	4.1	\$ 2,302,628
7					
8	Traditional (All Other) Customers	Page 30 \$ 1,592,549	Page 27	1.5	\$ 2,465,132
9					
10	Total	\$ 2,279,102			\$ 5,428,779
11					
12	Weighted Average Day Lag				2.4

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PIPP - Billing Lag

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Line No	July-13			August-13			September-13		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	6/28/2013	7/1/2013	3	7/31/2013	8/1/2013	1	8/30/2013	9/3/2013	4
2	7/1/2013	7/1/2013	1	8/1/2013	8/2/2013	1	9/3/2013	9/4/2013	1
3	7/2/2013	7/2/2013	1	8/2/2013	8/4/2013	3	9/4/2013	9/4/2013	1
4	7/3/2013	7/4/2013	2	8/6/2013	8/7/2013	1	9/5/2013	9/6/2013	1
5	7/5/2013	7/7/2013	3	8/7/2013	8/8/2013	1	9/6/2013	9/8/2013	3
6	7/9/2013	7/10/2013	1	8/8/2013	8/8/2013	1	9/7/2013	9/9/2013	2
7	7/10/2013	7/11/2013	1	8/9/2013	8/11/2013	3	9/9/2013	9/10/2013	1
8	7/11/2013	7/11/2013	1	8/12/2013	8/12/2013	1	9/10/2013	9/11/2013	1
9	7/12/2013	7/14/2013	3	8/13/2013	8/14/2013	1	9/11/2013	9/12/2013	1
10	7/15/2013	7/16/2013	1	8/14/2013	8/15/2013	1	9/12/2013	9/13/2013	1
11	7/16/2013	7/16/2013	1	8/15/2013	8/15/2013	1	9/13/2013	9/15/2013	3
12	7/17/2013	7/17/2013	1	8/16/2013	8/18/2013	3	9/16/2013	9/17/2013	1
13	7/18/2013	7/18/2013	1	8/19/2013	8/19/2013	1	9/17/2013	9/17/2013	1
14	7/19/2013	7/21/2013	3	8/20/2013	8/20/2013	1	9/18/2013	9/19/2013	1
15	7/22/2013	7/22/2013	1	8/21/2013	8/21/2013	1	9/19/2013	9/20/2013	1
16	7/23/2013	7/23/2013	1	8/22/2013	8/22/2013	1	9/20/2013	9/22/2013	3
17	7/24/2013	7/24/2013	1	8/23/2013	8/25/2013	3	9/23/2013	9/23/2013	1
18	7/25/2013	7/25/2013	1	8/26/2013	8/26/2013	1	9/24/2013	9/24/2013	1
19	7/26/2013	7/28/2013	3	8/27/2013	8/27/2013	1	9/25/2013	9/26/2013	1
20	7/29/2013	7/29/2013	1	8/28/2013	8/29/2013	1	9/26/2013	9/27/2013	1
21	7/30/2013	7/30/2013	1	8/29/2013	8/29/2013	1	9/27/2013	9/29/2013	3
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32	Total			30.5			28.4		
33									
34	Average			1.5			1.4		
35									
36	Average- Entire Period			1.5 [a]					

[a] Calculated systematic billing lag

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Line No	October-13		November-13		December-13	
	Read Date	Billing Lag	Read Date	Billing Lag	Read Date	Billing Lag
1	9/30/2013	1	10/31/2013	11/1/2013	11/27/2013	12/2/2013
2	10/1/2013	1	11/1/2013	11/3/2013	12/2/2013	12/3/2013
3	10/2/2013	1	11/2/2013	11/4/2013	12/3/2013	12/4/2013
4	10/3/2013	1	11/4/2013	11/4/2013	12/4/2013	12/5/2013
5	10/4/2013	3	11/5/2013	11/5/2013	12/5/2013	12/6/2013
6	10/8/2013	1	11/6/2013	11/7/2013	12/6/2013	12/9/2013
7	10/9/2013	1	11/7/2013	11/8/2013	12/7/2013	12/9/2013
8	10/10/2013	1	11/8/2013	11/10/2013	12/9/2013	12/9/2013
9	10/11/2013	3	11/11/2013	11/11/2013	12/10/2013	12/10/2013
10	10/14/2013	1	11/12/2013	11/13/2013	12/11/2013	12/11/2013
11	10/15/2013	1	11/13/2013	11/14/2013	12/12/2013	12/13/2013
12	10/16/2013	1	11/14/2013	11/15/2013	12/13/2013	12/15/2013
13	10/17/2013	1	11/15/2013	11/17/2013	12/14/2013	12/16/2013
14	10/18/2013	3	11/18/2013	11/18/2013	12/16/2013	12/16/2013
15	10/22/2013	1	11/19/2013	11/19/2013	12/17/2013	12/17/2013
16	10/23/2013	1	11/20/2013	11/20/2013	12/18/2013	12/18/2013
17	10/24/2013	1	11/21/2013	11/22/2013	12/19/2013	12/20/2013
18	10/25/2013	3	11/22/2013	11/24/2013	12/20/2013	12/22/2013
19	10/28/2013	1	11/23/2013	11/25/2013	12/23/2013	12/25/2013
20	10/29/2013	1	11/25/2013	11/26/2013	12/26/2013	12/27/2013
21	10/30/2013	1	11/26/2013	11/26/2013	12/27/2013	12/29/2013
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32		28.6		31.0		37.0
33						
34		1.4		1.5		1.8
35						
36						

[a] Calculated systematic billing lag

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PIPP - Billing Lag

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Line No	January-14			February-14			March-14		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	12/30/2013	1/2/2014	3	1/31/2014	2/3/2014	3	2/28/2014	3/3/2014	3
2	1/2/2014	1/3/2014	1	2/3/2014	2/4/2014	1	3/3/2014	3/3/2014	1
3	1/3/2014	1/5/2014	3	2/4/2014	2/5/2014	1	3/4/2014	3/5/2014	1
4	1/6/2014	1/7/2014	1	2/5/2014	2/6/2014	1	3/5/2014	3/6/2014	1
5	1/7/2014	1/8/2014	1	2/6/2014	2/6/2014	1	3/6/2014	3/7/2014	1
6	1/8/2014	1/8/2014	1	2/7/2014	2/9/2014	3	3/7/2014	3/9/2014	3
7	1/9/2014	1/9/2014	1	2/10/2014	2/10/2014	1	3/10/2014	3/11/2014	1
8	1/10/2014	1/12/2014	2	2/11/2014	2/12/2014	1	3/11/2014	3/12/2014	1
9	1/13/2014	1/14/2014	1	2/12/2014	2/12/2014	1	3/12/2014	3/13/2014	1
10	1/14/2014	1/15/2014	1	2/13/2014	2/14/2014	1	3/13/2014	3/14/2014	1
11	1/15/2014	1/16/2014	1	2/14/2014	2/16/2014	3	3/14/2014	3/16/2014	3
12	1/16/2014	1/17/2014	1	2/15/2014	2/17/2014	2	3/17/2014	3/17/2014	1
13	1/17/2014	1/19/2014	3	2/17/2014	2/17/2014	1	3/18/2014	3/18/2014	1
14	1/20/2014	1/20/2014	1	2/18/2014	2/18/2014	1	3/19/2014	3/19/2014	1
15	1/21/2014	1/22/2014	1	2/19/2014	2/19/2014	1	3/20/2014	3/21/2014	1
16	1/22/2014	1/22/2014	1	2/20/2014	2/21/2014	1	3/21/2014	3/23/2014	3
17	1/23/2014	1/24/2014	1	2/21/2014	2/23/2014	3	3/24/2014	3/24/2014	1
18	1/24/2014	1/26/2014	3	2/22/2014	2/24/2014	2	3/25/2014	3/26/2014	1
19	1/27/2014	1/28/2014	1	2/25/2014	2/26/2014	1	3/26/2014	3/27/2014	1
20	1/29/2014	1/30/2014	1	2/26/2014	2/27/2014	1	3/27/2014	3/28/2014	1
21	1/30/2014	1/30/2014	1	2/27/2014	2/27/2014	1	3/28/2014	3/30/2014	3
22									
23									
24									
31									
32	Total								
33									
34	Average								
35									
36									
			30.3						
			<u>30.8</u>						
			<u>1.4</u>						
			<u>1.5</u>						
			<u>30.9</u>						

[a] Calculated systematic billing lag

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Line No	April-14			May-14			June-14		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	3/31/2014	4/1/2014	1	4/30/2014	5/1/2014	1	5/30/2014	6/2/2014	3
2	4/1/2014	4/2/2014	1	5/1/2014	5/2/2014	1	6/2/2014	6/3/2014	1
3	4/2/2014	4/3/2014	1	5/2/2014	5/4/2014	3	6/3/2014	6/4/2014	1
4	4/3/2014	4/4/2014	1	5/5/2014	5/6/2014	1	6/4/2014	6/4/2014	1
5	4/4/2014	4/6/2014	3	5/6/2014	5/7/2014	1	6/5/2014	6/6/2014	1
6	4/7/2014	4/7/2014	1	5/7/2014	5/8/2014	1	6/6/2014	6/8/2014	3
7	4/8/2014	4/9/2014	1	5/8/2014	5/9/2014	1	6/9/2014	6/10/2014	1
8	4/9/2014	4/10/2014	1	5/9/2014	5/11/2014	3	6/10/2014	6/11/2014	1
9	4/10/2014	4/11/2014	1	5/12/2014	5/12/2014	1	6/11/2014	6/11/2014	1
10	4/11/2014	4/13/2014	3	5/13/2014	5/14/2014	1	6/12/2014	6/13/2014	1
11	4/14/2014	4/14/2014	1	5/14/2014	5/14/2014	1	6/13/2014	6/15/2014	3
12	4/15/2014	4/16/2014	1	5/15/2014	5/16/2014	1	6/16/2014	6/16/2014	1
13	4/16/2014	4/16/2014	1	5/16/2014	5/18/2014	3	6/17/2014	6/18/2014	1
14	4/17/2014	4/20/2014	4	5/19/2014	5/19/2014	1	6/18/2014	6/19/2014	1
15	4/21/2014	4/22/2014	1	5/20/2014	5/21/2014	1	6/19/2014	6/20/2014	1
16	4/22/2014	4/22/2014	1	5/21/2014	5/22/2014	1	6/20/2014	6/22/2014	3
17	4/23/2014	4/24/2014	1	5/22/2014	5/23/2014	1	6/23/2014	6/24/2014	1
18	4/24/2014	4/25/2014	1	5/23/2014	5/26/2014	4	6/24/2014	6/25/2014	1
19	4/25/2014	4/27/2014	3	5/27/2014	5/28/2014	1	6/25/2014	6/26/2014	1
20	4/28/2014	4/28/2014	1	5/28/2014	5/29/2014	1	6/26/2014	6/27/2014	1
21	4/29/2014	4/29/2014	1	5/29/2014	5/30/2014	1	6/27/2014	6/30/2014	3
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32			30			30			31
33									
34			1.4			1.4			1.5
35									
36									

[a] Calculated systematic billing lag

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Summary Billing Accounts- Billing Lag

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Line No.	Customer Number	Total		
		Lag [a]	Dollar Sales [b]	Dollar-Day Lag
1	1167188243	15.3	\$ 125,467	\$ 1,918,373
2	1890781255	18.6	\$ 132,380	\$ 2,460,057
3	2020966203	10.6	\$ 534,395	\$ 5,684,856
4	3675009784	15.2	\$ 223,417	\$ 3,398,922
5	3701054613	17.4	\$ 151,311	\$ 2,638,916
6	4195046351	18.4	\$ 94,759	\$ 1,743,106
7	4592910942	10.3	\$ 93,820	\$ 963,396
8	4650262965	17.5	\$ 466,299	\$ 8,136,915
9	4793094117	12.0	\$ 124,098	\$ 1,493,396
10	5365118354	11.3	\$ 112,513	\$ 1,265,773
11	5742697023	15.6	\$ 94,082	\$ 1,466,113
12	6100100530	9.0	\$ 111,886	\$ 1,010,261
13	6216130120	15.6	\$ 277,612	\$ 4,320,210
14	6634883119	12.1	\$ 1,975,960	\$ 24,000,522
15	6910139510	19.8	\$ 249,651	\$ 4,954,333
16	6946833161	20.7	\$ 276,565	\$ 5,722,167
17	7530831121	17.6	\$ 258,187	\$ 4,542,606
18	7695812024	7.5	\$ 416,713	\$ 3,113,271
19	8249213429	15.6	\$ 93,732	\$ 1,466,852
20	9123715512	11.2	\$ 219,326	\$ 2,452,798
Total			\$ 6,032,174	\$ 82,752,843
Weighted Average Lag Days				13.7

[a] Average Lag was calculated for the customer for each bill during the 12 month test period.

[b] Total revenue for the selected customer was calculated from billing system outputs.

Note: A total of 20 summary bill customers were selected for testing to arrive at 51% coverage.

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Bill Ready - Billing Lag

Line No	July-13			August-13			September-13		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1									
2									
3	6/28/2013	7/2/2013	4	7/31/2013	8/2/2013	2	8/30/2013	9/4/2013	6
4	7/1/2013	7/3/2013	2	8/1/2013	8/4/2013	4	9/3/2013	9/5/2013	3
5	7/2/2013	7/4/2013	3	8/2/2013	8/6/2013	4	9/4/2013	9/6/2013	2
6	7/3/2013	7/7/2013	5	8/6/2013	8/8/2013	2	9/5/2013	9/9/2013	4
7	7/5/2013	7/9/2013	4	8/7/2013	8/9/2013	2	9/6/2013	9/10/2013	5
8	7/9/2013	7/11/2013	2	8/8/2013	8/11/2013	4	9/7/2013	9/10/2013	4
9	7/10/2013	7/12/2013	2	8/9/2013	8/13/2013	4	9/9/2013	9/11/2013	2
10	7/11/2013	7/14/2013	4	8/12/2013	8/14/2013	2	9/10/2013	9/12/2013	2
11	7/12/2013	7/16/2013	4	8/13/2013	8/15/2013	3	9/11/2013	9/13/2013	2
12	7/15/2013	7/17/2013	2	8/14/2013	8/16/2013	2	9/12/2013	9/16/2013	4
13	7/16/2013	7/18/2013	2	8/15/2013	8/18/2013	4	9/13/2013	9/17/2013	4
14	7/17/2013	7/19/2013	2	8/16/2013	8/19/2013	4	9/16/2013	9/18/2013	2
15	7/18/2013	7/21/2013	4	8/19/2013	8/20/2013	2	9/17/2013	9/19/2013	2
16	7/19/2013	7/23/2013	4	8/20/2013	8/22/2013	2	9/18/2013	9/20/2013	2
17	7/22/2013	7/24/2013	2	8/21/2013	8/23/2013	2	9/19/2013	9/23/2013	4
18	7/23/2013	7/25/2013	2	8/22/2013	8/26/2013	4	9/20/2013	9/24/2013	4
19	7/24/2013	7/26/2013	2	8/23/2013	8/27/2013	4	9/23/2013	9/25/2013	2
20	7/25/2013	7/29/2013	4	8/26/2013	8/28/2013	2	9/24/2013	9/26/2013	2
21	7/26/2013	7/30/2013	4	8/27/2013	8/29/2013	2	9/25/2013	9/27/2013	2
22	7/29/2013	7/31/2013	2	8/28/2013	8/30/2013	2	9/26/2013	9/30/2013	4
23	7/30/2013	8/1/2013	2	8/29/2013	9/2/2013	5	9/27/2013	10/1/2013	4
24									
47									
48	Total		63.3			62.8			68.6
49									
50	Average		3.0			3.0			3.3
51									
52	Average- Entire Period		3.9 [a]						

[a] Calculated systematic billing lag

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[a] Calculated systematic billing

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Bill Ready - Billing Lag

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Line No	January-14			February-14			March-14		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1									
2									
3	12/30/2013	1/5/2014	6	1/31/2014	2/4/2014	5	2/28/2014	3/4/2014	5
4	1/2/2014	1/6/2014	5	2/3/2014	2/5/2014	3	3/3/2014	3/5/2014	3
5	1/3/2014	1/7/2014	5	2/4/2014	2/7/2014	4	3/4/2014	3/7/2014	3
6	1/6/2014	1/9/2014	3	2/5/2014	2/9/2014	4	3/5/2014	3/9/2014	5
7	1/7/2014	1/10/2014	3	2/6/2014	2/10/2014	4	3/6/2014	3/10/2014	5
8	1/8/2014	1/11/2014	3	2/7/2014	2/11/2014	5	3/7/2014	3/11/2014	5
9	1/9/2014	1/13/2014	4	2/10/2014	2/12/2014	3	3/10/2014	3/12/2014	3
10	1/10/2014	1/14/2014	5	2/11/2014	2/14/2014	3	3/11/2014	3/14/2014	3
11	1/13/2014	1/15/2014	3	2/12/2014	2/16/2014	4	3/12/2014	3/16/2014	5
12	1/14/2014	1/17/2014	3	2/13/2014	2/18/2014	5	3/13/2014	3/17/2014	5
13	1/15/2014	1/19/2014	5	2/14/2014	2/18/2014	5	3/14/2014	3/18/2014	5
14	1/16/2014	1/20/2014	5	2/15/2014	2/18/2014	4	3/17/2014	3/19/2014	3
15	1/17/2014	1/21/2014	5	2/17/2014	2/19/2014	3	3/18/2014	3/21/2014	3
16	1/20/2014	1/23/2014	3	2/18/2014	2/21/2014	3	3/19/2014	3/23/2014	4
17	1/21/2014	1/24/2014	3	2/19/2014	2/23/2014	5	3/20/2014	3/24/2014	5
18	1/22/2014	1/26/2014	5	2/20/2014	2/24/2014	5	3/21/2014	3/25/2014	5
19	1/23/2014	1/28/2014	5	2/21/2014	2/25/2014	5	3/24/2014	3/26/2014	3
20	1/24/2014	1/29/2014	5	2/22/2014	2/25/2014	4	3/25/2014	3/28/2014	3
21	1/27/2014	1/29/2014	3	2/25/2014	2/28/2014	3	3/26/2014	3/30/2014	4
22	1/29/2014	2/2/2014	5	2/26/2014	3/2/2014	5	3/27/2014	3/31/2014	5
23	1/30/2014	2/3/2014	5	2/27/2014	3/3/2014	5	3/28/2014	4/1/2014	5
24									
47									
48	Total			89.0			87.2		
49									
50	Average			4.2			4.2		
51									
52	lag								

[a] Calculated systematic billing

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Bill Ready - Billing Lag

Exhibit ADF-1 Page 12 of 39

Line No	April-14			May-14			June-14		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	3/31/2014	4/2/2014	3	4/30/2014	5/4/2014	5	5/30/2014	6/3/2014	5
2	4/1/2014	4/4/2014	3	5/1/2014	5/5/2014	5	6/2/2014	6/5/2014	3
3	4/2/2014	4/6/2014	4	5/2/2014	5/6/2014	5	6/3/2014	6/6/2014	3
4	4/3/2014	4/7/2014	5	5/5/2014	5/7/2014	3	6/4/2014	6/8/2014	5
5	4/4/2014	4/8/2014	5	5/6/2014	5/8/2014	3	6/5/2014	6/9/2014	5
6	4/7/2014	4/9/2014	3	5/7/2014	5/11/2014	5	6/6/2014	6/10/2014	5
7	4/8/2014	4/11/2014	3	5/8/2014	5/12/2014	5	6/9/2014	6/11/2014	3
8	4/9/2014	4/13/2014	5	5/9/2014	5/13/2014	5	6/10/2014	6/13/2014	3
9	4/10/2014	4/14/2014	5	5/12/2014	5/14/2014	3	6/11/2014	6/15/2014	5
10	4/11/2014	4/15/2014	5	5/13/2014	5/16/2014	3	6/12/2014	6/16/2014	5
11	4/14/2014	4/17/2014	3	5/14/2014	5/18/2014	5	6/13/2014	6/17/2014	5
12	4/15/2014	4/20/2014	5	5/15/2014	5/19/2014	5	6/16/2014	6/18/2014	3
13	4/16/2014	4/21/2014	6	5/16/2014	5/20/2014	5	6/17/2014	6/20/2014	3
14	4/17/2014	4/22/2014	6	5/19/2014	5/21/2014	3	6/18/2014	6/22/2014	5
15	4/21/2014	4/23/2014	3	5/20/2014	5/23/2014	3	6/19/2014	6/23/2014	5
16	4/22/2014	4/25/2014	3	5/21/2014	5/26/2014	5	6/20/2014	6/24/2014	5
17	4/23/2014	4/27/2014	5	5/22/2014	5/27/2014	6	6/23/2014	6/25/2014	3
18	4/24/2014	4/28/2014	5	5/23/2014	5/28/2014	6	6/24/2014	6/27/2014	3
19	4/25/2014	4/29/2014	5	5/27/2014	5/30/2014	3	6/25/2014	6/29/2014	4
20	4/28/2014	4/30/2014	3	5/28/2014	6/1/2014	5	6/26/2014	6/30/2014	5
21	4/29/2014	5/2/2014	3	5/29/2014	6/2/2014	5	6/27/2014	7/1/2014	5
22									
23									
24									
47									
48	Total		<u>86.3428</u>			<u>90.6</u>			<u>86.6</u>
49									
50	Average		<u>4.1</u>			<u>4.3</u>			<u>4.1</u>
51									
52									

lag

[a] Calculated systematic billing

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Traditional (All Other Customers)- Billing Lag

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Line No	July-13			August-13			September-13		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	6/28/2013	7/1/2013	3	7/31/2013	8/1/2013	1	8/30/2013	9/3/2013	4
2	7/1/2013	7/2/2013	1	8/1/2013	8/2/2013	1	9/3/2013	9/4/2013	1
3	7/2/2013	7/3/2013	1	8/2/2013	8/4/2013	3	9/4/2013	9/5/2013	1
4	7/3/2013	7/5/2013	2	8/6/2013	8/7/2013	1	9/5/2013	9/6/2013	1
5	7/5/2013	7/7/2013	3	8/7/2013	8/8/2013	1	9/6/2013	9/9/2013	3
6	7/9/2013	7/10/2013	1	8/8/2013	8/9/2013	1	9/7/2013	9/9/2013	2
7	7/10/2013	7/11/2013	1	8/9/2013	8/11/2013	3	9/9/2013	9/10/2013	1
8	7/11/2013	7/12/2013	1	8/12/2013	8/13/2013	1	9/10/2013	9/11/2013	1
9	7/12/2013	7/15/2013	3	8/13/2013	8/14/2013	1	9/11/2013	9/12/2013	1
10	7/15/2013	7/16/2013	1	8/14/2013	8/15/2013	1	9/12/2013	9/13/2013	1
11	7/16/2013	7/17/2013	1	8/15/2013	8/16/2013	1	9/13/2013	9/15/2013	3
12	7/17/2013	7/18/2013	1	8/16/2013	8/18/2013	3	9/16/2013	9/17/2013	1
13	7/18/2013	7/19/2013	1	8/19/2013	8/20/2013	1	9/17/2013	9/18/2013	1
14	7/19/2013	7/21/2013	3	8/20/2013	8/21/2013	1	9/18/2013	9/19/2013	1
15	7/22/2013	7/23/2013	1	8/21/2013	8/22/2013	1	9/19/2013	9/20/2013	1
16	7/23/2013	7/24/2013	1	8/22/2013	8/23/2013	1	9/20/2013	9/23/2013	3
17	7/24/2013	7/25/2013	1	8/23/2013	8/25/2013	3	9/23/2013	9/24/2013	1
18	7/25/2013	7/26/2013	1	8/26/2013	8/27/2013	1	9/24/2013	9/25/2013	1
19	7/26/2013	7/28/2013	3	8/27/2013	8/28/2013	1	9/25/2013	9/26/2013	1
20	7/29/2013	7/30/2013	1	8/28/2013	8/29/2013	1	9/26/2013	9/27/2013	1
21	7/30/2013	7/31/2013	1	8/29/2013	8/30/2013	1	9/27/2013	9/29/2013	3
22									
23									
24									
31									
32	Total		32.8						34.4
33									
34	Average		1.6						1.6
35									
36	Average- Entire Period		1.6 [a]						

[a] Calculated systematic billing lag

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Traditional (All Other Customers)- Billing Lag

Line No	October-13		November-13		December-13	
	Read Date	Billing Lag	Read Date	Billing Date	Read Date	Billing Lag
1						
2						
3	9/30/2013	1	10/31/2013	11/1/2013	11/27/2013	5
4	10/1/2013	1	11/1/2013	11/3/2013	12/2/2013	1
5	10/2/2013	1	11/2/2013	11/4/2013	12/3/2013	1
6	10/3/2013	1	11/3/2013	11/5/2013	12/4/2013	1
7	10/4/2013	3	11/4/2013	11/6/2013	12/5/2013	1
8	10/8/2013	1	11/5/2013	11/7/2013	12/6/2013	3
9	10/9/2013	1	11/6/2013	11/8/2013	12/9/2013	2
10	10/10/2013	1	11/7/2013	11/10/2013	12/7/2013	1
11	10/11/2013	3	11/8/2013	11/12/2013	12/10/2013	1
12	10/14/2013	1	11/11/2013	11/13/2013	12/11/2013	1
13	10/15/2013	1	11/12/2013	11/14/2013	12/12/2013	1
14	10/16/2013	1	11/13/2013	11/15/2013	12/13/2013	1
15	10/17/2013	1	11/14/2013	11/18/2013	12/16/2013	3
16	10/18/2013	1	11/15/2013	11/19/2013	12/16/2013	2
17	10/22/2013	3	11/18/2013	11/20/2013	12/17/2013	1
18	10/23/2013	1	11/19/2013	11/21/2013	12/18/2013	1
19	10/24/2013	1	11/20/2013	11/22/2013	12/19/2013	1
20	10/25/2013	3	11/21/2013	11/25/2013	12/20/2013	1
21	10/28/2013	1	11/22/2013	11/25/2013	12/23/2013	3
22	10/29/2013	1	11/23/2013	11/26/2013	12/26/2013	3
23	10/30/2013	1	11/25/2013	11/27/2013	12/27/2013	1
24	10/31/2013	1	11/26/2013		12/30/2013	3
31						
32	Total					
33		30.1				38.8
34	Average					
35		1.4				1.8
36						

[a] Calculated systematic billing lag

The Dayton Power and Light Company

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Traditional (All Other Customers)- Billing Lag

Line No	January-14			February-14			March-14		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	12/30/2013	1/2/2014	3	1/31/2014	2/3/2014	3	2/28/2014	3/3/2014	3
2	1/2/2014	1/3/2014	1	2/3/2014	2/4/2014	1	3/3/2014	3/4/2014	1
3	1/3/2014	1/6/2014	3	2/4/2014	2/5/2014	1	3/4/2014	3/5/2014	1
4	1/6/2014	1/7/2014	1	2/5/2014	2/6/2014	1	3/5/2014	3/6/2014	1
5	1/7/2014	1/8/2014	1	2/6/2014	2/6/2014	1	3/6/2014	3/7/2014	1
6	1/8/2014	1/8/2014	1	2/7/2014	2/9/2014	3	3/7/2014	3/9/2014	3
7	1/9/2014	1/10/2014	1	2/10/2014	2/11/2014	1	3/10/2014	3/11/2014	1
8	1/10/2014	1/11/2014	2	2/11/2014	2/12/2014	1	3/11/2014	3/12/2014	1
9	1/13/2014	1/14/2014	1	2/12/2014	2/13/2014	1	3/12/2014	3/13/2014	1
10	1/14/2014	1/15/2014	1	2/13/2014	2/14/2014	1	3/13/2014	3/14/2014	1
11	1/15/2014	1/16/2014	1	2/14/2014	2/16/2014	3	3/14/2014	3/16/2014	3
12	1/16/2014	1/17/2014	1	2/15/2014	2/17/2014	2	3/14/2014	3/17/2014	1
13	1/17/2014	1/20/2014	3	2/17/2014	2/18/2014	1	3/17/2014	3/18/2014	1
14	1/20/2014	1/21/2014	1	2/18/2014	2/19/2014	1	3/18/2014	3/19/2014	1
15	1/21/2014	1/22/2014	1	2/19/2014	2/20/2014	1	3/19/2014	3/20/2014	1
16	1/22/2014	1/23/2014	1	2/20/2014	2/21/2014	1	3/20/2014	3/21/2014	1
17	1/23/2014	1/24/2014	1	2/21/2014	2/23/2014	3	3/21/2014	3/24/2014	3
18	1/24/2014	1/26/2014	3	2/22/2014	2/24/2014	2	3/24/2014	3/25/2014	1
19	1/27/2014	1/28/2014	1	2/25/2014	2/26/2014	1	3/25/2014	3/26/2014	1
20	1/29/2014	1/30/2014	1	2/26/2014	2/27/2014	1	3/26/2014	3/27/2014	1
21	1/30/2014	1/31/2014	1	2/27/2014	2/28/2014	1	3/27/2014	3/28/2014	1
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32			31.5			32.2			32.3
33									
34			1.5			1.5			1.5
35									
36									

[a] Calculated systematic billing lag

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Traditional (All Other Customers)- Billing Lag

Line No	April-14			May-14			June-14		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	3/31/2014	4/1/2014	1	4/30/2014	5/1/2014	1	5/30/2014	6/2/2014	3
2	4/1/2014	4/2/2014	1	5/1/2014	5/2/2014	1	6/2/2014	6/3/2014	1
3	4/2/2014	4/3/2014	1	5/2/2014	5/5/2014	3	6/3/2014	6/4/2014	1
4	4/3/2014	4/4/2014	1	5/5/2014	5/6/2014	1	6/4/2014	6/5/2014	1
5	4/4/2014	4/6/2014	3	5/6/2014	5/7/2014	1	6/5/2014	6/6/2014	1
6	4/7/2014	4/8/2014	1	5/7/2014	5/8/2014	1	6/6/2014	6/9/2014	3
7	4/8/2014	4/9/2014	1	5/8/2014	5/9/2014	1	6/9/2014	6/10/2014	1
8	4/9/2014	4/10/2014	1	5/9/2014	5/11/2014	3	6/10/2014	6/11/2014	1
9	4/10/2014	4/11/2014	1	5/12/2014	5/13/2014	1	6/11/2014	6/12/2014	1
10	4/11/2014	4/14/2014	3	5/13/2014	5/14/2014	1	6/12/2014	6/13/2014	1
11	4/14/2014	4/15/2014	1	5/14/2014	5/15/2014	1	6/13/2014	6/16/2014	3
12	4/15/2014	4/16/2014	1	5/15/2014	5/16/2014	1	6/16/2014	6/17/2014	1
13	4/16/2014	4/17/2014	1	5/16/2014	5/19/2014	3	6/17/2014	6/18/2014	1
14	4/17/2014	4/21/2014	4	5/19/2014	5/20/2014	1	6/18/2014	6/19/2014	1
15	4/21/2014	4/22/2014	1	5/20/2014	5/21/2014	1	6/19/2014	6/20/2014	1
16	4/22/2014	4/23/2014	1	5/21/2014	5/22/2014	1	6/20/2014	6/23/2014	3
17	4/23/2014	4/24/2014	1	5/22/2014	5/23/2014	1	6/23/2014	6/24/2014	1
18	4/24/2014	4/25/2014	1	5/23/2014	5/27/2014	4	6/24/2014	6/25/2014	1
19	4/25/2014	4/27/2014	3	5/27/2014	5/28/2014	1	6/25/2014	6/26/2014	1
20	4/28/2014	4/29/2014	1	5/28/2014	5/29/2014	1	6/26/2014	6/27/2014	1
21	4/29/2014	4/30/2014	1	5/29/2014	5/30/2014	1	6/27/2014	6/30/2014	3
22	4/30/2014								
23									
24									
31			31			32.6			34.4
32	Total								
33									
34	Average					1.6			1.6
35									
36									

[a] Calculated systematic billing lag

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Revenue Lead - Group

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Line No	Month	PIPP (Installment) Revenue [a]	ODSA Revenue [b]	Summary Bill Revenue [c]	Bill Ready Revenue [d]	Traditional Customer Revenue [e]	Total	Monthly Revenue [Revenue Lead]	Difference
1	Jul-13	\$ 2,308,654	\$ 3,764,024	\$ 886,381	\$ 2,425,712	\$ 64,870,432	\$ 74,255,203.20	\$ 73,805,153	\$ 450,050 [f]
2	Aug-13	\$ 2,310,259	\$ 3,570,355	\$ 914,245	\$ 4,468,074	\$ 61,014,885	\$ 72,277,818.84	\$ 71,654,096	\$ 623,722 [f]
3	Sep-13	\$ 2,300,007	\$ 3,271,563	\$ 896,312	\$ 11,128,234	\$ 51,266,416	\$ 68,862,530.88	\$ 68,153,320	\$ 709,211 [f]
4	Oct-13	\$ 2,296,416	\$ 2,334,984	\$ 930,120	\$ 10,031,373	\$ 42,832,078	\$ 58,424,970.71	\$ 57,908,796	\$ 516,175 [f]
5	Nov-13	\$ 2,295,873	\$ 2,783,420	\$ 884,391	\$ 10,326,066	\$ 42,150,434	\$ 58,440,184.76	\$ 57,956,564	\$ 483,620 [f]
6	Dec-13	\$ 2,310,304	\$ 4,004,363	\$ 873,405	\$ 12,192,971	\$ 46,825,745	\$ 66,206,787.58	\$ 66,200,618	\$ 6,169 [f]
7	Jan-14	\$ 2,342,046	\$ 5,408,021	\$ 966,265	\$ 16,456,327	\$ 55,910,821	\$ 81,083,480.48	\$ 80,897,465	\$ 186,015 [f]
8	Feb-14	\$ 2,355,612	\$ 5,817,123	\$ 1,088,075	\$ 18,060,781	\$ 58,591,885	\$ 85,913,476.15	\$ 85,539,376	\$ 374,101 [f]
9	Mar-14	\$ 2,392,553	\$ 4,719,133	\$ 1,084,099	\$ 16,204,106	\$ 51,349,594	\$ 75,749,485.59	\$ 74,990,132	\$ 759,354 [f]
10	Apr-14	\$ 2,422,714	\$ 3,558,297	\$ 1,072,201	\$ 16,456,327	\$ 44,441,599	\$ 67,951,137.29	\$ 65,368,632	\$ 2,582,505 [f]
11	May-14	\$ 2,442,135	\$ 2,383,331	\$ 1,071,391	\$ 14,972,174	\$ 38,200,593	\$ 59,069,624.10	\$ 58,183,383	\$ 886,242 [f]
12	Jun-14	\$ 2,439,474	\$ 3,336,075	\$ 1,202,188	\$ 17,377,226	\$ 48,588,729	\$ 72,943,691.69	\$ 71,605,456	\$ 1,338,236 [f]
13	Total	\$ 28,216,048	\$ 44,950,688	\$ 11,869,072	\$ 150,099,371	\$ 606,043,211	\$ 841,178,391	\$ 832,262,992	\$ 8,915,399
14	Average Daily								
15	Revenue Balance	\$ 77,304	\$ 123,153	\$ 32,518	\$ 411,231	\$ 1,660,392	\$ 2,304,598	\$ 2,280,173	\$ 24,426

[a] The PIPP Installment Revenue balances for each month were obtained from the monthly revenue queries from the subledger.

[b] The ODSA revenues related to the state subsidized portion of the PIPP customers.

[c] The Summary Bill Revenue balances for each month were obtained from the monthly revenue queries from the subledger.

[d] The Bill Ready Revenue balances for each month were obtained from the monthly revenue queries from the subledger.

[e] The Traditional/All Other Revenue balances for each month were obtained from the monthly revenue queries from the subledger.

[f] The difference in the revenue reconciliation is due to the adjustments that are recorded in the subledger (which the queries are based on) after the revenue month has been closed, that are not included in the monthly revenue balances in datamart.

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Line No	June-14			July-14			August-14		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	5/30/2014	6/2/2014	3	6/30/2014	7/1/2014	1	7/31/2014	8/1/2014	1
2	6/2/2014	6/3/2014	1	7/1/2014	7/2/2014	1	8/1/2014	8/3/2014	3
3	6/3/2014	6/4/2014	1	7/2/2014	7/3/2014	1	8/4/2014	8/5/2014	1
4	6/4/2014	6/4/2014	1	7/3/2014	7/6/2014	4	8/5/2014	8/6/2014	1
5	6/5/2014	6/6/2014	1	7/7/2014	7/7/2014	1	8/6/2014	8/6/2014	1
6	6/6/2014	6/8/2014	3	7/8/2014	7/9/2014	1	8/7/2014	8/8/2014	1
7	6/9/2014	6/10/2014	1	7/9/2014	7/10/2014	1	8/8/2014	8/10/2014	3
8	6/10/2014	6/11/2014	1	7/10/2014	7/11/2014	1	8/11/2014	8/11/2014	1
9	6/11/2014	6/11/2014	1	7/11/2014	7/13/2014	3	8/12/2014	8/13/2014	1
10	6/12/2014	6/13/2014	1	7/14/2014	7/14/2014	1	8/13/2014	8/13/2014	1
11	6/13/2014	6/15/2014	3	7/15/2014	7/16/2014	1	8/14/2014	8/15/2014	1
12	6/16/2014	6/16/2014	1	7/16/2014	7/17/2014	1	8/15/2014	8/17/2014	3
13	6/17/2014	6/18/2014	1	7/17/2014	7/18/2014	1	8/18/2014	8/18/2014	1
14	6/18/2014	6/19/2014	1	7/18/2014	7/20/2014	3	8/19/2014	8/20/2014	1
15	6/19/2014	6/20/2014	1	7/22/2014	7/23/2014	1	8/20/2014	8/20/2014	1
16	6/20/2014	6/22/2014	3	7/23/2014	7/24/2014	1	8/21/2014	8/22/2014	1
17	6/23/2014	6/24/2014	1	7/24/2014	7/25/2014	1	8/22/2014	8/24/2014	3
18	6/24/2014	6/25/2014	1	7/25/2014	7/27/2014	3	8/25/2014	8/25/2014	1
19	6/25/2014	6/26/2014	1	7/28/2014	7/29/2014	1	8/26/2014	8/26/2014	1
20	6/26/2014	6/27/2014	1	7/29/2014	7/29/2014	1	8/27/2014	8/27/2014	1
21	6/27/2014	6/30/2014	3	7/30/2014	7/30/2014	1	8/28/2014	8/28/2014	1
22									
23									
24									
47									
48	Total			31.3			30.4		
49									
50	Average			1.5			1.4		
51									
52	Average- Entire Period			1.5 [a]					

[a] Calculated systematic billing lag

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Line No	September-14			October-14			November-14		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	8/29/2014	9/2/2014	4	9/30/2014	10/1/2014	1	10/31/2014	11/3/2014	3
2	9/2/2014	9/3/2014	1	10/1/2014	10/2/2014	1	11/1/2014	11/3/2014	2
3	9/3/2014	9/3/2014	1	10/2/2014	10/3/2014	1	11/3/2014	11/3/2014	1
4	9/4/2014	9/5/2014	1	10/3/2014	10/5/2014	3	11/4/2014	11/4/2014	1
5	9/5/2014	9/7/2014	3	10/6/2014	10/6/2014	1	11/5/2014	11/5/2014	1
6	9/8/2014	9/9/2014	1	10/7/2014	10/8/2014	1	11/6/2014	11/7/2014	1
7	9/9/2014	9/10/2014	1	10/8/2014	10/9/2014	1	11/7/2014	11/9/2014	3
8	9/10/2014	9/10/2014	1	10/9/2014	10/10/2014	1	11/8/2014	11/10/2014	2
9	9/11/2014	9/12/2014	1	10/10/2014	10/12/2014	3	11/10/2014	11/10/2014	1
10	9/12/2014	9/14/2014	3	10/13/2014	10/14/2014	1	11/11/2014	11/11/2014	1
11	9/15/2014	9/16/2014	1	10/14/2014	10/15/2014	1	11/12/2014	11/13/2014	1
12	9/16/2014	9/17/2014	1	10/15/2014	10/15/2014	1	11/13/2014	11/14/2014	1
13	9/17/2014	9/17/2014	1	10/16/2014	10/17/2014	1	11/14/2014	11/16/2014	3
14	9/18/2014	9/19/2014	1	10/20/2014	10/21/2014	1	11/17/2014	11/17/2014	1
15	9/19/2014	9/21/2014	3	10/21/2014	10/22/2014	1	11/18/2014	11/18/2014	1
16	9/22/2014	9/22/2014	1	10/22/2014	10/23/2014	1	11/19/2014	11/19/2014	1
17	9/23/2014	9/24/2014	1	10/23/2014	10/24/2014	1	11/20/2014	11/20/2014	1
18	9/24/2014	9/25/2014	1	10/27/2014	10/28/2014	1	11/21/2014	11/23/2014	3
19	9/25/2014	9/26/2014	1	10/28/2014	10/29/2014	1	11/22/2014	11/24/2014	2
20	9/26/2014	9/28/2014	3	10/29/2014	10/29/2014	1	11/24/2014	11/24/2014	1
21	9/29/2014	9/29/2014	1	10/30/2014	10/30/2014	1	11/25/2014	11/25/2014	1
22									
23									
24									
47									
48			32.0			24.9			30.7
49									
50			1.5			1.2			1.5
51									
52									

[a] Calculated systematic billing lag

The Dayton Power and Light Company

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PIPP - Billing Lag Update

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Line No	December-14			January-15			February-15		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	11/26/2014	12/1/2014	5	12/30/2014	1/2/2015	3	1/30/2015	2/2/2015	3
2	12/1/2014	12/2/2014	1	1/2/2015	1/4/2015	3	2/2/2015	2/2/2015	1
3	12/2/2014	12/3/2014	1	1/5/2015	1/6/2015	1	2/3/2015	2/4/2015	1
4	12/3/2014	12/3/2014	1	1/6/2015	1/6/2015	1	2/4/2015	2/4/2015	1
5	12/4/2014	12/4/2014	1	1/7/2015	1/8/2015	1	2/5/2015	2/6/2015	1
6	12/5/2014	12/7/2014	3	1/8/2015	1/8/2015	1	2/6/2015	2/8/2015	3
7	12/8/2014	12/8/2014	1	1/9/2015	1/11/2015	3	2/9/2015	2/10/2015	1
8	12/9/2014	12/10/2014	1	1/12/2015	1/13/2015	1	2/10/2015	2/11/2015	1
9	12/10/2014	12/11/2014	1	1/13/2015	1/13/2015	1	2/11/2015	2/12/2015	1
10	12/11/2014	12/12/2014	1	1/14/2015	1/14/2015	1	2/12/2015	2/13/2015	1
11	12/12/2014	12/14/2014	3	1/15/2015	1/16/2015	1	2/13/2015	2/15/2015	3
12	12/13/2014	12/15/2014	2	1/16/2015	1/18/2015	3	2/16/2015	2/17/2015	1
13	12/15/2014	12/15/2014	1	1/17/2015	1/19/2015	2	2/17/2015	2/18/2015	1
14	12/16/2014	12/17/2014	1	1/19/2015	1/20/2015	1	2/18/2015	2/19/2015	1
15	12/17/2014	12/18/2014	1	1/20/2015	1/21/2015	1	2/19/2015	2/20/2015	1
16	12/18/2014	12/19/2014	1	1/21/2015	1/22/2015	1	2/20/2015	2/22/2015	3
17	12/19/2014	12/21/2014	3	1/22/2015	1/23/2015	1	2/21/2015	2/23/2015	2
18	12/22/2014	12/23/2014	1	1/23/2015	1/25/2015	3	2/23/2015	2/23/2015	1
19	12/23/2014	12/26/2014	3	1/26/2015	1/27/2015	1	2/24/2015	2/24/2015	1
20	12/26/2014	12/28/2014	3	1/27/2015	1/28/2015	1	2/25/2015	2/25/2015	1
21	12/29/2014	12/29/2014	1	1/29/2015	1/30/2015	1	2/26/2015	2/26/2015	1
22									
23									
24									
47									
48			36.4			32.2			30.15
49	6533754.24								
50			1.7			1.5			1.4
51									
52									

[a] Calculated systematic billing lag

The Dayton Power and Light Company

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PIPP - Billing Lag Update

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Line No	March-15			April-15			May-15		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1									
2									
3	2/27/2015	3/2/2015	3	3/31/2015	4/1/2015	1	4/30/2015	5/1/2015	1
4	3/2/2015	3/3/2015	1	4/1/2015	4/2/2015	1	5/1/2015	5/3/2015	3
5	3/3/2015	3/4/2015	1	4/2/2015	4/5/2015	4	5/4/2015	5/4/2015	1
6	3/4/2015	3/4/2015	1	4/6/2015	4/7/2015	1	5/5/2015	5/5/2015	1
7	3/5/2015	3/5/2015	1	4/7/2015	4/8/2015	1	5/6/2015	5/7/2015	1
8	3/9/2015	3/10/2015	1	4/8/2015	4/9/2015	1	5/7/2015	5/8/2015	1
9	3/10/2015	3/11/2015	1	4/9/2015	4/10/2015	1	5/8/2015	5/10/2015	3
10	3/11/2015	3/12/2015	1	4/10/2015	4/12/2015	3	5/11/2015	5/12/2015	1
11	3/12/2015	3/12/2015	1	4/13/2015	4/13/2015	1	5/12/2015	5/13/2015	1
12	3/13/2015	3/15/2015	3	4/14/2015	4/15/2015	1	5/13/2015	5/14/2015	1
13	3/16/2015	3/17/2015	1	4/15/2015	4/16/2015	1	5/14/2015	5/15/2015	1
14	3/17/2015	3/18/2015	1	4/16/2015	4/17/2015	1	5/15/2015	5/17/2015	3
15	3/18/2015	3/19/2015	1	4/17/2015	4/19/2015	3	5/16/2015	5/18/2015	2
16	3/19/2015	3/20/2015	1	4/20/2015	4/20/2015	1	5/18/2015	5/18/2015	1
17	3/20/2015	3/22/2015	3	4/21/2015	4/22/2015	1	5/19/2015	5/20/2015	1
18	3/23/2015	3/24/2015	1	4/22/2015	4/23/2015	1	5/20/2015	5/21/2015	1
19	3/24/2015	3/25/2015	1	4/23/2015	4/24/2015	1	5/21/2015	5/22/2015	1
20	3/25/2015	3/26/2015	1	4/24/2015	4/26/2015	3	5/22/2015	5/25/2015	4
21	3/26/2015	3/27/2015	1	4/27/2015	4/27/2015	1	5/26/2015	5/27/2015	1
22	3/27/2015	3/29/2015	3	4/28/2015	4/28/2015	1	5/27/2015	5/27/2015	1
23	3/30/2015	3/30/2015	1	4/29/2015	4/29/2015	1	5/28/2015	5/28/2015	1
24									
47									
48			29.24			30.8			31.2
49									
50									
51			1.4			1.5			1.5
52									
Total									
Average									

[a] Calculated systematic billing lag

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Summary Billing Accounts- Billing Lag

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Line No.	Customer Number	Total		
		Lag [a]	Dollar Sales [b]	Dollar-Day Lag
1	1167188243	15.0	\$ 132,475	\$ 1,991,512
2	1890781255	21.2	\$ 66,841	\$ 1,414,797
3	2020966203	11.1	\$ 873,101	\$ 9,728,039
4	3675009784	15.1	\$ 281,530	\$ 4,261,113
5	3701054613	17.3	\$ 173,618	\$ 3,012,264
6	4195046351	18.5	\$ 99,459	\$ 1,837,159
7	4592910942	10.3	\$ 73,771	\$ 760,247
8	4650262965	17.5	\$ 638,885	\$ 11,169,838
9	4793094117	12.2	\$ 148,915	\$ 1,812,517
10	5365118354	11.0	\$ 143,458	\$ 1,585,113
11	5742697023	10.6	\$ 91,311	\$ 970,178
12	6100100530	9.0	\$ 111,114	\$ 1,003,110
13	6216130120	15.5	\$ 354,233	\$ 5,480,190
14	6634883119	12.8	\$ 2,758,207	\$ 35,283,049
15	6910139510	20.5	\$ 269,360	\$ 5,513,461
16	6946833161	20.2	\$ 299,072	\$ 6,040,419
17	7530831121	17.5	\$ 287,770	\$ 5,033,343
18	7695812024	7.2	\$ 617,088	\$ 4,458,463
19	8249213429	15.3	\$ 104,630	\$ 1,598,791
20	9123715512	10.8	\$ 289,501	\$ 3,131,438
Total			<u>\$ 7,814,337</u>	<u>\$ 106,085,042</u>
Weighted Average Lag Days				13.6

[a] Average Lag was calculated for the customer for each bill during the 12 month test period.

[b] Total revenue for the selected customer was calculated from billing system outputs.

Note: A total of 20 summary bill customers were selected for testing to arrive at 54% coverage.

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Bill Ready - Billing Lag Update

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Line No	June-14			July-14			August-14		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	5/30/2014	6/3/2014	5	6/30/2014	7/3/2014	3	7/31/2014	8/4/2014	5
2	6/2/2014	6/5/2014	3	7/1/2014	7/6/2014	5	8/1/2014	8/5/2014	5
3	6/3/2014	6/6/2014	3	7/2/2014	7/7/2014	6	8/4/2014	8/6/2014	3
4	6/4/2014	6/8/2014	5	7/3/2014	7/8/2014	6	8/5/2014	8/8/2014	3
5	6/5/2014	6/9/2014	5	7/7/2014	7/9/2014	3	8/6/2014	8/10/2014	4
6	6/6/2014	6/10/2014	5	7/8/2014	7/11/2014	3	8/7/2014	8/11/2014	5
7	6/9/2014	6/11/2014	3	7/9/2014	7/13/2014	5	8/8/2014	8/12/2014	5
8	6/10/2014	6/13/2014	3	7/10/2014	7/14/2014	5	8/11/2014	8/13/2014	3
9	6/11/2014	6/15/2014	5	7/11/2014	7/15/2014	5	8/12/2014	8/15/2014	3
10	6/12/2014	6/16/2014	5	7/14/2014	7/16/2014	3	8/13/2014	8/17/2014	4
11	6/13/2014	6/17/2014	5	7/15/2014	7/18/2014	3	8/14/2014	8/18/2014	5
12	6/16/2014	6/18/2014	3	7/16/2014	7/20/2014	5	8/15/2014	8/19/2014	5
13	6/17/2014	6/20/2014	3	7/17/2014	7/21/2014	5	8/18/2014	8/20/2014	3
14	6/18/2014	6/22/2014	5	7/18/2014	7/22/2014	5	8/19/2014	8/22/2014	3
15	6/19/2014	6/23/2014	5	7/22/2014	7/25/2014	3	8/20/2014	8/24/2014	5
16	6/20/2014	6/24/2014	5	7/23/2014	7/27/2014	5	8/21/2014	8/25/2014	5
17	6/23/2014	6/25/2014	3	7/24/2014	7/28/2014	5	8/22/2014	8/26/2014	5
18	6/24/2014	6/27/2014	3	7/25/2014	7/29/2014	5	8/23/2014	8/27/2014	3
19	6/25/2014	6/29/2014	4	7/28/2014	7/30/2014	3	8/25/2014	8/29/2014	3
20	6/26/2014	6/30/2014	5	7/29/2014	7/31/2014	3	8/26/2014	9/1/2014	6
21	6/27/2014	7/1/2014	5	7/30/2014	8/3/2014	5	8/27/2014	9/2/2014	6
22									
23									
24									
47									
48			86.6			89.1			87.7
49									
50			4.1			4.2			4.2
51									
52									
Average- Entire Period			4.1 [a]						

[a] Calculated systematic billing lag

The Dayton Power and Light Company
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Bill Ready - Billing Lag Update

Line No	September-14			October-14			November-14		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	8/29/2014	9/3/2014	6	9/30/2014	10/2/2014	3	10/31/2014	11/4/2014	5
2	9/2/2014	9/4/2014	3	10/1/2014	10/5/2014	4	11/1/2014	11/4/2014	4
3	9/3/2014	9/7/2014	4	10/2/2014	10/6/2014	5	11/3/2014	11/5/2014	3
4	9/4/2014	9/8/2014	5	10/3/2014	10/7/2014	5	11/4/2014	11/6/2014	3
5	9/5/2014	9/9/2014	5	10/6/2014	10/8/2014	3	11/5/2014	11/9/2014	4
6	9/8/2014	9/10/2014	3	10/7/2014	10/10/2014	3	11/6/2014	11/10/2014	5
7	9/9/2014	9/12/2014	3	10/8/2014	10/12/2014	4	11/7/2014	11/11/2014	5
8	9/10/2014	9/14/2014	5	10/9/2014	10/13/2014	5	11/8/2014	11/11/2014	4
9	9/11/2014	9/15/2014	5	10/10/2014	10/14/2014	5	11/10/2014	11/12/2014	3
10	9/12/2014	9/16/2014	5	10/13/2014	10/15/2014	3	11/11/2014	11/13/2014	3
11	9/15/2014	9/17/2014	3	10/14/2014	10/17/2014	3	11/12/2014	11/16/2014	4
12	9/16/2014	9/18/2014	3	10/15/2014	10/19/2014	4	11/13/2014	11/17/2014	5
13	9/17/2014	9/21/2014	4	10/16/2014	10/20/2014	5	11/14/2014	11/18/2014	5
14	9/18/2014	9/22/2014	5	10/20/2014	10/22/2014	3	11/17/2014	11/19/2014	3
15	9/19/2014	9/23/2014	5	10/21/2014	10/23/2014	3	11/18/2014	11/20/2014	3
16	9/22/2014	9/24/2014	3	10/22/2014	10/26/2014	4	11/19/2014	11/23/2014	4
17	9/23/2014	9/25/2014	3	10/23/2014	10/27/2014	5	11/20/2014	11/24/2014	5
18	9/24/2014	9/28/2014	4	10/27/2014	10/29/2014	3	11/21/2014	11/25/2014	5
19	9/25/2014	9/29/2014	5	10/28/2014	10/31/2014	3	11/22/2014	11/26/2014	4
20	9/26/2014	9/30/2014	5	10/29/2014	11/2/2014	4	11/24/2014	11/29/2014	6
21	9/29/2014	10/1/2014	3	10/30/2014	11/3/2014	5	11/25/2014	12/1/2014	7
22									
23									
24									
47									
48	Total			85.3			81.9		
49									
50	Average			4.1			3.9		
51									
52									

[a] Calculated systematic billing lag

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Bill Ready - Billing Lag Update

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Line No	December-14			January-15			February-15		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
47									
48									
49									
50									
51									
52									
Total			98.5			84.5			81.39170
Average			4.7			4.0			3.9

[a] Calculated systematic billing lag

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Bill Ready - Billing Lag Update

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Line No	March-15			April-15			May-15		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1									
2									
3	2/27/2015	3/3/2015	5	3/31/2015	4/4/2015	5	4/30/2015	5/4/2015	5
4	3/2/2015	3/4/2015	3	4/1/2015	4/6/2015	6	5/1/2015	5/5/2015	5
5	3/3/2015	3/5/2015	3	4/2/2015	4/7/2015	6	5/4/2015	5/6/2015	3
6	3/4/2015	3/7/2015	4	4/6/2015	4/8/2015	3	5/5/2015	5/7/2015	3
7	3/5/2015	3/9/2015	5	4/7/2015	4/10/2015	3	5/6/2015	5/9/2015	4
8	3/9/2015	3/11/2015	3	4/8/2015	4/12/2015	4	5/7/2015	5/11/2015	5
9	3/10/2015	3/12/2015	3	4/9/2015	4/13/2015	5	5/8/2015	5/12/2015	5
10	3/11/2015	3/15/2015	4	4/10/2015	4/14/2015	5	5/11/2015	5/13/2015	3
11	3/12/2015	3/16/2015	5	4/13/2015	4/16/2015	3	5/12/2015	5/14/2015	3
12	3/13/2015	3/17/2015	5	4/14/2015	4/17/2015	3	5/13/2015	5/17/2015	4
13	3/16/2015	3/18/2015	3	4/15/2015	4/19/2015	4	5/14/2015	5/18/2015	5
14	3/17/2015	3/19/2015	3	4/16/2015	4/20/2015	5	5/15/2015	5/19/2015	5
15	3/18/2015	3/22/2015	4	4/17/2015	4/21/2015	5	5/16/2015	5/19/2015	4
16	3/19/2015	3/23/2015	5	4/20/2015	4/22/2015	3	5/18/2015	5/20/2015	3
17	3/20/2015	3/24/2015	5	4/21/2015	4/23/2015	3	5/19/2015	5/22/2015	3
18	3/23/2015	3/25/2015	3	4/22/2015	4/26/2015	4	5/20/2015	5/25/2015	5
19	3/24/2015	3/26/2015	3	4/23/2015	4/27/2015	5	5/21/2015	5/26/2015	6
20	3/25/2015	3/29/2015	4	4/24/2015	4/28/2015	5	5/22/2015	5/27/2015	6
21	3/26/2015	3/30/2015	5	4/27/2015	4/29/2015	3	5/26/2015	5/28/2015	3
22	3/27/2015	3/31/2015	5	4/28/2015	4/30/2015	3	5/27/2015	5/28/2015	2
23	3/30/2015	4/1/2015	3	4/29/2015	5/3/2015	4	5/28/2015	5/29/2015	1
24									
47									
48	Total								
49			79,9087			85.9			79.3
50	Average								
51			3.8			4.1			3.8
52									

[a] Calculated systematic billing lag

The Dayton Power and Light Company

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Traditional (All Other Customers)- Billing Lag Update

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Line No	June-14			July-14			August-14		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	5/30/2014	6/2/2014	3	6/30/2014	7/1/2014	1	7/31/2014	8/1/2014	1
2	6/2/2014	6/3/2014	1	7/1/2014	7/2/2014	1	8/1/2014	8/3/2014	3
3	6/3/2014	6/4/2014	1	7/2/2014	7/3/2014	1	8/4/2014	8/5/2014	1
4	6/4/2014	6/5/2014	1	7/3/2014	7/7/2014	4	8/5/2014	8/6/2014	1
5	6/5/2014	6/6/2014	1	7/7/2014	7/8/2014	1	8/6/2014	8/7/2014	1
6	6/6/2014	6/9/2014	3	7/8/2014	7/9/2014	1	8/7/2014	8/8/2014	1
7	6/9/2014	6/10/2014	1	7/9/2014	7/10/2014	2	8/8/2014	8/10/2014	3
8	6/10/2014	6/11/2014	1	7/10/2014	7/11/2014	1	8/11/2014	8/12/2014	1
9	6/11/2014	6/12/2014	1	7/11/2014	7/14/2014	3	8/12/2014	8/13/2014	1
10	6/12/2014	6/13/2014	1	7/14/2014	7/15/2014	1	8/13/2014	8/14/2014	1
11	6/13/2014	6/16/2014	3	7/15/2014	7/16/2014	1	8/14/2014	8/15/2014	1
12	6/16/2014	6/17/2014	1	7/16/2014	7/17/2014	1	8/15/2014	8/17/2014	3
13	6/17/2014	6/18/2014	1	7/17/2014	7/18/2014	1	8/18/2014	8/19/2014	1
14	6/18/2014	6/19/2014	1	7/18/2014	7/21/2014	3	8/19/2014	8/20/2014	1
15	6/19/2014	6/20/2014	1	7/22/2014	7/23/2014	1	8/20/2014	8/21/2014	1
16	6/20/2014	6/23/2014	3	7/23/2014	7/24/2014	1	8/21/2014	8/22/2014	1
17	6/23/2014	6/24/2014	1	7/24/2014	7/25/2014	1	8/22/2014	8/24/2014	3
18	6/24/2014	6/25/2014	1	7/25/2014	7/28/2014	3	8/25/2014	8/26/2014	1
19	6/25/2014	6/26/2014	1	7/28/2014	7/29/2014	1	8/26/2014	8/27/2014	1
20	6/26/2014	6/27/2014	1	7/29/2014	7/30/2014	1	8/27/2014	8/28/2014	1
21	6/27/2014	6/30/2014	3	7/30/2014	7/31/2014	1	8/28/2014	8/29/2014	1
22									
23									
24									
47									
48	Total			34.6			33.9		
49									
50	Average			1.6			1.6		
51									
52	Average- Entire Period			1.5 [a]					

[a] Calculated systematic billing lag

The Dayton Power and Light Company
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Traditional (All Other Customers)- Billing Lag Update

Line No	September-14			October-14			November-14		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	8/29/2014	9/2/2014	4	9/30/2014	10/1/2014	1	10/31/2014	11/3/2014	3
2	9/2/2014	9/3/2014	1	10/1/2014	10/2/2014	1	11/1/2014	11/3/2014	2
3	9/3/2014	9/4/2014	1	10/2/2014	10/3/2014	1	11/3/2014	11/4/2014	1
4	9/4/2014	9/5/2014	1	10/3/2014	10/5/2014	3	11/4/2014	11/5/2014	1
5	9/5/2014	9/7/2014	3	10/6/2014	10/7/2014	1	11/5/2014	11/5/2014	1
6	9/8/2014	9/9/2014	1	10/7/2014	10/8/2014	1	11/6/2014	11/6/2014	1
7	9/9/2014	9/10/2014	1	10/8/2014	10/9/2014	1	11/7/2014	11/9/2014	3
8	9/10/2014	9/11/2014	1	10/9/2014	10/10/2014	1	11/8/2014	11/10/2014	2
9	9/11/2014	9/12/2014	1	10/10/2014	10/13/2014	3	11/10/2014	11/10/2014	1
10	9/12/2014	9/14/2014	3	10/13/2014	10/14/2014	1	11/11/2014	11/12/2014	1
11	9/15/2014	9/16/2014	1	10/14/2014	10/15/2014	1	11/12/2014	11/13/2014	1
12	9/16/2014	9/17/2014	1	10/15/2014	10/16/2014	1	11/13/2014	11/14/2014	1
13	9/17/2014	9/18/2014	1	10/16/2014	10/17/2014	1	11/14/2014	11/16/2014	3
14	9/18/2014	9/19/2014	1	10/20/2014	10/21/2014	1	11/17/2014	11/18/2014	1
15	9/19/2014	9/22/2014	3	10/21/2014	10/22/2014	1	11/18/2014	11/19/2014	1
16	9/22/2014	9/23/2014	1	10/22/2014	10/23/2014	1	11/19/2014	11/20/2014	1
17	9/23/2014	9/24/2014	1	10/23/2014	10/24/2014	1	11/20/2014	11/20/2014	1
18	9/24/2014	9/25/2014	1	10/27/2014	10/28/2014	1	11/21/2014	11/23/2014	3
19	9/25/2014	9/26/2014	1	10/28/2014	10/29/2014	1	11/22/2014	11/24/2014	2
20	9/26/2014	9/29/2014	3	10/29/2014	10/30/2014	1	11/24/2014	11/25/2014	1
21	9/29/2014	9/30/2014	1	10/30/2014	10/31/2014	1	11/25/2014	11/26/2014	1
22									
23									
24									
47									
48			34.1			27.4			32.2
49									
50			1.6			1.3			1.5
51									
52									

[a] Calculated systematic billing lag

The Dayton Power and Light Company
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Traditional (All Other Customers)- Billing Lag Update

Line No	December-14			January-15			February-15		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	11/26/2014	12/1/2014	5	12/30/2014	1/2/2015	4	1/30/2015	2/2/2015	3
2	12/1/2014	12/2/2014	1	1/2/2015	1/4/2015	3	2/2/2015	2/3/2015	1
3	12/2/2014	12/3/2014	1	1/5/2015	1/6/2015	1	2/3/2015	2/4/2015	1
4	12/3/2014	12/4/2014	1	1/6/2015	1/7/2015	1	2/4/2015	2/5/2015	1
5	12/4/2014	12/5/2014	1	1/7/2015	1/8/2015	1	2/5/2015	2/6/2015	1
6	12/5/2014	12/7/2014	3	1/8/2015	1/9/2015	1	2/6/2015	2/8/2015	3
7	12/8/2014	12/9/2014	1	1/9/2015	1/11/2015	3	2/9/2015	2/10/2015	1
8	12/9/2014	12/10/2014	1	1/12/2015	1/13/2015	1	2/10/2015	2/11/2015	1
9	12/10/2014	12/11/2014	1	1/13/2015	1/14/2015	1	2/11/2015	2/12/2015	1
10	12/11/2014	12/12/2014	1	1/14/2015	1/15/2015	1	2/12/2015	2/13/2015	1
11	12/12/2014	12/14/2014	3	1/15/2015	1/16/2015	1	2/13/2015	2/15/2015	3
12	12/13/2014	12/15/2014	2	1/16/2015	1/19/2015	3	2/16/2015	2/17/2015	1
13	12/15/2014	12/16/2014	1	1/17/2015	1/19/2015	2	2/17/2015	2/18/2015	1
14	12/16/2014	12/17/2014	1	1/19/2015	1/20/2015	1	2/18/2015	2/18/2015	1
15	12/17/2014	12/18/2014	1	1/20/2015	1/21/2015	1	2/19/2015	2/20/2015	1
16	12/18/2014	12/19/2014	1	1/21/2015	1/22/2015	1	2/20/2015	2/22/2015	3
17	12/19/2014	12/22/2014	3	1/22/2015	1/23/2015	1	2/21/2015	2/23/2015	2
18	12/22/2014	12/23/2014	1	1/23/2015	1/26/2015	3	2/23/2015	2/23/2015	1
19	12/23/2014	12/26/2014	3	1/26/2015	1/27/2015	1	2/24/2015	2/24/2015	1
20	12/26/2014	12/29/2014	3	1/27/2015	1/28/2015	1	2/25/2015	2/26/2015	1
21	12/29/2014	12/30/2014	1	1/29/2015	1/30/2015	1	2/26/2015	2/27/2015	1
22									
23									
24									
47									
48			38.5			34.2			30.96
49									
50			1.8			1.6			1.5
51									
52									
Total									
Average									

[a] Calculated systematic billing lag

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Traditional (All Other Customers)- Billing Lag Update

Line No	March-15			April-15			May-15		
	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag	Read Date	Billing Date	Billing Lag
1	2/27/2015	3/2/2015	3	3/31/2015	4/1/2015	1	4/30/2015	5/1/2015	1
2	3/2/2015	3/3/2015	1	4/1/2015	4/2/2015	1	5/1/2015	5/3/2015	3
3	3/3/2015	3/4/2015	1	4/2/2015	4/5/2015	4	5/4/2015	5/4/2015	1
4	3/4/2015	3/5/2015	1	4/6/2015	4/7/2015	1	5/5/2015	5/6/2015	1
5	3/5/2015	3/6/2015	1	4/7/2015	4/8/2015	1	5/6/2015	5/7/2015	1
6	3/9/2015	3/10/2015	1	4/8/2015	4/9/2015	1	5/7/2015	5/8/2015	1
7	3/10/2015	3/11/2015	1	4/9/2015	4/10/2015	1	5/8/2015	5/10/2015	3
8	3/11/2015	3/12/2015	1	4/10/2015	4/12/2015	3	5/11/2015	5/12/2015	1
9	3/12/2015	3/13/2015	1	4/13/2015	4/14/2015	1	5/12/2015	5/13/2015	1
10	3/13/2015	3/16/2015	3	4/14/2015	4/15/2015	1	5/13/2015	5/14/2015	1
11	3/16/2015	3/17/2015	1	4/15/2015	4/16/2015	1	5/14/2015	5/15/2015	1
12	3/17/2015	3/18/2015	1	4/16/2015	4/17/2015	1	5/15/2015	5/17/2015	3
13	3/18/2015	3/19/2015	1	4/17/2015	4/20/2015	3	5/16/2015	5/18/2015	2
14	3/19/2015	3/20/2015	1	4/20/2015	4/21/2015	1	5/18/2015	5/18/2015	1
15	3/20/2015	3/22/2015	3	4/21/2015	4/22/2015	1	5/19/2015	5/20/2015	1
16	3/23/2015	3/24/2015	1	4/22/2015	4/23/2015	1	5/20/2015	5/21/2015	1
17	3/24/2015	3/25/2015	1	4/23/2015	4/24/2015	1	5/21/2015	5/22/2015	1
18	3/25/2015	3/26/2015	1	4/24/2015	4/26/2015	3	5/22/2015	5/25/2015	4
19	3/26/2015	3/27/2015	1	4/27/2015	4/28/2015	1	5/26/2015	5/27/2015	1
20	3/27/2015	3/29/2015	3	4/28/2015	4/29/2015	1	5/27/2015	5/27/2015	1
21	3/30/2015	3/31/2015	1	4/29/2015	4/30/2015	1	5/28/2015	5/28/2015	1
22									
23									
24									
47									
48	Total					31.4			31.2
49									
50	Average					1.5			1.5
51									
52									

[a] Calculated systematic billing lag

The Dayton Power and Light Company

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Revenue Lead - Group - Updated

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Line No	Month	PIPP (Installment) Revenue [a]	ODSA Revenue [b]	Summary Bill Revenue [c]	Bill Ready Revenue [d]	Traditional Customer Revenue [e]	Total	Monthly Revenue [Revenue Lead]	Difference
1	Jun-14	\$ 2,436,917	\$ 3,336,075	\$ 1,202,188	\$ 17,373,927	\$ 48,575,985	\$ 72,925,092.79	\$ 71,605,456	\$ 1,319,636.73 [f]
2	Jul-14	\$ 2,441,119	\$ 4,203,872	\$ 1,291,999	\$ 19,137,889	\$ 54,557,788	\$ 81,632,666.30	\$ 80,364,154	\$ 1,268,512.03 [f]
3	Aug-14	\$ 2,452,073	\$ 3,706,142	\$ 1,342,451	\$ 18,061,534	\$ 52,301,995	\$ 77,864,194.96	\$ 76,476,329	\$ 1,387,866.15 [f]
4	Sep-14	\$ 2,462,063	\$ 3,451,165	\$ 1,305,283	\$ 19,055,715	\$ 50,845,767	\$ 77,119,993.37	\$ 76,454,470	\$ 665,523.16 [f]
5	Oct-14	\$ 2,466,290	\$ 2,320,276	\$ 1,228,057	\$ 15,630,402	\$ 41,839,445	\$ 63,484,468.96	\$ 62,729,823	\$ 754,646.39 [f]
6	Nov-14	\$ 2,467,759	\$ 2,926,344	\$ 1,172,678	\$ 15,697,941	\$ 43,424,213	\$ 65,688,934.77	\$ 65,065,632	\$ 623,302.74 [f]
7	Dec-14	\$ 2,495,935	\$ 4,274,388	\$ 1,112,103	\$ 17,448,620	\$ 47,199,457	\$ 72,530,502.32	\$ 71,933,260	\$ 597,242.05 [f]
8	Jan-15	\$ 2,508,146	\$ 5,003,407	\$ 1,164,720	\$ 19,482,738	\$ 52,730,977	\$ 80,889,987.35	\$ 80,981,669	\$ (91,682.12) [f]
9	Feb-15	\$ 2,542,801	\$ 5,041,383	\$ 1,202,525	\$ 18,338,025	\$ 52,852,454	\$ 79,977,188.46	\$ 79,996,254	\$ (19,065.84) [f]
10	Mar-15	\$ 2,577,496	\$ 5,032,473	\$ 1,186,883	\$ 18,358,009	\$ 52,842,602	\$ 79,997,463.14	\$ 79,931,999	\$ 65,463.99 [f]
11	Apr-15	\$ 2,600,347	\$ 3,195,332	\$ 1,190,451	\$ 15,141,559	\$ 44,106,686	\$ 66,234,375.55	\$ 65,967,011	\$ 267,364.08 [f]
12	May-15	\$ 2,619,207	\$ 2,014,220	\$ 1,136,195	\$ 12,259,841	\$ 40,003,108	\$ 58,032,570.93	\$ 58,892,038	\$ (859,467.33) [f]
13	Total	\$ 30,070,152	\$ 44,505,077	\$ 14,535,532	\$ 205,986,202	\$ 581,280,476	\$ 876,377,439	\$ 870,398,097	\$ 5,979,342
14	Average Daily								
15	Revenue Balance	\$ 82,384	\$ 121,932	\$ 39,823	\$ 564,346	\$ 1,592,549	\$ 2,401,034	\$ 2,384,652	\$ 16,382

[a] The PIPP Installment Revenue balances for each month were obtained from the monthly revenue queries from the subledger.

[b] The ODSA revenues related to the state subsidized portion of the PIPP customers.

[c] The Summary Bill Revenue balances for each month were obtained from the monthly revenue queries from the subledger.

[d] The Bill Ready Revenue balances for each month were obtained from the monthly revenue queries from the subledger.

[e] The Traditional/All Other Revenue balances for each month were obtained from the monthly revenue queries from the subledger.

[f] The difference in the revenue reconciliation is due to the adjustments that are recorded in the subledger (which the queries are based on) after the revenue month has been closed, that are not included in the monthly revenue balances in datamart.

The Dayton Power and Light Company

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Weighted Average Collection Lag

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Line No	Revenue Type	Average Daily Revenue	WP	Lag Days	Dollar-Days Lag
1					
2	PIPP	Page 17	\$ 77,304	Page 34 35.2	\$ 2,721,109
5					
6	All Other Customers	[a]	\$ 2,104,142	Page 35 24.9	\$ 52,393,124
7					
8	Total		\$ 2,181,446		\$ 55,114,233
9					
10	Weighted Average Days				25.3

[a] Represents the average daily revenue from Bill Ready, Summary Bill & all other customers per Page 17.

The Dayton Power and Light Company

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Weighted Average Collection Lag - Update

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Line No	Revenue Type	Average Daily Revenue	WP	Lag Days	Dollar-Days Lag
1					
2	PIPP	Page 31 \$	82,384	Page 37	34.1 \$
5					2,809,294
6	All Other Customers	[a] \$	2,196,718	Page 38	25.9 \$
7					56,895,006
8	Total	\$	2,279,102		\$
9					59,704,300
10	Weighted Average Days				26.2

[a] Represents the average daily revenue from Bill Ready, Summary Bill & all other customers per Page 31.

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Collection Lag- PIPP Customers Only

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Line No.	Description	Sales
1	Average Accounts Receivable	\$ 2,724,866 Page 36
2		
3	Average Daily Billings	\$ 77,304 Page 17
4		
5	<i>Average Lag (Avg A/R/Avg Daily Billings)</i>	<div>35.2</div>

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Collection Lag- All Customers (Except PIPP)

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Line No.	Description	Sales
1	Average Accounts Receivable	\$ 52,495,252 Page 36
2		
3	Average Daily Billings	\$ 2,104,142 [a]
4		
5	<i>Average Lag (Avg A/R/Avg Daily Billings)</i>	<div>24.9</div>

[a] Represents the sum of average daily billings for non-PIPP customers as found on Page 17.

The Dayton Power and Light Company
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A/R Lead - Group

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Line No	Month	PIPP [R-3B]	All Other [R-3D]	Total	Customer Month End A/R [AR Lead]	Difference
1	Jul-13	\$ 2,631,735	49,068,077	51,699,812	\$ 51,699,812	\$ -
2	Aug-13	\$ 2,608,114	50,174,033	52,782,147	\$ 52,782,147	\$ -
3	Sep-13	\$ 2,571,002	52,181,635	54,752,637	\$ 54,752,637	\$ -
4	Oct-13	\$ 2,442,204	42,202,973	44,645,177	\$ 44,645,177	\$ -
5	Nov-13	\$ 2,781,819	46,822,387	49,604,206	\$ 49,604,206	\$ -
6	Dec-13	\$ 2,919,118	46,359,313	49,278,431	\$ 49,278,431	\$ -
7	Jan-14	\$ 3,046,084	57,716,931	60,763,015	\$ 60,763,015	\$ -
8	Feb-14	\$ 2,861,899	66,174,762	69,036,661	\$ 69,036,661	\$ -
9	Mar-14	\$ 2,726,159	60,380,806	63,106,965	\$ 63,106,965	\$ -
10	Apr-14	\$ 2,683,516	54,355,583	57,039,099	\$ 57,039,099	\$ -
11	May-14	\$ 2,684,815	50,592,854	53,277,669	\$ 53,277,669	\$ -
12	Jun-14	\$ 2,741,928	53,913,670	56,655,598	\$ 56,655,598	\$ -
13						
14	Total	\$ 32,698,393	\$ 629,943,024	\$ 662,641,417	\$ 662,641,417	\$ -
15						
16	Average A/R Balance	\$ 2,724,866	\$ 52,495,252	\$ 55,220,118	\$ 55,220,118	\$ -

The Dayton Power and Light Company

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Collection Lag- PIPP Customers Only - Update

Exhibit ADF-1 Page 37 of 39

Line No.	Description	Sales
1	Average Accounts Receivable	\$ 2,809,983 Page 39
2		
3	Average Daily Billings	\$ 82,384 Page 31
4		
5	<i>Average Lag (Avg A/R/Avg Daily Billings)</i>	<div>34.1</div>

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR

Exhibit ADF-1 Page 38 of 39

Collection Lag- All Customers (Except PIPP) - Update

Line No.	Description	Sales
1	Average Accounts Receivable	\$ 56,936,359 Page 39
2		
3	Average Daily Billings	\$ 2,196,718 [a]
4		
5	<i>Average Lag (Avg A/R/Avg Daily Billings)</i>	<div style="border: 1px solid black; padding: 2px;">25.9</div>

[a] Represents the sum of average daily billings for non-PIPP customers as found on Page 31.

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
A/R Lead - Group - Update

Exhibit ADF-1 Page 39 of 39

Line No	Month	PIPP	All Other	Total	Customer Month End A/R	Difference
1	Jun-14	\$ 2,741,928	53,913,670	56,655,598	\$ 56,655,598	\$ -
2	Jul-14	\$ 2,643,888	56,834,600	59,478,488	\$ 59,478,488	\$ -
3	Aug-14	\$ 2,679,143	57,837,206	60,516,349	\$ 60,516,349	\$ -
4	Sep-14	\$ 2,553,463	55,019,675	57,573,139	\$ 57,573,139	\$ -
5	Oct-14	\$ 2,434,290	43,618,067	46,052,358	\$ 46,052,358	\$ -
6	Nov-14	\$ 2,869,150	51,330,632	54,199,782	\$ 54,199,782	\$ -
7	Dec-14	\$ 2,939,289	53,583,785	56,523,074	\$ 56,523,074	\$ -
8	Jan-15	\$ 3,106,883	61,519,283	64,626,166	\$ 64,626,166	\$ -
9	Feb-15	\$ 2,932,553	69,583,568	72,516,121	\$ 72,516,121	\$ -
10	Mar-15	\$ 2,850,738	65,396,827	68,247,565	\$ 68,247,565	\$ -
11	Apr-15	\$ 2,975,628	59,841,758	62,817,386	\$ 62,817,386	\$ -
12	May-15	\$ 2,992,843	54,757,233	57,750,076	\$ 57,750,076	\$ -
13						
14	Total	\$ 33,719,797	\$ 683,236,305	\$ 716,956,102	\$ 716,956,102	\$ -
15						
16	Average A/R Balance	\$ 2,809,983	\$ 56,936,359	\$ 59,746,342	\$ 59,746,342	\$ -

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR

Total ODSA Revenue Lag

Exhibit ADF-2 Page 1 of 8

Line No	Lag Type	Lag Days (7/1/13 - 6/30/14)	Lag Days (6/1/14 - 5/31/15)
1			
2	Lag to Collect Revenue from ODSA		
3	[a] Metering Lag	15.2	15.2
4	Billing Lag	22.6 Page 2	25.82 Page 3
5	Collection Lag	16.6 Page 4	14.44 Page 5
6			
11			
12	Total Revenue Lag	54.5	55.5 [b]

[a] Meters are read on a monthly cycle, which to determine the average time during the month the customers meter is read, the average midpoint of all the months during the year is used. (365days/12months/2midpoint of the month).

[b] As the fluctuation is minor, the original calculation from 7/1/13 - 6/30/14 appears appropriate to use for the purposes of this lead/lag study.

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR

Exhibit ADF-2 Page 2 of 8

Billing Lag- ODSA

Line No.	Month	ODSA Bill [a]	ODSA Bill Date [e]	Last day of Month	Bill Lag	Dollar Lag
1						
2	Jul-13	\$ 3,764,024	8/7/2013	7/31/2013	7.0 \$	26,348,166.53
3	Aug-13	\$ 3,570,355	9/6/2013	8/31/2013	6.0 \$	21,422,131.20
4	Sep-13	\$ 3,271,563	10/4/2013	9/30/2013	4.0 \$	13,086,250.56
5	Oct-13	\$ 2,334,984	11/7/2013	10/31/2013	7.0 \$	16,344,888.56
6	Nov-13	\$ 2,783,420	12/5/2013	11/30/2013	5.0 \$	13,917,098.80
7	Dec-13	\$ 4,004,363	1/9/2014	12/31/2013	9.0 \$	36,039,267.36
8	Jan-14	\$ 5,408,021	2/11/2014	1/31/2014	11.0 \$	59,488,235.51
9	Feb-14	\$ 5,817,123	3/6/2014	2/28/2014	6.0 \$	34,902,737.16
10	Mar-14	\$ 4,719,133	4/9/2014	3/31/2014	9.0 \$	42,472,198.71
11	Apr-14	\$ 3,558,297	5/8/2014	4/30/2014	8.0 \$	28,466,374.88
12	May-14	\$ 2,383,331	6/5/2014	5/31/2014	5.0 \$	11,916,653.80
13	Jun-14	\$ 3,336,075	7/9/2014	6/30/2014	9.0 \$	30,024,672.57
14						
15	Total	\$ 44,950,688			\$	334,428,676
16						
17	[b] Weighted Average	7.44				
18						
19	[c] Monthly Midpoint	15.20				
20						
21	[d] Total Billing Lag	22.64				

[a] Payment amount for each month was obtained from management.

[b] Weighted average of the lags between the end of the month and the date the ODSA was billed.

[c] Meter/usage is entered into DataMart throughout the month. The average time each month between when the customers usage is entered and the ODSA is not billed until the following month is accounted for by, using the average midpoint of all the months during the year.
(365days/12months/2midpoint of the month)

[d] Weighted average billing lag incorporating the month for which the ODSA portion of PIPP customer usage is entered into DataMart but not invoiced to the ODSA until the following month and the days into the following month until the ODSA is invoiced.

[e] Date of the invoice for the ODSA was obtained from management.

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR

Billing Lag- ODSA - Update

Exhibit ADF-2 Page 3 of 8

Line No.	Month	ODSA Bill [a]	ODSA Bill Date [e]	Last day of Month	Bill Lag	Dollar Lag
1						
2	Jun-14	\$ 3,336,075	7/9/2014	6/30/2014	9.0 \$	30,024,672.57
3	Jul-14	\$ 4,203,872	8/11/2014	7/31/2014	11.0 \$	46,242,591.89
4	Aug-14	\$ 3,706,142	9/8/2014	8/31/2014	8.0 \$	29,649,139.76
5	Sep-14	\$ 3,451,165	10/8/2014	9/30/2014	8.0 \$	27,609,322.72
6	Oct-14	\$ 2,320,276	11/10/2014	10/31/2014	10.0 \$	23,202,757.90
7	Nov-14	\$ 2,926,344	12/8/2014	11/30/2014	8.0 \$	23,410,750.16
8	Dec-14	\$ 4,274,388	1/14/2015	12/31/2014	14.0 \$	59,841,425.14
9	Jan-15	\$ 5,003,407	2/9/2015	1/31/2015	9.0 \$	45,030,660.12
10	Feb-15	\$ 5,041,383	3/11/2015	2/28/2015	11.0 \$	55,455,218.17
11	Mar-15	\$ 5,032,473	4/13/2015	3/31/2015	13.0 \$	65,422,145.88
12	Apr-15	\$ 3,195,332	5/14/2015	4/30/2015	14.0 \$	44,734,652.62
13	May-15	\$ 2,014,220	6/11/2015	5/31/2015	11.0 \$	22,156,419.23
14						
15	Total	\$ 44,505,077				\$ 472,779,756
16						
17	[b] Weighted Average	10.62				
18						
19	[c] Monthly Midpoint	15.20				
20						
21	[d] Total Billing Lag	25.82				

[a] Payment amount for each month was obtained from management.

[b] Weighted average of the lags between the end of the month and the date the ODSA was billed.

[c] Meter/usage is entered into DataMart throughout the month. The average time each month between when the customers usage is entered and the ODSA is not billed until the following month is accounted for by, using the average midpoint of all the months during the year. (365days/12months/2midpoint of the month)

[d] Weighted average billing lag incorporating the month for which the ODSA portion of PIPP customer usage is entered into DataMart but not invoiced to the ODSA until the following month and the days into the following month until the ODSA is invoiced.

[e] Date of the invoice for the ODSA was obtained from management.

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR

Collection Lag- ODSA

Exhibit ADF-2 Page 4 of 8

Line No.	Month	ODSA Bill [a]	ODSA Bill Date [b]	Collection Date [c]	Collection Lag	Dollar Lag
1						
2	Jul-13	\$ 3,764,024	8/7/2013	8/26/2013	19.0 \$	71,516,452.01
3	Aug-13	\$ 3,570,355	9/6/2013	9/23/2013	17.0 \$	60,696,038.40
4	Sep-13	\$ 3,271,563	10/4/2013	10/25/2013	21.0 \$	68,702,815.44
5	Oct-13	\$ 2,334,984	11/7/2013	11/22/2013	15.0 \$	35,024,761.20
6	Nov-13	\$ 2,783,420	12/5/2013	12/24/2013	19.0 \$	52,884,975.44
7	Dec-13	\$ 4,004,363	1/9/2014	1/22/2014	13.0 \$	52,056,719.52
8	Jan-14	\$ 5,408,021	2/11/2014	2/25/2014	14.0 \$	75,712,299.74
9	Feb-14	\$ 5,817,123	3/6/2014	3/25/2014	19.0 \$	110,525,334.34
10	Mar-14	\$ 4,719,133	4/9/2014	4/22/2014	13.0 \$	61,348,731.47
11	Apr-14	\$ 3,558,297	5/8/2014	5/23/2014	15.0 \$	53,374,452.90
12	May-14	\$ 2,383,331	6/5/2014	6/20/2014	15.0 \$	35,749,961.40
13	Jun-14	\$ 3,336,075	7/3/2014	7/24/2014	21.0 \$	70,057,569.33
14						
15	Total	\$ 44,950,688				\$ 747,650,111
16						
17	[d] Average	16.63				

[a] Payment amount for each month was obtained from management.

[b] Date of the invoice for the ODSA was obtained from management.

[c] Date of the payment made from the ODSA, as traced to the client's bank statements.

[d] Weighted average of the lags between the date the ODSA was billed and the date the payment was collected by DP&L

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR

Collection Lag- ODSA - Update

Exhibit ADF-2 Page 5 of 8

Line No.	Month	ODSA Bill [a]	ODSA Bill Date [b]	Collection Date [c]	Collection Lag	Dollar Lag
1						
2	Jun-14	\$ 3,336,075	7/9/2014	7/24/2014	15.0 \$	50,041,120.95
3	Jul-14	\$ 4,203,872	8/11/2014	8/22/2014	11.0 \$	46,242,591.89
4	Aug-14	\$ 3,706,142	9/8/2014	9/22/2014	14.0 \$	51,885,994.58
5	Sep-14	\$ 3,451,165	10/8/2014	10/21/2014	13.0 \$	44,865,149.42
6	Oct-14	\$ 2,320,276	11/10/2014	11/21/2014	11.0 \$	25,523,033.69
7	Nov-14	\$ 2,926,344	12/8/2014	12/23/2014	15.0 \$	43,895,156.55
8	Dec-14	\$ 4,274,388	1/14/2015	1/21/2015	7.0 \$	29,920,712.57
9	Jan-15	\$ 5,003,407	2/9/2015	2/26/2015	17.0 \$	85,057,913.56
10	Feb-15	\$ 5,041,383	3/11/2015	3/24/2015	13.0 \$	65,537,985.11
11	Mar-15	\$ 5,032,473	4/13/2015	5/11/2015	28.0 \$	140,909,237.28
12	Apr-15	\$ 3,195,332	5/14/2015	5/28/2015	14.0 \$	44,734,652.62
13	May-15	\$ 2,014,220	6/11/2015	6/18/2015	7.0 \$	14,099,539.51
14						
15	Total	\$ 44,505,077				\$ 642,713,088
16						
17	[d] Average	14.44				

[a] Payment amount for each month was obtained from management.

[b] Date of the invoice for the ODSA was obtained from management.

[c] Date of the payment made from the ODSA, as traced to the client's bank statements.

[d] Weighted average of the lags between the date the ODSA was billed and the date the payment was collected by DP&L.

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR

USF Rider Remittance Lead

Exhibit ADF-2 Page 6 of 8

Line No	Lead Type	Lead Days (7/1/13 - 6/30/14)	Lead Days (6/1/14 - 5/31/15)
1			
2	Lead to remit USF rider to ODSA:		
3	[a] Monthly Midpoint	15.2 [a]	15.2 [a]
4	USF Remittance Lead	15.7 Page 7	15.0 Page 8
6			
7	Total USF Rider Lead	30.9	30.2 [d]
8			

[a] Bills are collected throughout the month, and to determine the average time during the month when the customers payment is received including the USF, the average midpoint of all the months during the year is used. (365days/12months/2midpoint of the month).

[d] The lead from period (7/1/13 - 6/30/14) to period was calculated and no material differences or process changes were noted. The minor difference in the lead/lag is the result of the 12 month population size for this test that results in minor variances based on differences in actual results. As the difference is minor, the original calculation from 7/1/13 - 6/30/14 appears appropriate to use for the purposes of this lead/lag study.

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR

USF Remittance Lead

Exhibit ADF-2 Page 7 of 8

Line No.	Month	Payment to ODSA [a]	Month-End [b]	Payment Clear Date [c]	Collection Lag	Dollar Lag
1						
2	Jul-13	\$ 5,096,041	7/31/2013	8/15/2013	15.0	\$ 76,440,620.40
3	Aug-13	\$ 4,998,658	8/31/2013	9/16/2013	16.0	\$ 79,978,526.40
4	Sep-13	\$ 4,779,681	9/30/2013	10/15/2013	15.0	\$ 71,695,215.60
5	Oct-13	\$ 4,159,253	10/31/2013	11/15/2013	15.0	\$ 62,388,795.00
6	Nov-13	\$ 4,046,587	11/30/2013	12/17/2013	17.0	\$ 68,791,971.69
7	Dec-13	\$ 4,636,406	12/31/2013	1/15/2014	15.0	\$ 69,546,086.55
8	Jan-14	\$ 4,899,293	1/31/2014	2/18/2014	18.0	\$ 88,187,280.84
9	Feb-14	\$ 4,893,365	2/28/2014	3/17/2014	17.0	\$ 83,187,205.51
10	Mar-14	\$ 4,922,572	3/31/2014	4/15/2014	15.0	\$ 73,838,584.95
11	Apr-14	\$ 3,805,273	4/30/2014	5/15/2014	15.0	\$ 57,079,097.55
12	May-14	\$ 3,394,382	5/31/2014	6/16/2014	16.0	\$ 54,310,118.40
13	Jun-14	\$ 3,841,927	6/30/2014	7/14/2014	14.0	\$ 53,786,979.26
14						
15	Total	<u>\$ 53,473,439</u>				<u>\$ 839,230,482</u>
16						
17	[d] Average	<u>15.69</u>				

[a] Payment amount was obtained from the A/P detail.

[b] Last day of the month pertaining to the payment made to the ODSA.

[c] Date of the payment made to the ODSA, as traced to the client's bank statements.

[d] Weighted average of the collection lags associated with the payments made to the ODSA.

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR

USF Remittance Lead - Update

Exhibit ADF-2 Page 8 of 8

Line No.	Month	Payment to ODSA [a]	Month-End [b]	Payment Clear Date [c]	Collection Lag	Dollar Lag
1						
2	Jun-14	\$ 3,841,928	6/30/2014	7/14/2014	14.0 \$	53,786,992
3	Jul-14	\$ 4,217,140	7/31/2014	8/15/2014	15.0 \$	63,257,096
4	Aug-14	\$ 4,042,661	8/31/2014	9/15/2014	15.0 \$	60,639,910
5	Sep-14	\$ 4,123,579	9/30/2014	10/15/2014	15.0 \$	61,853,685
6	Oct-14	\$ 3,456,219	10/31/2014	11/17/2014	17.0 \$	58,755,728
7	Nov-14	\$ 3,445,263	11/30/2014	12/15/2014	15.0 \$	51,678,943
8	Dec-14	\$ 4,003,500	12/31/2014	1/15/2015	15.0 \$	60,052,496
9	Jan-15	\$ 2,822,831	1/31/2015	2/17/2015	17.0 \$	47,988,126
10	Feb-15	\$ 3,436,714	2/28/2015	3/16/2015	16.0 \$	54,987,431
11	Mar-15	\$ 2,658,898	3/31/2015	4/15/2015	15.0 \$	39,883,465
12	Apr-15	\$ 2,239,846	4/30/2015	5/15/2015	15.0 \$	33,597,695
13	May-15	\$ 2,024,638	5/31/2015	6/9/2015	9.0 \$	18,221,738
14						
15	Total	<u>\$ 40,313,216</u>				<u>\$ 604,703,304</u>
16						
17	[d] Average	<u>15.00</u>				

[a] Payment amount was obtained from the A/P detail.

[b] Last day of the month pertaining to the payment made to the ODSA.

[c] Date of the payment made to the ODSA, as traced to the client's bank statements.

[d] Weighted average of the collection lags associated with the payments made to the ODSA.

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR

Payroll - Lead Days Summary

Exhibit ADF-3 Page 1 of 19

Line No	Description	Original			Updated		
		Amount	Lead Days	Dollar Days	Amount	Lead Days	Results
1 [a]	Payroll - Paychecks	\$ 10,118,941	14.8	\$ 150,107,615	N/A	*	
2 [b]	Payroll - Direct Deposits	\$ 58,374,390	13.0	\$ 758,867,073	\$ 30,768,960	12.9	
3 [c]	Payroll - Garnishments	\$ 569,703	12.0	\$ 6,858,458	\$ 309,097	12.0	
4 [d]	Payroll Taxes	\$ 36,815,781	12.0	\$ 440,341,042	\$ 18,339,171	12.1	
5 [e]	Payroll-T Rowe Price (401k)	\$ 9,004,787	14.5	\$ 130,994,398	\$ 4,922,471	14.2	
6 [f]	Payroll-T Rowe Price (Co Match)	\$ 2,466,194	67.6	\$ 166,659,260	\$ 1,312,299	57.0	
7 [g]	Payroll-Incenta HAS	\$ 1,150,879	17.3	\$ 19,939,462	\$ 437,931	18.2	
8 [h]	Payroll-Health Savings 5/3	\$ 896,095	12.3	\$ 11,014,501	\$ 203,358	12.4	
9 [i]	Payroll-American Inc Life	\$ 15,327	23.6	\$ 360,979	\$ 5,850	23.3	
10 [j]	Payroll-AES Benefit Plans	\$ 38,662	11.6	\$ 449,948	\$ 11,800	11.0	
11 [k]	Payroll-United Way-Dayton	\$ 98,458	32.8	\$ 3,226,263	\$ 27,255	37.3	
12 [l]	Payroll-United Way-Mason Co	\$ 18,021	55.9	\$ 1,007,792	\$ 4,184	50.1	
13 [m]	Payroll-Union Dues	\$ 498,083	21.1	\$ 10,492,296	\$ 247,709	22.2	
14 [n]	Payroll-AFLAC	\$ 72,900	21.8	\$ 1,592,386	\$ 32,085	21.4	
15 [o]	Payroll-UWUA PAC	\$ 1,251	65.5	\$ 81,986	\$ 625	65.5	A
16 [p]	Payroll-Union Annual bonus	\$ 1,875,000	182.5	\$ 342,187,500	\$ 937,500	182.5	A
17 [q]	Payroll-DPL PAC Fund	\$ 32,450	12.1	\$ 393,432	\$ 9,415	21.8	
18 [r]	Payroll-Annual Bonus	\$ 4,853,623	249.6	\$ 1,211,463,841	\$ 2,209,189	248.4	A
19							
20	Total	\$ 126,900,545	840.1	\$ 3,256,038,231	\$ 59,778,898	822.3	
21							
22	Weighted Average Lead Days		25.7			25.2	

[a] See Page 2 for details.

[b] See Page 3 for details.

[c] See Page 4 for details.

[d] See Page 5 for details.

[e] See Page 6 for details.

[f] See Page 7 for details.

[g] See Page 8 for details.

[h] See Page 9 for details.

[i] See Page 10 for details.

[j] See Page 11 for details.

[k] See Page 12 for details.

[l] See Page 13 for details.

[m] See Page 14 for details.

[n] See Page 15 for details.

[o] See Page 16 for details.

[p] See Page 17 for details.

[q] See Page 18 for details.

[r] See Page 19 for details.

A As update testing comprised of roughly half a year, the annual amounts were divided by 2 for the purposes of the weighted average lead days.

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Payroll-Paychecks

Exhibit ADF-3 Page 2 of 19

2013-2014 Testing

Line No	Period Covered {A}	Mid-Point	Pmt Lead Days {C}	Total Lead Days	Expense {B}	Dollar-Days Lead
1	6/23/13	7/6/13			368,076 D	6,060,985
2	7/7/13	7/20/13			375,120	6,176,976
3	7/21/13	8/3/13			363,750	5,989,750
4	8/4/13	8/17/13		16.47	352,661	5,807,151
5	8/18/13	8/31/13			360,359	5,933,912
6	9/1/13	9/14/13			381,913	6,288,834
7	9/15/13	9/28/13			362,817	5,974,387
8	9/29/13	10/12/13			377,530	5,537,107
9	10/13/13	10/26/13			389,787	5,716,876
10	10/27/13	11/9/13			439,754	6,449,725
11	11/10/13	11/23/13			413,794	6,068,979
12	11/24/13	12/7/13	7.67	14.67	530,961	7,787,428
13	12/8/13	12/21/13			376,680	5,524,640
14	12/22/13	1/4/14			381,241	5,591,535
15	1/5/14	1/18/14			360,541	5,287,935
16	1/19/14	2/1/14			391,602	5,508,535
17	2/2/14	2/15/14			355,634	5,002,585
18	2/16/14	3/1/14			345,808	4,864,366
19	3/2/14	3/15/14	7.07	14.07	343,988	4,838,765
20	3/16/14	3/29/14			382,205	5,376,350
21	3/30/14	4/12/14			367,132	5,164,323
22	4/13/14	4/26/14			356,616	4,956,962
23	4/27/14	5/10/14			350,739	4,875,272
24	5/11/14	5/24/14			376,624	5,235,074
25	5/25/14	6/7/14	6.90	13.9	347,817	4,834,656
26	6/8/14	6/21/14			317,518	4,413,500
27	6/22/14	7/5/14			348,274 D	4,841,009
28					10,118,941	150,107,615
29						
30						

Weighted Average Lead Days

14.83

Tickmark Legend

- A Taken or calculated from the management prepared Payroll Activities schedule
- B Traced and agreed to the listing of checks cut from the Payroll Account.
- C The number shown is an average of the checks within the designated period.
- D Due to this pay period encompassing a time both outside and within the study year, this expense has been pro-rated to include only the amount accrued during the study year.

Note As manual checks are no longer used regularly for payroll activities, no update testing as been included for this item. All paychecks are now processed via direct deposit.

**The Dayton Power and Light
Company Case No. 15-1830-EL-AIR
Payroll-Direct Deposit**

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2013-2014 Testing

Line No	Period Covered {A}		Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}		Dollar-Days Lead
1	6/23/13	7/6/13	7.0	7/12/13	6.0	13.0	\$	1,083,604	C \$ 14,086,856
2	7/7/13	7/20/13	7.0	7/26/13	6.0	13.0	\$	2,539,101	\$ 33,008,316
3	7/21/13	8/3/13	7.0	8/9/13	6.0	13.0	\$	2,399,825	\$ 31,197,725
4	8/4/13	8/17/13	7.0	8/23/13	6.0	13.0	\$	2,321,971	\$ 30,185,620
5	8/18/13	8/31/13	7.0	9/6/13	6.0	13.0	\$	2,292,557	\$ 29,803,240
6	9/1/13	9/14/13	7.0	9/20/13	6.0	13.0	\$	2,407,792	\$ 31,301,293
7	9/15/13	9/28/13	7.0	10/4/13	6.0	13.0	\$	2,266,636	\$ 29,466,263
8	9/29/13	10/12/13	7.0	10/18/13	6.0	13.0	\$	2,348,619	\$ 30,532,041
9	10/13/13	10/26/13	7.0	11/1/13	6.0	13.0	\$	2,321,972	\$ 30,185,635
10	10/27/13	11/9/13	7.0	11/15/13	6.0	13.0	\$	2,717,393	\$ 35,326,110
11	11/10/13	11/23/13	7.0	11/29/13	6.0	13.0	\$	2,464,854	\$ 32,043,106
12	11/24/13	12/7/13	7.0	12/13/13	6.0	13.0	\$	2,519,621	\$ 32,755,079
13	12/8/13	12/21/13	7.0	12/27/13	6.0	13.0	\$	2,411,828	\$ 31,353,764
14	12/22/13	1/4/14	7.0	1/10/14	6.0	13.0	\$	1,953,413	\$ 25,394,375
15	1/5/14	1/18/14	7.0	1/24/14	6.0	13.0	\$	1,939,889	\$ 25,218,559
16	1/19/14	2/1/14	7.0	2/7/14	6.0	13.0	\$	1,882,834	\$ 24,476,847
17	2/2/14	2/15/14	7.0	2/21/14	6.0	13.0	\$	1,828,998	\$ 23,776,980
18	2/16/14	3/1/14	7.0	3/7/14	6.0	13.0	\$	2,263,103	\$ 29,420,333
19	1/1/13	12/31/13	182.5	3/7/14	66.0	248.5	\$	2,137,761	D \$ 531,233,550
20	3/2/14	3/15/14	7.0	3/21/14	6.0	13.0	\$	1,928,687	\$ 25,072,936
21	3/16/14	3/29/14	7.0	4/4/14	6.0	13.0	\$	1,861,898	\$ 24,204,672
22	3/30/14	4/12/14	7.0	4/18/14	6.0	13.0	\$	1,857,701	\$ 24,150,107
23	4/13/14	4/26/14	7.0	5/2/14	6.0	13.0	\$	1,838,244	\$ 23,897,168
24	4/27/14	5/10/14	7.0	5/16/14	6.0	13.0	\$	1,826,398	\$ 23,743,174
25	5/11/14	5/24/14	7.0	5/30/14	6.0	13.0	\$	1,916,033	\$ 24,908,426
26	5/25/14	6/7/14	7.0	6/13/14	6.0	13.0	\$	1,880,714	\$ 24,449,282
27	6/8/14	6/21/14	7.0	6/27/14	6.0	13.0	\$	1,905,443	\$ 24,770,759
28	6/22/14	7/5/14	7.0	7/11/14	6.0	13.0	\$	1,257,501	C \$ 16,347,516
29	Total Net Pay						\$	58,374,390	# \$ 1,262,309,734
30									
31	Weighted Average Lead Days TOTAL						21.62		
32									
33	Weighted Average Lead Days Without Bonus						13.00		
34									
35									
36	UPDATE								
37									
38	12/21/14	1/3/15	7.0	1/9/15	6.0	13.0		2,269,440	29,502,720
39	1/4/15	1/17/15	7.0	1/23/15	6.0	13.0		2,252,713	29,285,271
40	1/18/15	1/31/15	7.0	2/6/15	6.0	13.0		2,137,334	27,785,342
41	2/1/15	2/14/15	7.0	2/20/15	6.0	13.0		2,201,654	28,621,504
42	2/15/15	2/28/15	7.0	3/6/15	6.0	13.0		2,201,469	28,619,095
43	3/1/15	3/14/15	7.0	3/20/15	6.0	13.0		2,386,413	31,023,370
44	1/1/14	12/31/14	182.5	3/6/15	65.0	247.5		2,160,121	E 534,630,042
45	3/15/15	3/28/15	7.0	4/3/15	6.0	13.0		2,267,794	29,481,328
46	3/29/15	4/11/15	7.0	4/17/15	6.0	13.0		2,475,092	32,176,191
47	4/12/15	4/25/15	7.0	5/1/15	6.0	13.0		2,319,138	30,148,789
48	4/26/15	5/9/15	7.0	5/15/15	6.0	13.0		2,309,642	30,025,343
49	5/10/15	5/23/15	7.0	5/29/15	6.0	13.0		2,120,829	27,570,775
50	5/24/15	6/6/15	7.0	6/11/15	5.0	12.0		2,355,107	28,261,284
51	6/7/15	6/20/15	7.0	6/25/15	5.0	12.0		1,312,214	15,746,572
52								30,768,960	902,877,625
53									
54	Weighted Average Lead Days TOTAL						29.34		
55									
56	Weighted Average Lead Days Without Bonus						12.87		

Tickmark Legend

- A Taken or calculated from the management prepared Payroll Activities schedule
- B Traced to the PNC Payroll bank account statement for the appropriate period.
- C Due to this pay period encompassing a time both outside and within the study year, this expense has been pro-rated to include only the amount accrued during the study year.
- D Item is the allocated amount of the annual bonus in the pay period ending 3/1/14.
- E Item is the allocated amount of the annual bonus in the pay period ending 2/28/15.
- Note Pay period amounts shown in the update testing are larger, as union employees now use direct deposit. Manual checks are not used for payroll now.

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Payroll-Garnishments

Exhibit ADF-3 Page 4 of 19

2013-2014 Testing

Line No	Period Covered {A}	Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}	Dollar-Days Lead
1	6/23/13	7/6/13	7.0	7/11/13	5.0	12.0	\$ 11,336 C \$ 136,028
2	7/7/13	7/20/13	7.0	7/25/13	5.0	12.0	\$ 25,554 \$ 306,649
3	7/21/13	8/3/13	7.0	8/8/13	5.0	12.0	\$ 24,117 \$ 289,405
4	8/4/13	8/17/13	7.0	8/22/13	5.0	12.0	\$ 23,901 \$ 286,810
5	8/18/13	8/31/13	7.0	9/5/13	5.0	12.0	\$ 23,439 \$ 281,269
6	9/1/13	9/14/13	7.0	9/19/13	5.0	12.0	\$ 22,598 \$ 271,172
7	9/15/13	9/28/13	7.0	10/3/13	5.0	12.0	\$ 22,243 \$ 266,920
8	9/29/13	10/12/13	7.0	10/17/13	5.0	12.0	\$ 22,337 \$ 268,038
9	10/13/13	10/26/13	7.0	10/31/13	5.0	12.0	\$ 22,456 \$ 269,476
10	10/27/13	11/9/13	7.0	11/14/13	5.0	12.0	\$ 22,470 \$ 269,634
11	11/10/13	11/23/13	7.0	11/29/13	6.0	13.0	\$ 22,019 \$ 286,241
12	11/24/13	12/7/13	7.0	12/12/13	5.0	12.0	\$ 22,327 \$ 267,928
13	12/8/13	12/21/13	7.0	12/26/13	5.0	12.0	\$ 21,581 \$ 258,975
14	12/22/13	1/4/14	7.0	1/9/14	5.0	12.0	\$ 19,932 \$ 239,181
15	1/5/14	1/18/14	7.0	1/23/14	5.0	12.0	\$ 20,933 \$ 251,194
16	1/19/14	2/1/14	7.0	2/6/14	5.0	12.0	\$ 21,519 \$ 258,233
17	2/2/14	2/15/14	7.0	2/20/14	5.0	12.0	\$ 22,555 \$ 270,655
18	2/16/14	3/1/14	7.0	3/6/14	5.0	12.0	\$ 20,764 \$ 249,162
19	3/2/14	3/15/14	7.0	3/20/14	5.0	12.0	\$ 20,987 \$ 251,847
20	3/16/14	3/29/14	7.0	4/3/14	5.0	12.0	\$ 20,308 \$ 243,693
21	3/30/14	4/12/14	7.0	4/17/14	5.0	12.0	\$ 21,540 \$ 258,485
22	4/13/14	4/26/14	7.0	5/1/14	5.0	12.0	\$ 21,490 \$ 257,876
23	4/27/14	5/10/14	7.0	5/15/14	5.0	12.0	\$ 20,731 \$ 248,770
24	5/11/14	5/24/14	7.0	5/29/14	5.0	12.0	\$ 19,910 \$ 238,923
25	5/25/14	6/7/14	7.0	6/12/14	5.0	12.0	\$ 19,580 \$ 234,960
26	6/8/14	6/21/14	7.0	6/26/14	5.0	12.0	\$ 20,454 \$ 245,448
27	6/22/14	7/5/14	7.0	7/10/14	5.0	12.0	\$ 12,624 C \$ 151,485
28	Total Net Pay					\$ 569,703 # \$ 6,858,458	
29							
30	Weighted Average Lead Days TOTAL					12.04	
31							
32	UPDATE						
33							
34	12/21/14	1/3/15	7.0	1/8/15	5.0	12.0	24,048 288,575
35	1/4/15	1/17/15	7.0	1/22/15	5.0	12.0	23,469 281,630
36	1/18/15	1/31/15	7.0	2/5/15	5.0	12.0	23,587 283,047
37	2/1/15	2/14/15	7.0	2/19/15	5.0	12.0	22,870 274,440
38	2/15/15	2/28/15	7.0	3/5/15	5.0	12.0	23,901 286,811
39	3/1/15	3/14/15	7.0	3/19/15	5.0	12.0	23,366 280,393
40	3/15/15	3/28/15	7.0	4/2/15	5.0	12.0	23,872 286,463
41	3/29/15	4/11/15	7.0	4/16/15	5.0	12.0	23,659 283,912
42	4/12/15	4/25/15	7.0	4/30/15	5.0	12.0	22,893 274,710
43	4/26/15	5/9/15	7.0	5/14/15	5.0	12.0	23,876 286,512
44	5/10/15	5/23/15	7.0	5/28/15	5.0	12.0	24,708 296,498
45	5/24/15	6/6/15	7.0	6/11/15	5.0	12.0	24,739 296,864
46	6/7/15	6/20/15	7.0	6/25/15	5.0	12.0	24,109 289,310
47						309,097	3,709,165
48							
49	Weighted Average Lead Days TOTAL					12.00	

Tickmark Legend

- A Taken or calculated from the management prepared Payroll Activities schedule
- B Traced to the PNC Payroll bank account statement for the appropriate period.
- C Due to this pay period encompassing a time both outside and within the study year, this expense has been pro-rated to include only the amount accrued during the study year.

Note There were no garnishments for the annual bonus.

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Payroll-Taxes

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2013-2014 Testing

Line No	Period Covered {A}		Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}		Dollar-Days Lead
1	6/23/13	7/6/13	7.0	7/11/13	5.0	12.0	\$ 827,602	C \$	9,931,227
2	7/7/13	7/20/13	7.0	7/25/13	5.0	12.0	\$ 1,602,871	\$	19,234,449
3	7/21/13	8/3/13	7.0	8/8/13	5.0	12.0	\$ 1,432,333	\$	17,187,999
4	8/4/13	8/17/13	7.0	8/22/13	5.0	12.0	\$ 1,395,017	\$	16,740,201
5	8/18/13	8/31/13	7.0	9/5/13	5.0	12.0	\$ 1,335,709	\$	16,028,508
6	9/1/13	9/14/13	7.0	9/19/13	5.0	12.0	\$ 1,434,851	\$	17,218,208
7	9/15/13	9/28/13	7.0	10/3/13	5.0	12.0	\$ 1,298,173	\$	15,578,070
8	9/29/13	10/12/13	7.0	10/17/13	5.0	12.0	\$ 1,384,211	\$	16,610,527
9	10/13/13	10/26/13	7.0	10/31/13	5.0	12.0	\$ 1,336,531	\$	16,038,368
10	10/27/13	11/9/13	7.0	11/14/13	5.0	12.0	\$ 1,648,361	\$	19,780,334
11	11/10/13	11/23/13	7.0	11/27/13	4.0	11.0	\$ 1,399,962	\$	15,399,587
12	11/24/13	12/7/13	7.0	12/12/13	5.0	12.0	\$ 1,505,065	\$	18,060,785
13	12/8/13	12/21/13	7.0	12/26/13	5.0	12.0	\$ 1,342,834	\$	16,114,005
14	12/22/13	1/4/14	7.0	1/9/14	5.0	12.0	\$ 1,302,096	\$	15,625,155
15	1/5/14	1/18/14	7.0	1/23/14	5.0	12.0	\$ 1,303,071	\$	15,636,854
16	1/19/14	2/1/14	7.0	2/6/14	5.0	12.0	\$ 1,323,478	\$	15,881,736
17	2/2/14	2/15/14	7.0	2/20/14	5.0	12.0	\$ 1,196,417	\$	14,357,003
18	2/2/14	2/15/14	7.0	2/21/14	6.0	13.0	\$ 30,566	\$	397,357
19	2/16/14	3/1/14	7.0	3/6/14	5.0	12.0	\$ 1,194,390	\$	14,332,675
20	1/1/13	12/31/13	182.5	3/6/14	65.0	247.5	\$ 2,006,339	D \$	496,568,834
21	3/2/14	3/15/14	7.0	3/20/14	5.0	12.0	\$ 1,265,106	\$	15,181,271
22	3/16/14	3/29/14	7.0	4/3/14	5.0	12.0	\$ 1,202,696	\$	14,432,352
23	3/30/14	4/12/14	7.0	4/17/14	5.0	12.0	\$ 1,227,114	\$	14,725,365
24	4/13/14	4/26/14	7.0	5/1/14	5.0	12.0	\$ 1,167,289	\$	14,007,466
25	4/27/14	5/10/14	7.0	5/15/14	5.0	12.0	\$ 1,184,241	\$	14,210,894
26	5/11/14	5/24/14	7.0	5/29/14	5.0	12.0	\$ 1,236,305	\$	14,835,659
27	5/25/14	6/7/14	7.0	6/12/14	5.0	12.0	\$ 1,186,803	\$	14,241,636
28	6/8/14	6/21/14	7.0	6/26/14	5.0	12.0	\$ 1,245,605	\$	14,947,260
29	6/22/14	7/5/14	7.0	7/10/14	5.0	12.0	\$ 800,746	C \$	9,608,953
30	Total Net Pay						\$ 36,815,781	\$	912,912,740
31									
32	Weighted Average Lead Days TOTAL						24.80		
33									
34	Weighted Average Lead Days Without Bonus						11.96		
35									
36	UPDATE								
37									
38	12/21/14	1/3/15	7.0	1/8/15	5.0	12.0	1,333,530		16,002,363
39	1/4/15	1/17/15	7.0	1/22/15	5.0	12.0	1,282,130		15,385,563
40	1/18/15	1/31/15	7.0	2/5/15	5.0	12.0	1,167,609		14,011,302
41	1/18/15	1/31/15	7.0	2/19/15	19.0	26.0	105,992		2,755,793
42	2/1/15	2/14/15	7.0	2/19/15	5.0	12.0	1,194,245		14,330,934
43	1/1/14	12/31/14	182.5	3/5/15	64.0	246.5	1,730,242	E	426,504,742
44	2/15/15	2/28/15	7.0	3/5/15	5.0	12.0	1,212,184		14,546,202
45	3/1/15	3/14/15	7.0	3/19/15	5.0	12.0	1,312,816		15,753,790
46	3/15/15	3/28/15	7.0	4/2/15	5.0	12.0	1,248,100		14,977,195
47	3/29/15	4/11/15	7.0	4/16/15	5.0	12.0	1,399,446		16,793,356
48	4/12/15	4/25/15	7.0	4/30/15	5.0	12.0	1,291,146		15,493,754
49	4/26/15	5/9/15	7.0	5/14/15	5.0	12.0	1,261,661		15,139,926
50	5/10/15	5/23/15	7.0	5/28/15	5.0	12.0	1,121,533		13,458,396
51	5/24/15	6/6/15	7.0	6/11/15	5.0	12.0	1,366,324		16,395,890
52	6/7/15	6/20/15	7.0	6/25/15	5.0	12.0	1,312,214		15,746,572
53							18,339,171		627,295,777
54									
55	Weighted Average Lead Days TOTAL						34		
56									
57	Weighted Average Lead Days Without Bonus						12.09		

Tickmark Legend

- A Taken or calculated from the management prepared Payroll Activities schedule
- B Traced to the PNC Payroll bank account statement for the appropriate period.
- C Due to this pay period encompassing a time both outside and within the study year, this expense has been pro-rated to include only the amount accrued during the study year.
- D Item is the allocated amount of taxes paid due to the annual bonus in the pay period ending 3/1/14.
- E Item is the allocated amount of taxes paid due to the annual bonus in the pay period ending 2/28/15.

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Payroll-T Rowe Price (401K)

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2013-2014 Testing

Line No	Period Covered {A}	Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}	Dollar-Days Lead
1	6/23/13 7/6/13	7.0	7/12/13	6.0	13.0	\$ 147,857 C	\$ 1,922,137
2	7/7/13 7/20/13	7.0	7/31/13	11.0	18.0	\$ 365,215	\$ 6,573,870
3	7/21/13 8/3/13	7.0	8/12/13	9.0	16.0	\$ 335,408	\$ 5,366,528
4	8/4/13 8/17/13	7.0	8/23/13	6.0	13.0	\$ 337,578	\$ 4,388,514
5	8/18/13 8/31/13	7.0	9/6/13	6.0	13.0	\$ 317,567	\$ 4,128,371
6	9/1/13 9/14/13	7.0	9/20/13	6.0	13.0	\$ 321,874	\$ 4,184,362
7	9/15/13 9/28/13	7.0	10/4/13	6.0	13.0	\$ 304,922	\$ 3,963,986
8	9/29/13 10/12/13	7.0	10/18/13	6.0	13.0	\$ 315,921	\$ 4,106,973
9	10/13/13 10/26/13	7.0	11/1/13	6.0	13.0	\$ 299,131	\$ 3,888,703
10	10/27/13 11/9/13	7.0	11/15/13	6.0	13.0	\$ 327,017	\$ 4,251,221
11	11/10/13 11/23/13	7.0	12/3/13	10.0	17.0	\$ 305,014	\$ 5,185,238
12	11/24/13 12/7/13	7.0	12/16/13	9.0	16.0	\$ 308,070	\$ 4,929,120
13	12/8/13 12/21/13	7.0	12/27/13	6.0	13.0	\$ 284,659	\$ 3,700,567
14	12/22/13 1/4/14	7.0	1/13/14	9.0	16.0	\$ 330,457	\$ 5,287,312
15	1/5/14 1/18/14	7.0	1/27/14	9.0	16.0	\$ 335,348	\$ 5,365,568
16	1/19/14 2/1/14	7.0	2/10/14	9.0	16.0	\$ 325,904	\$ 5,214,464
17	2/2/14 2/15/14	7.0	2/21/14	6.0	13.0	\$ 321,290	\$ 4,176,770
18	2/16/14 3/1/14	7.0	3/12/14	11.0	18.0	\$ 331,823	\$ 5,972,823
19	1/1/13 12/31/13	182.5	3/12/14	71.0	253.5	\$ 578,580 D	\$ 146,669,906
20	3/2/14 3/15/14	7.0	3/21/14	6.0	13.0	\$ 368,761	\$ 4,793,893
21	3/16/14 3/29/14	7.0	4/4/14	6.0	13.0	\$ 321,829	\$ 4,183,777
22	3/30/14 4/12/14	7.0	4/22/14	10.0	17.0	\$ 325,862	\$ 5,539,654
23	4/13/14 4/26/14	7.0	5/2/14	6.0	13.0	\$ 314,307	\$ 4,085,991
24	4/27/14 5/10/14	7.0	5/16/14	6.0	13.0	\$ 319,584	\$ 4,154,592
25	5/11/14 5/24/14	7.0	5/30/14	6.0	13.0	\$ 321,787	\$ 4,183,233
26	5/25/14 6/7/14	7.0	6/16/14	9.0	16.0	\$ 311,280	\$ 4,980,480
27	6/8/14 6/21/14	7.0	6/30/14	9.0	16.0	\$ 320,295	\$ 5,124,720
28	6/22/14 7/5/14	7.0	7/11/14	6.0	13.0	\$ 150,443 C	\$ 1,955,764
29	6/22/14 7/5/14	7.0	7/15/14	10.0	17.0	\$ 57,003 C	\$ 969,058
30	Total Net Pay					\$ 9,004,787	\$ 269,247,594
31							
32	Weighted Average Lead Days TOTAL					29.90	
33							
34	Weighted Average Lead Days Without Bonus					14.55	
35							
36	UPDATE						
37							
38	12/21/14 1/3/15	7.0	1/9/15	6.0	13.0	342,978	4,458,720
39	1/4/15 1/17/15	7.0	1/23/15	6.0	13.0	333,656	4,337,528
40	1/18/15 1/31/15	7.0	2/6/15	6.0	13.0	329,458	4,282,953
41	2/1/15 2/14/15	7.0	2/24/15	10.0	17.0	334,791	5,691,454
42	2/15/15 2/28/15	7.0	3/9/15	9.0	16.0	387,640	6,202,241
43	1/1/14 12/31/14	182.5	3/9/15	68.0	250.5	414,462 E	103,822,804
44	3/1/15 3/14/15	7.0	3/24/15	10.0	17.0	357,083	6,070,407
45	3/15/15 3/28/15	7.0	4/2/15	5.0	12.0	343,043	4,116,511
46	3/29/15 4/11/15	7.0	4/23/15	12.0	19.0	379,519	7,210,860
47	4/12/15 4/25/15	7.0	5/1/15	6.0	13.0	347,640	4,519,317
48	4/26/15 5/9/15	7.0	5/15/15	6.0	13.0	338,422	4,399,492
49	5/10/15 5/23/15	7.0	5/28/15	5.0	12.0	316,701	3,800,409
50	5/24/15 6/6/15	7.0	6/12/15	6.0	13.0	359,352	4,671,578
51	6/7/15 6/20/15	7.0	6/26/15	6.0	13.0	337,725	4,390,426
52						4,922,471	167,974,699
53							
54	Weighted Average Lead Days TOTAL					34.12	
55							
56	Weighted Average Lead Days Without Bonus					14.23	

Tickmark Legend

- A Taken or calculated from the management prepared Payroll Activities schedule
- B Traced to the general disbursement bank account statement for the appropriate period.
- C Due to this pay period encompassing a time both outside and within the study year, this expense has been pro-rated to include only the amount accrued during the study year.
- D Item is the portion the annual bonus in the pay period ending 3/1/14 that employees elected to contribute to their 401(k) accounts.
- E Item is the portion the annual bonus in the pay period ending 2/28/15 that employees elected to contribute to their 401(k) accounts.

2013-2014 Testing

Line No	Period Covered {A}		Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}		Dollar-Days Lead
1	6/23/13	9/14/13	42.0	10/9/13	25.0	67.0	\$	411,884	\$ 27,596,228
2	9/15/13	12/21/13	49.0	1/10/14	20.0	69.0	\$	414,220	\$ 28,581,180
3	12/22/13	3/15/14	42.0	4/10/14	26.0	68.0	\$	1,014,664 C	\$ 68,997,136
4	1/1/13	12/31/13	182.5	4/10/14	100.0	282.5	\$	130,944 D	\$ 36,991,551
5	3/16/14	6/21/14	49.0	7/8/14	17.0	66.0	\$	494,483	\$ 32,635,878
6	Total Net Pay						\$	2,466,194	\$ 194,801,972
7									
8	Weighted Average Lead Days TOTAL							78.99	
9									
10	Weighted Average Lead Days Without Bonus							67.58	
11									
12									
13	UPDATE:								
14									
15	9/14/14	12/20/14	49.0	1/28/15	39.0	88.0	\$	277,491	\$ 24,419,226
16	12/21/14	3/14/15	42.0	4/15/15	32.0	74.0	\$	1,034,807	\$ 76,575,747
17	1/1/14	12/31/14	182.5	4/15/15	105.0	287.5	\$	113,552 E	\$ 32,646,108
18							\$	1,312,299	\$ 100,994,973
19									
20	Weighted Average Lead Days TOTAL							76.96	
21									
22	Weighted Average Lead Days Without Bonus							57.02	

Tickmark Legend

- A Taken or calculated from the management prepared Payroll Activities schedule
- B Traced to the general disbursement bank account statement for the appropriate period.
- C This payment was made from an AES bank account. The expense then was transferred to DPL through intercompany accounting. The date shown is when the payment was made from the AES account. It is also noted that this payment is larger due to union workers reaching the company 401(k) match maximum threshold in the first quarter. Since these employees reached the threshold early in the year, the expense is significantly lower than in other quarters.
- D Item is the allocated amount employer matching 401(k) funds due to the annual bonus in the pay period ending 3/1/14.
- E Item is the allocated amount employer matching 401(k) funds due to the annual bonus in the pay period ending 2/28/15.

2013-2014 Testing

Line No	Period Covered {A}		Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}		Dollar-Days Lead	
1	6/23/13	7/6/13	7.0	7/16/13	10.0	17.0	\$	16,568 C \$	281,658	
2	7/7/13	7/20/13	7.0	7/30/13	10.0	17.0	\$	44,676 \$	759,492	
3	7/21/13	8/3/13	7.0	8/12/13	9.0	16.0	\$	37,736 \$	603,776	
4	8/4/13	8/17/13	7.0	8/29/13	12.0	19.0	\$	38,160 \$	725,040	
5	8/18/13	8/31/13	7.0	9/10/13	10.0	17.0	\$	38,101 \$	647,717	
6	9/1/13	9/14/13	7.0	9/25/13	11.0	18.0	\$	38,190 \$	687,420	
7	9/15/13	9/28/13	7.0	10/7/13	9.0	16.0	\$	39,325 \$	629,200	
8	9/15/13	9/28/13	7.0	10/10/13	12.0	19.0	\$	225 \$	4,275	
9	9/29/13	10/12/13	7.0	10/21/13	9.0	16.0	\$	39,030 \$	624,480	
10	10/13/13	10/26/13	7.0	11/5/13	10.0	17.0	\$	38,828 \$	660,076	
11	10/27/13	11/9/13	7.0	11/21/13	12.0	19.0	\$	40,344 \$	766,536	
12	11/10/13	11/23/13	7.0	12/3/13	10.0	17.0	\$	39,268 \$	667,556	
13	11/24/13	12/7/13	7.0	12/17/13	10.0	17.0	\$	41,407 \$	703,919	
14	12/8/13	12/21/13	7.0	12/30/13	9.0	16.0	\$	40,197 \$	643,152	
15	12/22/13	1/4/14	7.0	1/21/14	17.0	24.0	\$	44,333 \$	1,063,992	
16	1/5/14	1/18/14	7.0	1/31/14	13.0	20.0	\$	57,681 \$	1,153,620	
17	1/19/14	2/1/14	7.0	2/11/14	10.0	17.0	\$	48,732 \$	828,444	
18	2/2/14	2/15/14	7.0	2/24/14	9.0	16.0	\$	48,856 \$	781,696	
19	2/16/14	3/1/14	7.0	3/10/14	9.0	16.0	\$	47,437 \$	758,992	
20	3/2/14	3/15/14	7.0	3/21/14	6.0	13.0	\$	48,960 \$	636,480	
21	3/16/14	3/29/14	7.0	4/8/14	10.0	17.0	\$	47,941 \$	814,997	
22	3/30/14	4/12/14	7.0	4/23/14	11.0	18.0	\$	47,033 \$	846,594	
23	4/13/14	4/26/14	7.0	5/6/14	10.0	17.0	\$	47,000 \$	799,000	
24	4/27/14	5/10/14	7.0	5/22/14	12.0	19.0	\$	46,913 \$	891,340	
25	5/11/14	5/24/14	7.0	6/3/14	10.0	17.0	\$	47,077 \$	800,313	
26	5/25/14	6/7/14	7.0	6/18/14	11.0	18.0	\$	49,906 \$	898,308	
27	6/8/14	6/21/14	7.0	6/30/14	9.0	16.0	\$	46,842 \$	749,472	
28	6/22/14	7/5/14	7.0	7/15/14	10.0	17.0	\$	30,113 C \$	511,916	
29	Total Net Pay						\$	1,150,879	\$	19,939,462
30										
31	Weighted Average Lead Days							17.33		
32										
33	UPDATE									
34										
35	12/21/14	1/3/15	7.0	1/23/15	20.0	27.0		33,942	916,434	
36	1/4/15	1/17/15	7.0	1/26/15	9.0	16.0		36,554	584,866	
37	1/18/15	1/31/15	7.0	2/11/15	11.0	18.0		35,721	642,971	
38	2/1/15	2/14/15	7.0	2/25/15	11.0	18.0		36,849	663,288	
39	2/15/15	2/28/15	7.0	3/12/15	12.0	19.0		37,403	710,656	
40	3/1/15	3/14/15	7.0	3/25/15	11.0	18.0		38,614	695,043	
41	3/15/15	3/28/15	7.0	4/8/15	11.0	18.0		37,201	669,609	
42	3/29/15	4/11/15	7.0	4/23/15	12.0	19.0		36,291	689,535	
43	4/12/15	4/25/15	7.0	5/5/15	10.0	17.0		35,749	607,738	
44	4/26/15	5/9/15	7.0	5/18/15	9.0	16.0		36,339	581,428	
45	5/10/15	5/23/15	7.0	6/1/15	9.0	16.0		36,623	585,965	
46	5/24/15	6/6/15	7.0	6/16/15	10.0	17.0		36,645	622,962	
47								437,931		7,970,495
48										
49	Weighted Average Lead Days							18		

Tickmark Legend

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2013-2014 Testing

ne	Period Covered {A}		Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}		Dollar-Days Lead
1	6/23/13	7/6/13	7.0	7/11/13	5.0	12.0	\$ 20,175	C \$	242,095
2	7/7/13	7/20/13	7.0	7/25/13	5.0	12.0	\$ 39,745	\$	476,940
3	7/21/13	8/3/13	7.0	8/8/13	5.0	12.0	\$ 44,166	\$	529,992
4	8/4/13	8/17/13	7.0	8/22/13	5.0	12.0	\$ 40,678	\$	488,136
5	8/18/13	8/31/13	7.0	9/5/13	5.0	12.0	\$ 44,026	\$	528,312
6	8/18/13	8/31/13	7.0	9/4/13	4.0	11.0	\$ 12,173	\$	133,903
7	9/1/13	9/14/13	7.0	9/19/13	5.0	12.0	\$ 31,066	\$	372,792
8	9/15/13	9/28/13	7.0	10/3/13	5.0	12.0	\$ 43,377	\$	520,524
9	9/29/13	10/12/13	7.0	10/17/13	5.0	12.0	\$ 43,441	\$	521,292
10	10/13/13	10/26/13	7.0	10/31/13	5.0	12.0	\$ 43,046	\$	516,552
11	10/27/13	11/9/13	7.0	11/14/13	5.0	12.0	\$ 43,835	\$	526,020
12	11/10/13	11/23/13	7.0	11/27/13	4.0	11.0	\$ 41,602	\$	457,622
13	11/24/13	12/7/13	7.0	12/12/13	5.0	12.0	\$ 42,139	\$	505,668
14	12/8/13	12/21/13	7.0	12/26/13	5.0	12.0	\$ 42,121	\$	505,452
15	12/22/13	1/4/14	7.0	1/9/14	5.0	12.0	\$ 26,524	\$	318,288
16	1/5/14	1/18/14	7.0	1/23/14	5.0	12.0	\$ 26,483	\$	317,796
17	1/19/14	2/1/14	7.0	2/11/14	10.0	17.0	\$ 36,249	\$	616,233
18	2/2/14	2/15/14	7.0	2/24/14	9.0	16.0	\$ 26,496	\$	423,936
19	2/16/14	3/1/14	7.0	3/7/14	6.0	13.0	\$ 26,870	\$	349,310
20	3/2/14	3/15/14	7.0	3/21/14	6.0	13.0	\$ 26,482	\$	344,266
21	3/16/14	3/29/14	7.0	4/3/14	5.0	12.0	\$ 26,582	\$	318,984
22	3/30/14	4/12/14	7.0	4/17/14	5.0	12.0	\$ 25,930	\$	311,160
23	4/13/14	4/26/14	7.0	5/1/14	5.0	12.0	\$ 25,305	\$	303,660
24	4/27/14	5/10/14	7.0	5/15/14	5.0	12.0	\$ 25,423	\$	305,071
25	5/11/14	5/24/14	7.0	5/28/14	4.0	11.0	\$ 25,445	\$	279,894
26	5/25/14	6/7/14	7.0	6/12/14	5.0	12.0	\$ 25,280	\$	303,360
27	6/8/14	6/21/14	7.0	6/26/14	5.0	12.0	\$ 25,280	\$	303,360
28	6/22/14	7/5/14	7.0	7/10/14	5.0	12.0	\$ 16,157	C \$	193,883
29	Total Net Pay						\$ 896,095	\$	11,014,501
30									
31	Weighted Average Lead Days						12.29		
32									
33	UPDATE								
34									
35	12/21/14	1/3/15	7.0	1/8/15	5.0	12.0	15,456		185,474
36	1/4/15	1/17/15	7.0	1/22/15	5.0	12.0	16,255		195,055
37	1/18/15	1/31/15	7.0	2/9/15	9.0	16.0	15,111		241,770
38	2/1/15	2/14/15	7.0	2/19/15	5.0	12.0	15,812		189,739
39	2/15/15	2/28/15	7.0	3/6/15	6.0	13.0	15,521		201,774
40	3/1/15	3/14/15	7.0	3/19/15	5.0	12.0	15,895		190,745
41	3/15/15	3/28/15	7.0	4/2/15	5.0	12.0	16,060		192,715
42	3/29/15	4/11/15	7.0	4/16/15	5.0	12.0	15,892		190,703
43	4/12/15	4/25/15	7.0	4/30/15	5.0	12.0	15,287		183,442
44	4/26/15	5/9/15	7.0	5/14/15	5.0	12.0	15,738		188,857
45	5/10/15	5/23/15	7.0	5/28/15	5.0	12.0	15,362		184,346
46	5/24/15	6/6/15	7.0	6/11/15	5.0	12.0	15,362		184,346
47	6/7/15	6/20/15	7.0	6/25/15	5.0	12.0	15,608		187,291
48							203,358		2,516,256
49									
50	Weighted Average Lead Days						12		

Tickmark Legend

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- C Due to this pay period encompassing a time both outside and within the study year, this expense has been pro-rated to include only the amount accrued during the study year.

2013-2014 Testing

Line No	Period Covered {A}	Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}	Dollar-Days Lead
1	6/23/13 7/6/13	7.0	7/19/13	13.0	20.0	\$ 273 C \$	5,460
2	7/7/13 7/20/13	7.0	8/6/13	17.0	24.0	\$ 637 \$	15,288
3	7/21/13 8/3/13	7.0	8/16/13	13.0	20.0	\$ 637 \$	12,740
4	8/4/13 8/17/13	7.0	8/29/13	12.0	19.0	\$ 637 \$	12,103
5	8/18/13 8/31/13	7.0	9/16/13	16.0	23.0	\$ 637 \$	14,651
6	9/1/13 9/14/13	7.0	9/30/13	16.0	23.0	\$ 637 \$	14,651
7	9/15/13 9/28/13	7.0	10/15/13	17.0	24.0	\$ 637 \$	15,288
8	9/29/13 10/12/13	7.0	10/30/13	18.0	25.0	\$ 637 \$	15,925
9	10/13/13 10/26/13	7.0	11/8/13	13.0	20.0	\$ 637 \$	12,740
10	10/27/13 11/9/13	7.0	11/22/13	13.0	20.0	\$ 599 \$	11,980
11	11/10/13 11/23/13	7.0	12/6/13	13.0	20.0	\$ 599 \$	11,980
12	11/24/13 12/7/13	7.0	12/23/13	16.0	23.0	\$ 599 \$	13,777
13	12/8/13 12/21/13	7.0	1/7/14	17.0	24.0	\$ 578 \$	13,872
14	12/22/13 1/4/14	7.0	1/21/14	17.0	24.0	\$ 578 \$	13,872
15	1/5/14 1/18/14	7.0	1/30/14	12.0	19.0	\$ 578 \$	10,982
16	1/19/14 2/1/14	7.0	2/25/14	24.0	31.0	\$ 578 \$	17,918
17	2/2/14 2/15/14	7.0	3/7/14	20.0	27.0	\$ 578 \$	15,606
18	2/16/14 3/1/14	7.0	3/24/14	23.0	30.0	\$ 578 \$	17,340
19	3/2/14 3/15/14	7.0	4/1/14	17.0	24.0	\$ 543 \$	13,032
20	3/16/14 3/29/14	7.0	4/11/14	13.0	20.0	\$ 543 \$	10,860
21	3/30/14 4/12/14	7.0	4/25/14	13.0	20.0	\$ 543 \$	10,860
22	4/13/14 4/26/14	7.0	5/12/14	16.0	23.0	\$ 543 \$	12,489
23	4/27/14 5/10/14	7.0	6/2/14	23.0	30.0	\$ 543 \$	16,290
24	5/11/14 5/24/14	7.0	6/10/14	17.0	24.0	\$ 543 \$	13,032
25	5/25/14 6/7/14	7.0	6/25/14	18.0	25.0	\$ 543 \$	13,575
26	6/8/14 6/21/14	7.0	7/14/14	23.0	30.0	\$ 543 \$	16,290
27	6/22/14 7/5/14	7.0	7/22/14	17.0	24.0	\$ 349 C \$	8,378
28	Total Net Pay					\$ 15,327 \$	360,979
29							
30	Weighted Average Lead Days					23.55	
31							
32	UPDATE						
33							
34	12/21/14 1/3/15	7.0	1/20/15	17.0	24.0	567	13,598
35	1/4/15 1/17/15	7.0	2/4/15	18.0	25.0	580	14,488
36	1/18/15 1/31/15	7.0	2/17/15	17.0	24.0	541	12,982
37	2/1/15 2/14/15	7.0	3/2/15	16.0	23.0	580	13,329
38	2/15/15 2/28/15	7.0	3/13/15	13.0	20.0	501	10,019
39	3/1/15 3/14/15	7.0	4/9/15	26.0	33.0	540	17,804
40	3/15/15 3/28/15	7.0	4/13/15	16.0	23.0	501	11,521
41	3/29/15 4/25/15	14.0	5/8/15	13.0	27.0	501	13,525
42	4/26/15 5/9/15	7.0	5/22/15	13.0	20.0	540	10,791
43	5/10/15 5/23/15	7.0	6/1/15	9.0	16.0	501	8,015
44	5/24/15 6/6/15	7.0	6/19/15	13.0	20.0	501	10,019
45						5,850	136,091
46							
47	Weighted Average Lead Days					23	

Tickmark Legend

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2013-2014 Testing

Line No	Period Covered {A}	Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}	Dollar-Days Lead
1	6/23/13 7/6/13	7.0	7/9/13	3.0	10.0	\$ 2,732 C \$	27,317
2	7/7/13 7/20/13	7.0	7/25/13	5.0	12.0	\$ 3,612 \$	43,344
3	7/21/13 8/3/13	7.0	8/9/13	6.0	13.0	\$ 850 \$	11,050
4	8/4/13 8/17/13	7.0	8/20/13	3.0	10.0	\$ 1,938 \$	19,380
5	8/18/13 8/31/13	7.0	9/5/13	5.0	12.0	\$ 1,938 \$	23,256
6	9/1/13 9/14/13	7.0	9/18/13	4.0	11.0	\$ 1,938 \$	21,318
7	9/15/13 9/28/13	7.0	10/2/13	4.0	11.0	\$ 1,938 \$	21,318
8	9/29/13 10/12/13	7.0	10/16/13	4.0	11.0	\$ 1,938 \$	21,318
9	10/13/13 10/26/13	7.0	10/30/13	4.0	11.0	\$ 1,938 \$	21,318
10	10/27/13 11/9/13	7.0	11/13/13	4.0	11.0	\$ 1,938 \$	21,318
11	11/10/13 11/23/13	7.0	11/26/13	3.0	10.0	\$ 1,938 \$	19,380
12	11/24/13 12/7/13	7.0	12/10/13	3.0	10.0	\$ 2,129 \$	21,290
13	12/8/13 12/21/13	7.0	12/26/13	5.0	12.0	\$ 2,129 \$	25,548
14	12/22/13 1/4/14	7.0	1/8/14	4.0	11.0	\$ 858 \$	9,438
15	1/5/14 1/18/14	7.0	1/22/14	4.0	11.0	\$ 858 \$	9,438
16	1/19/14 2/1/14	7.0	2/5/14	4.0	11.0	\$ 858 \$	9,438
17	2/2/14 2/15/14	7.0	2/19/14	4.0	11.0	\$ 858 \$	9,438
18	2/16/14 3/1/14	7.0	3/24/14	23.0	30.0	\$ 858 \$	25,740
19	3/2/14 3/15/14	7.0	3/20/14	5.0	12.0	\$ 858 \$	10,296
20	3/16/14 3/29/14	7.0	4/1/14	3.0	10.0	\$ 858 \$	8,580
21	3/30/14 4/12/14	7.0	4/25/14	13.0	20.0	\$ 858 \$	17,160
22	4/13/14 4/26/14	7.0	4/30/14	4.0	11.0	\$ 858 \$	9,438
23	4/27/14 5/10/14	7.0	5/14/14	4.0	11.0	\$ 858 \$	9,438
24	5/11/14 5/24/14	7.0	5/28/14	4.0	11.0	\$ 858 \$	9,438
25	5/25/14 6/7/14	7.0	6/11/14	4.0	11.0	\$ 858 \$	9,438
26	6/8/14 6/21/14	7.0	6/25/14	4.0	11.0	\$ 858 \$	9,438
27	6/22/14 7/5/14	7.0	7/9/14	4.0	11.0	\$ 552 C \$	6,074
28	Total Net Pay					\$ 38,662 \$	449,948
30	Weighted Average Lead Days					11.64	
32	UPDATE						
34	12/21/14 1/3/15	7.0	1/7/15	4.0	11.0	929	10,223
35	1/4/15 1/17/15	7.0	1/21/15	4.0	11.0	948	10,426
36	1/18/15 1/31/15	7.0	2/4/15	4.0	11.0	948	10,426
37	2/1/15 2/14/15	7.0	2/18/15	4.0	11.0	897	9,872
38	2/15/15 2/28/15	7.0	3/4/15	4.0	11.0	897	9,872
39	3/1/15 3/14/15	7.0	3/18/15	4.0	11.0	897	9,872
40	3/15/15 3/28/15	7.0	4/1/15	4.0	11.0	897	9,872
41	3/29/15 4/11/15	7.0	4/15/15	4.0	11.0	897	9,872
42	4/12/15 4/25/15	7.0	4/29/15	4.0	11.0	897	9,872
43	4/26/15 5/9/15	7.0	5/13/15	4.0	11.0	897	9,872
44	5/10/15 5/23/15	7.0	5/27/15	4.0	11.0	897	9,872
45	5/24/15 6/6/15	7.0	6/10/15	4.0	11.0	897	9,872
46	6/7/15 6/20/15	7.0	6/24/15	4.0	11.0	897	9,872
47						11,800	129,796
49	Weighted Average Lead Days					11	

Tickmark Legend

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- C Due to this pay period encompassing a time both outside and within the study year, this expense has been pro-rated to include only the amount accrued during the study year.

2013-2014 Testing

Line No	Period Covered {A}	Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}	Dollar-Days Lead
1	6/23/13 7/20/13	14.0	8/6/13	17.0	31.0	\$ 4,550 C \$	141,054
2	7/21/13 8/17/13	14.0	9/6/13	20.0	34.0	\$ 10,456 \$	355,504
3	8/18/13 9/14/13	14.0	9/25/13	11.0	25.0	\$ 10,159 \$	253,975
4	9/15/13 10/12/13	14.0	10/28/13	16.0	30.0	\$ 10,052 \$	301,560
5	10/13/13 11/23/13	21.0	12/17/13	24.0	45.0	\$ 14,841 \$	667,845
6	11/24/13 12/21/13	14.0	1/6/14	16.0	30.0	\$ 9,876 \$	296,280
7	12/22/13 1/18/14	14.0	1/29/14	11.0	25.0	\$ 5,487 \$	137,175
8	1/19/14 2/15/14	14.0	3/12/14	25.0	39.0	\$ 5,347 \$	208,533
9	2/16/14 3/15/14	14.0	3/26/14	11.0	25.0	\$ 5,318 \$	132,950
10	3/16/14 4/12/14	14.0	5/1/14	19.0	33.0	\$ 5,502 \$	181,566
11	4/13/14 5/24/14	21.0	6/10/14	17.0	38.0	\$ 7,788 \$	295,942
12	5/25/14 6/21/14	14.0	7/8/14	17.0	31.0	\$ 5,129 \$	158,999
13	6/22/14 7/19/14	14.0	7/29/14	10.0	24.0	\$ 3,848 C \$	92,342
14	6/22/14 7/19/14	14.0	7/29/14	10.0	24.0	\$ 106 C \$	2,537
15	Total Net Pay					\$ 98,458 \$	3,226,263
16							
17	Weighted Average Lead Days					32.77	
18							
19	UPDATE						
20							
21	12/21/14 1/17/15	14.0	2/4/15	18.0	32.0	5,256	168,177
22	1/18/15 2/28/15	21.0	3/31/15	31.0	52.0	4,911	255,347
23	3/1/15 3/14/15	7.0	4/7/15	24.0	31.0	4,866	150,831
24	3/15/15 4/11/15	14.0	4/29/15	18.0	32.0	4,906	156,977
25	4/12/15 5/23/15	21.0	6/10/15	18.0	39.0	7,318	285,413
26						27,255	1,016,744
27							
28	Weighted Average Lead Days					37.30	

Tickmark Legend

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- C Due to this pay period encompassing a time both outside and within the study year, this expense has been pro-rated to include only the amount accrued during the study year.

2013-2014 Testing

Line No	Period Covered {A}	Mid-Point	Payment Date {B}	Lead Days	Total Lead Days	Expense {B}	Dollar-Days Lead
1	6/23/13 7/20/13	14.0	10/21/13	93.0	107.0	\$ 330 C \$	35,356
2	7/21/13 8/17/13	14.0	10/21/13	65.0	79.0	\$ 771 \$	60,909
3	8/18/13 9/14/13	14.0	10/21/13	37.0	51.0	\$ 771 \$	39,321
4	9/15/13 10/12/13	14.0	12/5/13	54.0	68.0	\$ 771 \$	52,428
5	10/13/13 11/23/13	21.0	1/6/14	44.0	65.0	\$ 1,157 \$	75,205
6	11/24/13 12/21/13	14.0	1/6/14	16.0	30.0	\$ 771 \$	23,130
7	12/22/13 1/18/14	14.0	2/20/14	33.0	47.0	\$ 2,592 \$	121,824
8	1/19/14 2/15/14	14.0	3/31/14	44.0	58.0	\$ 1,702 \$	98,716
9	2/16/14 3/15/14	14.0	3/31/14	16.0	30.0	\$ 1,782 \$	53,460
10	3/16/14 4/12/14	14.0	6/12/14	61.0	75.0	\$ 1,832 \$	137,400
11	4/13/14 5/24/14	21.0	7/16/14	53.0	74.0	\$ 2,683 \$	198,542
12	5/25/14 6/21/14	14.0	7/16/14	25.0	39.0	\$ 1,797 \$	70,083
13	6/22/14 7/19/14	14.0	8/13/14	25.0	39.0	\$ 1,062 C \$	41,418
14	Total Net Pay					\$ 18,021 \$	1,007,792
15							
16	Weighted Average Lead Days					55.92	
17							
18	UPDATE						
19							
20	12/21/14 1/17/15	14.0	2/26/15	40.0	54.0	2,095	113,103
21	1/18/15 2/28/15	21.0	4/8/15	39.0	60.0	1,065	63,870
22	3/1/15 3/14/15	7.0	4/8/15	25.0	32.0	1,025	32,784
23						4,184	209,757
24							
25	Weighted Average Lead Days					50	

Tickmark Legend

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- C Due to this pay period encompassing a time both outside and within the study year, this expense has been pro-rated to include only the amount accrued during the study year.

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Payroll-Union Dues

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2013-2014 Testing

Line No	Period Covered {A}	Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}	Dollar-Days Lead
1	6/23/13 7/20/13	14.0	7/25/13	5.0	19.0	\$ 17,608 C \$	334,557
2	7/21/13 8/17/13	14.0	8/29/13	12.0	26.0	\$ 41,319 \$	1,074,294
3	8/18/13 9/14/13	14.0	9/19/13	5.0	19.0	\$ 41,086 \$	780,634
4	9/15/13 10/12/13	14.0	10/17/13	5.0	19.0	\$ 41,188 \$	782,572
5	10/13/13 11/9/13	14.0	11/14/13	5.0	19.0	\$ 40,788 \$	774,972
6	11/10/13 12/21/13	21.0	12/24/13	3.0	24.0	\$ 40,642 \$	975,408
7	12/22/13 1/18/14	14.0	1/27/14	9.0	23.0	\$ 41,518 \$	954,914
8	1/19/14 2/15/14	14.0	2/20/14	5.0	19.0	\$ 42,164 \$	801,116
9	2/16/14 3/15/14	14.0	3/21/14	6.0	20.0	\$ 41,698 \$	833,960
10	3/16/14 4/12/14	14.0	4/17/14	5.0	19.0	\$ 41,552 \$	789,488
11	4/13/14 5/10/14	14.0	5/16/14	6.0	20.0	\$ 41,307 \$	826,136
12	5/11/14 6/21/14	21.0	6/26/14	5.0	26.0	\$ 41,028 \$	1,066,728
13	6/22/14 7/19/14	14.0	7/24/14	5.0	19.0	\$ 26,185 C \$	497,517
14	Total Net Pay					\$ 498,083 \$	10,492,296
15							
16	Weighted Average Lead Days					21.07	
17							
18	UPDATE						
19							
20	12/21/14 1/17/15	14.0	1/23/15	6.0	20.0	\$ 41,317 \$	826,345
21	1/18/15 2/14/15	14.0	2/19/15	5.0	19.0	\$ 41,786 \$	793,942
22	2/15/15 3/14/15	14.0	3/23/15	9.0	23.0	\$ 41,083 \$	944,910
23	3/15/15 4/11/15	14.0	4/23/15	12.0	26.0	\$ 40,895 \$	1,063,269
24	4/12/15 5/9/15	14.0	5/14/15	5.0	19.0	\$ 40,458 \$	768,707
25	5/10/15 6/20/15	21.0	6/25/15	5.0	26.0	\$ 42,169 \$	1,096,395
26						\$ 247,709 \$	5,493,568
27							
28	Weighted Average Lead Days					22.18	

Tickmark Legend

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The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Payroll-AFLAC

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2013-2014 Testing

Line No	Period Covered {A}	Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}	Dollar-Days Lead
1	6/23/13 7/20/13	14.0	7/26/13	6.0	20.0	\$ 2,464 C	\$ 49,277
2	7/21/13 8/17/13	14.0	8/29/13	12.0	26.0	\$ 5,678	\$ 147,628
3	8/18/13 9/14/13	14.0	9/19/13	5.0	19.0	\$ 5,603	\$ 106,457
4	9/15/13 10/12/13	14.0	10/17/13	5.0	19.0	\$ 5,603	\$ 106,457
5	10/13/13 11/23/13	21.0	11/29/13	6.0	27.0	\$ 8,330	\$ 224,910
6	11/24/13 12/21/13	14.0	12/27/13	6.0	20.0	\$ 5,528	\$ 110,560
7	12/22/13 2/1/14	21.0	2/7/14	6.0	27.0	\$ 5,528	\$ 149,256
8	2/2/14 3/1/14	14.0	2/27/14	(2.0)	12.0	\$ 5,518	\$ 66,220
9	3/2/14 3/15/14	7.0	3/21/14	6.0	13.0	\$ 5,508	\$ 71,604
10	3/16/14 4/12/14	14.0	4/17/14	5.0	19.0	\$ 5,773	\$ 109,687
11	4/13/14 5/24/14	21.0	6/5/14	12.0	33.0	\$ 8,597	\$ 283,708
12	5/25/14 6/21/14	14.0	6/26/14	5.0	19.0	\$ 5,369	\$ 102,011
13	6/22/14 7/19/14	14.0	7/24/14	5.0	19.0	\$ 3,401 C	\$ 64,610
14	Total Net Pay					\$ 72,900	\$ 1,592,386
15							
16	Weighted Average Lead Days					21.84	
17							
18							
19	UPDATE						
20							
21	12/21/14 1/17/15	14.0	1/23/15	6.0	20.0	\$ 5,042	\$ 100,834
22	1/18/15 2/14/15	14.0	2/19/15	5.0	19.0	\$ 4,970	\$ 94,438
23	2/15/15 3/14/15	14.0	3/23/15	9.0	23.0	\$ 4,914	\$ 113,018
24	3/15/15 4/11/15	14.0	4/16/15	5.0	19.0	\$ 4,914	\$ 93,363
25	4/12/15 5/23/15	21.0	5/28/15	5.0	26.0	\$ 7,352	\$ 191,145
26	5/24/15 6/20/15	14.0	6/25/15	5.0	19.0	\$ 4,894	\$ 92,981
27						\$ 32,085	\$ 685,780
28							
29	Weighted Average Lead Days					21.37	

Tickmark Legend

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- C Due to this pay period encompassing a time both outside and within the study year, this expense has been pro-rated to include only the amount accrued during the study year.

2013-2014 Testing

Line No	Period Covered {A}		Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}		Dollar-Days Lead	
1	6/23/13	9/14/13	42.0	9/30/13	16.0	58.0	\$	131 C	\$	7,606
2	9/15/13	12/21/13	49.0	1/13/14	23.0	72.0	\$	352	\$	25,344
3	12/22/13	3/15/14	42.0	3/31/14	16.0	58.0	\$	276	\$	16,008
4	3/16/14	6/21/14	49.0	7/14/14	23.0	72.0	\$	322	\$	23,184
5	6/22/14	9/13/14	42.0	9/29/14	16.0	58.0	\$	170 C	\$	9,843
6	Total Net Pay						\$	1,251	\$	81,986
7										
8	Weighted Average Lead Days									65.54
9										

10 UPDATE : Sample insignificant. Intentionally omitted.

Tickmark Legend

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The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Payroll-Union Annual bonus

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2013-2014 Testing

Line No	Period Covered {A}	Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}	Dollar-Days Lead
1	1/1/13 12/31/13	182.5	12/31/13	-	182.5	\$ 1,875,000	\$ 342,187,500
2	Total Net Pay					\$ 1,875,000	\$ 342,187,500
3							
4	Weighted Average Lead Days					182.50	
5							
6	NO UPDATE						

Tickmark Legend

A Taken or calculated from the management prepared Payroll Activities schedule

B Traced to the general disbursement bank account statement for the appropriate period.

Note: Due to the annual nature of this item, the program year for the Union annual bonus remains 1/1/2013-12/31/2013. This is because the end of year bonus cannot be reasonably estimated at the time of this study.

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Payroll-DPL PAC Fund

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2013-2014 Testing

Original Data

Line No	Period Covered {A}	Mid-Point	Payment Date {B}	Payment Lead Days	Total Lead Days	Expense {B}	Dollar-Days Lead
1	6/23/13 7/6/13	7.0	7/11/13	5.0	12.0	\$ 818 C \$	9,818
2	7/7/13 7/20/13	7.0	7/25/13	5.0	12.0	\$ 1,844 \$	22,128
3	7/21/13 8/3/13	7.0	8/8/13	5.0	12.0	\$ 1,854 \$	22,248
4	8/4/13 8/17/13	7.0	8/22/13	5.0	12.0	\$ 1,784 \$	21,408
5	8/18/13 8/31/13	7.0	9/6/13	6.0	13.0	\$ 1,784 \$	23,192
6	9/1/13 9/14/13	7.0	9/19/13	5.0	12.0	\$ 1,779 \$	21,348
7	9/15/13 9/28/13	7.0	10/3/13	5.0	12.0	\$ 1,779 \$	21,348
8	9/29/13 10/12/13	7.0	10/17/13	5.0	12.0	\$ 1,769 \$	21,228
9	10/13/13 10/26/13	7.0	10/31/13	5.0	12.0	\$ 1,759 \$	21,108
10	10/27/13 11/9/13	7.0	11/14/13	5.0	12.0	\$ 1,751 \$	21,012
11	11/10/13 11/23/13	7.0	11/27/13	4.0	11.0	\$ 1,751 \$	19,261
12	11/24/13 12/7/13	7.0	12/12/13	5.0	12.0	\$ 1,751 \$	21,012
13	12/8/13 12/21/13	7.0	12/27/13	6.0	13.0	\$ 1,751 \$	22,763
14	12/22/13 1/4/14	7.0	1/9/14	5.0	12.0	\$ 811 \$	9,732
15	1/5/14 1/18/14	7.0	1/23/14	5.0	12.0	\$ 771 \$	9,252
16	1/19/14 2/1/14	7.0	2/7/14	6.0	13.0	\$ 751 \$	9,763
17	2/2/14 2/15/14	7.0	2/20/14	5.0	12.0	\$ 746 \$	8,952
18	2/16/14 3/1/14	7.0	3/6/14	5.0	12.0	\$ 746 \$	8,952
19	3/2/14 3/15/14	7.0	3/21/14	6.0	13.0	\$ 746 \$	9,698
20	3/16/14 3/29/14	7.0	4/3/14	5.0	12.0	\$ 756 \$	9,072
21	3/30/14 4/12/14	7.0	4/17/14	5.0	12.0	\$ 726 \$	8,712
22	4/13/14 4/26/14	7.0	5/1/14	5.0	12.0	\$ 716 \$	8,592
23	4/27/14 5/10/14	7.0	5/15/14	5.0	12.0	\$ 756 \$	9,072
24	5/11/14 5/24/14	7.0	5/30/14	6.0	13.0	\$ 756 \$	9,828
25	5/25/14 6/7/14	7.0	6/12/14	5.0	12.0	\$ 736 \$	8,832
26	6/8/14 6/21/14	7.0	6/26/14	5.0	12.0	\$ 766 \$	9,192
27	6/22/14 7/5/14	7.0	7/10/14	5.0	12.0	\$ 492 C \$	5,909
28	Total Net Pay					\$ 32,450 \$	393,432

30 Weighted Average Lead Days 12.12

32 UPDATE

34	12/21/14 1/3/15	7.0	3/31/15	87.0	94.0	811	76,187
35	1/4/15 1/17/15	7.0	1/23/15	6.0	13.0	730	9,484
36	1/18/15 1/31/15	7.0	2/5/15	5.0	12.0	730	8,754
37	2/1/15 2/14/15	7.0	2/19/15	5.0	12.0	710	8,514
38	2/15/15 2/28/15	7.0	4/5/15	36.0	43.0	710	30,509
39	3/1/15 3/14/15	7.0	3/23/15	9.0	16.0	710	11,352
40	3/15/15 3/28/15	7.0	4/2/15	5.0	12.0	710	8,514
41	3/29/15 4/11/15	7.0	4/16/15	5.0	12.0	710	8,514
42	4/12/15 4/25/15	7.0	4/30/15	5.0	12.0	720	8,634
43	4/26/15 5/9/15	7.0	5/14/15	5.0	12.0	720	8,634
44	5/10/15 5/23/15	7.0	5/28/15	5.0	12.0	720	8,634
45	5/24/15 6/6/15	7.0	6/11/15	5.0	12.0	720	8,634
46	6/7/15 6/20/15	7.0	6/25/15	5.0	12.0	720	8,634
47						9,415	204,997

49 Weighted Average Lead Days 22

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- C Due to this pay period encompassing a time both outside and within the study year, this expense has been pro-rated to include only the amount accrued during the study year.

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A Taken or calculated from the management prepared Payroll Activities schedule
B Traced to the general disbursement bank account statement for the appropriate period.

The Dayton Power and Light Company

O - O&M

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Other Operating Expenses - O&M Lead

Line No.	Expense	Expense	Lead	Weighted Avg. Lead
1				
2	O&M	103,122,293	35.2 Page 2	35.2
3				
4	Lead Days Consolidated - DP&L	<u>103,122,293</u>		<u>35.2</u>
5				

The Dayton Power and Light Company
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Operating Expenses - Detailed Testing

Exhibit ADF-4 Page 2 of 3

Work Performed Test Year 7/1/13-6/30/14									
Line No.	Vendor Name	Period Covered [a]		Mid-Point	Payment Clear Date [b]	Payment Lead Days	Total Lead Days	Expense [c]	Dollar Lead Days
1	NST BATTERY LLC	3/18/2014	3/18/2014	-	3/26/2014	8	8	\$29.85	239
2	BOOST TECHNOLOGIES LLC	1/24/2014	1/24/2014	-	2/20/2014	27	27	\$2,335.53	63,059
3	DAYTON OSTEOPATHIC HOSPITAL	10/14/2013	10/14/2013	-	11/14/2013	31	31	\$53,363.20	1,654,259
4	ZAINO HALL & FARRIN LLC	2/18/2014	2/18/2014	-	3/24/2014	34	34	\$141.14	4,799
5	RESOURCES CONNECTION INC	10/22/2013	10/26/2013	2	11/15/2013	20	22	\$3,520.00	77,440
6	NI SATELLITE INC	3/1/2014	3/31/2014	15	5/2/2014	32	47	\$317.28	14,912
7	RESOURCES CONNECTION INC	1/21/2014	1/25/2014	2	2/4/2014	10	12	\$9,653.60	115,843
8	RLR INVESTMENTS LLC	11/20/2013	11/20/2013	-	12/3/2013	13	13	\$7,475.00	97,175
9	FIFTH THIRD BANK	6/6/2014	6/6/2014	-	6/10/2014	4	4	\$145.00	580
10	MIQ LOGISTICS, LLC	2/14/2014	2/14/2014	-	3/10/2014	24	24	\$4,021.91	96,526
11	CINTAS CORPORATION NO 2	3/26/2014	3/26/2014	-	4/2/2014	7	7	\$4,400.00	30,800
12	WOODDELL LTD INC	1/7/2014	1/7/2014	-	1/18/2014	9	9	\$360.00	3,240
13	COX INDUSTRIES INC	10/9/2013	10/9/2013	-	11/7/2013	29	29	\$8,172.27	236,996
14	ENGINEERING REPRO SYSTEMS INC	3/12/2014	3/12/2014	-	4/4/2014	23	23	\$52.41	1,205
15	JEFF BONHAM ELECTRIC INC	2/19/2014	2/19/2014	-	3/5/2014	14	14	\$100.00	1,400
16	ORION UTILITIES, LLC	12/7/2013	12/7/2013	-	12/13/2013	6	6	\$286.70	1,720
17	CUSTOMER	5/22/2014	5/22/2014	-	5/23/2014	1	1	\$489.93	490
18	MONTGOMERY COUNTY, OHIO	4/10/2014	4/10/2014	-	5/16/2014	36	36	\$6,248.40	224,942
19	CLIPPER COURIER LOGISTICS INC	3/20/2014	3/20/2014	-	4/1/2014	12	12	\$299.56	3,595
20	SHIVER SECURITY SYSTEMS INC	2/1/2014	2/28/2014	14	5/6/2014	67	81	\$18.20	1,465
21	BROWNSTOWN ELECTRIC SUPPLY	10/21/2013	10/21/2013	-	11/21/2013	31	31	\$4,903.95	152,022
22	KROGER LIMITED PARTNERSHIP I	3/5/2014	3/5/2014	-	5/5/2014	81	61	\$1,770.00	107,970
23	VOSS VILLAGE CADILLAC INC	1/3/2014	1/3/2014	-	3/4/2014	60	60	\$1,100.00	66,000
24	APPLIED PROACTIVE TECHNOLOGIES INC	4/1/2014	4/30/2014	15	5/5/2014	5	20	\$40,576.80	791,248
25	BLOOMBERG L.P.	2/6/2014	2/6/2014	-	2/14/2014	8	8	\$1,336.50	10,692
26	AT&T CORP	4/22/2014	5/1/2014	15	5/30/2014	29	44	\$106.66	4,640
27	BEAVERCREEK CITY SCHOOL DISTRICT	10/30/2013	10/30/2013	-	11/14/2013	15	15	\$17,368.00	260,520
28	CITY OF SIDNEY	4/3/2013	7/3/2013	48	8/14/2013	42	88	\$722.99	63,282
29	TIME WARNER CABLE	2/13/2014	3/12/2014	14	3/26/2014	14	28	\$267.83	7,365
30	COLUMBUS SOUTHERN POWER COMPANY	8/1/2013	8/31/2013	15	9/30/2013	30	45	\$7,810.21	351,459
31	AIRGAS INC	6/25/2013	6/25/2013	-	7/22/2013	27	27	\$201.70	5,446
32	THE BRICKMAN GROUP LTD LLC	6/10/2013	6/10/2013	-	7/2/2013	22	22	\$6,339.67	183,473
33	CRAWFORD & COMPANY	7/10/2013	7/10/2013	-	10/28/2013	110	110	\$186.85	20,532
34	ANIXTER	8/30/2013	8/30/2013	-	9/27/2013	28	28	\$151.00	4,228
35	ADP INC	10/21/2013	10/26/2013	3	11/12/2013	17	20	\$2,375.77	46,328
36	NST BATTERY LLC	4/10/2014	4/10/2014	-	4/22/2014	12	12	\$127.60	1,531
37	XEROX CORPORATION	12/1/2013	12/31/2013	15	1/29/2014	29	44	\$168.00	7,392
38	SIEMENS INDUSTRY, INC.	4/25/2014	4/25/2014	-	5/12/2014	17	17	\$3,852.00	85,484
39	DICKMAN SUPPLY INC	12/28/2013	12/28/2013	-	1/22/2014	25	25	\$209.92	5,248
40	COMBINED INSURANCE COMPANY OF AMERICA	3/1/2014	3/31/2014	15	3/27/2014	(4)	11	\$6,195.28	68,148
41	OBERERS FLOWERS	1/6/2014	1/6/2014	-	2/10/2014	35	35	\$74.95	2,623
42	PORTER WRIGHT MORRIS & ARTHUR	8/31/2013	8/31/2013	-	10/15/2013	45	45	\$2,547.25	114,626
43	LOWE'S COMPANIES INC.	3/4/2014	3/4/2014	-	5/1/2014	58	58	\$39.80	2,308
44	K & R DISTRIBUTORS	2/6/2014	2/6/2014	-	2/18/2014	12	12	\$3.90	47
45	EMPLOYEE EXPENSE	1/16/2014	1/16/2014	-	2/7/2014	22	22	\$147.28	3,240
46	EMPLOYEE EXPENSE	12/12/2013	12/12/2013	-	1/7/2014	26	26	\$125.29	3,258
47	EMPLOYEE EXPENSE	11/7/2013	11/8/2013	1	11/27/2013	19	20	\$113.00	2,204
48	WILLIAM FRICK AND COMPANY	7/30/2013	7/30/2013	-	8/22/2013	23	23	\$186.90	4,299
49	GE LIGHTING SOLUTIONS LLC	5/8/2014	5/8/2014	-	6/9/2014	32	32	\$1,518.00	48,576
50	NESCO SERVICE COMPANY	9/3/2013	9/6/2013	2	10/11/2013	35	37	\$1,417.54	51,740
51	SIDNEY ACE HARDWARE	7/12/2013	7/12/2013	-	8/27/2013	46	46	\$30.98	1,425
52	LEWIS TREE SERVICE INC	2/11/2014	2/15/2014	2	3/21/2014	34	36	\$693.62	24,967
53	ABC PROFESSIONAL TREE SERVICES, INC	5/13/2014	5/17/2014	2	6/23/2014	37	39	\$22,151.88	863,923
54	BROWNSTOWN ELECTRIC SUPPLY	11/26/2013	11/26/2013	-	12/27/2013	31	31	\$653.32	17,153
55	RAVEN ROCK WORKWEAR INC	2/3/2014	2/3/2014	-	2/19/2014	16	16	\$116.00	1,856
56	CENTRIC CONSULTING LLC	5/1/2014	5/31/2014	15	7/1/2014	31	46	\$32,237.69	1,482,934
57	FURLONG ENTERPRISES INC	6/3/2014	6/7/2014	2	6/26/2014	19	21	\$2,179.60	45,772
58	FURLONG ENTERPRISES INC	10/28/2013	11/2/2013	3	11/21/2013	19	22	\$1,233.23	26,514
59	HEAPY ENGINEERING INC	11/4/2013	11/8/2013	2	4/28/2014	171	173	\$5,160.00	892,880
60	FASTENAL COMPANY	9/10/2013	9/10/2013	-	10/11/2013	31	31	\$49.90	1,547
61	U. S. BANK NATIONAL ASSOCIATION	2/29/2014	2/28/2014	-	4/1/2014	32	32	\$1,248.40	39,949
62	AVI FOODSYSTEMS, INC.	3/3/2014	3/3/2014	-	4/11/2014	39	39	\$62.50	2,438
63	COX INDUSTRIES INC	1/7/2014	1/7/2014	-	1/31/2014	24	24	\$2,984.60	71,150
64	USA MOBILITY WIRELESS INC	7/5/2013	8/5/2013	16	8/6/2013	1	17	\$735.52	12,136
65	CINCINNATI BELL	3/10/2014	4/9/2014	15	4/29/2014	20	35	\$12,509.91	437,847
66	WAYNE HOSPITAL COMPANY	2/24/2014	2/24/2014	-	3/13/2014	17	17	\$2,922.00	49,674
67	M.Y. DEVELOPMENT	10/15/2007	10/15/2015	1,461	4/29/2014	(534)	927	\$1,257.86	1,166,036
68	NESCO SERVICE COMPANY	3/10/2014	3/14/2014	2	4/18/2014	35	37	\$15,204.17	562,554
69									
70									
71									
72	Total							306,686	10,787,149
73									
74	Weighted Average Lead Days [d]							[d]	35.2
75									

[a] Period covered represents the service period of the invoice. Each period was agreed to the respective invoice.

[b] Payment clear dates were agreed to the applicable bank statements.

[c] Expenses were agreed to the respective invoices.

[d] 68 selections were made to obtain a 90% confidence level as the population is made up of greater than 7,000 items.

The Dayton Power and Light Company
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Operating Expenses - Detail Testing Update

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Work Performed Test Year 7/1/14-5/31/15									
Line No.	Vendor Name	Period Covered [a]		Mid-Point	Payment Clear Date [b]	Payment Lead Days	Total Lead Days	Expense [c]	Dollar Lead Days
1	CENTURY PROPANE INC	10/6/2014	10/31/2014	13	12/10/2014	40	53	\$50.36	2,644
2	COOPER POWER SYSTEMS	11/3/2014	11/3/2014	-	12/4/2014	31	31	\$1,249.08	38,721
3	NESCO SERVICE COMPANY	1/31/2015	1/31/2015	-	4/9/2015	68	68	\$2,017.80	137,210
4	STAPLES INC & SUBSIDIARIES	2/4/2015	2/4/2015	-	3/31/2015	55	55	\$308.75	16,981
5	NI SATELLITE INC	8/1/2014	8/31/2014	15	9/18/2014	18	33	\$219.65	7,248
6	RAVEN ROCK WORKWEAR INC	10/3/2014	10/3/2014	-	10/15/2014	12	12	\$137.99	1,656
7	ODBS ENTERPRISES LLC	1/26/2015	1/26/2015	-	2/26/2015	31	31	\$4,272.80	132,457
8	K & R DISTRIBUTORS	3/6/2015	3/6/2015	-	4/3/2015	28	28	\$19.14	536
9	ELEMENT UTILITY SERVICE LLC	9/16/2014	9/20/2014	2	10/22/2014	32	34	\$3,373.00	114,682
10	ANIXTER	4/15/2015	4/15/2015	-	5/18/2015	33	33	\$3,083.50	101,756
11									
12									
13									
14	Total							14,732	553,892
15									
16	Weighted Average Lead Days [d]							[d]	37.6
17									

[a] Period covered represents the service period of the invoice. Each period was agreed to the respective invoice.

[b] Payment clear dates were agreed to the applicable bank statements.

[c] Expenses were agreed to the respective invoices.

[d] 10 selections were made to update the testing performed during the previous period (7/1/14-6/30/14). The updated sample selected was skewed slightly by a smaller sample size and a few selections with longer than average leads. Given these results, original calculation performed during the previous period (7/1/14-6/30/14) appears appropriate to use in the final lead/lag calculation considering no process change and no transactions with longer lead days than in the original sample.

The Dayton Power and Light Company
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Insurance Expenses

Exhibit ADF-5 Page 1 of 2

Period covering July 1, 2013 through June 30, 2014

Line No.	Vendor Name	Period Covered [a]	Mid-Point	Payment Clear Date [b]	Payment Lead Days	Total Lead Days	Expense [c]	Dollar Lead Days	Invoice Number
1	Miami Valley Insurance Company	9/1/2013	151	9/18/2013	(285)	(134)	\$ 604,230	\$ (80,966,822)	304
a 2	Miami Valley Insurance Company	7/1/2013	31	10/9/2012	(326)	(296)	\$ 144,782	\$ (42,783,055)	302
3	Aegis	9/1/2013	151	8/23/2013	(311)	(160)	\$ 524,952	\$ (83,992,339)	73061
c 4	Aegis	7/1/2013	31	9/13/2012	(352)	(322)	\$ 93,640	\$ (30,105,372)	71672
5	EIM	9/1/2013	151	8/28/2013	(306)	(155)	\$ 307,223	\$ (47,619,621)	0000029676
a 6	EIM	7/1/2013	31	8/30/2012	(366)	(336)	\$ 60,248	\$ (20,213,073)	28566
7	Miami Valley Insurance Company	9/1/2013	151	9/18/2013	(285)	(134)	\$ 290,416	\$ (38,915,803)	305
a 8	Miami Valley Insurance Company	7/1/2013	31	10/9/2012	(326)	(296)	\$ 62,504	\$ (18,469,964)	301
9	Aegis	9/1/2013	151	8/28/2013	(306)	(155)	\$ 144,805	\$ (22,444,818)	73062
c 10	Aegis	7/1/2013	31	9/13/2012	(352)	(322)	\$ 27,368	\$ (6,798,901)	71671
11	Marsh	9/1/2013	151	9/19/2013	(284)	(133)	\$ 108,881	\$ (14,481,219)	990258478238
12	Marsh	7/1/2013	31	10/24/2012	(311)	(281)	\$ 22,291	\$ (6,252,637)	346883
3a 13	American Longshore Mutual Association, Ltd.	7/1/2013	31	9/28/2012	(337)	(307)	\$ 18,929	\$ (5,801,857)	ALMA00884-01
a 14	American Longshore Mutual Association, Ltd.	9/1/2013	151	9/19/2013	(284)	(133)	\$ 88,488	\$ (11,768,858)	60121
15	Miami Valley Insurance Company	11/1/2013	121	12/19/2013	(193)	(73)	\$ 2,335,285	\$ (169,308,142)	306
a 16	Miami Valley Insurance Company	7/1/2013	61	12/7/2012	(326)	(267)	\$ 1,062,552	\$ (283,701,424)	303
17	Lockton	11/1/2013	121	11/26/2013	(216)	(96)	\$ 2,097,104	\$ (200,273,440)	1798539
a 18	Lockton	7/1/2013	61	11/30/2012	(335)	(274)	\$ 1,094,442	\$ (299,877,128)	858483
19	Miami Valley Insurance Company	7/1/2013	182	12/16/2011	(927)	(745)	\$ 21,109	\$ (15,725,963)	299
20	AEGIS	7/1/2013	182	1/4/2012	(908)	(726)	\$ 23,934	\$ (17,376,263)	70519X
21	Axis	7/1/2013	182	12/16/2011	(927)	(745)	\$ 14,554	\$ (10,842,990)	345489
22	Zurich	7/1/2013	182	12/16/2011	(927)	(745)	\$ 7,180	\$ (5,349,304)	345489
23	Chartis-National Union	7/1/2013	182	12/16/2011	(927)	(745)	\$ 6,319	\$ (4,707,388)	345489
24	Miami Valley Insurance Company	7/1/2013	182	12/16/2011	(927)	(745)	\$ 117,249	\$ (87,350,297)	300
25	Aegis	7/1/2013	182	12/28/2011	(915)	(733)	\$ 129,852	\$ (95,181,221)	70519X
26	Miami Valley Insurance Company	7/1/2013	182	12/16/2011	(927)	(745)	\$ 3,254	\$ (2,423,903)	300
27	Zurich	7/1/2013	182	12/16/2011	(927)	(745)	\$ 36,300	\$ (27,043,704)	345488
28	Houston Casualty Insurance	7/1/2013	182	12/16/2011	(927)	(745)	\$ 27,549	\$ (20,524,240)	345490
a 29	EIM	7/1/2013	182	12/2/2011	(941)	(759)	\$ 30,853	\$ (23,417,229)	27803
30	Axis	7/1/2013	182	12/16/2011	(927)	(745)	\$ 22,179	\$ (16,523,654)	345488
31	Allied World Assurance Company	7/1/2013	182	12/16/2011	(927)	(745)	\$ 11,219	\$ (8,368,288)	345488
32	Chartis	7/1/2013	182	12/16/2011	(927)	(745)	\$ 15,465	\$ (11,521,559)	345488
33	W. R. Berkley Corporation	7/1/2013	182	12/16/2011	(927)	(745)	\$ 14,024	\$ (10,447,860)	345488
34	Chartis Specialty Insurance Company	7/1/2013	182	1/31/2013	(515)	(333)	\$ 275,771	\$ (91,831,706)	247677
35	Allied World Assurance Company	7/1/2013	182	1/31/2013	(515)	(333)	\$ 103,135	\$ (34,344,009)	347677
36	Total						\$ 9,948,068	\$ (1,868,744,051)	
37									
38	Weighted Average Lead Days							(187.85)	

[a] Period covered represents the service period of the invoice through the date of the study. Each period was agreed to the respective invoice.

[b] Payment clear dates were agreed to the applicable bank statements.

[c] Expenses were agreed to the respective invoices.

[d] Expenses and policies are excluded in the update testing, as these policies are not expected to be renewed in the future, once the current policies expire.

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Insurance Expenses - Updated Analysis (d)

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Period covering July 1, 2013 through June 30, 2014										d
Line No.	Vendor Name	Period Covered [a]	Mid-Point	Payment Clear Date [b]	Payment Lead Days	Total Lead Days	Expense [c]	Dollar Lead Days	Invoice Number	
1	Miami Valley Insurance Company	9/1/2013 - 6/30/2014	151	9/18/2013	(285)	(134)	\$ 804,230	\$ (80,966,822)	304	
a 2	Miami Valley Insurance Company	7/1/2013 - 8/31/2013	31	10/9/2012	(326)	(296)	\$ 144,782	\$ (42,783,055)	302	
3	Aegis	9/1/2013 - 6/30/2014	151	8/23/2013	(311)	(160)	\$ 524,952	\$ (83,992,339)	73061	
c 4	Aegis	7/1/2013 - 8/31/2013	31	9/13/2012	(352)	(322)	\$ 93,640	\$ (30,105,372)	71672	
5	EIM	9/1/2013 - 6/30/2014	151	8/28/2013	(306)	(155)	\$ 307,223	\$ (47,619,621)	0000029678	
a 6	EIM	7/1/2013 - 8/31/2013	31	8/30/2012	(366)	(336)	\$ 60,248	\$ (20,213,073)	28566	
7	Miami Valley Insurance Company	9/1/2013 - 6/30/2014	151	9/18/2013	(285)	(134)	\$ 290,416	\$ (38,915,803)	305	
a 8	Miami Valley Insurance Company	7/1/2013 - 8/31/2013	31	10/9/2012	(326)	(296)	\$ 62,504	\$ (18,469,964)	301	
9	Aegis	9/1/2013 - 6/30/2014	151	8/28/2013	(306)	(155)	\$ 144,805	\$ (22,444,818)	73062	
c 10	Aegis	7/1/2013 - 8/31/2013	31	9/13/2012	(352)	(322)	\$ 27,368	\$ (8,798,901)	71671	
11	Marsh	9/1/2013 - 6/30/2014	151	9/19/2013	(284)	(133)	\$ 108,881	\$ (14,481,219)	980258478238	
a 12	Marsh	7/1/2013 - 8/31/2013	31	10/24/2012	(311)	(281)	\$ 22,291	\$ (6,252,637)	346983	
13	American Longshore Mutual Association, Ltd.	7/1/2013 - 8/31/2013	31	9/28/2012	(337)	(307)	\$ 18,929	\$ (5,801,857)	ALMA00884-01	
a 14	American Longshore Mutual Association, Ltd.	9/1/2013 - 6/30/2014	151	9/19/2013	(284)	(133)	\$ 88,488	\$ (11,768,898)	60121	
15	Miami Valley Insurance Company	11/1/2013 - 6/30/2014	121	12/19/2013	(193)	(73)	\$ 2,335,285	\$ (169,308,142)	306	
a 16	Miami Valley Insurance Company	7/1/2013 - 10/31/2013	61	12/7/2012	(328)	(267)	\$ 1,062,552	\$ (283,701,424)	303	
17	Lockton	11/1/2013 - 6/30/2014	121	11/26/2013	(216)	(96)	\$ 2,097,104	\$ (200,273,440)	1799539	
a 18	Lockton	7/1/2013 - 10/31/2013	61	11/30/2012	(335)	(274)	\$ 1,094,442	\$ (299,877,128)	858483	
19	Charlis Specialty Insurance Company	7/1/2013 - 6/30/2014	182	1/31/2013	(515)	(333)	\$ 275,771	\$ (91,831,706)	347677	
20	Allied World Assurance Company	7/1/2013 - 6/30/2014	182	1/31/2013	(515)	(333)	\$ 103,135	\$ (34,344,009)	347677	
21	Total						\$ 9,467,048	\$ (1,511,950,187)		
22										
23	Weighted Average Lead Days							(159.7)	dc	

[a] Period covered represents the service period of the invoice through the date of the study. Each period was agreed to the respective invoice.

[b] Payment clear dates were agreed to the applicable bank statements.

[c] Expenses were agreed to the respective invoices.

[d] The change from the prior testing is due to the exclusion of the director, officer and fiduciary liability insurance plans that were removed since they will not be renewed when the current policies expire. The policies were originally taken out during the acquisition and will not be renewed.

Note: Inquired with management regarding changes to DP&L's insurance policies since the original test period. Management noted that the Director, Officer and Fiduciary Liability policies were originally taken out when AES acquired DPL, but are not expected to be renewed once the policies expire, therefore these policies should be excluded from the lead/lag calculation. Additionally, one new policy was identified, however the policy is similar to the other policies tested above, therefore no update testing was necessary.

The Dayton Power and Light Company
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Calculation of Original and Update Lead/Lag Days for Allocated Expenses

Note: The update lead days have been calculated using only 2015 data. This is due to service company and payment procedures being formulated in 2014 and then finalized in the beginning of 2015. Per management, it is now standard policy to fund service company monthly. As such, 2015 is the best representative sample of what will exist for future payments.

Original Data										
Line No	Month	Begin	End	Mid-Point	Payment Date {A}	Payment Lead Days	Total Lead Days	Expense {B}	Dollar Days Lead	
1	January 2014	1/1/2014	1/31/2014	15.5	2/14/2014	14	29.50	2,834,258.44	83,610,623.98	
2	February 2014	2/1/2014	2/28/2014	14	2/14/2014	-14	0.00	1,865,741.56	-	
3	February 2014	2/1/2014	2/28/2014	14	4/15/2014	46	60.00	688,555.18	41,313,310.80	
4	March 2014	3/1/2014	3/31/2014	15.5	4/15/2014	15	30.50	5,163,189.82	157,477,289.51	
5	March 2014	3/1/2014	3/31/2014	15.5	5/1/2014	31	46.50	1,968,298.32	91,525,871.88	
6	April 2014	4/1/2014	4/30/2014	15	5/1/2014	1	16.00	3,379,799.13	54,076,786.08	
7	May 2014	5/1/2014	5/31/2014	15.5	5/1/2014	-30	-14.50	503,647.55	(7,302,889.48)	
8	May 2014	5/1/2014	5/31/2014	15.5	6/26/2014	26	41.50	1,552,857.16	64,443,572.14	
9	June 2014	6/1/2014	6/30/2014	15	6/26/2014	-4	11.00	954,800.84	10,502,809.24	
10	June 2014	6/1/2014	6/30/2014	15	10/24/2014	116	131.00	2,044,673.67	267,852,250.77	
11							TOTAL	20,955,821.67	763,499,624.93	

Original Lead/Lag Days **36.43**

Update testing										
	Month	Begin	End	Mid-Point	Payment Date {A}	Payment Lead Days	Total Lead Days	Expense {B}	Dollar Days Lead	
	January 2015	1/1/2015	1/31/2015	15.5	2/27/2015	27	42.50	2,686,702.68	114,184,863.90	
	February 2015	2/1/2015	2/28/2015	14	2/27/2015	-1	13.00	2,673,814.24	34,759,585.12	
	March 2015	3/1/2015	3/31/2015	15.5	2/27/2015	-32	-16.50	3,397,371.65	(56,056,632.23)	
	April 2015	4/1/2015	4/30/2015	15	2/27/2015	-62	-47.00	417,521.40	(19,623,505.80)	
	April 2015	4/1/2015	4/30/2015	15	3/27/2015	-34	-19.00	565,758.56	(10,749,412.64)	
	May 2015	5/1/2015	5/30/2015	15	3/27/2015	-64	-49.00	2,031,382.44	(99,537,739.56)	
	May 2015	5/1/2015	5/30/2015	15	4/30/2015	-30	-15.00	899,693.50	(13,495,402.50)	
							TOTAL	12,672,244.47	(50,518,243.71)	

Update Lead/Lag Days **(3.99)**

Tickmarks

- A Traced and agreed to bank statements.
- B Traced and agreed to the "Pmt Applied" field for each payment for each month.

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR

Lead/Lag Study - Allocated Expenses - Inception to Date

Exhibit ADF-6 Page 2 of 2

Line No	Month	Begin	End	Mid-Point	Payment Date {A}	Payment Lead Days	Total Lead Days	Expense {B}	Dollar Days Lead
1	January 2014	1/1/2014	1/31/2014	15.5	2/14/2014	14	29.50	2,834,258.44	83,610,623.98
2	February 2014	2/1/2014	2/28/2014	14	2/14/2014	-14	0.00	1,865,741.56	-
3	February 2014	2/1/2014	2/28/2014	14	4/15/2014	46	60.00	688,555.18	41,313,310.80
4	March 2014	3/1/2014	3/31/2014	15.5	4/15/2014	15	30.50	5,163,189.82	157,477,289.51
5	March 2014	3/1/2014	3/31/2014	15.5	5/1/2014	31	46.50	1,968,298.32	91,525,871.88
6	April 2014	4/1/2014	4/30/2014	15	5/1/2014	1	16.00	3,379,799.13	54,076,786.08
7	May 2014	5/1/2014	5/31/2014	15.5	5/1/2014	-30	-14.50	503,647.55	(7,302,889.48)
8	May 2014	5/1/2014	5/31/2014	15.5	6/26/2014	26	41.50	1,552,857.16	64,443,572.14
9	June 2014	6/1/2014	6/30/2014	15	6/26/2014	-4	11.00	954,800.84	10,502,809.24
10	June 2014	6/1/2014	6/30/2014	15	10/24/2014	116	131.00	2,044,673.67	267,852,250.77
11	July 2014	7/1/2014	7/31/2014	15.5	10/24/2014	85	100.50	2,647,509.56	266,074,710.78
12	August 2014	8/1/2014	8/31/2014	15.5	10/24/2014	54	69.50	323,816.77	22,505,265.52
13	August 2014	8/1/2014	8/31/2014	15.5	11/24/2014	85	100.50	2,042,808.56	205,302,260.28
14	September 2014	9/1/2014	9/30/2014	15	11/24/2014	55	70.00	2,368,880.30	165,821,621.00
15	October 2014	10/1/2014	10/31/2014	15.5	11/24/2014	24	39.50	604,311.14	23,870,290.03
16	October 2014	10/1/2014	10/31/2014	15.5	12/31/2014	61	76.50	2,013,320.00	154,018,980.00
17	October 2014	10/1/2014	10/31/2014	15.5	1/20/2015	81	96.50	19,358.87	1,868,130.95
18	November 2014	11/1/2014	11/30/2014	15	1/20/2015	51	66.00	2,115,003.19	139,590,210.54
19	December 2014	12/1/2014	12/31/2014	15.5	1/20/2015	20	35.50	462,778.94	16,428,652.37
20	December 2014	12/1/2014	12/31/2014	15.5	2/27/2015	58	73.50	2,091,180.70	153,701,781.45
21	January 2015	1/1/2015	1/31/2015	15.5	2/27/2015	27	42.50	2,686,702.68	114,184,863.90
22	February 2015	2/1/2015	2/28/2015	14	2/27/2015	-1	13.00	2,673,814.24	34,759,585.12
23	March 2015	3/1/2015	3/31/2015	15.5	2/27/2015	-32	-16.50	3,397,371.65	(56,056,632.23)
24	April 2015	4/1/2015	4/30/2015	15	2/27/2015	-62	-47.00	417,521.40	(19,623,505.80)
25	April 2015	4/1/2015	4/30/2015	15	3/27/2015	-34	-19.00	565,758.56	(10,749,412.64)
26	May 2015	5/1/2015	5/30/2015	15	3/27/2015	-64	-49.00	2,031,382.44	(99,537,739.56)
27	May 2015	5/1/2015	5/30/2015	15	4/30/2015	-30	-15.00	899,693.50	(13,495,402.50)
28								48,317,034.17	1,862,163,284.14
29									
30									

Inception to Date Days	38.54
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Tickmarks

A Traced and agreed to bank statements.

B Traced and agreed to the "Pmt Applied" field for each payment for each month.

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR

Taxes Other than Income Taxes Lead

Exhibit ADF-7 Page 1 of 9

Line No	Description	Average Lead Days	Base Period Expense	Dollar-Days Lead	Ref
1					
2	KWH	34.37	51,407,373.00	1,766,972,843.50	Page 2
3	Ohio Property	290.23	71,712,858.70	20,813,477,905.72	Page 3
4	PUCO	38.36	1,826,846.96	70,083,713.31	Page 4
5	Sales and Use	35.67	1,518,279.30	54,155,110.64	Page 5
6	MacGregor Park Property Tax	293.25	220,822.14	64,756,461.91	Page 6
7	Fed Excise Tax	(157.50)	3,720.00	(585,900.00)	Page 7
8	CAT Tax	93.14	316,860.75	29,513,689.96	Page 8
9	OCC	55.60	316,860.75	17,617,776.25	Page 9
10					
11	Totals		127,323,621.60	22,815,991,601.29	
12					
13	Weighted Average Lead			179.1	

NOTE: As the taxes payments were based on statutory due dates that hadn't changed by our update testing, no update testing deemed necessary.
For the period 7/1/2013-6/30/2014

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR

TOIT - KWH Tax

Exhibit ADF-7 Page 2 of 9

Line No	Period Covered {A}	Mid-Point	Payment Clear Date {B}	Payment Lead Days	Total Lead Days	Expense {C}	Dollar-Days Lead
1	7/1/13	7/31/13	8/20/13	20	35.5	\$ 4,564,805.00	\$ 162,050,577.50
2	8/1/13	8/31/13	9/20/13	20	35.5	\$ 4,509,356.00	\$ 160,082,138.00
3	9/1/13	10/1/13	10/18/13	17	32.5	\$ 4,357,641.00	\$ 141,623,332.50
4	10/2/13	10/31/13	11/20/13	20	35	\$ 3,794,444.00	\$ 132,805,540.00
5	11/1/13	11/30/13	12/20/13	20	35	\$ 3,701,751.00	\$ 129,561,285.00
6	12/1/13	12/31/13	1/17/14	17	32.5	\$ 4,210,647.00	\$ 136,846,027.50
7	1/1/14	1/31/14	2/20/14	20	35.5	\$ 5,232,190.00	\$ 185,742,745.00
8	2/1/14	2/28/14	3/20/14	20	34	\$ 5,165,631.00	\$ 175,631,454.00
9	3/1/14	3/31/14	4/18/14	18	33.5	\$ 4,448,989.00	\$ 149,041,131.50
10	4/1/14	4/30/14	5/20/14	20	35	\$ 3,936,114.00	\$ 137,763,990.00
11	5/1/14	5/31/14	6/20/14	20	35.5	\$ 3,517,223.00	\$ 124,861,416.50
12	6/1/14	6/30/14	7/18/14	18	33	\$ 3,968,582.00	\$ 130,963,206.00
13						\$ 51,407,373.00	\$ 1,766,972,843.50
14							
15							
						Weighted Average Lead	34.37

Tickmark Legend

A Taken from the Tax Report provided by management.

B Traced and agreed to the clear date on the appropriate bank statement.

C Traced and agreed to both the Tax Report and the appropriate bank statement

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Ohio Property Tax

Exhibit ADF-7 Page 3 of 9

Line No	Period Covered (A)	Mid-Point	Payment Clear Date (B)	Payment Lead Days	Total Lead Days	Expense	Dollar-Days Lead	Taxing District (A)
1	7/1/13	12/31/13	7/14/14	195	287	\$ 4,983,188.78	\$ 1,430,175,179.86	Adams County 01
2	1/1/13	12/31/13	2/13/14	44	226.5	\$ 972.80	\$ 220,338.07	Allen County 02
3	7/1/13	12/31/13	7/15/14	196	288	\$ 426,302.18	\$ 122,775,027.84	Auglaize County 06
4	7/1/13	12/31/13	7/1/14	182	274	\$ 85,714.58	\$ 23,485,794.92	Brown County 08
5	7/1/13	12/31/13	7/30/14	211	303	\$ 305,269.28	\$ 92,496,591.84	Butler County 09
6	7/1/13	12/31/13	7/14/14	195	287	\$ 1,352,990.11	\$ 388,308,161.57	Champaign County 11
7	7/1/13	12/31/13	7/14/14	195	287	\$ 397,893.66	\$ 114,195,480.42	Clark County 12
8	7/1/13	12/31/13	7/9/14	190	282	\$ 3,712,214.93	\$ 1,046,844,610.26	Clermont County 13
9	7/1/13	12/31/13	7/24/14	205	297	\$ 1,197,981.20	\$ 355,800,416.40	Clinton County 14
10	7/1/13	12/31/13	7/30/14	211	303	\$ 196,836.71	\$ 59,641,523.13	Coshocton County 16
11	7/1/13	12/31/13	7/11/14	192	284	\$ 1,396,138.24	\$ 396,503,260.16	Darke County 19
12	7/1/13	12/31/13	7/8/14	189	281	\$ 44,706.59	\$ 12,562,551.79	Delaware County 21
13	7/1/13	12/31/13	7/21/14	202	294	\$ 26,116.67	\$ 7,678,300.98	Fairfield County 23
14	7/1/13	12/31/13	6/18/14	169	261	\$ 1,019,116.13	\$ 265,989,309.93	Fayette County 24
15	7/1/13	12/31/13	6/18/14	169	261	\$ 235,126.63	\$ 61,368,050.43	Franklin County 25
16	7/1/13	12/31/13	7/22/14	203	295	\$ 7,391,820.50	\$ 2,180,587,047.50	Greene County 29
17	7/1/13	12/31/13	6/26/14	177	269	\$ 2,686,800.29	\$ 722,749,278.01	Hamilton County 31
18	1/1/13	12/31/13	7/9/14	190	372.5	\$ 16,708.47	\$ 6,223,905.08	Hardin County 33
19	7/1/13	12/31/13	8/1/14	213	305	\$ 257,168.39	\$ 78,436,358.95	Highland County 36
20	7/1/13	12/31/13	7/24/14	205	297	\$ 65,932.59	\$ 19,581,979.23	Licking County 45
21	7/1/13	12/31/13	7/16/14	197	289	\$ 1,516,393.69	\$ 438,237,776.41	Logan County 46
22	7/1/13	12/31/13	6/18/14	169	261	\$ 90,899.56	\$ 23,724,785.16	Madison County 49
23	7/1/13	12/31/13	7/24/14	205	297	\$ 688,946.39	\$ 204,617,077.83	Mercer County 54
24	7/1/13	12/31/13	7/29/14	210	302	\$ 3,881,073.73	\$ 1,172,084,266.46	Miami County 55
25	7/1/13	12/31/13	7/18/14	199	291	\$ 34,185,233.85	\$ 9,947,903,050.35	Montgomery County 57
26	7/1/13	12/31/13	6/26/14	177	269	\$ 14,515.46	\$ 3,904,658.74	Muskingum County 60
27	7/1/13	12/31/13	7/22/14	203	295	\$ 250,452.01	\$ 73,883,342.95	Pickaway County 65
28	7/1/13	12/31/13	7/16/14	197	289	\$ 42,489.00	\$ 12,279,321.00	Pike County 66
29	7/1/13	12/31/13	7/21/14	202	294	\$ 1,243,849.81	\$ 365,691,844.14	Preble County 68
30	7/1/13	12/31/13	7/11/14	192	284	\$ 58,721.58	\$ 16,676,928.72	Ross County 71
31	1/1/13	12/31/13	3/3/14	62	244.5	\$ 6,934.89	\$ 1,695,579.38	Scioto County 73
32	7/1/13	12/31/13	7/24/14	205	297	\$ 1,693,966.92	\$ 503,108,175.24	Shelby County 75
33	7/1/13	12/31/13	7/16/14	197	289	\$ 1,056,616.60	\$ 305,362,197.40	Union County 80
34	7/1/13	12/31/13	7/8/14	189	281	\$ 51,272.93	\$ 14,407,693.33	Van Wert County 81
35	7/1/13	12/31/13	7/31/14	212	304	\$ 1,132,493.56	\$ 344,278,042.24	Warren County 83
36						\$ 71,712,858.70	\$ 20,813,477,905.72	
37								
38						290.2335548		

Weighted Average Lead Days

Tickmark Legend

A Taken from the 2013 Real and Personal Tax Schedule.

B Traced and agreed to the clear date on the appropriate bank statement.

C The payment for the first half of 2013 was lost in the mail, causing the second payment to be for the entire year's tax.

Since this is a non-recurring item, it has been adjusted to fit the expected timeline.

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR

PUCO Tax

Exhibit ADF-7 Page 4 of 9

Line No	Period Covered	Mid-Point	Payment Clear Date {A}	Payment Lead Days	Total Lead Days	Expense {B}	Dollar-Days Lead
1	7/1/13	12/31/13	10/18/13	-74	18	\$ 901,513.14	C \$ 16,227,236.52
2	7/1/13	12/31/13	10/18/13	-74	18	\$ 28,937.00	C \$ 520,866.00
3	1/1/14	6/30/14	5/30/14	-31	59.5	\$ 27,877.94	D \$ 1,658,737.43
4	1/1/14	6/30/14	5/30/14	-31	59.5	\$ 170,136.12	D \$ 10,123,099.14
5	1/1/14	6/30/14	5/30/14	-31	59.5	\$ 698,382.76	D \$ 41,553,774.22
6						\$ 1,826,846.96	\$ 70,083,713.31
7							
8						38.36320986	

Weighted Average Lead

Tickmark Legend

- A Traced and agreed to the clear date on the appropriate bank statement.
- B Traced and agreed to both the Tax Report and the appropriate bank statement.
- C These two items are combined in one line item on the bank statement dated 10/18/2013.
- D These three items are combined in one line item on the bank statement dated 05/30/2014.

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Sales and Use Tax

Exhibit ADF-7 Page 5 of 9

Line No	Period Covered {A}	Mid-Point	Payment		Payment		Total	Expense {C}	Dollar-Days	
			Clear Date {B}	Lead Days	Lead Days	Lead Days			Lead	Lead
1	7/1/13	7/31/13	8/23/13	23	23	38.5	\$ 111,964.06	\$	4,310,616.31	
2	8/1/13	9/30/13	9/23/13	-7	-7	23.5	\$ 199,076.32	\$	4,678,293.52	
3	10/1/13	10/31/13	11/25/13	25	25	40.5	\$ 156,190.07	\$	6,325,697.84	
4	11/1/13	11/30/13	12/23/13	23	23	38	\$ 132,836.54	\$	5,047,788.52	
5	12/1/13	12/31/13	1/22/14	22	22	37.5	\$ 159,682.31	\$	5,988,086.63	
6	1/1/14	1/31/14	2/21/14	21	21	36.5	\$ 105,750.52	\$	3,859,893.98	
7	2/1/14	2/28/14	3/20/14	20	20	34	\$ 68,541.69	\$	2,330,417.46	
8	3/1/14	3/31/14	4/23/14	23	23	38.5	\$ 128,636.13	\$	4,952,491.01	
9	4/1/14	4/30/14	5/20/14	20	20	35	\$ 177,643.59	\$	6,217,525.65	
10	5/1/14	5/31/14	6/20/14	20	20	35.5	\$ 47,242.77	\$	1,677,118.34	
11	6/1/14	6/30/14	7/23/14	23	23	38	\$ 230,715.30	\$	8,767,181.40	
12							\$ 1,518,279.30	\$	54,155,110.64	
13										
14										
							Weighted Average Lead	35.66874069		

Tickmark Legend

- A Taken from the Tax Report.
- B Traced and agreed to the clear date on the appropriate bank statement.
- C Traced and agreed to both the Tax Report and the appropriate bank statement.

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
MacGregor Park Property Tax

Exhibit ADF-7 Page 6 of 9

Line No	Period Covered {A}	Mid-Point	Payment Clear Date {B}	Payment Lead Days	Total Lead Days	Expense {C}	Dollar-Days Lead
1	7/1/13	12/31/13	7/21/14	202	294	\$ 110,656.75	\$ 32,533,084.50
2	1/1/14	6/30/14	D	202	292.5	\$ 110,165.39	\$ 32,223,377.41
3						\$ 220,822.14	\$ 64,756,461.91
4							
5							
Weighted Average Lead						293.2516688	

Tickmark Legend

A Taken from the MacGregor tax estimation sheet.

B Traced and agreed to the clear date on the appropriate bank statement.

C Original, full amounts are traced and agreed to both the MacGregor tax estimation sheet and the appropriate bank statement. Amounts shown are allocated to DP&L.

D Due to MacGregor Property taxes not being paid until early 2015, this item was estimated based upon projections provided by management.

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR

Exhibit ADF-7 Page 7 of 9

Fed Excise Tax

Line No	Period Covered {A}	Mid-Point	Payment Clear Date {B}	Payment Lead Days	Total Lead Days	Expense {C}	Dollar-Days Lead
1	7/1/13	6/30/14	182.5	7/25/13	-340	-157.5	\$ 3,720.00 \$ (585,900.00)
2							
3							
Weighted Average Lead						-157.5	

Tickmark Legend

- A Taken from the Tax Report provided by management.
- B Traced and agreed to the clear date on the appropriate bank statement.
- C Traced and agreed to both the Tax Report and the appropriate bank statement

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
CAT Tax

Exhibit ADF-7 Page 8 of 9

Line No	Period Covered {A}	Mid-Point	Payment Clear Date {B}	Payment Lead Days	Total Lead Days	Expense {C}	Dollar-Days Lead
1	7/1/13	9/30/13	46	11/12/13	43	89	\$ 1,255,395.00 \$ 111,730,155.00
2	10/1/13	12/31/13	46	2/10/14	41	87	\$ 149.00 \$ 12,963.00
3	1/1/14	3/31/14	45	5/12/14	42	87	\$ 922,966.00 \$ 80,298,042.00
4	4/1/14	6/30/14	45.5	8/28/14	59	104.5	\$ 957,564.00 \$ 100,065,438.00
5							\$ 3,136,074.00 \$ 292,106,598.00
6							
7							
Weighted Average Lead						93.14	

Tickmark Legend

- A Taken from the CAT Tax Accrual Report.
- B Traced and agreed to the clear date on the appropriate bank statement.
- C Traced and agreed to both the CAT Tax Report and the appropriate bank statement or ACH confirmation

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR

Exhibit ADF-7 Page 9 of 9

OCC Tax

Line No	Period Covered {A}	Mid-Point	Payment Clear Date {B}	Payment Lead Days	Total Lead Days	Expense {C}	Dollar-Days Lead
1	7/1/13	12/31/13	11/7/13	-54	38	\$ 154,791.71	D \$ 5,882,084.98
2	7/1/13	12/31/13	11/7/13	-54	38	\$ 4,968.54	D \$ 188,804.52
3	1/1/14	6/30/14	6/13/14	-17	73.5	\$ 4,886.00	E \$ 359,121.00
4	1/1/14	6/30/14	6/13/14	-17	73.5	\$ 29,818.00	E \$ 2,191,623.00
5	1/1/14	6/30/14	6/13/14	-17	73.5	\$ 122,396.50	E \$ 8,996,142.75
6						\$ 316,860.75	\$ 17,617,776.25
7							
8							
						55.60	

Weighted Average Lead

Tickmark Legend

- A Taken from the Tax Report.
- B Traced and agreed to the clear date on the appropriate bank statement.
- C Traced and agreed to both the Tax Report and the appropriate bank statement.
- D These two items are combined in one line item on the bank statement dated 11/07/2013.
- E These three items are combined in one line item on the bank statement dated 06/13/2014.

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR
Federal Income Tax Lead Days

Exhibit ADF-8 Page 1 of 1

Line No	Actual Payment Date	Days from January 1 to Payment Date	Midpoint of year	(Lead)/Lag (c) = (a)-(b)	Statutory % for Total Year (d)	Weighted Days (e)=(c)*(d)
1		(a)	(b)			
2	4/15/2014	105.0	182.5	(77.5)	25%	(19,3750)
3						
4	6/15/2014	166.0	182.5	(16.5)	25%	(4,1250)
5						
6	9/15/2014	258.0	182.5	75.5	25%	18,8750
7						
8	12/15/2014	349.0	182.5	166.5	25%	41,625
9						
10	Total			Income Tax Lead Days		37,000

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 15-1830-EL-AIR
CASE NO. 15-1831-EL-AAM
CASE NO. 15-1832-EL-ATA

DIRECT TESTIMONY
OF CRAIG A. FORESTAL

- ☐ **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 A. FORESTAL
ON BEHALF OF
THE DAYTON POWER AND LIGHT COMPANY

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Craig Forestal. My business address is One Monument Circle, Indianapolis,
4 IN 46204.

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

6 A. I am employed by AES U.S. Services, LLC ("AES Services") as Director of Regulatory
7 Accounting for its US Strategic Business Unit ("SBU"), which includes The Dayton
8 Power & Light Company ("DP&L" or "Company"), as well as Indianapolis Power &
9 Light Company ("IPL").

10 **Q. Please summarize your work experience with AES.**

11 A. I was an employee of IPL from May 2002 through December 2013. During my tenure
12 with IPL, I worked in various positions including senior accountant, Team Leader of
13 Corporate Accounting and Director of Regulatory Accounting. I served as the primary
14 accounting witness in regulatory commission filings for IPL since 2006 and continue to
15 serve in that capacity today. In June of 2013, I began transitioning into my current role
16 where I am responsible for regulatory accounting for both DP&L and IPL. I report to the
17 Controller of the AES US SBU who also serves as the Controller of DP&L.

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

19 A. I hold a Bachelor of Science Degree in Accounting from Ball State University. I have
20 over 24 years of accounting experience in various industries including telephone and

1 electric utilities, real estate investment trusts and public accounting. I have 13 years of
2 electric utility accounting experience.

3 **Q. Have you previously testified before the Public Utility Commission of Ohio**
4 **("Commission" or "PUCO") or other regulatory agencies?**

5 A. Yes, I have submitted testimony in support of DP&L's Significantly Excessive Earnings
6 Tests for calendar year earnings of 2013 (Case No. 14-0831-EL-UNC) and 2014 (Case
7 No. 15-928-EL-UNC). I have also testified before the Indiana Public Utility Commission
8 in several cases for IPL, including but not limited to IPL's semi-annual Environmental
9 Compliance Cost Recovery Adjustment proceedings under Cause Nos. 42170-ECR-7 and
10 43403, and IPL's pending basic rates case, Cause No. 44576.

11 **II. PURPOSE OF TESTIMONY**

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

13 A. The purpose of my testimony is to explain the operating income statements and pro forma
14 adjustments which I sponsor. In addition, I co-sponsor several schedules that contain
15 many of DP&L's pro forma adjustments made to the test year period. The portion that I
16 sponsor relates to the portion of the test year derived from the actual books and records,
17 which are the months of June 2015 through September 2015. Company Witness Rabb is
18 sponsoring the calculations and support for the projected information contained in the
19 Schedule B section and Schedule C section and Company Witness Santacruz provides an
20 overview of the forecast methodology used by Company Witness Rabb. Additionally, I
21 sponsor Schedule C-2.1, which contains allocation percentages that are used to derive the
22 jurisdictional distribution portion of income statement amounts; however, the allocation

percentages presented on that schedule are sponsored by Company Witnesses Tornquist and Rennix. Finally, I sponsor Schedule C-3.23, which removes unbilled revenues and expenses. I sponsor the unbilled expense amounts, while Company Witness Whitehead sponsors the unbilled revenue amounts.

III. SCHEDULES AND WORKPAPERS

Q. Please provide a list of the schedules that you sponsor or cosponsor.

A. The schedules that I sponsor or cosponsor are:

- Schedule C-2 - Adjusted Test Year Jurisdictional Operating Income
- Schedule C-2.1 - Operating Revenue and Expenses by Accounts - Jurisdictional Allocation
- Schedule C-3 - Summary of Jurisdictional Adjustments to Operating Income
- Schedule C-3.3 - Eliminate Reconciliation Rider Nonbypassable Revenue
- Schedule C-3.4 - Eliminate Storm Cost Recovery Rider Revenue and Expense
- Schedule C-3.5 - Eliminate Energy Efficiency Rider Revenue and Expense
- Schedule C-3.6 - Eliminate Economic Development Discounts and Rider Revenue
- Schedule C-3.7 - Eliminate Alternative Energy Rider Expense
- Schedule C-3.18 - Eliminate Wright Patterson Non-Jurisdictional Revenues and Expenses
- Schedule C-3.19 - Eliminate General Advertising Expense
- Schedule C-3.20 - Eliminate PUCO Approved Payments Funded by Shareholders
- Schedule C-3.21 - Miscellaneous Expense Adjustments
- Schedule C-3.23 - Eliminate Unbilled Revenue and Expense

Q. Were these schedules or portions of these schedules prepared or assembled by you or under your direction or supervision?

A. Yes.

1 **Q. Did you submit any workpapers?**

2 A. Yes. I am sponsoring the workpapers that support the financial statements and schedules
3 that I sponsor. The workpapers that I sponsor are:

- 4 • Workpaper C-2.1 - Monthly Operating Revenue and Expenses by Account
- 5 • Workpaper C-3.3 - Eliminate Reconciliation Rider Nonbypassable Revenue
- 6 • Workpaper C-3.4 - Eliminate Storm Cost Recovery Rider Revenue and Expense
- 7 • Workpaper C-3.5 - Eliminate Energy Efficiency Rider Revenue and Expense
- 8 • Workpaper C-3.6 - Eliminate Economic Development Discounts and Rider Revenue
- 9 • Workpaper C-3.7 - Eliminate Alternative Energy Rider Expense
- 10 • Workpaper C-3.18 - Eliminate Wright Patterson Non-Jurisdictional Revenue and
11 Expense
- 12 • Workpaper C-3.20 - Eliminate PUCO Approved Payments Funded by Shareholders
- 13 • Workpaper C-3.23 - Eliminate Unbilled Revenue and Expense

14 **Q. Schedule C-2 reflects the Adjusted Test Year Operating Income. Could you briefly**
15 **explain the purpose of this schedule?**

16 A. Yes. This schedule illustrates the unadjusted per books jurisdictional operating income
17 for DP&L and then summarizes the adjustment necessary to normalize and annualize the
18 test year results. Column E of the schedule incorporates the adjustments to reflect
19 adjusted Test Year Operating Income. The adjusted jurisdictional net operating income is
20 carried forward to line 3 of Schedule A-1 in column C.

21 **Q. Please explain the general nature of the jurisdictional adjustments to operating**
22 **income, as summarized in column D of Schedule C-2.**

23 A. The adjustments made in Schedule C-2 are necessary in order to reflect, on a normalized
24 and annualized basis, changes in operating conditions on DP&L's distribution system
25 which are not fully reflected in the test year operating results shown in column C. These

adjustments reflect changes which are fixed in time, known to be occurring, and measurable in amount. It is necessary to give effect to these adjustments in order to determine properly the pro forma jurisdictional operating revenues, operating expenses, and operating income at present rates, as shown in column E, before proceeding to reflect the additional adjustments needed to determine these amounts at proposed rates.

Q. Are any amounts on Schedule C-2 derived from other schedules in this filing?

A. Yes. The amounts in column C are derived from column F of Schedule C-2.1 and the amounts in column D of the schedule are derived from column C of Schedule C-3.

Q. Can you please explain the purpose of Schedule C-2.1?

A. Yes. This schedule illustrates the unadjusted per books Test Year Operating Income for DP&L in column D. In addition, the schedule shows the portion of each account balance that is considered jurisdictional for purposes of this filing in column E. Finally, in column F, the schedule shows the unadjusted jurisdictional operating income. The amounts in column F are carried forward to column C of Schedule C-2.

Q. What is the source of the information shown on Schedule C-2.1?

A. Column D of this schedule contains the components of total utility net operating income for the test period, consisting of actual financial results of operations for the months of June 2015, July 2015, August 2015, and September 2015, and forecasted data for the months of October 2015 through May 2016. The allocation factors in column E were carried from Schedule B-7, as appropriate to each FERC account, with the exception that where directly identifiable, the direct distribution portion of expenses was used in column F and the allocation percentage represents the distribution amount divided by the

1 unadjusted total utility amount. For the remaining items, column F is the result of
2 applying the allocation factors to the test period totals, to arrive at jurisdictional
3 (Distribution Only) net operating income for the test period of \$25,444,819.

4 **Q. Turning to Schedule C-3, which is the summary of jurisdictional adjustments to**
5 **operating income, could you briefly explain the purpose of this schedule?**

6 A. Yes. This schedule is a summary of each adjustment that we are proposing to Test Year
7 Operating Income and illustrates the combined income statement impact of all such
8 adjustments. As I described previously, the total of these adjustments is in column C,
9 page 1 of 5, and is carried forward to column D of Schedule C-2. Each adjustment is
10 limited to the jurisdictional portion needed to adjust jurisdictional operating income to
11 reflect changes which are representative of utility operations and which are fixed in time,
12 known to be occurring, and measurable in amount. If these adjustments are not made, the
13 jurisdictional proforma operating revenues and expenses included in the determination of
14 DP&L's operating income at present and at proposed rates would be inaccurate and
15 would include amounts not appropriate for recognition in the process of establishing base
16 rates for the continued provision of safe and reliable electric utility service.

17 **Q. Turning to Schedule C-3.3, which reflects an adjustment to eliminate Reconciliation**
18 **Rider Nonbypassable operating revenues and expenses, could you briefly explain**
19 **the purpose of this schedule?**

20 A. Yes. Reconciliation Rider Nonbypassable operating revenues are not part of base rates
21 and therefore should not affect the revenue requirement in this proceeding. This schedule
22 summarizes and removes the effect on DP&L's Test Year Operating Income from the

1 Reconciliation Rider revenues. There were no jurisdictional test year operating expenses
2 related to the Reconciliation Rider Nonbypassable. This adjustment is carried forward to
3 page 1 of Schedule C-3 in column F.

4 **Q. Turning to Schedule C-3.4, which reflects an adjustment to remove Storm Cost**
5 **Recovery Rider operating revenue and expense, could you briefly explain the**
6 **purpose of this schedule?**

7 A. Yes. This schedule is similar to Schedule C-3.3 in that it summarizes and removes the
8 impact a rider had on DP&L's Test Year Operating Income. DP&L's rider for prior storm
9 costs was established through Case No. 12-3062-EL-RDR. As the rider recovers prior
10 costs that are not part of base rates, it should not affect the revenue requirement in this
11 proceeding. Therefore, the effect on the revenue requirement is being eliminated through
12 this adjustment. This adjustment is carried forward to page 1 of Schedule C-3 in column
13 G.

14 **Q. Turning to Schedule C-3.5, which reflects an adjustment to eliminate Energy**
15 **Efficiency Rider operating revenues and expenses, could you briefly explain the**
16 **purpose of this schedule?**

17 A. Yes. This is another adjustment to remove revenues and expenses that are collected
18 through a separate rider, rather than through base rates. This schedule summarizes the
19 effect on the Test Year Operating Income of energy efficiency programs, including the
20 rider revenues, so that such amounts can be removed. This adjustment is carried forward
21 to page 1 of Schedule C-3 in column H.

1 **Q. Turning to Schedule C-3.6, which reflects an adjustment to remove the Economic**
2 **Development Rider Revenues and related discounts, could you briefly explain the**
3 **purpose of this schedule?**

4 A. Yes. This schedule summarizes all of the revenue and discounts related to DP&L's rider
5 for economic development, which was established through Case No. 08-1094-EL-SSO.
6 As this rate is established outside this proceeding, the effect on the revenue requirement
7 is being eliminated through this adjustment. There were no jurisdictional operating
8 expenses in the test period related to the Economic Development Rider, which is why the
9 pro forma adjustment does not propose a change to operating expenses. This adjustment
10 is carried forward to page 2 of Schedule C-3 in column C.

11 **Q. Please explain why eliminating this rider increases revenues.**

12 A. When the test period began, DP&L was in an overcollection position for this rider and
13 accordingly, the rider rates established for the actual months in the test period were less
14 than revenue discounts. As such, the net impact of the rider revenues and the revenue
15 credits was a debit to revenues for the actual months. The projected months of the test
16 year did not contain a projection for economic development revenues. Consequently, the
17 adjustment to remove the revenues and discounts for the economic development rider
18 increases test year revenues.

19 **Q. Turning to Schedule C-3.7, which reflects an adjustment to eliminate Alternative**
20 **Energy Rider expense, could you briefly explain the purpose of this schedule?**

21 A. Yes. This schedule summarizes all of the operating expenses related to DP&L's rider for
22 alternative energy compliance costs, which was established through Case No. 08-1094-

1 EL-SSO and modified in Case No. 12-426-EL-SSO. As this rate is established outside
2 the context of this proceeding, and not part of base rates, the effect on the revenue
3 requirement is being eliminated through this adjustment. This adjustment is carried
4 forward to page 2 of Schedule C-3 in column D.

5 **Q. Please explain why you did not include an adjustment on Schedule C-3.7 to**
6 **eliminate Alternative Energy Rider revenues.**

7 A. For purposes of this filing, we considered alternative energy revenues to be generation
8 revenues, rather than distribution revenues. Accordingly, they were allocated 0% to
9 jurisdictional revenues on Schedule C-2.1. They are part of the \$410,444,426 of Other
10 Retail Revenues on Schedule C-2.1 on line 3 of page 1 of 5. As such, there were no
11 jurisdictional Alternative Energy Rider revenues in Schedule C-2 to eliminate.

12 **Q. Have you proposed adjustments to remove all of the DP&L rider revenues and**
13 **operating expenses?**

14 A. No. There are certain riders that do not include any distribution revenues or expenses. In
15 other words, for certain of DP&L's riders, none of the revenues or expenses were
16 allocated to Unadjusted Jurisdictional Net Operating Income on Schedule C-2.1 and
17 therefore, none of the revenues or expenses impact the revenue requirement we are
18 proposing in this proceeding. Some examples of such riders are: Fuel, Competitive
19 Bidding, and the Transmission Cost Recovery Riders.

1 **Q. Turning to Schedule C-3.18, which reflects an adjustment to remove non-**
2 **jurisdictional revenues and expenses, could you briefly explain the purpose of this**
3 **schedule?**

4 **A.** Yes. In 2011, DP&L purchased certain distribution equipment from the Wright Patterson
5 Air Force Base (“WPAFB”) under a fifty-year agreement. Such equipment remains in
6 place to serve WPAFB and is now maintained and operated by DP&L. As of September
7 30, 2015, the total plant in service value of this distribution equipment was \$44.8 million
8 and the total rate base related to the equipment after accumulated depreciation is \$23.6
9 million. Under a contract, WPAFB pays DP&L a fee for the use of the distribution
10 equipment. The fee calculation includes a return on the net book value of the distribution
11 equipment as well as the estimated annual operating and maintenance cost for running
12 and maintaining the equipment.

13 Schedule C-3.18 summarizes the revenue and operating expenses associated with the
14 WPAFB distribution equipment owned by DP&L. Because WPAFB pays for this DP&L
15 utility plant equipment separate from its rates for basic electric service, I am proposing an
16 adjustment to eliminate both the operating expenses relating to the distribution equipment
17 and the revenues received from WPAFB for the use of such equipment. This adjustment
18 is carried forward to page 4 of Schedule C-3 in column C.

19 **Q. Is this distribution equipment owned by DP&L that is used to serve WPAFB also**
20 **excluded from rate base?**

21 **A.** Yes. This is described by Company Witness Rennix and can be found on Schedule B-
22 2.5, which he sponsors.

1 **Q. Turning to Schedule C-3.19, which reflects an adjustment to eliminate general**
2 **advertising expense from the test year, could you briefly explain the purpose of this**
3 **schedule?**

4 **A. This adjustment removes image building advertising costs that were included in operating**
5 **expenses during the test year.**

6 **Q. Please discuss how you determined and removed image building advertising from**
7 **the Company's advertising expense.**

8 **A. The Company uses different FERC accounts to separate image building advertising from**
9 **instructional and safety advertising. Account 930.1 – General Advertising Expense is**
10 **used for image building and 909.1 – Information and Instructional Advertising Expense**
11 **is used for instruction and safety advertising. Consequently, the adjustment on Schedule**
12 **C-3.19 removes all advertising included in FERC account 930.1. This adjustment is**
13 **carried forward to page 4 of Schedule C-3 in column D.**

14 **Q. Turning to Schedule C-3.20, which eliminates PUCO approved payments funded by**
15 **shareholders from the test year, could you briefly explain the purpose of this**
16 **schedule?**

17 **A. This adjustment removes economic development stipulation payments included in**
18 **operating expenses during the test year. These payments were approved in order to fund**
19 **economic development and energy efficiency programs as part of the Orders in Case Nos.**
20 **13-883-EL-POR and 12-426-EL-SSO. Per these PUCO Orders, these payments were**
21 **required to be funded by shareholders and as such, should be removed from the test year**

operating expenses. This adjustment is carried forward to page 4 of Schedule C-3 in column E.

Q. Turning to Schedule C-3.21, which makes miscellaneous expense adjustments to the test year, could you briefly explain the purpose of this schedule?

A. This schedule summarizes adjustments for miscellaneous, out-of-period, and other expenses. This adjustment includes the results of a detailed review of the operation and maintenance expense accounts activity for the test year. This review was conducted to identify items recorded in the test year that were incurred outside of the test year, items miscoded to DP&L's operating expenses, or anything else that may be viewed as not reasonably necessary to provide reliable electric service to our customers. Examples of items included in this adjustment are: some intercompany insurance costs, giveaways, sports outings, certain meals, and some dues and memberships. In addition, this schedule includes run-rate and out-of-period adjustments to adjust certain bond administrative fees and computer software costs. Run rate adjustments were calculated by determining a full year's cost using the most recent invoice or contract and comparing that to the level of expense in the test period. This adjustment is carried forward to page 4 of Schedule C-3 in column F.

Q. Do you sponsor Schedule C-3.23, which eliminates unbilled revenue and expenses?

A. I sponsor the elimination of unbilled expenses and Company Witness Whitehead sponsors the elimination of unbilled revenues.

1 **Q. Please explain why unbilled expenses should be eliminated.**

2 A. DP&L's riders only include billed revenues when determining whether DP&L has
3 collected the appropriate amount of revenues to recover its costs and/or incentives such
4 as the shared savings that are included in DP&L's Energy Efficiency Rider. Generally
5 Accepted Accounting Principles require that we estimate and accrue for revenues earned,
6 but not yet billed, which are called unbilled revenues. When recording the over or under
7 collection for each rate rider, we initially adjust the regulatory asset to only reflect billed
8 revenues and accrued expenses to be consistent with the treatment in the rider filings.
9 When unbilled revenues are accrued, a portion of them are attributable to the amounts
10 DP&L will charge its customers in the following month related to riders. Since additional
11 revenues are being recorded for the rate riders, an additional adjustment in the
12 Company's books and records to the related expenses being recovered is also necessary.

13 The adjustment on Schedule C-3.23 eliminates all of the unbilled distribution revenues,
14 including the portions attributable to distribution rate riders. Consequently, an adjustment
15 is also necessary to remove the accounting adjustments to expenses that were recorded to
16 offset the impact of the unbilled rider revenue accruals. Schedule C-3.23 eliminates the
17 net per books impact of all of the adjustments that were made in the test period to offset
18 the impact of the unbilled rider revenue accruals. The combined impact of the revenue
19 and expense adjustments reflected on Schedule C-3.23 is to completely remove the
20 accounting entries related to unbilled revenues.

1 **Q. Does Schedule C-3.23 reverse all of the accounting adjustments made during the test**
2 **period related to unbilled rate rider revenues?**

3 A. No. As I stated previously, there are certain riders that do not include any distribution
4 revenues or expenses, such as Fuel, Competitive Bidding, and the Transmission Cost
5 Recovery Riders. Because the revenues and costs associated with such riders are
6 allocated to distribution at zero percent, it would have been inappropriate to reverse the
7 unbilled impact of such riders on this schedule. Additionally, a portion of the accounting
8 eliminations are to nonoperating expense accounts. Because nonoperating expense
9 accounts are excluded from the revenue requirement calculated in this proceeding, it
10 would have been inappropriate to adjust for those accounts on this schedule.

11 **Q. Are the results of the adjustments described above reasonable, and if so, why?**

12 A. Yes. As discussed above, the source of the information used in these adjustments is
13 DP&L's books and records. These booked amounts have been further reviewed for
14 accuracy and reasonableness for purposes of this proceeding. Further, as explained
15 above, these adjustments are necessary in order to reflect, on a normalized and
16 annualized basis, changes in operating conditions on DP&L's distribution system which
17 are not fully reflected in the test year operating results. These adjustments reflect
18 changes which are fixed in time, known to be occurring, and measurable in amount. If
19 the respective adjustments are not made, the pro forma net utility jurisdictional operating
20 income at present rates would not represent an appropriate basis upon which to establish
21 new rates in this case. Therefore, the results of these adjustments are appropriate for the
22 purpose of establishing just and reasonable base rates for the continued provision of safe
23 and reliable electric utility service.

1 **IV. CONCLUSION**

2 **Q. Does that conclude your direct testimony?**

3 **A. Yes.**

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 15-1830-EL-AIR
CASE NO. 15-1831-EL-AAM
CASE NO. 15-1832-EL-ATA

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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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Claire E. Hale. My business address is 1065 Woodman Drive, Dayton, OH
4 45432.

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

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

8 **Q. What are your responsibilities in your current position?**

9 A. I am responsible for assisting in the development, analyses, revision, and administration
10 of the Company's tariff schedules, rate designs, and policies. This includes participating
11 in the development of the Company's rate cases and having responsibility for the
12 administration of certain riders, specifically the Transmission Cost Recovery Riders, the
13 Reliability Pricing Model Rider, and the Storm Cost Recovery Rider.

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

15 A. I received a Bachelor of Science degree in Mathematics from The Ohio State University
16 in June 2008. Prior to my position at DP&L, I was a Technical Analyst at Accenture,
17 where I worked on the Service Oriented Architecture Team providing client support on
18 middleware applications. I joined DP&L as a rate analyst in January 2011.

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

21 A. Yes. I sponsored testimony before the PUCO in Case No. 12-426-EL-SSO.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of this testimony?

A. The purpose of this testimony is to support and explain: 1) the implementation of an ongoing Storm Cost Recovery Rider, 2) several proforma adjustments to the test year, and 3) projected rate case expense.

Q. What Schedules and Workpapers are you supporting?

A. I am supporting the following schedule and workpapers:

- Schedules C-3.15, C-3.16, C-3.22, and C-3.24
- Schedule C-5
- Schedule C-6
- Schedule C-8
- Workpapers C-3.22 and C-3.24.

III. STORM COST RECOVERY RIDER PROPOSAL

Q. Please describe DP&L's Storm Cost Recovery Rider proposal.

A. Consistent with this Commission's precedents in AEP Ohio's Electric Security Plan ("ESP") Case (Case No. 13-2385-EL-SSO) and Duke Energy Ohio's ESP Case (Case No. 14-841-EL-SSO), DP&L proposes to implement a non-bypassable ongoing rider that will recover on an annual basis the costs of all major storms. Major storm costs are unpredictable, and they can vary widely based on the level and type of damage to DP&L's distribution system. No matter the circumstances, DP&L works to restore service to all its customers as quickly and safely as possible, and can incur significant

costs in the process. Because these costs are volatile, they are difficult to predict in the budgeting process and can have a significant impact on the Company's ability to fund normal operating costs and capital spending associated with operating and maintaining its distribution system. For the same reasons, it is not possible to estimate future major storm costs for recovery through base rates. However, as those costs are reasonably and prudently incurred for the benefit of our customers and in the course of providing reliable electric service, it is appropriate for DP&L to recover those costs in a timely manner. Therefore, DP&L is proposing an ongoing Storm Cost Recovery Rider that will act as a true-up mechanism for all of DP&L's major storm costs. This mechanism will allow DP&L to defer major storm costs as they are incurred, which permits DP&L to focus its spending on normal operating activities while still accommodating unpredictable storm costs.

Q. How does DP&L define a major storm?

A. To identify a major storm, DP&L uses the definition in O.A.C §4901:1-10-01 for a Major Event. A Major Event is an incident that causes an electric utility's daily System Average Interruption Duration Index ("SAIDI") to exceed the threshold outlined in section 4.5 of standard 1366-2003 as adopted in the "IEEE Guide for Electric Power Distribution Reliability Indices."

Q. Which types of costs does DP&L propose to include in its Storm Cost Recovery Rider?

A. The rider will include all Operation and Maintenance ("O&M") expenses that were prudently incurred to restore service after a major storm, with the exception of employee straight-time labor (both union and management). As a point of clarification, overtime

for both union and management employees will be included. The overtime compensation for management employees will be paid in accordance with the Company's non-discretionary major storm restoration overtime policy. This practice is consistent with the Commission's precedents in the AEP and Duke cases referenced above, where the Commission allowed for the recovery of management labor costs resulting from this type of overtime policy.

Q. Does DP&L propose that any major storm costs be recovered through base distribution rates, providing a "baseline" for the Storm Cost Recovery Rider?

A. No. As stated above, major storm costs are volatile and exceptional events, and DP&L believes that no "baseline" should be used to separate major storm costs between base distribution rates and the rider. Defining a baseline requires defining a "normal" level of major storm expense. With a baseline, ratepayers fund this "normal" amount in advance, and then either receive a refund or pay more, depending on what the actual major storm costs were. However, at its heart, it is difficult to set a "normal" amount for an event that is, by definition, an exception. DP&L's own history tells this tale; in the past ten years DP&L's annual major storm O&M costs have ranged from \$302K to almost \$16M. Such a wide range proves how unpredictable these exceptional events can be and why their costs do not belong in base rates.

Ultimately, a baseline simply splits the recovery of major storm costs into two rates, which is unnecessarily complicated. It is more efficient, and less confusing for customers, to recover all major storm costs through the Storm Cost Recovery Rider. Therefore DP&L has employed a zero baseline in its base distribution rates by excluding all major storm costs from the test year.

Q. How does a zero baseline affect customer rates when compared to a non-zero baseline?

A. Ultimately, customers will pay the same amount for major storms whether that amount is paid entirely through a rider or split between base rates and a rider. The only difference between the scenarios occurs in the initial implementation of base rates. With a non-zero baseline, customer pay for some portion of major storm costs immediately, and those costs are later trued-up through the rider. With a zero baseline, customers do not pay for any major storm expenses until the true costs are known. Once recovery has commenced through the rider, customers are paying the same amount in both scenarios.

I offer the simplified illustration below:

Major Storm Cost Recovery Illustration		\$3M Baseline				\$0M Baseline			
Line	Year:	1	2	3	4	1	2	3	4
1	Recovery in Base Rates (\$M):	3.0	3.0	3.0	3.0	0.0	0.0	0.0	0.0
2	Actual Costs (\$M):	2.0	1.5	5.0	3.5	2.0	1.5	5.0	3.5
3	Deferred Difference (Ln 2 - Ln 1):	-1.0	-1.5	2.0	0.5	2.0	1.5	5.0	3.5
4	Recovery in Rider (Ln 3, Year Lag):		-1.0	-1.5	2.0		2.0	1.5	5.0
5	Total Recovery (Ln 1 + Ln 4):	3.0	2.0	1.5	5.0	0.0	2.0	1.5	5.0

As seen in this example, after year one the baseline is irrelevant – in both scenarios, customers simply pay the true storm costs on a one-year lag.

Q. What true-up process does DP&L propose?

A. DP&L proposes that it be allowed to defer its major storm O&M costs as they are incurred. Such costs and supporting records will be available for audit on an annual basis and then recovered over a period of one year. DP&L proposes that it file proposed rates

and a summary of its major storm costs from the most recent calendar year on the following July 1 of each year, beginning the audit process with the PUCO and intervenors. This timeframe allows DP&L to receive all invoices related to the prior calendar year's major storms and internally review and verify the costs before the PUCO audit process. The proposed rates will then be implemented October 1 of each year with the intention of full recovery occurring over the next twelve months. Carrying costs will be recorded on the expenses at the cost of long-term debt from the point of deferral until they are fully recovered.

Q. What rate design does DP&L propose for the Storm Cost Recovery Rider?

A. DP&L proposes to continue recovering major storm costs on a customer charge basis, which is consistent with its current major storm cost recovery. The only change that DP&L proposes is to switch the Private Outdoor Lighting charge from a per lamp charge to a per customer charge so that its treatment is consistent with the other classes.

Q. Will there be a prudence review of DP&L's major storm expenditures?

A. Yes. The issue of prudence will be addressed in each audit process.

IV. SCHEDULES

Q. What is shown on Schedule C-3.15?

A. Schedule C-3.15 calculates the appropriate adjustment to DP&L's jurisdictional net operating income to include, as an operating expense, an annual 3% interest rate computed on the date certain balance of the distribution portion of DP&L's customer deposits. Ohio Revised Code § 4933.17 stipulates that 3% is the minimum interest rate an Ohio utility is required to pay to customers on deposits. This jurisdictional adjustment

results in an increase of \$112,295 in O&M expense in the test year. The adjustment is carried forward to Schedule C-3, Page 3, Line 12, column F.

Q. Please describe the jurisdictional adjustment on Schedule C-3.16.

A. Schedule C-3.16 shows the amortization of the estimated cost of presenting utility cases, including this rate case and DP&L's next Standard Service Offer ("SSO") case, as an adjustment to the test year. The total expense would be deferred and amortized over two years, as this is a typical amortization period for recovery of deferred expenses. Expenses for both cases are included because both the distribution rate case and the SSO case serve the same jurisdictional customers of the distribution utility. Moreover, it is an obligation of the utility to present an SSO case, and there is no other avenue to recover the prudently incurred expense of presenting that case. Therefore the cost of both cases is reasonably recovered through base distribution rates. This jurisdictional adjustment results in an increase of \$4,917,606 in O&M expense in the test year, which is carried forward to Schedule C-3, Page 3, Line 14, column G.

Q. What is shown on Schedule C-3.22?

A. Schedule C-3.22 shows the major storm expenses that DP&L incurred during the test year that must be removed from the test year in order to maintain a zero baseline for the Storm Cost Recovery Rider, as I described previously. All of such costs were incurred in the actual months of the test year and related to one major storm that damaged DP&L's distribution network in July of 2015. The adjustment excludes any straight-time labor associated with that storm. As straight-time labor is not recoverable through a Storm Cost Recovery Rider, those labor costs should remain in the test year. This jurisdictional

adjustment results in a decrease of \$429,973 in O&M expense in the test year, which is carried forward to Schedule C-3, Page 4, Line 11, column G.

Q. Please describe the jurisdictional adjustment on Schedule C-3.24.

A. Schedule C-3.24 eliminates the jurisdictional portion of the company use credit from the test year. As the Company's facilities (such as DP&L's headquarters and its service buildings) use electricity in the course of business, the cost of this use is distributed to the various areas within the Company. This cost is then allocated to various Federal Energy Regulatory Commission ("FERC") expense accounts, with an offsetting credit to expense in FERC account 929. As the cost of powering DP&L's facilities is a prudent cost of business, the jurisdictional portion of this cost should be recoverable through base rates. Therefore the jurisdictional portion of the offsetting credit must be eliminated. This jurisdictional adjustment results in an increase of \$474,610 in O&M expense in the test year, which is carried forward to Schedule C-3, Page 5, Line 14, column C.

Q. What is shown on Schedules C-5 and C-6?

A. Schedule C-5 provides a detailed schedule of any social or service club dues included in the test year, while Schedule C-6 details any charitable expenses included in the test year. As no social or charitable expenses were included in the test year adjusted jurisdictional operating expenses, these schedules are not applicable.

Q. What is shown on Schedule C-8?

A. Schedule C-8 shows the itemized expenses incurred in presenting this rate case and the next SSO case. The top half of the schedule compares these expenses to those of the two prior rate cases. The bottom half shows the amortization of prior rate case expense, if

this information is available to the Company. As displayed in the schedule, there are no rate case expenses included in the unadjusted test year expense. As I stated previously, DP&L proposes to defer these utility rate case expenses and amortize them over a two-year period, as shown in the adjustment on Schedule C-3.16.

Q. What is the source of the information shown on the above adjustment schedules?

A. The information on these schedules was developed from accounting records and budget estimates.

Q. Was the method that you used to prepare the above adjustment schedules reasonable?

A. Yes, because these schedules appropriately adjust the test year to include only the expenses that are properly recovered through base distribution rates. Each of the adjustments that I propose is limited to the jurisdictional portion needed to properly reflect the pro forma operating income at present rates. If the respective adjustments are not made, the pro forma net utility jurisdictional operating income at present rates would not represent an appropriate basis upon which to establish new rates in this case. Therefore, the results of these adjustments are appropriate for the purpose of establishing just and reasonable base rates for the continued provision of safe and reliable electric utility service.

IV. CONCLUSION

Q. Please summarize your testimony.

A. In summary, the Commission should grant DP&L an ongoing Storm Cost Recovery Rider that will allow it to defer and then recover its prudent major storm costs with

1 carrying costs. Additionally, the Commission should find that the adjustment schedules
2 listed above are appropriate adjustments to test year expense.

3 **Q. Does this conclude your direct testimony?**

4 **A.** Yes, it does.

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 15-1830-EL-AIR
CASE NO. 15-1831-EL-AAM
CASE NO. 15-1832-EL-ATA

DIRECT TESTIMONY
OF KEVIN L. HALL

- ☐ **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
KEVIN L. HALL
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 Kevin L. Hall. My business address is 1900 Dryden Rd., Dayton, Ohio 45439.

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

A. I am employed by AES U.S. Services, LLC ("AES Services"), an affiliate of The Dayton Power & Light Company ("DP&L"), as Director of Transmission and Distribution Engineering.

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

A. I assumed my present position in July of 2013. Prior to that time, I was Director of Operations for DP&L with responsibility for distribution engineering, drafting, real estate services, facilities and telecommunications.

Q. What are your responsibilities in your current position?

A. In my current position, I am responsible for the safe and economical design of the distribution systems for both The Dayton Power & Light Company and the Indianapolis Power & Light Company. Additionally, I am responsible for the drafting, real estate and right-of-way functions of both companies. Specifically for Dayton Power & Light, I also have responsibility for the distribution planning and transmission engineering functions as well as the capital and O&M budgeting for the DP&L Customer Operations group.

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

1 A. I earned a Bachelor of Science degree in Electrical Engineering from the University of
2 Cincinnati in 1991 and a Masters in Business Administration from the University of
3 Dayton in 2005. I am a Senior Member of the IEEE (“Institute of Electrical and
4 Electronics Engineers”) and am a registered Professional Engineer (“P.E.”) in the states
5 of Ohio and Indiana.

6 Since June 1991, I have been continuously employed by DP&L or its affiliate(s). From
7 1991 through 1995, I was assigned to the substation and transmission maintenance and
8 construction groups as a maintenance engineer, project manager and group leader. In
9 1996, I was promoted to Manager of System Operating and had the responsibility of
10 leading the real-time grid operations team through wholesale transmission access change.

11 Between 1999 and 2003 I was Manager of Control Area Services, responsible for the
12 start-up of processes and systems that support both wholesale and retail settlements in the
13 context of retail choice within the State of Ohio.

14 In 2004, I was designated as the Project Manager responsible for the Company's
15 integration into the PJM Regional Transmission Organization (“RTO”). Also in 2004, I
16 was a member of the NERC Readiness Audit Team that performed a Control Area
17 Readiness Audit on FirstEnergy. In 2005, I was promoted to Director of Design
18 Engineering, with responsibility for the design and engineering of the Company's
19 distribution facilities. During the time period from 2007 through 2009, I was a member
20 of the project team responsible for the development of DP&L's smart grid plan which
21 was included as part of Case No. 08-1094-EL-SSO.

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

4 A. Yes. I have sponsored testimony before both the PUCO and FERC in several cases,
5 including most recently Case No.08-1094-EL-SSO. I have previously provided written
6 testimony before the FERC on DP&L's Open Access Transmission Tariff.

7 **II. PURPOSE OF TESTIMONY**

8 **Q. What is the purpose of this testimony?**

9 A. The purpose of this testimony is to support and explain DP&L's distribution capital
10 projects and expenditures. Additionally, I am supporting changes to the unmetered
11 portions of DP&L's tariffs D19 and D25.

12 **III. PRUDENCE**

13 **Q. Please provide an overview of DP&L's electric distribution system as of September**
14 **30, 2015.**

15 A. The distribution system used to serve DP&L's customers as of September 30, 2015,
16 consists of utility properties used and useful for such purposes, including approximately
17 122 substations feeding 491 distribution circuits, 31 additional substations dedicated to
18 transmission or specific customers, towers, poles, conductors, transformers, station
19 structures and equipment, meters and overhead distribution wire of approximately 10,514
20 miles and underground cable distribution conductors of approximately 3,636 miles.

1 **Q. Were DP&L's expenditures on capital projects, which resulted in distribution plant**
2 **in service, reasonable and prudent?**

3 A. Yes. DP&L makes annual capital investments on its electric distribution system which
4 help to achieve three goals: (1) provide infrastructure to serve new or growing customers
5 and load; (2) maintain or improve the overall condition of the distribution infrastructure
6 (replacements) and any supporting assets; and (3) return to service failed assets, such as
7 those suffering from catastrophic equipment failures or damage from storms. Those
8 expenditures were prudent in light of the condition of DP&L's distribution system, and
9 were necessary to allow DP&L to continue to provide reliable services to its customers.

10 **Q. Is the equipment on which DP&L seeks a return in this case used and useful?**

11 A. Yes. Per internal DP&L policy, as capital projects are completed, the project manager(s)
12 must submit appropriate documentation to the Fixed Asset Accounting area indicating the
13 assets that were placed in service and the date in which they were placed in service.

14 **Q. Were DP&L's expenditures reasonable in amount?**

15 A. Yes. The materials, labor and other resources used to complete capital projects are
16 obtained through the efforts of the supply chain organization who ensure that such
17 materials and services meet the quality and technical standards as well as delivery
18 schedule specified and are competitively priced.

19 **Q. What types of projects are included within DP&L's capital expenditures?**

1 A. There are numerous types of projects that make up DP&L's capital investments on an
2 annual basis. They are first categorized by the expenditure amount. Any project less
3 than \$100,000 is captured in a Blanket Budget. Projects greater than \$100,000 are
4 categorized as "Specific Projects" and assigned their own budget number. Blanket
5 budget projects include providing new or upgraded services to customers, planned
6 replacements, forced replacements (failures and storms), meter installations and
7 transformer installations. Additionally, DP&L has capital programs designed to maintain
8 or replace key electric distribution system infrastructure including poles, underground
9 cable, cutouts and network equipment, among others.

10 **Q. What are Specific Projects?**

11 A. Specific Projects are projects with a cost greater than \$100,000. Specific Projects range
12 in scope from infrastructure required to serve customers with larger loads to new or
13 upgraded distribution circuits as well as electric infrastructure relocations.

14 **Q. Are the Blanket Budget Projects and Specific Projects described above typical for**
15 **DP&L in any budget year?**

16 A. Yes. DP&L's annual capital budget is typically made up of the types of projects
17 described above. The amount of spending within each category or group of projects
18 varies somewhat year-over-year based on factors that include economic conditions,
19 localized load growth, equipment failure rates, and storm activity.

20 **Q. How is Contribution In Aid to Construction ("CIAC") determined for capital**
21 **projects?**

1 A. For customers requiring new service, CIAC is addressed according to the Commission's
2 rules, which are incorporated into DP&L's Tariff Sheet No. D12 "Extension of Electric
3 Facilities." There are other situations where a customer desires to relocate their service
4 or a third party asks DP&L to move or relocate its facilities. In those situations, CIAC is
5 determined based on DP&L's tariff as well as existing rights-of-way. In any situation
6 where CIAC is applicable, the payment from the requesting entity is credited to that
7 specific project's work order. In that way, net plant in service is reflective of all CIAC
8 payments.

9 **Q. Is the Company proposing to eliminate its unmetered service provisions in Tariff**
10 **Sheets D19 and D25?**

11 A. Yes. The Company's tariff for secondary electric distribution service less than 5kW and
12 for street lighting permitted the customer to have an unmetered service and be billed
13 based on a usage calculation that assumed uniformity of consumption. Due to the
14 logistics of tracking and managing unmetered service points, particularly changes to
15 those service points, the Company is proposing to eliminate unmetered services. All new
16 services will be metered.

17 **Q. What are the circumstances that have caused the Company to propose elimination**
18 **of its unmetered service?**

19 A. The nature and characteristic of an unmetered service is subject to change in terms of
20 demand, usage and uniformity. Customers can change the characteristics of their load,
21 such that they have more or less demand, or they change their consumption patterns. As
22 technology continues to change and as the nature of the use of these unmetered service

1 points continues to change, we believe it is in the best interest of both the Company and
2 its customers to bill for distribution service based on actual usage.

3 Unfortunately, unless the customer notifies the Company that its load has changed, the
4 customer will continue to be billed for the previous consumption. For example, a
5 customer can install a new traffic signal system that is more energy efficient than the
6 prior one. If the customer does not notify the Company that the load at the service point
7 has changed, the customer will continue to pay the same amount despite their lower
8 consumption.

9 Street lighting is even more challenging when it comes to tracking the characteristics of
10 the load at the service point. The customer can add lights to its street lighting account
11 and the Company may never know it. Thus, the customer will continue to be billed the
12 same amount, despite greater usage. Conversely, if the customer replaces their street
13 lights with more energy efficient lighting and does not notify the Company, they do not
14 receive the benefit of reduced usage.

15 Moving to a policy requiring metering of all new service points ensures that the Company
16 is billing its services accurately and the customer is paying for what it is using.

17 **Q. What is the Company's plan regarding existing unmetered service points?**

18 A. Should the tariff revisions be approved in sheets D19 and D25, the Company will
19 continue to let existing unmetered service points remain unmetered provided the
20 following provisions are followed: (1) the customer is required to validate in writing its
21 type of use and quantity of load at each unmetered service point within 6 months of the

1 effective date of the tariff; (2) the customer is required to validate in writing its type of
2 use and quantity of load at each unmetered service point annually thereafter.

3 **IV. CONCLUSION**

4 **Q. Please summarize your testimony.**

5 A. In summary, the Company makes capital investments in its distribution system that
6 functions to serve new or growing load, maintain or improve the overall condition of its
7 distribution plant and return to service any failed assets due to failures or storms. The
8 equipment and expenditures for which DP&L seeks a return are used and useful and
9 reasonable in amount. Additionally, due to the changing nature of unmetered loads,
10 including the advancement of technologies, the Company has proposed to eliminate its
11 unmetered service provisions.

12 **Q. Does this conclude your direct testimony?**

13 A. Yes, it does.