

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The Dayton Power and Light Company for Approval of Its Electric Security Plan	:	Case No. 16-0395-EL-SSO
	:	
In the Matter of the Application of The Dayton Power and Light Company for Approval of Revised Tariffs	:	Case No. 16-0396-EL-ATA
	:	
In the Matter of the Application of The Dayton Power and Light Company for Approval of Certain Accounting Authority Pursuant to Ohio Rev. Code § 4905.13	:	Case No. 16-0397-EL-AAM
	:	

**MOTION OF THE DAYTON POWER AND LIGHT COMPANY
TO IMPLEMENT THE SSR EXTENSION RIDER**

Pursuant to the September 4, 2013 Opinion and Order in Case No. 12-426-EL-SSO,¹ and subsequent entries modifying that Order,² The Dayton Power and Light Company ("DP&L") moves to implement the SSR Extension Rider ("SSR-E") on January 1, 2017, to the extent previously authorized by the Commission, unless and until the Reliable Electricity Rider ("RER") is authorized and implemented. In Case No. 12-426-EL-SSO, the Commission found that DP&L "should have the opportunity to seek relief" – through the SSR-E – "if its financial integrity remains compromised" after the Service Stability Rider ("SSR") expires on December 31, 2016. Sept. 4, 2013 Opinion and Order, p. 26; Sept. 6, 2013 Entry Nunc Pro Tunc, p. 2. DP&L asks to have the RER implemented when the SSR expires; however, if the

¹ In the Matter of the Application of The Dayton Power and Light Company to Establish a Standard Service Offer in the Form of an Electric Security Plan, et al., Case Nos. 12-426-EL-SSO, et al.

² Sept. 6, 2013 Entry Nunc Pro Tunc (Case No. 12-426-EL-SSO); Mar. 19, 2014 Second Entry on Rehearing (Case No. 12-426-EL-SSO); June 4, 2014 Fourth Entry on Rehearing (Case No. 12-426-EL-SSO).

RER is not approved by the time the SSR expires, then the SSR-E will be necessary to ensure DP&L's financial integrity and, thus, its ability to provide safe, stable, and reliable retail electric service.

The Commission has adopted five conditions for DP&L to meet to implement the SSR-E: (1) a showing of financial need; (2) the filing of a distribution rate case; (3) the filing of an application to divest DP&L's generation assets; (4) the filing of an application to modernize its electric distribution infrastructure through implementation of Smart Grid and Advanced Metering Infrastructure; and (5) the filing of a billing system modernization plan. As shown in the Direct Testimony of Craig L. Jackson in Support of DP&L's Motion for Approval of the SSR-E ("Jackson Test.") (copy attached at Exhibit 1), the Direct Testimony of Sharon Schroder in Support of DP&L's Motion for Approval of the SSR-E ("Schroder Test.") (copy attached at Exhibit 2), and the Direct Testimony of R. Jeffrey Malinak ("Malinak Test.") (filed February 22, 2016), DP&L has complied or substantially complied with each of those conditions.

Respectfully submitted,

/s/Jeffrey S. Sharkey

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**MEMORANDUM IN SUPPORT OF THE MOTION OF THE DAYTON POWER
AND LIGHT COMPANY TO IMPLEMENT THE SSR EXTENSION RIDER**

I. INTRODUCTION AND SUMMARY

For nearly three years, the financial integrity of DP&L – and, thus, its ability to provide stable, safe, and reliable retail electric service – has depended on the SSR, which was approved in Case No. 12-426-EL-SSO. The SSR is set to expire on December 31, 2016. Mar. 19, 2014 Second Entry on Rehearing, p. 14 (Case No. 12-426-EL-SSO). Since DP&L's financial integrity will be at risk after the SSR expires, DP&L has proposed the RER in this case. The RER will not only protect DP&L, but also provide stability and growth for Ohio's economy. Feb. 22, 2016 Application, ¶6. DP&L asks the Commission to approve implementation of the RER immediately after the SSR expires. However, to the extent that the RER is not approved to be in place on January 1, 2017, DP&L asks the Commission to implement the SSR-E beginning January 1, 2017, until the RER is in place.

As demonstrated in the Direct Testimony of Craig L. Jackson in Support of DP&L's Motion for Approval of the SSR-E, the Direct Testimony of Sharon Schroder in Support of DP&L's Motion for Approval of the SSR-E, and the Direct Testimony of R. Jeffrey Malinak, DP&L has complied or substantially complied with each of the conditions that the Commission has adopted to implement the SSR-E. First, there is a financial need for the SSR-E. Second, DP&L has already filed a distribution rate case, Case No. 15-1830-EL-AIR. Third, DP&L has already filed an application to divest its generation assets, which the Commission has approved in Case No. 13-2420-EL-UNC. Fourth, DP&L is actively considering a plan to implement Smart Grid and Advanced Metering Infrastructure. Fifth, DP&L's billing system is capable of substantially performing the functions identified by the Commission in the September 4, 2013

Opinion and Order in Case No. 12-426-EL-SSO. Thus, the Commission should permit DP&L to implement the SSR-E when the SSR expires, pending implementation of the RER.

II. THE COMMISSION AUTHORIZED DP&L TO IMPLEMENT THE SSR-E SUBJECT TO FIVE CONDITIONS

In DP&L's last ESP case, the Commission allowed DP&L to charge the SSR through December 31, 2016 pursuant to Ohio Rev. Code § 4928.143(B)(2)(d). The purpose of the SSR was to ensure DP&L's financial integrity and, thus, its ability to provide stable, safe, and reliable retail electric service. Sept. 4, 2013 Opinion and Order, pp. 21-22 (Case No. 12-426-EL-SSO). The SSR was "intended to maintain the financial integrity of the entire company," and not a particular component, such as generation. June 4, 2014 Fourth Entry on Rehearing, p. 9 (Case No. 12-426-EL-SSO).

The Commission also recognized that DP&L may need to extend the SSR if its financial integrity were to continue to be compromised in its absence. Sept. 4, 2013 Opinion and Order, pp. 26-27 (Case No. 12-426-EL-SSO). That finding was consistent with the Commission's earlier decision in the same case to extend DP&L's existing rates when it became apparent that the Commission would not approve DP&L's application before its rates expired. Dec. 19, 2012 Entry (Case No. 12-426-EL-SSO).

Thus, the Commission authorized DP&L to create the SSR-E and initially set the rider to zero. Sept. 4, 2013 Opinion and Order, p. 27 (Case No. 12-426-EL-SSO). To fully implement the SSR-E and recover \$45.8 million in the first four months of 2017, the Commission adopted the following conditions:

1. DP&L must demonstrate that the SSR-E is "necessary to maintain the financial integrity of the Company." Sept. 4, 2013 Opinion and Order, p. 27 (Case No. 12-426-EL-SSO).
2. DP&L must file an application to increase distribution rates pursuant to Ohio Rev. Code §4909.18 by July 1, 2014. Id.
3. DP&L must file an application to divest its generation assets by December 31, 2013 and plan to divest those assets by December 31, 2016. Id. at 27-28.
4. DP&L must file an application to modernize its electric distribution infrastructure by implementing Smart Grid and Advanced Metering Infrastructure by July 1, 2014. Id. at 28.
5. DP&L must establish and implement a plan to modernize its billing system by December 31, 2014. Id.

The purpose of these conditions was to

"ensure that customer charges are being assessed based upon current and reliable information, that stability charges will continue to have the effect of stabilizing or providing certainty regarding retail electric service, and that the financial integrity of DP&L will be maintained without granting DP&L significantly excessive earnings. The SSR-E proceeding will ensure stability and certainty regarding retail electric service because it will provide more clear and reliable data for the later months of the ESP, which should alleviate concerns raised by intervenors and Staff."

Id. at 27.

III. DP&L HAS COMPLIED OR SUBSTANTIALLY COMPLIED WITH ALL OF THE CONDITIONS TO IMPLEMENT THE SSR-E

DP&L has complied or substantially complied with each of the conditions adopted by the Commission to implement the SSR-E. The Commission has repeatedly held that substantial compliance is sufficient to comply with its Orders, even in proceedings relating to

rates. For example, in a recent rider case, the Commission found that Duke Energy Ohio, Inc.'s notice to mayors and legislative authorities of a proposed rider adjustment was in substantial compliance with the Commission's order regarding such notice that was imposed in a distribution rate case. In the Matter of the Application of Duke Energy Ohio, Inc. for an Adjustment to Rider AMRP Rates, et al., Pub. Util. Comm. 09-1849-GA-RDR, et al., (Mar. 5, 2010 Entry, p. 2).

The Commission has been satisfied by substantial compliance with its orders in other contexts as well. In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained within the Rate Schedules of National Gas & Oil Corporation and Related Matters, Pub. Util. Comm. 90-16-GA-GCR, 1991 Ohio PUC LEXIS 129, at *35 (Jan. 31, 1991 Opinion and Order) (finding that "GCR rates for the audit period in this matter were fair, just and reasonable; [the utility's] gas purchasing practices and policies promoted minimum prices consistent with an adequate supply of gas; and it has substantially complied with the Commission's opinion and order in Case Nos. 88-22-GA-GCR, 89-34-GA-GCR, and 89-832-GA-FOR.") (emphasis added); In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained within the Rate Schedules of E. Natural Gas Co. and Related Matters, Pub. Util. Comm. 89-29-GA-GCR, 1990 Ohio PUC LEXIS 504, at *7 (May 17, 1990 Opinion and Order) ("With the implementation of the recommendations contained in this Opinion and Order, [the utility] will have substantially complied with the directives contained in the Company's last GCR audit proceeding, Case No. 88-17-GA-GCR.") (emphasis added); In the Matter of the Application of the Columbus Cellular Telephone Company for a Certificate of Public Convenience and Necessity to Provide Cellular Telecommunication Services in the Columbus Metropolitan Statistical Area and Vicinity, Pub. Util. Comm. 85-797-RC-ACE, 1986 Ohio PUC LEXIS 763, at *2 (July 22, 1986 Entry) (in case approving agreement to provide cellular service,

"In that [the utility] is in substantial compliance with the Commission's August 13, 1985 Finding and Order and because [the utility] acted in good faith, the Commission finds that the proposed interconnection agreement should be approved effective July 11, 1986.") (emphasis added).

Here, DP&L has complied or substantially complied with each of the conditions adopted by the Commission to implement the SSR-E. First, there is a financial need for the SSR-E, absent the SSR or the RER. Jackson Test., pp. 3-4 (copy attached at Exhibit 1); Malinak Test., p. 13 ("The financial performance of these [generation] assets has a direct and critical impact on DPL Inc.'s financial condition and ultimate financial integrity, and has an indirect impact on DP&L-TD as well."), p. 17 ("Thus, while the generating assets were not structurally separated from the regulated utility at the time of that ruling, as discussed above, the financial condition and integrity of DPL Inc. could have an impact on DP&L-TD."), p. 62 ("With the RER in place from 2017 through 2026, the financial condition of the coal generating assets, and by extension, the financial integrity of DPL Inc. would be maintained.").

Further, DPL Inc. has not made any dividend payments to AES since 2012, and none are projected in the forecast period in this case. Jackson Test., p. 3. In 2015 and 2016, DP&L has made or will make dividend payments totaling \$75 million to DPL Inc., which were or will be used to meet debt obligations and retire debt at DPL Inc. Id. DP&L expects to receive equity contributions from DPL Inc. totaling \$213 million in 2017 and 2018, to allow DP&L to achieve a 50/50 debt-to-equity ratio as ordered by the Commission. Id. The financial need thus is not caused by dividend payments.

Second, DP&L filed a distribution rate case on November 30, 2015. Schroder Test., p. 4 (copy attached at Exhibit 2). Third, DP&L filed an application to divest its generation

assets by December 31, 2013 in Case No. 13-2420-EL-UNC; the Commission approved that application on September 17, 2014. Id. at 5. Fourth, DP&L is actively considering a plan to implement Smart Grid and Advanced Metering Infrastructure. Id. Fifth, DP&L's billing system can substantially perform the functions identified by the Commission in the September 4, 2013 Opinion and Order in Case No. 12-426-EL-SSO. Id. at 5-6.

DP&L has thus complied or substantially complied with the conditions that the Commission identified for the SSR-E.

IV. CONCLUSION

The Commission should grant DP&L's motion for approval of the SSR-E, unless and until the RER is approved in this case.

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Motion of The Dayton Power and Light Company to Implement the SSR Extension Rider has been served via electronic mail upon the following counsel of record, this 30th day of March, 2016:

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BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 16-395-EL-SSO
CASE NO. 16-396-EL-ATA
CASE NO. 16-397-EL-AAM

DIRECT TESTIMONY
OF CRAIG L. JACKSON IN SUPPORT OF
DP&L'S MOTION FOR APPROVAL OF THE SSR-E

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

1 **I. INTRODUCTION**

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

3 A. My name is Craig L. Jackson. I am employed by AES US Services, LLC, which is the
4 service company that serves The Dayton Power and Light Company (“DP&L” or the
5 “Company”). My business address is One Monument Circle, Indianapolis, IN 46204.

6 **Q. What is your position at DP&L?**

7 A. I am DP&L’s Chief Financial Officer and Director, Vice President, and Chief Financial
8 Officer of AES US Services, LLC (“AES Services”).

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

10 A. I have been the Chief Financial Officer of DP&L since May 2012 and the Vice President,
11 Director and Chief Financial Officer of AES Services since May 2013.

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

13 A. In my current position, I report to the President of AES Services. I have direct
14 responsibility and oversight for accounting, tax, financial planning, treasury, risk
15 management, and internal audit functions of DP&L and other AES affiliates.

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

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

20 I joined DP&L in February 2000 as Financial Analyst, Corporate Modeling. In
21 December 2002, I accepted the position of Team Leader, Independent System Operator

1 ("ISO") Settlements, with PPL Corporation. In June 2004, I returned to DP&L as
2 Manager, Financial Planning and Analysis, reporting to the Chief Financial Officer.
3 From June 2004 to May 2012, I was promoted through several positions of increasing
4 responsibility within the Treasury organization, the last of which was as Vice President
5 and Treasurer. In May 2012, I was promoted to Chief Financial Officer at DP&L. In
6 May 2013, I accepted my current position.

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

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

12 A. Yes. In addition to the testimony that I sponsor in this case, I have sponsored testimony
13 before the PUCO in Case No. 12-426-EL-SSO et al (DP&L's last Electric Security Plan
14 proceeding). I have also provided testimony before the Indiana Utility Regulatory
15 Commission in Cause No. 44339 (IPL Replacement Generation Projects) and Cause No.
16 44576 (IPL Basic Rate Case).

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

18 A. The purpose of my testimony is to demonstrate that DP&L has a financial need for the
19 SSR-E, and that the Commission therefore should grant DP&L's motion for approval of
20 the SSR-E.

II. DP&L'S FINANCIAL NEED FOR THE SSR-E

Q. Did the Commission require DP&L to establish its financial condition in order to implement the SSR-E?

A. Yes. In the Commission's September 4, 2013 Opinion and Order, pp. 26-28 (Case No. 12-426-EL-SSO), the Commission listed, among other conditions, that the Company must demonstrate that the SSR-E is necessary to maintain DP&L's financial integrity.

Q. Please explain how has DP&L complied with the first condition, i.e., that the SSR-E is necessary to maintain DP&L's financial integrity?

A. The testimony of R. Jeffrey Malinak, filed in this proceeding on February 22, 2016, demonstrates that DP&L's financial integrity would be threatened in 2017 without a stability charge.

Q. Can you identify any recent dividend payments that DP&L and DPL Inc. have made?

A. DPL Inc. has not made any dividend payments to AES since 2012 and none are projected to be made during the forecast period included in this case.

In 2015, DP&L paid \$50M in dividends to DPL Inc. and is projected to pay \$25M of dividends to DPL Inc. in 2016. The dividend payments have been (2015) / will be (2016) used to meet debt obligations and retire debt at DPL Inc.

Q. Does DP&L expect to receive any equity contributions from DPL Inc.?

A. Yes. DP&L expects to receive equity contributions, from DPL Inc., of \$55M and \$158M in 2017 and 2018, respectively. The equity contributions, combined with debt retirements at DP&L, are needed for DP&L to achieve its 50/50 debt to equity ratio as

1 ordered by the PUCO. The equity contributions are included in the projections filed in
2 this case in CLJ Exhibits 1-6.

3 **Q. Can you describe any operation and maintenance (O&M) savings included by**
4 **DP&L in this filing?**

5 A. Yes, included in the ESP filing, we've assumed O&M cost savings items that have not
6 yet been identified. The unidentified O&M savings are \$9.2M in 2017 at DPL Inc. which
7 includes \$4.3M at DP&L. These savings average \$10.3M per year for 2017 through
8 2026 at DPL Inc., which includes an average of \$4.9M at DP&L. These savings are
9 included in the projections filed in this case in CLJ Exhibits 1-6 and in RJM Exhibits.
10 Similar O&M savings were also included in DP&L's distribution rate case (Case No. 15-
11 1830-EL-AIR). While the budget includes these unidentified savings, our priorities in
12 determining the reductions to O&M focus on maintaining safe and reliable operations;
13 optimizing the availability and performance of our physical assets; minimizing and/or
14 controlling our impact to the environment; and complying with all legal and regulatory
15 requirements.

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

17 A. Yes, it does.

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BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 16-395-EL-SSO
CASE NO. 16-396-EL-ATA
CASE NO. 16-397-EL-AAM

DIRECT TESTIMONY
OF SHARON SCHRODER IN SUPPORT OF
DP&L'S MOTION FOR APPROVAL OF THE SSR-E

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

1 **I. INTRODUCTION**

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

3 A. My name is Sharon Schroder. 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
7 Director of Regulatory Affairs.

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

9 A. I assumed my present position in November, 2015. Prior to that, I served in several
10 leadership roles within DPL Energy, including Director of Community Relations,
11 Director of Sales, and Director of Business Development & Regulatory Affairs. DPL
12 Energy is an affiliate of The Dayton Power and Light Company.

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

14 A. In my current position, I have overall responsibility for evaluating regulatory and
15 legislative initiatives, the Company’s retail and wholesale rates, and overall regulatory
16 operations.

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

18 A. I received a Bachelor of Science degree in International Business from Miami University
19 in Oxford, Ohio in 1989. I earned a Master of Science in Social and Applied Economics
20 from Wright State University in Dayton, Ohio in 1990. Additionally, I earned a Master
21 of Arts in Economics from The Ohio State University in Columbus, Ohio in 1994. Prior

to my roles within DPL Energy, I was Director of Major Accounts for the Service Operations team and Manager of Federal Energy Regulatory Commission ("FERC") Pricing and Policy, both for DP&L. I have been employed by DPL Inc. since 1996.

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

A. Yes. I have sponsored testimony in Case No. 09-256-EL-UNC before the PUCO regarding the establishment of the Company's Transmission Cost Recovery Rider. I submitted testimony on behalf of the Company before the FERC on (i) August 31, 2001 with regard to the Federal Power Act ("FPA") Section 205 filing of the former Alliance Companies in Docket No. RT01-88-006, (ii) December 11, 2002 with regard to the FPA Section 205 filing of the Alliance Companies in Docket No. ER03-262-000, (iii) October 14, 2003 with regard to the elimination of through-and-out rates in Docket Nos. EL03-212, et al., (iv) July 30, 2004 with regard to the FPA Section 205 filing of AEP and Dayton to join PJM in Docket No. ER04-1068-000, and (v) April 29, 2005, May 13, 2005, and August 29, 2005 with regard to the FPA Section 205 filing to support Dayton's lost revenues in the Seams Elimination Charge/Cost Adjustment/Assignment ("SECA") proceedings, Docket Nos. ER05-6, et al. I sponsored testimony on behalf of the Responsible Pricing Alliance ("RPA") on November 22, 2005 in Docket No. EL05-121-000, to review competing proposals for a new PJM transmission rate design, and to present my conclusions concerning the cost shifts and related cost of service issues involved in their proposals. I also sponsored testimony before FERC supporting DPL Energy, LLC's revenue requirement for Reactive Supply under PJM's Tariff in Docket ER08-1039 in May 2008.

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

2 A. The purpose of my testimony is to demonstrate that DP&L has complied or substantially
3 complied with the conditions that the Commission identified in order for DP&L to
4 receive approval for the SSR-E, and that the Commission therefore should grant DP&L's
5 motion for approval of the SSR-E.

6 **II. DP&L HAS COMPLIED OR SUBSTANTIALLY COMPLIED WITH THE CONDITIONS**
7 **FOR RECEIPT OF THE SSR-E**

8 **Q. Can you identify the conditions that the Commission listed for DP&L to receive the**
9 **SSR-E?**

10 A. Yes. In the Commission's September 4, 2013 Opinion and Order, pp. 26-28 (Case
11 No. 12-426-EL-SSO), the Commission listed the following five conditions:

12 (1) demonstrate that the SSR-E is necessary to maintain DP&L's financial integrity;

13 (2) file a distribution rate case by July 1, 2014;

14 (3) file by December 31, 2013, an application to divest its generation assets by
15 January 1, 2017;

16 (4) file by July 1, 2014 an application to modernize its electric distribution
17 infrastructure through a smart grid plan and advanced metering infrastructure; and

18 (5) file by December 31, 2014, a plan to modernize its billing system.

19 **Q. Has DP&L complied with these conditions?**

20 A. Yes. It has either complied directly, or it has substantively done so.

1 **Q. Please explain how has DP&L complied with the first condition, i.e., that the SSR-E**
2 **is necessary to maintain DP&L's financial integrity?**

3 A. Company Witness Jackson and the Direct Testimony of Jeffrey R. Malinak support this
4 first condition.

5 **Q. Has DP&L substantially complied with the second condition, i.e., that DP&L file a**
6 **distribution rate case by July 1, 2014?**

7 A. Yes, DP&L filed a distribution rate case on November 30, 2015 (Case No. 15-1830-EL-
8 AIR).

9 **Q. Does the fact that DP&L filed its distribution rate case after the deadline set by the**
10 **Commission show that DP&L's request for the SSR-E should be rejected?**

11 A. No. In its Order, the Commission explained that the reason that it was imposing a
12 requirement that DP&L file for a distribution rate case was that "DP&L should exhaust
13 its opportunities for rate relief in order to ensure its financial integrity" and "the
14 Commission believes that conducting a distribution rate case before authorizing the
15 SSR-E will provide the Commission and parties with increased certainty necessary to
16 evaluate whether DP&L's financial integrity is at risk and whether the SSR-E is
17 necessary." DP&L has filed a distribution rate case, and the testimony of DP&L witness
18 Malinak demonstrates that DP&L needs the SSR-E even if the distribution rate increase
19 is approved. Discovery is occurring in the distribution rate case, so parties are free to
20 examine the Company's financial condition. The fact that DP&L filed its distribution rate
21 case after the deadline established by the Commission does not impede the Commission's
22 or the parties' ability to analyze DP&L's financial integrity.

1 **Q. Has DP&L complied with the third condition, i.e., that it file by December 31, 2013**
2 **an application to separate its generation assets by January 1, 2017?**

3 A. Yes, DP&L filed such an application on December 30, 2013 in Case No. 13-2420-EL-
4 UNC.

5 **Q. Can you discuss the fourth condition, i.e., that DP&L file by July 1, 2014 a proposal**
6 **to implement Smart Grid and Advanced Metering Infrastructure?**

7 A. Yes. DP&L is actively considering whether to implement Smart Grid and Advanced
8 Metering Infrastructure.

9 **Q. Has DP&L substantially complied with the fifth condition, i.e., that DP&L file by**
10 **December 31, 2014 a plan to modernize its billing system?**

11 A. Yes, DP&L has taken steps to modernize its billing system to facilitate competition in the
12 state. Specifically, DP&L's billing system is and has been capable of performing rate-
13 ready billing and percentage off price-to-compare (PTC) pricing since 2001 and 2014,
14 respectively. Further, in November of 2014 DP&L filed an application for approval of a
15 new bill format (14-2043-EL-UNC) and has since implemented the proposed updates.
16 This improved bill format further facilitates competition in the state by enhancing the
17 customer experience with a bill that is more user-friendly and clear to customers. The
18 substantial modifications include the addition of supplier logos and customer information
19 with an overall more modern, reader-friendly format. Additionally, in July 2015 DP&L
20 launched its new CRES portal, making available key billing enhancements to DP&L-
21 registered suppliers. The CRES portal allows suppliers to manage pricing options for rate

1 ready billing, provides daily updates to sync lists and payment agreement lists, and real
2 time access to historical usage.

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

4 A. Yes, it does.

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Summary: Motion Motion of The Dayton Power and Light Company to Implement the SSR Extension Rider electronically filed by Mr. Jeffrey S Sharkey on behalf of The Dayton Power and Light Company