

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 15-42-EL-FAC

TESTIMONY OF
JESSICA E. KELLIE

IN SUPPORT OF THE STIPULATION
AND RECOMMENDATION

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

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Jessica E. Kellie. My business address is 1065 Woodman Drive, Dayton, Ohio 45432.

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

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

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

A. I received a Bachelor of Science degree in Business Administration with a dual major in Accounting and Finance from the Wright State University in 2009. I have been employed by DP&L since 2008.

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

A. In my current position, I am responsible for assisting in the development, analysis, revision, and administration of the Company's tariff schedules, rate designs, and policies. I am responsible for evaluating regulatory and legislative initiatives, and commission orders that impact the Company's retail and wholesale rates and overall regulatory operations. I report to the Manager of Regulatory Operations.

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

3 **A. Yes. I have sponsored testimony before the PUCO in the Company's Fuel Rider Case**
4 **No. 14-117-EL-FAC.**

5 **Q. What is your involvement with the Fuel Rider and Alternative Energy Rider**
6 **(AER) specifically?**

7 **A. I am responsible for designing, tracking, and ensuring cost recovery of both the Fuel**
8 **Rider and the AER. I am one of the liaisons for the Company to the Auditor,**
9 **Interveners, and Commission Staff regarding both riders. I was a negotiator for the**
10 **Company during settlement discussions.**

11 **II. PURPOSE OF TESTIMONY**

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

13 **A. The purpose of this testimony is to support the Stipulation and Recommendation**
14 **("Stipulation") filed in this matter on May 10, 2016, because it is the product of serious**
15 **negotiations among knowledgeable parties, benefits customers and the public interest,**
16 **and does not violate any important regulatory principle or practice.**

17 **III. THE STIPULATION AND RECOMMENDATION**

18 **Q. Are you familiar with the Stipulation in this case?**

1 A. Yes. I was one of the negotiators for DP&L in the settlement negotiations in which the
2 following parties participated: the Company, the Commission's Staff, and the Office of
3 the Ohio Consumers' Counsel ("OCC").

4 **Q. Can you describe the principal terms of the Stipulation?**

5 A. Yes. The Stipulation resolves the recommendations made in the
6 Management/Performance and Financial Audit of the Fuel and Purchased Power Rider
7 of The Dayton Power and Light Company filed on October 2, 2015 in this proceeding
8 (Audit Report). The Stipulation provides a credit of approximately thirty-four thousand
9 dollars to resolve issues regarding the jurisdictional share of DP&L's portion of both
10 the net proceeds from the owner of a refined coal facility received in 2014 and the
11 amount received in 2015 from Patriot Coal Company in conjunction with its bankruptcy
12 proceeding. Additionally, the Stipulation fully resolves all the issues raised in
13 connection with the Auditor's recommendations contained in the Audit Report and
14 provides clarity and scope for the next audit.

15 **IV. THE COMMISSION'S CRITERIA FOR EVALUATING**
16 **STIPULATIONS**

17 **Q. What criteria does the Commission use to decide whether to approve a Stipulation**
18 **and Recommendation?**

19 A. The Commission has in the past applied, and should use in considering this Stipulation,
20 the following three regulatory principles or criteria: First, is the Stipulation a product of
21 serious bargaining among capable, knowledgeable parties? Second, taken as a package,

1 does the Stipulation benefit ratepayers and the public interest? Third, does the
2 Stipulation violate any important regulatory principle or practice?

3 **A. The Stipulation is the Product of Serious Bargaining**
4 **among Knowledgeable Parties**

5 **Q. For the first criterion or principle, was the Stipulation the product of serious**
6 **bargaining among capable, knowledgeable parties?**

7 A. Yes. The settlement negotiations involved a diverse group of experienced parties.
8 Numerous negotiating sessions were held. The Signatory Parties to the Stipulation
9 represent a wide spectrum of diverse interests including, without limitation, the interests
10 of a regulated utility, residential customers, and the Commission Staff which is tasked
11 with balancing the interests of all parties to a case. All of the Signatory Parties were
12 represented by skilled men and women with years of experience in regulatory matters
13 before this Commission who possessed extensive information, and the negotiations
14 were at arm's length. All had the benefit of experienced legal counsel.

15 **Q. Did all parties have an opportunity to participate in the negotiations?**

16 A. Yes. The Audit Report was filed in a public docket, any interested party wishing to
17 intervene could do so. As described above, there were settlement conferences, and all
18 parties expressing interest in this proceeding were invited to participate. In addition,
19 draft settlement proposals were circulated to interested parties for their review,
20 comment, and consideration.

B. The Stipulation Benefits the Public Interest

Q. Turning to the second criterion or principle, can you describe the benefits of the Stipulation to ratepayers and the public interest?

A. Yes. The Stipulation benefits DP&L customers and the public interest. As already mentioned, the Stipulation addresses all the recommendations contained in the Audit Report. Among other benefits, the Stipulation provides a credit to the Fuel Rider to resolve issues.

C. The Stipulation Does Not Violate any Important Regulatory Principle

Q. With respect to the third criterion or principle, does the Stipulation violate any important regulatory principle or practice?

A. No. The Stipulation does not violate any important regulatory principle or practice.

V. CONCLUSION AND RECOMMENDATION

Q. What is your recommendation with respect to the Stipulation?

A. I recommend that the Commission approve it in its entirety and without modification.

Q. Does this conclude your testimony in support of the Stipulation?

A. Yes, it does.

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Summary: Testimony of Jessica E. Kellie in support of the Stipulation electronically filed by Mrs. Jessica E Kellie on behalf of The Dayton Power and Light Company