

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 18-1259-EL-BTX

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 Program Manager 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 Senior 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 Nos. 14-117-EL-FAC, 15-42-EL-FAC, and 16-224-EL-FAC, the Company's Unique
5 Arrangement Case No. 14-1217-EL-AEC, and in the Company's Tax Cut and Jobs Act
6 of 2017 Case No. 19-572-EL-UNC.

7 **II. PURPOSE OF TESTIMONY**

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

9 **A.** The purpose of my testimony is to discuss and support the reasonableness of the
10 Stipulation and Recommendation ("Stipulation") filed in this proceeding. The
11 Company and the State of Ohio Power Siting Board recommend that the Commission
12 approve the unopposed Stipulation filed in this matter on September 23, 2019, and issue
13 its Opinion and Order in accordance with the recommendations made in the Stipulation.
14 The Stipulation is the product of serious negotiations among capable and
15 knowledgeable parties, it benefits customers and the public interest, and it does not
16 violate any important regulatory principle or practice.

17 **III. STIPULATION SUMMARY**

18 **Q.** Can you briefly describe the proposed project?

19 **A.** Yes. DP&L plans to construct a new 16.7-mile, 138 kilovolt (kV) transmission line
20 from the existing West Milton Substation to the existing Eldean Substation located

1 northwest of Troy, Ohio using the Preferred Route. This will allow for adequate
2 transmission system voltages to be maintained in the northwest area of the DP&L
3 transmission system under various outage conditions, as required under North American
4 Electric Reliability Corporation (“NERC”) reliability standards.

5 **Q. Can you briefly describe the Stipulation and how it relates to the proposed**
6 **project?**

7 A: Yes. The Stipulation recommends the granting of the requested certificate of
8 environmental compatibility and public need using the preferred route, and subject to a
9 number of conditions that were recommended by OPSB Staff and incorporated into
10 Staff’s Report of Investigation filed on August 30, 2019. DP&L reviewed each of those
11 recommended conditions, accepted all of them, and they are incorporated into the
12 Stipulation.

13 **Q. Are there any conditions in the Stipulation that were not recommended as part of**
14 **the Staff Report?**

15 A: Yes. As a result of the public hearing that was held September 17, 2019, there is one
16 new condition that is reflected in the Stipulation.

17 **Q. Please explain.**

18 A: Staff and the Company listened carefully to the testimony at the public hearing where
19 concerns were expressed about the possible effects that construction of the transmission
20 line might have on some affected landowner’s wells or drainage fields. As a result of

1 that testimony, the Staff requested and the Company agreed to one new condition not
2 previously in the Staff Report that provides that: “The Applicant shall restore all
3 disturbed drainage systems, water wells, and septic systems to previous or better
4 condition unless otherwise specified by the affected parties.” This is Condition #23 in
5 the Stipulation.

6 **IV. THE COMMISSION'S CRITERIA FOR EVALUATING**
7 **STIPULATIONS**

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

10 A. The Commission has in the past applied, and should use in considering this Stipulation,
11 the following three regulatory principles or criteria: First, is the Stipulation a product of
12 serious bargaining among capable, knowledgeable parties? Second, taken as a package,
13 does the Stipulation benefit ratepayers and the public interest? Third, does the
14 Stipulation violate any important regulatory principle or practice?

15 **Q. Does this Stipulation meet those criteria used by the Commission to evaluate and**
16 **approve a Stipulation and Recommendation?**

17 A. Yes, this Stipulation does meet the criteria applied by the Commission in past
18 proceedings.

19 **A. The Stipulation is the Product of Serious Bargaining**
20 **among Knowledgeable Parties**

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

1 A. Yes. All parties to the Stipulation and in the case, the Ohio Power Siting Board Staff
2 and the Company, were represented by experienced and knowledgeable counsel about
3 the subject matter at issue. All Signatory Parties have participated in numerous
4 proceedings before the Board, are knowledgeable in regulatory matters, and represent a
5 broad range of interests. All parties were invited to participate in settlement discussions
6 regarding the Stipulation. All parties were provided with the draft Stipulation by
7 DP&L and were given the opportunity to further engage in settlement throughout the
8 process. Therefore, the Stipulation represents a product of serious bargaining among
9 capable, knowledgeable parties.

10 **B. The Stipulation Benefits the Public Interest**

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

13 A. Yes, it does. The Stipulation, which provides for the construction of the 138 kV Line
14 Project on the Preferred Route, benefits consumers as the Project will help ensure that
15 increased demands for electricity are met in the future and that existing service
16 reliability is strengthened and enhanced throughout the area. The Project will also
17 produce tax revenues for the local community. The Stipulation also benefits the public
18 by requiring DP&L to comply with numerous conditions to minimize environmental
19 and other impacts to the area.

1 **C. The Stipulation Does Not Violate any Important**
2 **Regulatory Principle**

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

5 **A. No. Based on my experience and review of the Stipulation, I believe it complies with**
6 **all relevant and important regulatory practices and principles.**

7 **V. ADDITIONAL CONSIDERATIONS RELATING TO THE PUBLIC**
8 **HEARING**

9 **Q: You referred earlier to the additional condition that was included in the**
10 **Stipulation as a result of the public hearing on September 17, 2019. Do you have**
11 **any other comments with respect to that public hearing?**

12 **A:** Yes. The Company is taking seriously the concerns that were raised by some members
13 of the public that prior questions that they had raised had not been fully responded to.
14 The Company is committed to reviewing all communications received from those who
15 testified at the September hearing to ensure that we fully respond to any earlier
16 comments or concerns they may have raised that we had not addressed completely
17 already.

18 I would also note that we listened carefully to individuals who had suggestions for
19 modifications in the route. While we understand completely the concerns raised by
20 some affected landowners, any shift in route is going to affect different landowners who
21 are likely to have similar concerns. I do not want to deny the possibility that currently

1 unknown circumstances could cause us to consider some minor route changes. But it is
2 the Company's view that nothing presented at the public hearing offered a compelling
3 reason to deviate from the Preferred Route as proposed by the Company, recommended
4 in the Staff Report, and reflected in the Stipulation.

5 **VI. SPONSORED EXHIBITS**

6 **Q. Are you sponsoring any exhibits in this proceeding?**

7 A. Yes. I am sponsoring the following Exhibits:

- 8 o The Stipulation
- 9 o Application filed February 1, 2019, and supplemented May 3, 2019.
- 10 o Pre-Application Notification Letter filed on October 3, 2018.
- 11 o Proof of Publication filed October 30, 2018
- 12 o Notice of Compliance filed on June 28, 2019
- 13 o DP&L Exhibit No. 5: Proof of Notification filed on July 29, 2019
- 14 o Proof of Publication and 2nd Notification filed on September 11, 2019

15
16 **VII. CONCLUSION AND RECOMMENDATION**

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

18 A. I recommend that the Commission approve it in its entirety and without modification
19 because it represents an alignment and balancing of the interests of all parties and
20 stakeholders as indicated.

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

2 **A. Yes, it does.**

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing has been served via electronic mail upon the following counsel of record, this 23rd day of September, 2019.

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