

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY
D/B/A AES OHIO

CASE NOS. 20-1651-EL-AIR
20-1652-EL-AAM
20-1653-EL-ATA

SUPPLEMENTAL DIRECT TESTIMONY
OF THOMAS D. TATHAM

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

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1 **I. INTRODUCTION**

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

3 A. My name is Thomas D. Tatham. My business address is 1900 Dryden Road, Dayton,
4 Ohio 45439.

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

7 A. I am employed by the AES Corporation as the Director of Strategic Accounts and
8 Customer Programs for both AES Indiana and AES Ohio ("Company").

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

11 A. I have been in my present position since February of 2018. Prior to that time, I held
12 several different responsibilities. I started with DP&L in 1985 as a business analyst,
13 which included working with various customer conservation programs and economic
14 development initiatives. I moved to a position in Corporate Communications where, in
15 part, I provided marketing and communications support to the Company's demand side
16 management efforts during the 1990s. Eventually, I became responsible for DP&L's
17 Corporate Communications, which included market research, and internal and external
18 communications. I then was named Director of Operations, responsible for DP&L's
19 energy efficiency programs and strategic accounts, a role I fulfilled until I took my
20 current position.

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

2 A. I report to the AES U.S. Utilities Chief Customer Officer. In this role, I am responsible
3 for managing strategic accounts for both AES Indiana and AES Ohio and the energy
4 efficiency programs at AES Indiana. Prior to the termination of energy efficiency
5 mandates in Ohio, I was also responsible for AES Ohio energy efficiency programs. In
6 addition, I am a member of the Board of Trustees of the Montgomery County
7 Transportation Improvement District and a member of the Board of Trustees of Habitat
8 for Humanity of Greater Dayton.

9
10 **Q. Will you describe briefly your educational and business background?**

11 A. I received a Bachelor of Arts degree from Kenyon College in 1984. Shortly after
12 graduation, I began my career at Dayton Power and Light ("DP&L"). While at DP&L, I
13 completed a Master of Business Administration at the University of Dayton in 1994. In
14 2006, I completed the Senior Management Certificate Program from Xavier University. I
15 have worked in the utility industry for over 35 years.

16
17 **Q. Have you previously filed testimony in these matters?**

18 A. No. However, I will be adopting Stefanie S. Campbell's testimony as my own.
19

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

21 A. The purpose of this testimony is to support and explain the following objections of AES
22 Ohio to the July 26, 2021, Staff Report:

1 **Objection No. 26 - Customer Programs Expense:** AES Ohio objects to the
2 recommendation in the Staff Report to reject Demand Side Management ("DSM")
3 customer program expense in the test year. Staff Report, pp. 17-18, 108 (Schedule C-
4 3.25). That recommendation is unreasonable and unlawful because those programs
5 provide an overall net benefit to customers.

6 **Objection No. 27 - Customer Programs Expense Deferral:** AES Ohio objects to the
7 recommendation in the Staff Report to reject a deferral for DSM customer program
8 expense. Staff Report, pp. 17-18, 108 (Schedule C-3.25). That recommendation is
9 unreasonable and unlawful because the Staff Report did not consider setting a cap on
10 program expenditures and establishing a regulatory liability account if annual
11 expenditures fall below that cap.

12 **II. AES OHIO'S PROPOSED ENERGY EFFICIENCY PROGRAMS**

13 **Q. Please explain AES Ohio's Objection No. 26 regarding AES Ohio's proposed energy**
14 **efficiency programs.**

15 A. In Ms. Campbell's testimony (which I adopt), AES demonstrated that the proposed
16 programs provide an overall net benefit to customers as measured by the utility cost test
17 and societal cost test. These benefits include reduced energy usage, reduced peak
18 generation demand, reduced greenhouse gases and other pollutants, job creation and
19 economic growth. In short, the monetary benefits exceed the costs of the programs,
20 benefitting both participating and non-participating customers. Additionally, the
21 programs provide the further benefit of avoided transmission and distribution costs,

1 although those benefits are not specifically included in the cost-effectiveness
2 calculations.

3 In addition, the proposed programs advance Ohio's energy policy in R.C. 4905.70 and
4 4928.02. Specifically, R.C. 4905.70, states that the "commission shall initiate programs
5 that will promote and encourage conservation of energy and a reduction in the growth
6 rate of energy consumption." Further, R.C. 4928.02(D) states that it is the policy of Ohio
7 to "(e)ncourage innovation and market access for cost-effective supply- and demand-side
8 retail electric service including, but not limited to, demand-side management, time-
9 differentiated pricing, waste energy recovery systems, smart grid programs, and
10 implementation of advanced metering infrastructure." The proposed customer programs
11 are consistent with these policy objectives.
12

13 **Q. Before the HB 6 mandates were enacted, had the Commission approved energy**
14 **efficiency programs for Ohio utilities?**

15 A. Yes, the Commission has done so repeatedly in the past. *In the Matter of the*
16 *Commission's Investigation into the Impacts of Demand-Side Management Programs and*
17 *Power Purchase on the Profitability of Electric Utilities*, Case No. 90-723-EL-001, 1992
18 Ohio PUC LEXIS 873, ¶ 14(a) (Oct. 1, 1992); *In re Cleveland Electric Illuminating*
19 *Company*, Case No. 92-391-EL-AAM, et al., 1992 Ohio PUC LEXIS 959, *9 (Oct. 29,
20 1992). *In re The Dayton Power and Light Company*, Case No. 93-1738-EL-AAM, et al.,
21 1994 Ohio PUC LEXIS 140, *7-11 (Feb. 24, 1994); *In re Columbus Southern Power*
22 *Company*, Case No. 94-1812-EL-AAM, et al., 1995 Ohio PUC LEXIS 294, *6-12 (April
23 13, 1995); *In re Ohio Power Company*, Case No. 92-777-EL-AAM, 1992 Ohio PUC

1 LEXIS 1135, *3-5 (Dec. 17, 1992); *In re Ohio Power Company*, Case No. 93-2110-EL-
2 AAM et al., 1994 Ohio PUC LEXIS 358, *6-9, 13 (May 11, 1994). AES Ohio's request
3 in this case is thus consistent with R.C. 4905.70 and 4928.02 and Commission precedent.
4

5 **Q. Does the Company have an additional proposal beyond the original testimony?**

6 A. Yes we do with regard to the recovery mechanism. As an alternative for consideration,
7 the Company would propose setting a cap to the program expenditures and establishing a
8 regulatory liability account if annual expenditures fall below the cap, as shown in
9 Objection No. 27. This way, customers would be protected from the risk of the Company
10 spending below the cap.
11

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

13 A. Yes.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing supplemental testimony has been served via electronic mail upon the following counsel of record, this 25th day of August, 2021:

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