

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	)	
Dayton Power and Light Company for	)	Case No. 20-1651-EL-AIR
an Increase in Electric Distribution	)	
Rates.	)	
	)	
In the Matter of the Application of	)	Case No. 20-1652-EL-AAM
Dayton Power and Light Company to	)	
change accounting methods.	)	
	)	
In the Matter of the Application of	)	Case No. 20-1653-EL-ATA
Dayton Power and Light Company for	)	
tariff approval.	)	

**PREFILED TESTIMONY IN RESPONSE TO OBJECTIONS TO THE STAFF  
REPORT  
OF**

**JASON MUMMA  
ACCOUNTING & FINANCE DIVISION  
RATES & ANALYSIS DEPARTMENT  
PUBLIC UTILITIES COMMISSION OF OHIO**

**STAFF EXHIBIT\_\_**

**January 18, 202**

1 1. Q. Please state your name and your business address.

2 A. My name is Jason Mumma. My business address is 180 East Broad Street,  
3 Columbus, Ohio, 43215.  
4

5 2. Q. By whom are you employed?

6 A. I am employed by the Public Utilities Commission of Ohio (PUCO or  
7 Commission).  
8

9 3. Q. What is your current position with the PUCO and what are your duties?

10 A. I am a Utility Specialist II in the Accounting and Finance Division within  
11 the Rates and Analysis Department. My duties include analyzing and  
12 auditing depreciation studies of public utility companies for purposes of  
13 determining the appropriate depreciation reserve and expense as a part of  
14 the ratemaking process, which is under the purview of the PUCO.  
15

16 4. Q. Would you briefly state your educational background, experience, and  
17 qualifications?

18 A. I graduated from the Ohio State University in May of 2001 with a Bachelor  
19 of Science degree in Business Administration and a major in Accounting. I  
20 am member of the Society of Depreciation Professionals. I have attended  
21 Rate School at the Institute of Public Utilities at Michigan State University  
22 as well as completed various technical classes and trainings on depreciation

1 through the Society of Depreciation Professionals. I have provided  
2 workpapers and completed schedules for purposes of Staff reports filed in  
3 rate cases.

4  
5 5. Q. Please outline your work experience.

6 A. I was employed by the Ohio Department of Taxation in various capacities  
7 from 1995 until 2020. From 2003 until 2009, I primarily audited personal  
8 property tax appeals and from 2010 to April 2013 I was a tax manager over  
9 the Commercial Activity Tax nexus program. In May 2013, I was  
10 transferred to another tax division to manage the public utility property and  
11 excise tax programs through March 2020. I joined the PUCO as a Utility  
12 Specialist II in April 2020 and to current date, have worked on the  
13 preparation of depreciation schedules and workpapers for the Commission  
14 as well as the review and analysis of depreciation studies submitted by  
15 companies in rates cases.

16  
17 6. Q. What is the purpose of your testimony?

18 A. My testimony will be responsive to the Dayton Power and Light  
19 Company's d/b/a AES Ohio (Company) Objection 4, Objection 5, and the  
20 supplemental testimony of John Spanos.

1     7.     Q.     The Company's Objection 4 alleges the Staff applied an incorrect average  
2             service life to the balances of certain sub-accounts within Account 362.13,  
3             Station Equipment – Computers; Account 362.20, Station Equipment –  
4             Vehicles; Account 362.60 Station Equipment – EDS; and Account 362.71,  
5             Station Equipment – Multiplex. Per John Spanos supplemental testimony,  
6             Staff assigned plant balances to sub-accounts within Accounts 362.13 and  
7             362.20 with zero depreciation rates. Do you agree?

8             A.     No. John Spano's Supplemental Testimony, filed on August 25, 2021 in  
9             support of the Company's objections regarding Accounts 362.13 – Station-  
10            Computer and Account 362.20 – Station Equipment – Vehicles, indicates  
11            the plant in service balances at issue are \$12.3M and \$33.9M, respectively.  
12            Based on the balances provided, the sub-accounts being referred to are  
13            (sub-)Account 362.1-Genr.COMPUTERS and (sub-)Account 362.2–Station  
14            Equip-General. OTHER.<sup>1</sup> The plant investment dollars carried in these sub-  
15            accounts are fully reserved (i.e., fully depreciated) as evidenced by the  
16            reported book reserves per the Company's as-filed Schedule B-3 totaling  
17            \$12.3M and \$34.1M, respectively, in conjunction with the Company's  
18            proposed annual depreciation expense of \$0 for the subject sub-accounts.  
19            The foregoing results in net plant contributed to rate base from the sub-  
20            accounts of \$0. There is no depreciable cost remaining as of date certain to

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<sup>1</sup> See Staff Report, Schedule B-3 and B-3.2.

1 depreciate and thus, Schedule B-3.2 of the Staff Report recommends \$0  
2 depreciation expense for both. However, in the event depreciable  
3 investment dollars are booked in either of these accounts, the recommended  
4 accrual rates of 10% for Account 362.1-Genr.COMPUTERS and 7.5% for  
5 Account 362.2-Station Equip-General. OTHER are shown on Staff's  
6 Schedule B-3.2.

7  
8 8. Q. The Company alleges in Objection 4, and as supplemented by the testimony  
9 of John Spanos, that Staff recommended a zero-depreciation accrual rate for  
10 certain accounts (Account 362.60 – Station Equipment -EDS; Account  
11 362.71 - Station Equipment – Multiplex; and Account 396 – Power  
12 Operated Equipment) so that new plant investment dollars will not have an  
13 appropriate depreciation rate when added. Do you agree?

14 A. No. Even though these accounts are fully reserved and currently have no  
15 remaining depreciable balance as of date certain, the following depreciation  
16 accrual rates are recommended based on Staff's analysis of the accounts:  
17 Account 362.60 has a 5.0% accrual rate; Account 362.71 has a 5.0%  
18 accrual rate; and Account 396 has a 5.88% accrual rate.<sup>2</sup>

19  

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<sup>2</sup> See Staff Report, Schedule B-3.2.

1 9. Q. The Company alleges in Objection 5, and as supplemented by the testimony  
2 of John Spanos, that Staff recommended square curves for assets in  
3 Account 362.20, Station Equipment – Vehicles and Account 396, Power  
4 Operated related to the vehicle fleet. Staff Report, pp. 9, 48-54, 67- 69  
5 (Schedules B-2.1, B-3.2) which results in an accrual rate and expense that  
6 is not consistent with the life characteristics of the vehicles or power  
7 operated equipment being carried in the accounts. Do you agree

8 A. Staff is not opposed to the Company using the L3 curves for the subject  
9 accounts instead of the square curves recommended in the Staff Report.  
10 Changing the curve type does not impact Staff's recommended accrual  
11 rates for the accounts, but it does change Staff's computed theoretical  
12 reserve. However, performing a comparison of the same with the  
13 Company's book reserves again results in only an immaterial difference.  
14 The reserves are still in close agreement with one another.

15  
16 10. Q. Do any adjustments need to be made to the Staff Report related to  
17 Objection 4, Objection 5, or Staff's responses?

18 A. No, there are no adjustments necessary.  
19  
20  
21  
22

1    11.    Q.    Does this conclude your testimony?

2            A.    Yes, however, I reserve the right to submit supplementary testimony as new  
3            information becomes available or in response to positions taken by other  
4            parties.

## PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Prefiled Testimony in Response to Objections to The Staff Report of Jason Mumma**, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served via regular U.S. or electronic mail upon the below parties of record, this 18<sup>th</sup> day of January 2022.

/s/ Jodi Bair

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Summary: Testimony Prefiled Testimony in Response to Objections to the Staff Report of Jason Mumma, Accounting and Finance Division, Rates and Analysis Department, Public Utilities Commission of Ohio electronically filed by Mrs. Kimberly M. Naeder on behalf of PUCO