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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
The Dayton Power and Light Company for) CASE No. 08-1094-EL-SSO
Approval of its Electric Security Plan)
)
)
)
In the Matter of the Application of)
The Dayton Power and Light Company for) CASE No. 08-1095-EL-ATA
Approval of Revised Tariffs)
)
)
)
In the Matter of the Application of)
The Dayton Power and Light Company for) CASE No. 08-1096-EL-AAM
Approval of Certain Accounting Authority)
Pursuant to Ohio Rev. Code 4905.13)
)
)
)
In the Matter of the Application of)
The Dayton Power and Light Company for) CASE No. 08-1097-EL-UNC
Approval of its Amended Corporate)
Separation Plan)
)
)

DIRECT TESTIMONY OF

BARRY E. McCLELLAND

ON BEHALF OF

HONDA OF AMERICA MFG, INC.

January 26, 2009

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DIRECT TESTIMONY OF BARRY McCLELLAND

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Q. Please state your name, title and business address.

A. My name is Barry E. McClelland . I am the Associate Chief Engineer for Company Facilities and Environmental Group at Honda of America, Mfg. Inc. My business address is 24000 Honda Parkway Marysville, Ohio.

Q. Please Describe your duties at Honda

A. My responsibilities at Honda include the procurement of energy supplies for the Ohio manufacturing facilities and the Transportation Research Center of Ohio, as well as to review and audit the energy and environmental compliance programs for those facilities in Ohio.

Q. Please describe your educational background and work experience.

A. I hold an Associate Degree in Electrical and Electronics Technology from Hocking Technical College and a Bachelors degree in Business Administration from Ohio University. I have worked in energy procurement for 38 years, 24 of which have been with Honda participating in its energy procurement and conservation programs.

Q. Have you ever testified before the Public Utilities Commission of Ohio or other state or federal regulatory agency?

A. No

Q. What manufacturing facilities does Honda of America Mfg, Inc. ("Honda) have in the Dayton Power & Light Company ("DP&L") service area?

A. DP&L serves Honda's East Liberty manufacturing facility. The East Liberty plant obtains its power from a DP&L owned, PJM Interconnect controlled transmission line which feeds a substation owned by Honda and used exclusively to supply the East Liberty facility and the Transportation Research Center located on the property of Honda. The power received from DP&L is measured by advanced metering which tracks in real time not only the voltage and MWh but phase, harmonics and other qualities. The advanced metering allows Honda to

1 pinpoint power voltage drops on the DP&L owned transmission lines leading to
2 the East Liberty facility. The metering was paid for by Honda and is used by
3 DP&L. Honda has since the beginning of the Rate Stabilization Program
4 purchased its energy from a competitive retail energy service supplier.

5
6 While the exact amount of energy East Liberty consumes is propriety information,
7 it is fair to say that the amount of energy consumed is in excess of 100,000 MWh
8 per year. This power is consumed to accomplish myriad tasks ranging from
9 running sophisticated robotics to lighting and ventilation equipment.

10

11 **Q. What is the purpose of your testimony in this case?**

12 A. My testimony addresses the need for DP&L to include as part of its Customer
13 Conservation and Energy Management (“CCEM”) an “opt out” provision for
14 mercantile customers who are conducting their own conservation programs. Such
15 an opt out was provided for in Senate Bill 221 and in the recent order of the
16 Commission in the Duke Electric Security Plan.

17

18 **Q. What is your understanding of the conservation program options created by**
19 **Senate Bill 221?**

20 A. As part of my duties I followed the development of Senate Bill 221 through the
21 General Assembly. Senate Bill 221 set targets for overall reductions in both
22 demand and kWh consumption. Utilities have mandates as to the amount of
23 reduction they must achieve and the ability to ask the Commission to authorize
24 charges to fund the programs necessary to achieve these goals. The General
25 Assembly, though, also realized that while the utility may have both experience
26 and expertise in reducing demand and conserving energy, the owners and
27 operators of large manufacturing facilities may be in a better position to devise
28 methods to reduce energy use. This is particularly true as most industrial energy
29 reduction requires budgetary funding for equipment or operation and maintenance
30 plan changes to achieve the energy savings. My understanding is that the General
31 Assembly drew the line for individual conservation programs at the “mercantile”

1 class of customers, defined as those facilities using over 700,000 kWh a year. By
2 that definition the Honda's East Liberty facility is a mercantile customer, and as
3 such is permitted to apply to the Commission for exemption from a utility's
4 conservation program and the fees associated with such conservation program.
5 Mercantile customers who request opt out though must demonstrate that their own
6 conservation programs will have equal or superior savings to that mandated by
7 Senate Bill 221.

8
9 **Q. Does the East Liberty Plant of Honda have an energy conservation program**
10 **now?**

11 A. Conservation of energy and reduction of carbon emissions are high priority goals
12 for Honda. Since Honda's 2006 fiscal year to the present the East Liberty plant
13 alone has been able to reduce its energy consumption by more than 4,000 MWh.
14 That is the equivalent of 33,000 households consuming 1,000 kWh a month.

15
16 **Q. Does the Honda East Liberty Plant have a conservation program for 2009 -**
17 **2010?**

18 A. Yes, and we are confident of achieving conservation in excess of the three tenths
19 per cent required for 2009 and five tenths percent for 2010 set forth in Senate Bill
20 221. When the order in this case is finalized, Honda will apply to the
21 Commission to opt out of the CCEM demonstrating in that application a plan of
22 exceeding the statutory reduction limits.

23
24 **Q. What recommendation would you make to the Commission to address**
25 **mercantile customers who desire opt out of the CCEM program?**

26 A. For mercantile customers like Honda which have conservation programs in
27 progress at this time, I would recommend that a preliminary opt out list be created
28 so that companies with on-going programs be given 90 days to make their filing
29 with the Commission. Mercantile customers who notify DP&L that they are
30 going to file for Opt Out would not be charged the CCEM collection rider starting
31 with the first billing cycle after notice. The mercantile customers would then

1 have a maximum period of 90 days to apply for Opt Out at the Commission. If
2 the Commission does not authorize the Opt Out then the mercantile customer
3 would pay back all missed CCEM payments from the time of notice. Such a
4 program would provide for an orderly manner in which mercantile customers
5 could apply to the Commission for Opt Out and during that period DP&L could
6 obtain from the mercantile customer information necessary for integrating the
7 mercantile customer's consumption numbers into the utility's baseline as called
8 for in Senate Bill 221.

9

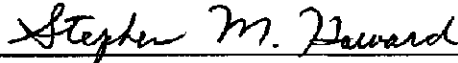
10 **Q. Does this conclude your testimony?**

11 **A.** Yes it does.

12

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served this 26th day of January, 2009 by electronic mail upon the persons listed below.



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