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February 2, 2009

Ms. Renee Jenkins, Secretary  
Public Utilities Commission of Ohio  
180 E. Broad St., 13<sup>th</sup> Floor  
Columbus, Ohio 43215

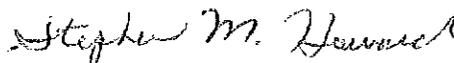
Re: Case No. 08-1094-EL-SSO et al.  
Revised Testimony of Barry E. McClelland

Dear Ms. Jenkins:

On January 26, 2009, I filed the Direct Testimony of Barry E. McClelland on behalf of Honda of America Mfg., Inc. in Case No. 08-1094-EL-SSO. It has come to our attention that on Page 4, Line 14 there was a typographical error. The number "33,000" should have been "333". Attached are copies of the revised Direct Testimony of Barry E. McClelland which are being filed and served via email on all counsel of record today.

Thank you for your cooperation.

Sincerely yours,



Stephen M. Howard

SMH/jab

Enclosure

cc: All counsel of record

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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.**

Revised February 2, 2009



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 333 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 direct testimony of Barry E. McClelland on behalf of Honda of America Mfg., Inc., as revised, was served this 2nd day of February, 2009 by electronic mail upon the persons listed below.

  
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