

**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

**THE DAYTON POWER AND LIGHT COMPANY  
CASE NO. 09-1986-EL-POR**

**IN THE MATTER OF THE APPLICATION  
OF THE DAYTON POWER AND LIGHT COMPANY  
FOR A FINDING THAT DP&L HAS SATISFIED  
PROGRAM PORTFOLIO FILING  
REQUIREMENTS**

**DIRECT TESTIMONY  
OF EMILY W. RABB  
IN SUPPORT OF THE STIPULATION**

- ☐ **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 Emily W. Rabb. 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 Supervisor of Regulatory Operations.

**Q. How long have you been Supervisor of Regulatory Operations?**

A. I assumed my present position on December 13, 2010. Prior to this position, I was an Accountant II in the Accounting Policy and External Reporting department for DP&L, beginning in May 2008. From December 2009 to December 2010, I was responsible for Regulatory accounting for DP&L.

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

A. I am responsible for various assignments relating to the development of retail and wholesale electric rates, evaluating regulatory and legislative initiatives, and regulatory commission orders that impact the Company's retail and wholesale rates. I report to the Director of Regulatory Operations of DP&L.

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

A. I received a Bachelor of Science degree in Business Administration with a major in Accounting from the Ohio State University in 2004 and am a Certified Public Accountant. From 2005 to 2008, I was employed as a Senior Accountant for Deloitte & Touche.

**II. PURPOSE OF TESTIMONY**

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

A. The purpose of my testimony is to discuss and support the reasonableness of the Stipulation and Recommendation ("Stipulation") entered into by DP&L and several parties to resolve the issues in this case. The Signatory Parties who represent a diverse set of interests include DP&L, the Office of the Ohio Consumers' Counsel ("OCC"), the PUCO Staff ("Staff"), and the Ohio Environmental Council ("OEC"). Industrial Energy Users – Ohio ("IEU-Ohio") while not a Signatory Party has stated it will not oppose the Stipulation. The Signatory Parties recommend that the Commission approve the Stipulation filed in this matter on March 22, 2011 and issue its Opinion and Order in accordance with the recommendations made in the Stipulation because it is the product of serious negotiations among knowledgeable parties, it benefits customers and the public interest, and it does not violate any important regulatory principle or practice.

**Q. Why should the Commission approve this Stipulation?**

A. As demonstrated below, the Commission should approve the Stipulation because it represents a fair and reasonable resolution to the issues raised in this case concerning DP&L's first energy efficiency and peak demand reduction program portfolio plan as approved by the Commission by Opinion and Order dated June 24, 2009 in DP&L's Electric Security Plan ("ESP") in Case No. 08-1094-EL-SSO, filed pursuant to section 4901:1-39-04 of the Ohio Administrative Code ("O.A.C") on December 23, 2009 and as supplemented by its Notice of filing supplement to application filed on July 15, 2010 and July 16, 2010 ("Program Portfolio").

**III. STIPULATION SUMMARY**

**Q. Can you please describe the principle terms of the Stipulation?**

A. Yes. The principal terms of this Stipulation are as follows:

- 47  
48       • DP&L's Program Portfolio as approved by the Commission in its ESP in Case No.  
49       08-1094-EL-SSO and as supplemented by the Stipulation, substantially complies  
50       in all material respects with the requirements of O.A.C. §4901:1-39-04. DP&L's  
51       updated program portfolio plan will be due April 15, 2013 in accordance with  
52       O.A.C. §4901: 1-39-04.
- 53       • DP&L will provide a comprehensive evaluation of the cost-effectiveness and  
54       feasibility of developing a joint gas and electric home performance program with  
55       Vectren Energy Delivery of Ohio for potential inclusion in DP&L's updated  
56       energy efficiency and peak demand reduction program portfolio plan to be filed by  
57       April 15, 2013. DP&L will present its findings and conclusions to the Energy  
58       Efficiency Collaborative ("Collaborative"). If DP&L's evaluation, including input  
59       and review from Collaborative members, reveals the home performance program  
60       to be cost-effective and feasible, DP&L may ask for Commission approval to  
61       implement the home performance program prior to DP&L's April 15, 2013  
62       updated program portfolio plan filing.
- 63       • DP&L will provide a comprehensive evaluation of the feasibility of developing a  
64       shared savings incentive structure for over-compliance with annual energy  
65       efficiency and peak demand reduction benchmarks for potential inclusion in  
66       DP&L's updated energy efficiency and peak demand reduction program portfolio  
67       plan to be filed by April 15, 2013. OEC will present its proposal concerning a  
68       potential shared savings incentive structure to the Collaborative. DP&L agrees to  
69       evaluate the shared savings incentive structure and present its evaluation at the  
70       next Collaborative meeting following the OEC presentation.

- DP&L will provide a comprehensive evaluation of the cost-effectiveness and feasibility of increasing the funding for its residential appliance rebate program in an effort to make the program more attractive to third-party implementers. The increase in funding will be evaluated for potential inclusion in DP&L's updated energy efficiency and peak demand reduction program portfolio plan to be filed by April 15, 2013. DP&L will present its findings and conclusions at one of the Collaborative's regularly scheduled meetings prior to the end of calendar year 2011. If DP&L's evaluation, including input and review by Collaborative members, reveals a funding increase for the residential appliance rebate program to be cost-effective and feasible, DP&L may ask for Commission approval to implement the program changes before the next quarterly Collaborative meeting.
- DP&L will provide a comprehensive evaluation of the cost-effectiveness and feasibility (and compatibility with a future deployment of smart meters) of developing a direct load control program using a single-way communication system for potential inclusion in DP&L's updated energy efficiency and peak demand reduction program portfolio plan to be filed by April 15, 2013. DP&L will present its findings and conclusions at a regularly scheduled meeting of the Collaborative prior to the end of calendar year 2012.

#### **IV. COMMISSIONS CRITERIA FOR EVALUATING STIPULATIONS**

**Q. What criteria does this Commission use to evaluate and approve a Stipulation and Recommendation?**

**A.** The Commission has applied in the past, and should use in considering this Stipulation, the following three regulatory criteria to evaluate and approve a stipulation: First, is the

Stipulation a product of serious bargaining among capable, knowledgeable parties?

Second, taken as a package, does the Stipulation benefit ratepayers and the public interest? Third, does the Stipulation violate any important regulatory principle or practice?

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

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

**Q. Turning to the first criterion, was the Stipulation the product of serious bargaining among capable, knowledgeable parties?**

A. Yes. All Parties to the Stipulation were represented by experienced, knowledgeable counsel, which are experienced negotiators and are knowledgeable about the subject matter at issue. All Parties, including the Signatory Parties, have participated in numerous proceedings before the Commission and are knowledgeable in regulatory matters. Further, all Parties (including the non-signatory party) were invited to participate in settlement discussions regarding the Stipulation. All parties, which participated in several meetings, telephone conversations and email exchanges leading to the Stipulation, were provided drafts of the Stipulation and given the opportunity to further engage in settlement discussions with DP&L throughout the process. The issues in the case were discussed in great detail over the course of several weeks. All negotiations which produced the Stipulation were conducted at arm's length. Therefore, the Stipulation represents a product of serious bargaining among capable, knowledgeable parties.

**Q. Turning now to the second criterion, does this Stipulation benefit the customers and public interest?**

A. Yes. The Stipulation benefits DP&L customers and the public interest. This Stipulation provides DP&L's residential and non-residential customers with Energy Efficiency and Peak Demand Reduction Programs which provide incentives for lowering customer consumption and demand, which in turn will lower their electric bills. The Stipulation also identifies additional programs to be evaluated for potential inclusion in DP&L's next program portfolio plan. The additional programs to be evaluated include a joint gas and electric home performance system, a shared savings incentive structure, increased funding for the residential appliance rebate program and a direct load control program. These create the potential for additional energy and demand savings, which can lead to lower customer bills.

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

A. No. The Stipulation does not violate any important regulatory practice or principle. The application is consistent with Commission rules and is designed to comply in all material respects with the requirements of O.A.C. §4901:1-39-04. The Stipulation recommends approval of DP&L's comprehensive Energy Efficiency and Demand Reduction program portfolio, which includes a range of programs that encourage innovation and market access for cost-effective energy efficiency and peak demand reduction for all customer classes, and which are designed to achieve the statutory benchmarks for peak demand reduction and meet or exceed the statutory benchmarks for energy efficiency. The Stipulation also takes advantage of the thorough investigation of DP&L's programs which took place through a lengthy and involved discovery, negotiation and hearing process in



140 the ESP proceeding, leading to the initial approval of DP&L's Energy Efficiency and  
141 Demand Reduction Portfolio. Therefore, the Stipulation does not violate any important  
142 regulatory principle or practice.

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

144 **A.** Yes, it does.

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Summary: Testimony of Emily W. Rabb in support of the Stipulation and Recommendation,  
electronically filed by Emily W Rabb on behalf of The Dayton Power and Light Company