

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The Dayton Power and Light Company For Approval of Its Electric Security Plan)))	Case No. 12-426-EL-SSO
In the Matter of the Application of The Dayton Power and Light Company For Approval of Revised Tariffs)))	Case No. 12-427-EL-ATA
In the Matter of the Application of The Dayton Power and Light Company For Approval of Certain Accounting Authority)))	Case No. 12-428-EL-AAM
In the Matter of the Application of The Dayton Power and Light Company For the Waiver of Certain Commission Rules)))	Case No. 12-429-EL-WVR
In the Matter of the Application of The Dayton Power and Light Company to Establish Tariff Riders)))	Case No. 12-672-EL-RDR

**DIRECT TESTIMONY OF STEPHEN E. BENNETT
ON BEHALF OF THE RETAIL ENERGY SUPPLY ASSOCIATION**

March 11, 2012

1 **Q1. Please state your name and business address.**

2 **A1.** My name is Stephen E. Bennett. My business address is Two North Ninth Street,
3 Allentown, PA 18101-1179

4 **Q2. By whom are you employed and in what capacity?**

5 **A2.** I am employed by PPL EnergyPlus, LLC as Senior Manager, Markets & Regulatory
6 Policy.

7 **Q3. How long have you been employed in your current position?**

8 **A3.** I have only been in my present position for the past month but previously I was employed
9 by Exelon Generation and Exelon Energy Company for 10 years. I served as a Retail
10 Policy Manager for 5 of those 10 years.

11 **Q4. Please explain the job responsibilities and duties in your current position.**

12 **A4.** I am responsible for regulatory policy analysis and the collaborative development
13 and implementation of regulatory and legislative advocacy in support of PPL Energy
14 Plus's competitive generation and retail businesses.

15 **Q5. Please describe your educational background and relevant work experience.**

16 **A5.** I earned a Bachelor of Science in Civil Engineering from the University of Maryland-
17 College Park in 1996. I have almost 11 years of experience in the competitive
18 wholesale and retail energy industry with a focus on retail market policy and
19 structure, compliance, and RTO/ISO market rules and settlements. Previously, I was
20 Retail Policy Manager – East for Exelon Energy responsible for directing and
21 implementing Exelon Energy's regulatory policies for the competitive retail market
22 in Ohio, Illinois, Pennsylvania, Michigan, New Jersey, and Maryland. Prior to joining
23 Exelon, I worked for The Structure Group providing software and consulting

1 services focused on RTO/ISO market rules and settlements in PJM and ISO New
2 England.

3 **Q6. Please describe the Retail Energy Supply Association (“RESA”).**

4 **A6.** RESA is a broad and diverse group of retail energy suppliers who share the common
5 vision that competitive energy retail markets deliver a more efficient, customer-oriented
6 outcome than regulated utility structure. Several RESA members are certificated as
7 Competitive Retail Electric Service (“CRES”) providers and active in the Ohio retail
8 market. The testimony that I am presenting represents the position of RESA as an
9 organization, but may not represent the views of any particular RESA member. RESA’s
10 members include: Champion Energy Services, LLC; ConEdison Solutions; Constellation
11 NewEnergy, Inc.; Direct Energy Services, LLC; GDF SUEZ Energy Resources NA, Inc.;;
12 Hess Corporation; Integrys Energy Services, Inc.; Just Energy; Liberty Power; MC
13 Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble
14 Americas Energy Solutions LLC; NRG, Inc.; PPL EnergyPlus, LLC; Stream Energy;
15 TransCanada Power Marketing Ltd. and TriEagle Energy, L.P.

16 **Q7. Have you ever testified before a regulatory agency?**

17 **A7.** Yes, I testified on behalf of RESA in the FirstEnergy ESP III proceeding Case No. 12-
18 1230-EL-SSO.

19 **Q8. What is the purpose of your testimony?**

20 **A8.** On behalf of RESA, I would like to present five issues concerning the DP&L application.
21 The five issues are: 1) discriminatory interval meter policy; 2) insufficient web-based and
22 Electronic Data Interchange (“EDI”) information systems; 3) problems with billing and
23 collection; 4) discriminatory CRES fees and 5) possible non-bypassable generation

1 charges for shopping customers.

2 **Q9. Please explain your first issue?**

3 **A9.** The first issue is Dayton Power and Light Company's ("DP&L") interval meter policy.
4 No other Ohio electric distribution company requires a customer to obtain an interval
5 meter if the customer is below the 200 kW demand level. DP&L requires customers to
6 install an interval meter at 100 kW, but only if the customer is shopping with a CRES
7 provider. If a customer with a demand level greater than 100 kW is on standard service,
8 the customer does not have to install an interval meter. Given that the customer is
9 responsible for the costs associated with the installation of the interval meter, this policy
10 is, on its face, discriminatory to shopping customers.

11 **Q10. What barriers does the DP&L interval meter policy create for customers who wish**
12 **to shop?**

13 **A10.** The DP&L interval meter policy creates a discriminatory cost for shopping customers.
14 Only a customer at 100 kW of demand that is shopping is required to pay for an interval
15 meter thereby incurring several hundred dollars in installation costs. The customer is then
16 required to provide a dedicated phone line or internet connection to transfer the interval
17 data to DP&L. Even after incurring these expenses, the customer does not receive the
18 interval data directly from DP&L. If the CRES provider requests the interval data, with
19 the customer's authorization, DP&L charges the CRES provider for that data. Clearly,
20 DP&L's interval meter policy results in several layers of discriminatory costs to the
21 shopping customer.

22 **Q11. How should the Commission address the DP&L interval meter tariff?**

23 **A11.** DP&L should raise the threshold for interval meters from 100 kW to 200 kW for all

1 customers. This would follow the policies instituted in the FirstEnergy, AEP Ohio and
2 Duke territories. Customers under the 200 kW threshold should retain the option to
3 install interval meters at their expense if they so choose. If the customer chooses to install
4 the interval meter and pays for telemetry then the customer, or the customer's authorized
5 CRES provider, should receive the data free of charge.

6 **Q12. Please explain your second issue.**

7 A12. There is a need for improved web-based and EDI data exchange between CRES and
8 DP&L.

9 **Q13. Please describe how web and EDI data provision provides the benefit of efficiency.**

10 A13. Both methods of data publication afford CRES providers mechanisms to quickly
11 download customer data directly into systems used to price, enroll, and bill these
12 customers without the risk of "bottlenecks" created by manual processes at the utility. As
13 long as the data is accurate and complete, the increased efficiency gained through the
14 internet and EDI data channels translates into more innovative product offerings, more
15 timely and accurate pricing, and more timely and accurate customer enrollment for CRES
16 customers. In addition, process efficiency in competitive markets almost always leads to
17 more efficient and more competitive pricing for customers.

18 **Q14. Please describe how web and EDI data provision provides the benefit of**
19 **standardization?**

20 A14. Web and EDI data provision are becoming the norm in many competitive retail
21 jurisdictions including those in nearby Illinois and Pennsylvania. Standardization makes
22 it easier for more suppliers to enter the Ohio market. CRES Providers who have
23 developed systems that interface with the internet, EDI, or both to manage customer data

1 in other jurisdictions will find it easier to expand into the DP&L service territory. If the
2 data provided is comprehensive and uses industry standard data formats CRES providers
3 will have to make fewer modifications to their existing systems and can build new
4 systems that are usable in many competitive states thereby capturing economies of scale.
5 With more CRES providers investing in the Ohio markets and more efficient markets in
6 the DP&L service territory, the market becomes more competitive. A more robust
7 competitive market with more suppliers almost always leads to more product innovation
8 and downward pressure on customer prices for competitive electricity.

9 **Q15. How do you recommend DP&L improve its EDI and web-based interface with**
10 **CRES?**

11 **A15.** DP&L should be directed to implement a web-based system that provides electronic
12 access to key customer usage and account data that can be accessed and downloaded or
13 copied by an authorized CRES provider no later than six months after the Commission's
14 Opinion and Order in this case. To assist in improving communications and data, the
15 Commission should adopt a uniform system/set of data and information that DP&L is
16 required to provide to CRES providers. Such a system/set should be as up-to-date as
17 possible, and at a minimum include:

- 18 1. A list of Choice-eligible customers that is refreshed and updated each quarter;
- 19 2. Secure web-based access to key service account information and usage data for a
20 CRES provider that has the appropriate customer authorization. This service
21 account information should be presented on a web page in a standard format that
22 can easily be downloaded or copied and should contain the most up to date
23 information on the account, regardless if the account is being served by a CRES
24 provider or the utility.
- 25 3. A standardized EDI interface that includes access to the following data:
26 (a) Validation, Error Detection, and Editing ("VEE") data posted via Electronic
27 Data Interchange ("EDI");
28

- 1 (b) EDI 867 Historical Usage (“HU”) and Historical Interval Usage (“HIU”)
2 data;
- 3 (c) EDI 867 Monthly Usage (“MU”) and Interval Usage (“IU”) data;
- 4 (d) Transmission and capacity Peak Load Contributions (“PLCs”) in EDI
5 867s;
- 6 (e) Meter read cycle information;
- 7 4. Whether through EDI or the web-based customer system, customer-specific
8 information should include the following, at a minimum:
- 9 (a) Account Numbers;
- 10 (b) Meter Numbers;
- 11 (c) Names;
- 12 (d) Service Addresses, including Zip Codes;
- 13 (e) Billing Addresses, including Zip Codes;
- 14 (f) Email Addresses;
- 15 (g) Meter Read Cycle Dates;
- 16 (h) Meter Types;
- 17 (i) Interval Meter Flags;
- 18 (j) Rate Code Indicators;
- 19 (k) Load Profile Group Indicators;
- 20 (l) PLC Values (capacity obligations);
- 21 (m) NSPL Value (transmission obligations);
- 22 (n) Effective dates for both PLC and NSPL;
- 23 (o) 24 months of consumption data (in kWh) by billing period, including On-
24 and Off-Peak data;
- 25 (p) 24 months of demand data (in kW) by billing period;
- 26 (q) 24 months of interval data;
- 27 (r) Daily Zonal Scaling Factor (DZSF);
- 28 (s) Effective dates for current and pending rate class and/or procurement class;
- 29 (t) Default Service indicators (if on Default Service);
- 30 (u) Minimum Stay Dates (if applicable);
- 31 (v) Identifiers of whether customers are participating in rate mitigation/deferral
32 plans; and
- 33 (w) Identifiers of whether customers are participating in pre-payment plans and/or
34 in PIPP programs

1 5. The following EDI process changes, so that DP&L is following industry-wide EDI
2 best practices which other Ohio utilities have implemented and customers are
3 receiving accurate information:

4 (a) Accounts requested together should come back together, unless it would create
5 an unnecessary delay for a particular subset of accounts; and

6 (b) A monthly updated sync-list should be provided to CRES providers on a
7 confidential basis showing the accounts that are enrolled with the CRES
8 provider. The list should contain information such as service start date,
9 bill method, and PLC values.

10 (c) DP&L should modify their cancel/re-bill process so that the total usage of a
11 customer across all service points is cancelled and re-billed rather than doing
12 so only for individual service points.

13 (d) DP&L should accept supplier initiated drops if received during the customer's
14 7 day enrollment rescission period

15 (e) DP&L should effectuate a supplier initiated drop for the current meter read
16 cycle if the drop is received after the enrollment rescission period but prior to
17 the start of the 12 day switching window.

18 (f) DP&L should apply a usage percentage adjustment for customers with
19 Primary, Secondary, or High Voltage rates in order to obtain the correct
20 'billed' consumption data.

21 (g) DP&L should modify its bankrupt customer process to simply drop the
22 bankrupt account rather than sending an 814 LDC Account Number change
23 for bankrupt customers then writing off the balance on the 'old' account.

24 **Q16. Why are these additions and modifications important?**

25 **A16.** Unnecessary delays in the provision of this data and information can have an effect on
26 CRES providers' ability to contract with customers, render invoices, and provide other
27 services to consumers. Given the fact that market pricing may change while a CRES
28 provider is waiting for delayed customer data, a customer and/or its intended CRES
29 provider may be economically harmed. If CRES providers do not receive timely and
30 accurate delivery of customer data, this not only impacts suppliers' ability to provide
31 price quotations to customers, but also frustrates CRES providers' ability to issue invoices
32 to customers on a timely basis, which inconveniences customers and increases suppliers'
33 costs.

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Q17. Are there any additional standards that you recommend be adopted?

A17. Yes. In addition to the EDI changes listed earlier, DP&L should be directed to adopt additional EDI 867HU standards which include Special Meter Configuration (REFKY), currently in practice in Pennsylvania, and loss factor (REFLF) and Service Voltage (REFSV), currently in practice in Pennsylvania, New Jersey, Delaware and Maryland.

Q18. Why is the adoption of these additional standards important?

A18. The EDI 867 standards provide customer data that CRES providers require for verification of customer type and characteristics and for product structuring and pricing. The more comprehensive the data set presented in the EDI 867, the more likely it is that the CRES provider can structure and price a product that best addresses the customer’s needs and meets the customer’s value proposition. This data also helps the CRES provider to set the properly enter the customer in the billing system so that enrollment and invoicing can be done accurately and on a more timely basis. Further, the REFKY data segment indicates that a customer has a special meter configuration or attribute – like net metering, combined heat and power, or distributed generation. REFKY helps CRES providers more easily serve customers who are investing in innovative energy solutions like Advanced Metering Infrastructure. As such, including REFKY in the EDI 867HU standard allows CRES providers to continue to partner with Ohio customers who are investing in their home and in-state businesses. Finally, as previously stated in my testimony, standardization of data practices at DP&L and throughout the state to match best practices used in surrounding markets can lead to increased market efficiencies and more CRES provider market entry in Ohio.

1 **Q19. Are there any requirements that you would recommend DP&L adopt?**

2 **A19.** Yes, there are. I recommend that under a consolidated bill-ready option, DP&L be
3 required to cancel and rebill all related supplier charges concurrently with cancel/rebills
4 of prior period customer usage. This is the standard practice in Illinois, Maryland, New
5 Jersey and much of Pennsylvania.

6 **Q20. Why are these recommended requirements important?**

7 **A20.** Again, one of the first benefits of adopting these requirements is standardization with
8 competitive market processes both inside and outside of Ohio. Specifically, concurrent
9 cancel and rebill of supplier charges with prior period usage corrections is a fundamental
10 requirement of accurate customer billing and reconciliation. The EDU is solely
11 responsible for prior period usage adjustments. If the EDU is also providing utility
12 consolidating billing (UCB) then it is in the customer's best interest to have their supplier
13 charges adjusted at the same time that their EDU charges are adjusted. If this does not
14 occur, then the customer is forced into a one-off process to reconcile their electricity bill
15 and loses much of the benefit gained by being on UCB. In addition to not being a
16 standard practice, not concurrently correcting all aspects of a customer's bill at the time of
17 an EDU-controlled usage adjustment creates inefficiencies that raise costs for both
18 customers and CRES providers.

19 **Q21. Are there any additional commitments that you recommend?**

20 **A21.** Yes. I recommend that DP&L commit to a future stakeholder process to discuss Supplier
21 Consolidated Billing. The benefit of eventually transitioning to a Supplier Consolidated
22 Billing would be a jump in product/offering innovation that would no longer be
23 constrained by utility billing systems.

1 **Q22. Please explain your third issue.**

2 **A22.** The third issue involves ongoing problems with billing and collection. Most customers
3 prefer a consolidated bill that has all of their electric service expenses – wire service,
4 capacity, and energy in a single invoice. This is especially true of residential and small
5 commercial customers who make use of budget billing. DP&L, in accordance with the
6 Commission’s rules, does provide both consolidated billing in which the utility meters,
7 invoices the customer and collects payment. If the customer has budget billing, the
8 invoice is adjusted accordingly assuming all of the extra steps for EDI as listed earlier are
9 followed. The problem arises when a shopping customer with consolidated billing falls
10 behind in its payments. In that case, DP&L will allocate the partial payment between the
11 utility and the CRES provider. The practical problem with this system is that the CRES
12 provider is not in the information loop, has no billing history, and has no control over the
13 invoice. Thus, if the customer stops remitting payments entirely, the CRES provider is
14 simply not in a practical position to collect the bad debt. The complicated apportionment
15 system becomes even more byzantine if the customer is on budget billing as the amount
16 used to calculate the arrearage and the total amount owed are difficult to determine and
17 the designation of costs related to retail supply versus wire service is unclear.

18 **Q23. How is the problem of collections on consolidated bills handled by other utilities in**
19 **Ohio?**

20 **A23.** In Ohio, the major gas utilities, including the Dominion East Ohio Gas Company,
21 Columbia Gas of Ohio, Vectren Energy Delivery Ohio and Duke Energy Ohio, all offer
22 consolidated billing with an offer to buy the receivables. Duke Energy Ohio does this for
23 both natural gas and electricity. Natural gas in Ohio has almost two decades of

1 experience with a robust retail market. Purchase of receivables (“POR”) plans have
2 played a large part in the development of Ohio’s natural gas market. The major
3 beneficiaries of the purchase of receivables programs have been the retail customers.
4 Under a POR plan, customers with payment problems have only a single creditor seeking
5 collection, the regulated utility. In addition, the utility, in the role of the single creditor,
6 has the complete payment records. This results in less customer confusion on how
7 payments, or partial payments, are applied. In addition, well structured, non-recourse
8 POR programs can benefit all customers by facilitating more suppliers to enter the small
9 customer market. Increased supplier market entry results in more choices, more product
10 innovation, and more price competition for customers whether they suffer from credit and
11 payment deficiencies or not.

12 **Q24. Have any Ohio electric distribution utilities offered purchase of receivables plans?**

13 **A24.** Yes, Duke Energy Ohio has a POR plan that is modeled on its gas program. POR
14 programs are also offered in other competitive retail states such as Illinois, New York,
15 New Jersey, Pennsylvania and Maryland. POR programs in other electric utility service
16 territories have led to significant increases in the number of competitive suppliers and
17 competitive offers to customers.

18 **Q25. How critical is a POR program to enhancing the competitive marketplace in
19 DP&L’s service territory?**

20 **A25.** A POR program would be one of the most significant steps the Commission could take to
21 encourage more CRES providers to enter into the DP&L market and help remedy a major
22 barrier to competition that works against the legislative intent of the laws that brought
23 choice and retail shopping to Ohio customers. A POR program would result in a single

1 customer bill with a single collection entity for that bill. Additionally, the POR program
2 makes it easier for CRES providers to verify payment accuracy and easier for customers
3 to avoid collection and remain current on their utility bill.

4 **Q26. Since DP&L does not have a POR plan, how are payments from a consolidated bill**
5 **allocated between the utility and the CRES?**

6 **A26.** The Commission, by rule, has established a four point payment allocation priority
7 system. While the four point system may seem balanced, there is some ambiguity as to
8 whether the four point allocation plan applies when a customer enters into a default
9 payment plan with DP&L. For example, in the scenario where a customer who is in
10 arrears makes a special arrangement with DP&L where the customer pledges to pay a set
11 amount each month until the arrearage is eliminated, it is unclear whether those pledged
12 payments are allocated to both DP&L and the CRES provider under the four point
13 system. Further, given that the CRES provider is not even made aware of the special
14 arrangement, there is absolutely no way for the CRES provider to know that payments
15 are being made and whether or not the cost allocation under the four point system is
16 being followed.

17 **Q27. How would POR resolve these issues?**

18 **A27.** POR transitions the CRES provider portion of customer arrearages into a utility
19 receivable. As such, the complexity of payment allocation, the ambiguity over special
20 arrangements, and the obscurity of information both from the customer and the CRES
21 provider perspective are completely eliminated. In fact, POR simplifies the process for
22 DP&L, the CRES provider, and the customer. DP&L no longer has to track and
23 implement payment allocation under the four point system and can simply track and

1 collect the arrearage under the exact same processes used for standard offer service
2 customers in arrears. The CRES provider is no longer left wondering if, when, and how
3 the customer is making payments or addressing arrearages and whether those payments
4 are being allocated correctly. The customer has a single creditor which streamlines bill
5 payment and collections. It should also be noted that because Ohio does not currently
6 allow for termination of CRES arrearages outside of POR, that POR levels the
7 competitive playing field by maintaining receivables responsibility with the only entity
8 that can leverage service termination as an inducement for payment; DP&L.

9 **Q28. Do you have an alternative if a POR program is not mandated by the Commission?**

10 **A28.** Under the current utility consolidated bill structure and disconnect policies, a POR
11 program is the optimal solution to the issues of partial payment complexity, a lack of
12 transparency on cost allocation and process, ambiguity in regards to special payment
13 arrangements, and customer confusion over arrearages and to whom they are owed.
14 However, if the Commission does not direct DP&L to implement a POR program, it is
15 imperative that the Commission offer relief to the CRES providers on all of these issues.
16 Practically, that relief can be achieved if the Commission directs DP&L to provide
17 significantly more information and transparency on the partial payment process. To do
18 so, the Commission should direct DP&L to implement an additional EDI transaction that
19 would allow CRES providers to reconcile data related to partial payment issues. In
20 addition to the existing EDI transaction that shows the customer payment attributable to
21 CRES charges, the new EDI transaction must include a field that shows both the total
22 customer invoice total, including DP&L charges, and the total amount of the customer
23 payment applied to that invoice total. This would allow the CRES provider to see the

1 total payment made and, for the first time, reconcile and track partial payments and the
2 associated payment allocation. This would allow CRES providers to accurately manage
3 their customer accounts and also permit the CRES provider to ensure compliance with
4 Rule 4901:1-10-33(H) allocation methodology. Currently, the CRES provider has no
5 means, outside of asking their customers for copies of bills, of auditing the partial
6 payments it eventually receives from the electric distribution utility. The new EDI
7 transaction would also allow CRES providers to conduct more effective and less
8 confusing collection efforts for those customers who cease payments entirely.

9 **Q29. Please explain your fourth issue?**

10 **A29.** DP&L has a number of CRES charges which are discriminatory. First, DP&L assesses a
11 consolidated bill charge of 20 cents per bill to CRES providers with shopping customers
12 that have opted for a consolidated bill. No other Ohio electric distribution utility has a
13 consolidated billing charge. Most residential and small commercial customers choose
14 consolidated billing. The consolidated bill fee is especially problematic if DP&L is using
15 it to cover billing or mailing costs already covered under its base rates as that would result
16 in a double payment by the CRES customers. Second, DP&L also charges CRES
17 providers 12 cents per bill for customers who opt for dual billing instead of consolidated
18 billing. Once again no other Ohio electric distribution utility assesses such a charge
19 exclusively on shopping customers. Third, alone among Ohio EDUs, DP&L charges a
20 CRES provider \$1,000 each time a rate-ready billing code is modified. This exorbitant
21 fee is a disincentive to retail product and service innovation and adds a significant cost to
22 a CRES provider that is attempting to offer individualized products that best meet
23 customer needs. Finally, DP&L charges CRES providers a fee for requesting customer

1 interval data, even though the customer has already explicitly paid for the interval meter
2 and the telemetry and transmission of the interval data to DP&L, as well as base rate cost
3 recovery for the DP&L back office system. Given that the customer has paid for the
4 infrastructure and that the data belongs to the customer interval data should be provided
5 to an authorized CRES provider at no cost.

6 **Q30. Please summarize your thoughts on the DP&L CRES charges**

7 **A30.** DP&L should cease its consolidated and dual billing fee, permit a reasonable number of
8 rate codes without additional charge, and provide an authorized CRES provider with
9 customer interval data at no cost.

10 **Q31. Please explain your fifth issue.**

11 **A31.** In part of its application, DP&L attempts to blur the line between generation expenses and
12 distribution utility expenses and, in certain cases, improperly proposes to charge shopping
13 customers for those generation expenses. All of DP&L's past and present generation
14 related charges should be paid exclusively by standard service customers. To that end,
15 the cost of conducting competitive standard service auctions and reconciliations between
16 what DP&L pays wholesale bid winners and what DP&L receives from standard service
17 customers must be paid by standard service customers only. Whether or not a generation
18 related rider does or does not exceed an arbitrary threshold, in this case 10%, does not
19 change the characteristic of the charge nor does it justify making it non-bypassable.
20 RESA also has serious concerns that any under recovered DP&L Alternative Energy
21 Rider ("AER") costs made non-bypassable could create a double charge to CRES
22 customers for certain Alternative Energy Portfolio Standard compliance costs. It must be
23 remembered that CRES providers also must supply alternative energy credits.

1 In addition, DP&L's total bill impact does not take into account the fact that CRES
2 provider customers may be on significantly lower prices and will therefore experience a
3 much larger increase in their bills due to approval of the Service Stability Rider ("SSR"),
4 Switch Tracker, and Reconciliation Rider. RESA calculated a per bill impact for a
5 customer using a flat 750 kWh of usage per month. Using the current tariffed fuel and
6 distribution charges along with the energy charge and SSR from the Book 1 filing we
7 recalculated the impacts to a bill for a customer on DP&L standard service and for a
8 customer on the current, lowest available offer on the PUCO Apples-to-Apples Chart.
9 RESA's calculations show that a customer on the lowest CRES provider offer today will
10 experience a \$13 increase in their bill versus a customer on standard service who will
11 only see a \$1 increase. This increase is significant and the impact of the SSR on shopping
12 customers should not be ignored.

13 In all cases, DP&L's generation expenses should not be paid by shopping customers who
14 have affirmatively chosen to obtain their generation and retail supply from a CRES
15 provider that is offering the best product for that customer's individualized value and
16 need.

17 **Q32. Do you have an opinion of the AER-N Rider?**

18 **A32.** My understanding is that DP&L has proposed that the AER-N Rider be approved and
19 initially set at zero in hopes of recovering costs associated with the existing Yankee Solar
20 Unit. RESA does not believe that there is statutory support for DP&L to use a non-
21 bypassable renewable rider to retroactively recover costs for a unit that was constructed
22 and put into service several years prior to this case. RESA's understanding of the intent
23 of the non-bypassable renewable rider is for the recovery of new construction costs once

1 the statutory requirements for need and competitive procurement are met. As such,
2 RESA opposes the AER-N Rider as proposed by DP&L.

3 **Q33. Do you have an opinion on the Switching Tracker?**

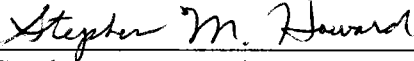
4 **A33.** Yes. RESA opposes a compensation mechanism based on the fact that customers have
5 exercised their right to shop. The proposal in the current application basically keeps the
6 standard service costs the same and transfers the excess legacy generation costs to non-
7 bypassable charges. As a result, shopping customers will actually see a larger increase in
8 DP&L charges from ESP I to ESP II than non-shopping customers. RESA is not in a
9 position to indicate to the Commission the amount of transition assistance DP&L should
10 receive, but such amount must be fair to both shopping and non-shopping customers and
11 the amount should not be based on customers exercising their right to shop.

12 **Q34. Does this conclude your testimony?**

13 **A34.** Yes, but I respectfully reserve the right to present any additional testimony if necessary.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served this 11th day of March, 2013 by electronic mail upon the persons listed below.



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Summary: Testimony Direct Testimony of Stephen E. Bennett on Behalf of The Retail Energy Supply Assoc. electronically filed by Mr. Stephen M Howard on behalf of The Retail Energy Supply Association