

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the)
Application of The Dayton)
Power and Light Company for) No. 12-426-EL-SSO
Approval of Its Electric)
Security Plan)

In the Matter of the)
Application of The Dayton)
Power and Light Company for) No. 12-427-EL-ATA
Approval of Revised Tariffs)

In the Matter of the)
Application of The Dayton)
Power and Light Company for) No. 12-428-EL-AAM
Approval of Certain)
Accounting Authority)

In the Matter of the)
Application of The Dayton)
Power and Light Company for) No. 12-429-EL-WVR
the Waiver of Certain)
Commission Rules)

In the Matter of the)
Application of The Dayton) No. 12-672-EL-RDR
Power and Light Company to)
Establish Tariff Riders)

DEPOSITION OF BRIAN C. COLLINS
Taken on behalf of the Applicant
March 11, 2013

Janet L. Ehret, CSR, CCR, RPR
Missouri CCR #709
Illinois CSR #084003116

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EXAMINATION BY MR. SHARKEY

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(No exhibits were marked.)

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DEPOSITION OF BRIAN C. COLLINS produced,
sworn, and examined on behalf of the Applicant,
March 11, 2013, between the hours of 12:30 p.m., and
1:40 p.m., of that day, at the offices of Brubaker &
Associates, Inc., 16690 Swingley Ridge Road, Suite 140,
Chesterfield, MO 63017, before Janet L. Ehret, a
Certified Shorthand Reporter, Certified Court Reporter
and Registered Professional Reporter.

A P P E A R A N C E S

The Applicant, Dayton Power and Light
Company, was represented by Jeffrey S. Sharkey, of the
law firm of Faruki, Ireland & Cox, 500 Courthouse Plaza,
SW, 10 North Ludlow Street, Dayton, Ohio 45402.

1 The Federal Executive Agencies was
2 represented by Major Chris Thompson, of the law firm of
3 U.S. Air Force, 139 Barnes Dr., Tyndall AFB, Florida
4 32403.

5 Ohio Partners for Affordable Energy was
6 represented by Zachary D. Kravitz, of the law firm of
7 Taft, Stettinius & Hollister, 65 East State Street,
8 Suite 1000, Columbus, Ohio 43215.

9 Present: Mr. Michael Gorman was present
10 during a portion of the deposition.

11 All attorneys were present via telephone.
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1 IT IS STIPULATED AND AGREED by and between
2 counsel for all parties that the deposition of Brian C.
3 Collins may be taken by and on behalf of the Applicant,
4 on March 11, 2013, at the offices of Brubaker &
5 Associates, Inc., 16690 Swingley Ridge Road, Suite 140,
6 Chesterfield, MO 63141-200, before Janet L. Ehret, a
7 Certified Shorthand Reporter, Certified Court Reporter
8 and Registered Professional Reporter.

9 O-O-O

10 BRIAN C. COLLINS,
11 of lawful age, being produced, sworn, and examined on
12 the part of the Applicant, and after responding "I do"
13 to the oath administered by the court reporter, deposes
14 and says:

15 (Deposition started at 12:30 p.m. Central Time)

16
17 EXAMINATION

18 BY MR. SHARKEY:

19 Q. Hi, Mr. Collins, my name is Jeff Sharkey, and
20 I believe you understand that I represent Dayton Power
21 and Light Company. Can you state your name for the
22 record?

23 A. Yes. Brian C. Collins.

24 Q. Okay. And, Mr. Collins, you're employed by
25 Brubaker & Associates, Inc.?

1 A. That's correct.

2 Q. And your title is consultant?

3 A. I am actually an associate with the firm.

4 Q. Okay. How long have you been with Brubaker &
5 Associates?

6 A. I have been with Brubaker since June of 2001,
7 so almost 12 years.

8 Q. And then what did you do before you were
9 employed with Brubaker & Associates?

10 A. Prior to my employment with Brubaker &
11 Associates, I worked for City Water Light and Power in
12 Springfield, Illinois as a planning engineer. I worked
13 with them from July 1998 until June of 2001. And then
14 prior to my employment with the City of Springfield I
15 worked for the Illinois Commerce Commission. I was
16 employed with them as an economic analyst in the
17 engineering department from August of 1994 until July of
18 1998.

19 Q. And what were you doing before that?

20 A. I graduated from college in 1993 from SIU in
21 Carbondale and was looking for a job after graduation up
22 until my employment with the Commerce Commission in '94.

23 Q. Okay. So I have it as economic analyst or
24 consultant from '94 to '98 with the Illinois Commerce
25 Commission, the City of Springfield from '98 to 2001 as

1 a planning engineer?

2 A. Yes.

3 Q. And then Brubaker & Associates ever since?

4 A. That's correct.

5 Q. Okay. Can you describe your general
6 responsibilities as an associate at Brubaker &
7 Associates?

8 A. Sure. Our work here at BAI is mainly getting
9 involved in regulatory rate cases in both electric, gas,
10 water, wastewater cases. We do that work primarily in
11 North America. We also do some work on behalf of R.G.
12 Drusa (phonetically) electricity and natural gas.

13 Q. Do you -- I'm sorry, were you done with your
14 answer?

15 A. I was just going to expand a little bit on my
16 answer. I get involved in both the regulatory work and
17 the procurement side of the work. I sponsor testimony
18 at times on my own, and other times I help the managing
19 principals with their cases as needs are here at the
20 firm.

21 Q. Okay. I don't mean to cut your answers off,
22 so if you pause and I start to ask a question before
23 you're done, feel free to interrupt and tell me you
24 haven't finished your answer, okay?

25 A. Sure.

1 Q. How many times have you sponsored written
2 testimony in your career? If it's a lot, you can be
3 approximate.

4 A. Okay. Let's see, in the Commerce
5 Commission --

6 Q. Why don't we strike the Commerce Commission.
7 We will start with your time at Brubaker & Associates.

8 A. Okay. Okay. Gosh, probably around 20 times,
9 probably.

10 Q. And how many times have you had your
11 deposition taken before?

12 A. Once before.

13 Q. And have you testified while at Brubaker live
14 at those prior proceedings?

15 A. I'm sorry, can you repeat that question, Mr.
16 Sharkey?

17 Q. Yes. As an employee of Brubaker &
18 Associates, have you previously testified live at a
19 public hearing or trial?

20 A. Yes, I have.

21 Q. How many times?

22 A. Let's see, let me count them.

23 Q. Approximately is all I need.

24 A. Probably five times.

25 Q. Okay. Have those prior testimonies been

1 relating to electric work?

2 A. Some have, yes.

3 Q. So what percentage of your work is -- relates
4 to the electric industry?

5 A. I would say probably 70 percent.

6 Q. And have you worked previously on matters for
7 the Federal Executive Agency?

8 A. I have.

9 Q. Okay. Are any of those matters confidential?

10 A. I believe they are all public.

11 Q. Okay. Can you describe the last couple of
12 matters you have worked on behalf of the Federal
13 Executive Agencies?

14 A. Sure. I worked on a water case in Illinois,
15 and I am currently working on a case in Rhode Island
16 with the FEA. I worked on a case out in California with
17 the FEA, and I also have worked with the Department of
18 the Navy on some matters in Guam.

19 Q. Were any of those electric industry related?

20 A. Yes.

21 Q. Okay. Can you describe those matters for me?

22 A. Sure. The matters with the Navy on the
23 island of Guam have been basically related to electric
24 rate cases with Guam. The Guam Power Authority. I did
25 -- I'm sorry.

1 Q. Go ahead.

2 A. I did not file testimony in those cases. I
3 assisted the managing principal who filed testimony in
4 those rate cases.

5 Q. Have you ever testified before regarding
6 riders similar to your testimony that you're sponsoring
7 here?

8 A. No.

9 Q. Let me turn to your testimony here. You
10 proposed that certain aspects, the detailed request for
11 certain of its riders to become non-bypassable in
12 certain circumstances under the reconciliation rider be
13 rejected, correct?

14 A. That's correct.

15 Q. You understand that DP&Ls reconciliation
16 rider as proposed would include items relating to cost
17 associated with the competitive bidding process, right?

18 A. Yes.

19 Q. And you don't address whether or not those
20 items should be included in the reconciliation rider?

21 A. Correct, I do not address that.

22 Q. Okay. And you also understand --

23 (Discussion was held off the record.

24 Telephone interruption.)

25 Q. You understand that DP&Ls reconciliation

1 rider as proposed would include certain amounts
2 associated with certain competitive enhancements, right?

3 A. Yes, that's correct.

4 Q. And your testimony does not address whether
5 or not those items should be included in the
6 reconciliation rider, right?

7 A. That's correct.

8 Q. Okay. You addressed whether or not amounts
9 that are in certain bypassable riders should become
10 non-bypassable and then recovered under the
11 reconciliation rider, right?

12 A. That's correct.

13 Q. That was the FUEL, RPM, TCRR-B, AER and CBT
14 riders?

15 A. Yes. I believe I list those on page two and
16 three of my testimony.

17 Q. Okay. And first of all, let me ask you some
18 background about what I will describe as the nature of
19 the problem. You understand that Dayton Power and Light
20 Company sometimes does not recover from SSO customers
21 the full amount that it would be entitled to recover
22 under those various riders that I just listed?

23 A. Yes, I believe I understand that.

24 Q. And that DP&L then seeks to -- strike that.
25 You understand that DP&L typically then defers that

1 amount and recovers it in a subsequent period from SSO
2 customers, right?

3 A. Yes.

4 Q. And that DP&L's concern is that as SSO
5 customers switch, the deferral balance may continue to
6 grow and DPL may be recovering that amount over a
7 continuing -- a continually smaller group of SSO
8 customers?

9 A. Yes, I believe I understand that's the
10 company's concern.

11 Q. And that DP&L's further concerned that the
12 amount of those bypassable riders could grow to be so
13 large that they would provide additional incentive for
14 those SSO customers to switch?

15 A. Yes, I believe I have read that in the
16 company's testimony.

17 Q. And DP&L's further concern is that eventually
18 those riders could become so large that it could become
19 an unfair burden on a small group of customers who
20 hadn't switched yet. Do you understand that's also part
21 of DP&L's concern?

22 A. Yes. I believe that is my understanding that
23 that is a concern of the company.

24 Q. Not saying that you agree with DP&L's
25 proposed resolution of that concern, but do you agree

1 that that is a legitimate concern that should be
2 addressed?

3 A. I believe that the company should be allowed
4 to recover the cost that it incurs. And to the extent
5 that they can't recover those costs from the customers
6 who have incurred them, I think that is a legitimate
7 concern.

8 Q. Okay. You had some testimony starting on
9 page six of your pre-file testimony that suggests that
10 DP&L -- I am reading from line 14 -- has failed to
11 consider that any revenues it receives for power bought
12 for SSO customers but later sold off-system after those
13 customers switch will offset its incurred cost. Can you
14 explain to me what you mean by that?

15 A. Sure, sure. To the extent that the company
16 goes out and procures for let's say a certain customer
17 in the auction and then that customer later switches to
18 a competitive electric supplier, you know, that power
19 could be sold into the market as an off-system sale and
20 that revenue would offset some of the original cost
21 associated with eventually procuring the power on behalf
22 of that customer.

23 Q. Okay. So the idea is if DP&L acquires power
24 at -- let me step back.

25 A. Sure.

1 Q. Do you assume that DP&L would be acquiring
2 that power to serve those customers at a market rate?

3 A. I guess you could buy it at a market rate.
4 That would be one way, yes.

5 Q. What other ways do you have in mind?

6 A. I guess you could enter into a long-term
7 contract that reflects, you know, the cost that a seller
8 is willing to sell the power to, may not be a market
9 rate. But, you know, it may be difficult to define
10 something like that.

11 Q. It was a long-term contract, if at the time
12 of signing would be expected by the buyer and seller to
13 be reflective of future market rates; would you agree
14 with that?

15 A. Yeah, I think it would generally reflect the
16 future market prices expected over the term of the
17 contract.

18 Q. Market prices could subsequently change. But
19 at least at the time of the contract neither the buyer
20 or seller would enter into it if they thought that the
21 prices were disadvantageous to the market, right?

22 A. Right. I think that's a fair statement. And
23 I would agree that the price could go up or down
24 relative to the transaction price.

25 Q. And then your proposal is the fact that DP&L

1 having acquired that power and then a customer switches,
2 DP&L may sell that power subsequently at either a profit
3 or a loss as compared to the acquisition price?

4 A. Right. They would sell that power at either
5 below or above the price that they transacted at. They
6 could also, you know, use that power to serve the
7 remaining SS load as well, or it also gives them an
8 opportunity to maybe back down the generating assets as
9 well. There's a few scenarios there that I envision.

10 Q. Can you list those scenarios again for me?

11 A. Sure. To the extent that DP&L would enter
12 into, you know, transactions to procure power on behalf
13 of an SSO customer that later switches, you know, that
14 load -- that power associated with that load could be
15 resold in the market, and some of that original
16 procurement cost would be offset by the all-system sales
17 revenues received for that power. DP&L could also, you
18 know, keep that power and use it to serve remaining SSO
19 load or they could also, you know, reduce their
20 generating assets, the output, the generating assets.
21 Having power in excess of the SSO load as a result of
22 the customer switching could give the company an
23 opportunity to turn down its generating units, depending
24 on the load, depending on the hourly loads of the
25 system.

1 Q. Okay. And can you explain why you believe
2 that DP&L having those options available to it when a
3 customer switches, how that would offset the unrecovered
4 balances in the five riders that we identified earlier?

5 A. That was the five riders you mentioned, the
6 FUEL rider, the RPM rider, the TCRR-B rider, the AER
7 rider and the CBT rider.

8 MR. SHARKEY: Can you reread the question to
9 Brian?

10 (The question was read back by the reporter.)

11 Q. (By Mr. Sharkey) You wanted to finish your
12 answer to that question?

13 A. Sure, sure, sure. To the extent that you
14 sold power allocated for that customer, that would
15 offset some of the costs, I believe, it covered in the
16 CBT rider. That's the procurement rider. And it will
17 also offset some of the RPM rider cost. To the extent
18 that the customer switched and is no longer on the
19 system, I wouldn't think that the company would be
20 incurring any costs on the FUEL rider.

21 Q. Can you explain to me your understanding of
22 what the CBT rider is?

23 A. Yeah. I believe that recovers the cost of
24 the power cost procured at an auction.

25 Q. And then what's your understanding of what

1 the RPM rider is?

2 A. That recovers the capacity costs from PJM.

3 Q. If DP&L purchased its -- let's step back.

4 Mr. Collins, if I understand your proposal as to why you
5 believe those amounts that DP&L could receive via
6 selling power would offset unrecovered amounts from
7 those riders from prior periods, can you explain that to
8 me?

9 A. Could you repeat the question, please?

10 Q. Sure. Can you explain to me why you believe
11 that DP&L could recover amounts from prior periods that
12 it didn't recover under those riders by later selling
13 generation into the market at market rates?

14 A. Would you have an example, Mr. Sharkey, that
15 you could help me understand your question a little
16 better?

17 Q. I'm trying to -- no, I don't, because I don't
18 really understand your -- I'm trying to understand your
19 proposal. Let me step back.

20 A. Okay.

21 Q. You understand that DP&L may in period one
22 have certain unrecovered amounts under those five
23 riders, right?

24 A. Right.

25 Q. And then in period two some of the customers

1 that were associated with those unrecovered balances may
2 switch to a CRES provider, right?

3 A. Right.

4 Q. And DP&L then could not recover from that
5 customer through a bypassable rider the amounts
6 associated with that customer, right?

7 A. That could be a possibility.

8 Q. Okay. You understand that's DP&L's concern
9 that's driving its request for the reconciliation rider?

10 A. Right.

11 Q. Okay. So can you explain to me why you
12 believe that DP&L can recover those amounts through some
13 different mechanism other than the reconciliation rider
14 in period two?

15 MR. THOMPSON: Mr. Sharkey, I'm sorry to
16 interrupt. Where are you at in his testimony? What are
17 you looking at?

18 MR. SHARKEY: I'm looking at page six,
19 questions on -- starting on line ten.

20 MR. THOMPSON: Line ten, okay. Thank you.

21 A. Yeah, I guess this section of my testimony is
22 only, you know, one -- one aspect of the proposal.

23 Q. (By Mr. Sharkey) I understand that. It's
24 another proposal. But what I don't understand is -- and
25 perhaps if my questioning completely mischaracterizes

1 what you're saying here, let me know if I have got
2 something fundamentally wrong because I want to
3 understand your proposal.

4 A. Okay. Should I summarize my proposal for
5 you? Maybe that would help.

6 Q. Sure.

7 A. Okay. Let me give you a summary. I
8 basically recommend that the recovery of the cost
9 associated with these riders would stay with those
10 riders and be recovered from the SSO customers. And,
11 also, those rider costs would be recovered from
12 customers who then switch but under my proposal do not
13 provide a timely notification of the switch to the
14 company.

15 I propose that customers who currently take
16 an electric supply from a CRES provider and continue to
17 do so during the period of the company's ESP would
18 continue to avoid all charges under the bypassable
19 riders.

20 Customers that would provide proper
21 notification to the company prior to each annual action
22 that they intend to leave SSO service, you know, they
23 would avoid all future charges under the bypassable
24 riders.

25 Customers that leave SSO service without

1 sufficient notification to the company, prior to each
2 annual auction, customers that provide notification but
3 failed to contract with a CRES provider prior to the
4 flow of power on June 1st of each year or customers that
5 leave SSO service after the annual action would continue
6 to pay the bypassable riders. And customers that return
7 to SSO service would pay the bypassable rider charges
8 until such time they leave SSO service with proper
9 notification prior to the annual auction.

10 Q. Are you done with your answer?

11 A. Yes.

12 Q. I understand all of that. What I don't
13 understand is on page six, line 14 you say that the
14 company has failed to consider that any revenues it
15 receives for power bought for SSO customers but later
16 sold off-system after those customers switch will offset
17 its incurred cost. And then down on line 20 of the same
18 page, you describe that as a serious flaw in the
19 company's proposal. And what I'm struggling to
20 understand is what revenues it would -- the company
21 would receive that would offset those costs and why
22 that's a serious flaw in the company's proposal?

23 A. Well, to the extent that you procure power in
24 an auction for a customer that later leaves, you know, I
25 would assume that you have power available to sell

1 off-system that otherwise would have been used to serve
2 that customer's SSO load. And to the extent that you
3 can take that power, sell it in the market to receive
4 some revenue is going to offset some of those
5 procurement costs that you initially incurred when you
6 went out and bought power for that customer in the
7 auction. And when I read the company's testimony, I
8 didn't see that issue addressed anywhere in the filing.

9 Q. Okay. As an initial matter, do you
10 understand that DP&L owns generation assets and uses
11 those assets as the ordinary first asset to a service
12 SSL load?

13 A. I recognize that the company does have its
14 own generating assets used to serve the SSO load, so it
15 would be a mixture of the company's generation and also
16 procured power, you know, throughout the ESP period and
17 so you finally buy a hundred percent of the SSO load in
18 the market or in the auction.

19 Q. Can you walk me through a specific example
20 with specific figures made up to describe the process
21 and this flaw? I'm not asking you -- I understand
22 whatever figures you may have made up would be wholly
23 fictitious and used for example purposes only, but I
24 would kind of like to understand with some actual
25 figures where any serious -- where deferrals would be

1 created unnecessary, two, how it would be offset.

2 A. So you're assuming that there would be a
3 deferral in the example?

4 Q. Yes.

5 MR. THOMPSON: Mr. Sharkey, can I object to
6 this? I mean, what part of his testimony do you want
7 him to explain?

8 MR. SHARKEY: I am still on page six, the
9 failure to consider revenues he's identified as a
10 serious flaw in the company's proposal. And I asked him
11 to give me an example using dollars as to how -- as to
12 why this is a flaw in the company's proposal?

13 MR. THOMPSON: Could he explain it using the
14 actual numbers?

15 MR. SHARKEY: You can use any numbers that
16 you want if you can explain it to me.

17 MR. THOMPSON: Thank you, Mr. Sharkey..

18 A. Okay. I will try to give you an example.
19 Let's say the auction occurs in, let's say, May. Power
20 would flow for period one beginning June 1st. And let's
21 say that for simplicity that you're only going to have
22 one customer leave after June 1st.

23 Q. Okay.

24 A. And let's say that the cost to procure the
25 power is \$20 per megawatt hour, and let's say that

1 customer's load is, say, one megawatt each hour for the
2 first period of the ESP, so June 1st to May 31st. So
3 the company has procured power at \$20 a megawatt hour
4 for the one megawatt load for the entire period. That
5 customer leaves, let's say, July 1st. Now, the company
6 would not recover the \$20 per megawatt hour for the
7 remainder of the period from that customer. However, it
8 could sell that one megawatt in the off-system sales
9 market, and let's say it receives \$25 a megawatt hour
10 for every hour of the period. So the company has sold
11 the power at a price higher than what it originally
12 procured for that customer. So in that example I
13 believe that it would recover the cost of the power that
14 it procured for that customer since \$25 is bigger than
15 20.

16 Q. Okay. What would you do under your proposal
17 if the company in your example purchased the power at
18 \$20 a megawatt hour but then had to resell it at 15?

19 A. Yeah, then it would not recover the original
20 \$20, the full \$20 that it originally procured for that
21 customer. However, under my proposal, my proposal is
22 not to put the company in that position to begin with.
23 If the company were to plan to procure power for that
24 customer, that customer would need to tell the company
25 prior to power flowing -- prior to the auction that it

1 planned to leave the company's SSO service and obtain
2 service from a CRES provider.

3 Q. Okay. Sticking with the number example, you
4 would agree with me that DP&L would have excess amount
5 above procurement cost only to the extent the market
6 rate had increased above its procurement cost, right?

7 A. I'm sorry, Mr. Sharkey, could you say that
8 one more time?

9 Q. Yeah, that was a poor question. Starting
10 with your \$20 original procurement cost in your example,
11 you would agree with me that the price could
12 subsequently go up or down during the period, correct?

13 A. Yes, I would agree that it could be below or
14 above \$20 depending on the market during the June 1st to
15 May 31st time period, I would agree.

16 Q. So the company is -- strike that. The
17 company may have either profits or losses associated
18 with the fact that that customer had switched -- that
19 the company later had to resell power that it had
20 procured to serve that customer?

21 A. Yes, I would agree.

22 Q. Turn then to another topic, still on page six
23 of your testimony. You are critical there of the 10
24 percent threshold proposed by Donna Seger-Lawson at
25 which the riders, the portion of the amount would become

1 non-bypassable, right?

2 A. Correct.

3 Q. You described the 10 percent level as
4 arbitrary?

5 A. Yes, I did describe it that way.

6 Q. If the Commission were to reject your
7 proposal and agree with DP&L, at least as to the theory
8 that it proposes, you don't sponsor a number that's an
9 alternative to Donna Seger-Lawson's 10 percent figure,
10 do you?

11 A. No, I don't.

12 Q. Do you have a methodology in mind that could
13 be used to calculate a number that's different than and
14 better than the 10 percent figure?

15 A. No, I don't.

16 Q. It's true, isn't it, that one of your
17 objections to those riders -- strike that. Start the
18 question over. It's true, isn't it, that one of your
19 objections to the amounts in those riders becoming
20 non-bypassable is that switched customers did not cause
21 those amounts to be incurred?

22 A. Are you referring to customers that have
23 already switched and remained off SSO service for the
24 ESP period?

25 Q. Yes.

1 A. Yes, I would agree with your statement.

2 Q. Would you also agree with me that the
3 customers who remained on SSO service didn't cause those
4 customer's costs to be incurred either?

5 A. Yeah, to the extent I -- yes, I would agree.

6 Q. And you agree that that's not a cost that
7 DP&L does either, right?

8 A. You're referring to procurement costs for
9 switched customers?

10 Q. That's a bad question. Let's state it
11 differently. You would agree that DP&L has not caused a
12 customer to switch and thus some portion of the various
13 riders to become unrecoverable?

14 A. I believe that's a fair statement.

15 Q. Let me turn then to your notice proposal. It
16 starts on page seven of your testimony. I'm sorry, page
17 nine of your testimony.

18 A. Yes.

19 Q. I want to make sure that I understand your
20 notice plan. First of all, it looks to me like you
21 divide the customers into three different groups. Those
22 that take SSO service. Those that switch without giving
23 timely notice. And those that switch with giving timely
24 notice. Right?

25 A. Right. And I guess you also have another

1 group that's on SSO and remains on SSO for the entire
2 ESP period.

3 Q. I thought that was my first group.

4 A. No. Your first group, I thought, was take
5 SSO, so I think your first group was take SSO. Two is
6 switch without timely notification. And then the third
7 group would be switch with timely notification. And
8 then I was thinking there would be a fourth group, those
9 customers that do not take SSO and take service from a
10 CRES for the entire period of the ESP.

11 Q. Okay. I got it.

12 A. Those would be customers that maybe are
13 currently on a contract with a CRES provider and remain
14 on CRES service for the entire period of ESP.

15 Q. Okay. Got it. Before we turn to those
16 groups, I guess I want to ask you questions about the
17 notice that you envision. Do you envision that all
18 customers would need to provide that notice every year?

19 A. I would envision that the existing SSO
20 customers at the time of the first auction would have to
21 notify the company whether they plan to stay on SSO
22 service or leave, and I -- yes, Mr. Sharkey, I think
23 that would have to be done each year.

24 Q. Okay. And for customers that are in your
25 fourth bucket, customers that have already switched?

1 A. Yes.

2 Q. Let me step back. It's possible they could
3 return to SSO service at any time, right?

4 A. Yes. They could return.

5 Q. Okay. But in your -- in your plan would they
6 have to give notice, also, of their intent for the
7 following year or would they be adjusted from giving
8 this notice?

9 A. I haven't really addressed that, but I think
10 what would be convenient for the company and to help
11 them exactly determine how much SSO load they are going
12 to have to procure in the auction, if that would, you
13 know, help the company better determine the amount of
14 SSO load it has to procure in the market, I wouldn't
15 argue that they shouldn't provide some kind of notice to
16 the company.

17 Q. Let's focus then on SSO customers. Under
18 your plan, the customers that take SSO service would pay
19 their fair share of both at unrecovered deferrals and
20 ongoing costs under those bypassable riders, right?

21 A. Yes.

22 Q. And then customers that switch without timely
23 notice would also pay both their share of past
24 unrecovered deferrals and ongoing costs under those
25 riders, right?

1 A. Yes, to the extent that they didn't give
2 timely notice, I would agree. At this point, I may not
3 have been very clear on that point though. I would
4 think that if a customer who's on SSO service and then
5 switches to CRES, and let's take the FUEL rider for
6 example, I would -- that customer would be responsible
7 for any past deferrals or FUEL rider but to the extent
8 they are not taking generation service from a -- from
9 the company, I don't think they should be on the hook
10 for any fuel cost since you're basically buying your
11 generation service from a CRES. But I would agree that
12 they would be responsible for past cost.

13 Q. Would they be responsible for any ongoing
14 cost? Strike that question. I got a real quick
15 question. Would the customers who switched without
16 having given timely notice be responsible for recovery
17 of any ongoing costs under those riders?

18 A. Well, they definitely would be responsible
19 for the costs that you incur for procuring power in the
20 auction since they -- since you assume when you procure
21 the power that they would be on SSO service.

22 Q. And that would be an amount under the CVT
23 rider?

24 A. Yes.

25 Q. What about ongoing costs under the RPM,

1 TCRR-B and AER riders?

2 A. Well, to the extent that you incurred costs
3 under those riders or that would be recovered under
4 those riders, the extent that you incurred those costs
5 for that customer, that you assume that that customer
6 would be in the auction, I think they would still be
7 responsible for those costs.

8 Q. Would they be responsible for those costs
9 only if DP&L had already incurred them on an ongoing
10 forward bases?

11 A. Yes.

12 Q. Okay. Then customers that switch with timely
13 notice, under your proposal, would pay only their share
14 of past unrecovered costs?

15 A. Yes. Under my proposal they would still be
16 responsible for any past cost that they incurred. But
17 they would avoid any future costs going forward.

18 Q. Your proposal would require significant
19 tracking of specific data by customer as to which costs
20 should be allocated to them, correct?

21 A. I'm not sure if I understand what you mean by
22 significant.

23 Q. Strike the word significant. I will ask the
24 question again. Your proposal would require that the
25 Dayton Power and Light Company maintain specific data

1 relating to whether customers file timely notice or not
2 and the amount fairly owed by the different buckets of
3 customers as to the deferrals in going forward periods,
4 right?

5 A. The company would have to track that. To
6 further clarify my answer, they would pay the average
7 costs.

8 (Mr. Gorman enters the deposition room.)

9 A. I wouldn't expect --

10 Q. (By Mr. Sharkey) I'm sorry, who would pay
11 what average costs?

12 A. Those customers.

13 Q. I'm sorry, I didn't understand your reference
14 to the average costs. My next question is, which
15 specific customers? An average cost of what?

16 A. Of the deferrals under those riders at the
17 time that they switched.

18 Q. Okay. Now I understand your answer. Your
19 proposal would also require that data be maintained at
20 least as to customers who switched without timely notice
21 to determine what costs were incurred to serve them in
22 prior periods, right?

23 A. Correct.

24 Q. Do you know whether DP&L's billing system is
25 capable of performing the functionality that you

1 described as the billing system exists today?

2 A. I can't say that I -- I don't know the answer
3 to that question.

4 Q. Assuming that it cannot perform those
5 functions, do you know how much it would cost to add
6 that functionality to DP&L's billing system?

7 A. No, I do not.

8 Q. You don't sponsor any analysis as to whether
9 the benefits of your proposal outweigh those bought?

10 A. No, I have no testimony on that issue.

11 Q. If DP&L's billing system were to be modified
12 to perform the functions that you proposed, then who
13 should pay to add that functionality to DP&L's billing
14 system?

15 A. Well, I haven't really thought about that,
16 but I guess one could make an argument that, you know,
17 all the customers on the system would share that since
18 they have the opportunity to stay with the utility for
19 SSO service or take service from the CRES, but I don't
20 have a specific proposal for what you just brought up.

21 (Mr. Gorman left the deposition room.)

22 MR. SHARKEY: Can we go off the record?

23 (Discussion was held off the record.)

24 Q. (By Mr. Sharkey) Mr. Collins, are you aware
25 that DP&L in this case has requested certain riders that

1 it states that it needs to allow it to maintain its
2 financial integrity and provide stable service?

3 A. Mr. Sharkey, are you referring to the SSR
4 rider and possibly the switching tracker?

5 Q. I am. From your answer, it appears that
6 you're aware of the existence of that request, right?

7 A. I am.

8 Q. Do you agree with me that it is important to
9 customers to be able to receive stable service? Strike
10 that. Let me ask that question differently. Do agree
11 with me that it's important for customers that DP&L
12 maintain its ability to provide stable service?

13 A. In regard to the word stable, do you mean
14 reliable, constant?

15 Q. Yes.

16 A. I would agree.

17 Q. Do you agree with me that it's important to
18 customers that DP&L be able to maintain its financial
19 integrity?

20 A. Well, my testimony doesn't specifically
21 address that, but I think financial integrity is
22 important.

23 Q. Important to DP&L customers?

24 A. Yes.

25 MR. SHARKEY: I have no further questions.

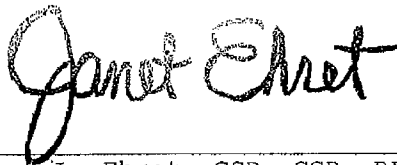
1 [Whereupon, the witness was excused, and
2 signature was waived. Deposition ended at 1:40 p.m.]
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1 I, Janet L. Ehret, Certified Court Reporter,
2 Certified Shorthand Reporter and Registered Professional
3 Reporter, do hereby certify that there came before me at
the offices of Brubaker & Associates, Inc., 16690
Swingley Ridge Road, Suite 140, Chesterfield, MO 63017,

4 Brian C. Collins,

5 who was by me first duly sworn to testify to the truth
6 and nothing but the truth of all knowledge touching and
7 concerning the matters in controversy in cause; that the
8 witness was thereupon carefully examined under oath and
said examination was reduced to writing by me; and that
this deposition is a true and correct record of the
testimony given by the witness.

9 I further certify that I am neither attorney
10 nor counsel for nor related nor employed by any of the
11 parties to the action in which this deposition is taken;
12 further, that I am not a relative or employee of any
13 attorney or counsel employed by the parties hereto or
14 financially interested in this action.

15 

16 Janet L. Ehret, CSR, CCR, RPR

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Case No(s). 12-0426-EL-SSO, 12-0427-EL-ATA, 12-0428-EL-AAM, 12-0429-EL-WVR, 12-0672-EL-RDR

Summary: Deposition of Brian Collins electronically filed by Mr. Jeffrey S Sharkey on behalf of
The Dayton Power and Light Company