

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

- - - - -x

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

- - - - -x

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

- - - - -x

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

- - - - -x

(Caption continued on following page.)

Deposition of JAMES WILSON

Bethesda, Maryland

Monday, March 11, 2013, 9:37 a.m.

Reported By: Lee Bursten, RMR, CRR

1 (Caption continued from preceding page.)

2 - - - - -x

3 In the Matter of the : Case No.
4 Application of The Dayton : 12-429-EL-WVR
5 Power and Light Company for :
6 the Waiver of Certain :
7 Commission Rules :

8 - - - - -x

9 In the Matter of the : Case No.
10 Application of The Dayton : 12-672-EL-RDR
11 Power and Light Company to :
12 Establish Tariff Riders :

13 - - - - -x

14 Deposition of JAMES WILSON, held at the
15 offices of:

16 WILSON ENERGY ECONOMICS
17 4800 Hampden Lane
18 Suite 200
19 Bethesda, Maryland 20814
20 (240) 482-3737

21 Pursuant to Notice, before Lee Bursten,
22 Registered Merit Reporter, Certified Realtime
23 Reporter, and Notary Public in and for the State of
24 Maryland, who officiated in administering the oath to
25 the witness.

1 A P P E A R A N C E S

2 ON BEHALF OF THE DAYTON POWER AND LIGHT COMPANY:

3 JEFFREY S. SHARKEY, ESQUIRE

4 FARUKI IRELAND & COX PLL

5 500 Courthouse Plaza SW

6 10 North Ludlow Street

7 Dayton, Ohio 45402

8 (937) 227-3700

9 (Present via telephone)

10

11 ON BEHALF OF THE STAFF OF THE PUBLIC UTILITIES

12 COMMISSION OF OHIO:

13 MELISSA R. YOST, ESQUIRE

14 Assistant Consumers' Counsel

15 OFFICE OF THE OHIO CONSUMERS' COUNSEL

16 10 West Broad Street

17 Suite 1800

18 Columbus, Ohio 43215

19 (614) 466-8574

20 (Present via telephone)

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C O N T E N T S

EXAMINATION OF JAMES WILSON

PAGE

By Mr. Sharkey

5

E X H I B I T S

(None marked)

1 P R O C E E D I N G S

2 JAMES WILSON,

3 having been duly sworn, testified as follows:

4 EXAMINATION BY COUNSEL FOR

5 THE DAYTON POWER AND LIGHT COMPANY

6 BY MR. SHARKEY:

7 Q Mr. Wilson, as I believe you know, my name
8 is Jeff Sharkey, and I represent Dayton Power and
9 Light Company in this matter. Can you state your
10 name for the record, please?

11 A James F. Wilson.

12 Q Do you have with you testimony that you
13 filed in this matter?

14 A Yes, I do.

15 Q And that testimony reflects you're a
16 principal of Wilson Energy Economics, correct?

17 A Correct.

18 Q What is the nature of Wilson Energy
19 Economics's business?

20 A I'm a consultant, and I'm doing business as
21 Wilson Energy Economics. I'm independent.

22 Q Are there any other persons in Wilson
23 Energy Economics besides yourself?

24 A No.

25 Q And how long has Wilson Energy Economics

1 been an operating business?

2 A Since October 2009.

3 Q Okay. And then during all of that time
4 you've been operating as a consultant?

5 A Yes.

6 Q What did you do before 2009?

7 A I was a principal at LECG.

8 Q What's LECG?

9 A A consulting firm.

10 Q And did it similarly provide consulting
11 relating to electrical utility related issues?

12 A Yes. LECG Consultants were involved in
13 many industries. But yes, my work has always been
14 primarily in the energy industry.

15 Q Okay. On page 2 you mention that you
16 testified in two other PUCO cases.

17 A Yes.

18 Q What was the first one about, the 12/30
19 EL-SSO case, which was the First Energy case?

20 A Yes, that was First Energy's 2009
21 application for a market rate offer.

22 Q Okay. And what opinions did you sponsor?

23 A I don't recall the details. I know it had
24 to do with some aspects of their proposed market rate
25 offer.

1 Q Okay. And I'm sorry, you're talking about
2 the 2009 case there, First Energy's application for a
3 market rate offer?

4 A Yes.

5 Q And you also testified in a 2012 case
6 relating to First Energy?

7 A Yes.

8 Q Do you recall what the subject of your
9 testimony in the 2012 case was?

10 A Yes. I recall one aspect of it was the
11 duration of the contracts for the competitive bidding
12 process.

13 Q Okay. And on both of those occasions were
14 you testifying on behalf of OCC?

15 A That's correct.

16 Q Let me step back. Do you do work in other
17 jurisdictions besides Ohio where you're submitting
18 testimony?

19 A Yes.

20 Q And is that work done purely on behalf of
21 residential advocates like OCC?

22 A No.

23 Q Can you give me a general sense of, say,
24 projects you've been working on this year that are --
25 I'll start the question from the beginning. Can you

1 describe for me generally the nature of the projects
2 you've been working on this year, just to get a sense
3 of what work you're doing?

4 A I'm working one project having to do with
5 natural gas storage.

6 Q Who are you representing there?

7 A A group of parties, including shippers.
8 I'm working another project having to do with gas
9 distribution incentive mechanisms.

10 Q Who are you representing there?

11 A Consumer advocate.

12 Q Okay.

13 A I'm working another project for G&G, a
14 public power entity, generation and transmission
15 co-op.

16 Q And who are you representing? Are you
17 representing the co-op there?

18 A I'm consulting to the co-op, yes.

19 Q Can you describe for me the materials that
20 you read before you submitted your testimony?

21 A I reviewed the second revised application
22 and some of the testimony relevant to the questions
23 that I addressed, Ms. Marrinan's testimony. And to
24 an extent I followed her numbers through Ms. Rabb and
25 Mr. Malinak's testimony. I reviewed auction reports

1 that are cited in my testimony. I reviewed part of
2 the Senate bill that I referred to.

3 I also asked for and reviewed forward
4 prices.

5 Q The forward prices that you referred to,
6 were those received from the Dayton Power and Light
7 Company, or were they other forward prices?

8 A OCC subscribes to a service.

9 Q Okay. You mentioned that you reviewed Jeff
10 Malinak's testimony. I don't remember seeing his
11 testimony cited in your testimony, but correct me if
12 I'm wrong.

13 A I thought that was where I saw the actual
14 blending of the two rates. Yes. On page 7, answer
15 11.

16 Q Okay. Thank you for correcting me. Your
17 testimony sponsors the opinion that DP&L should move
18 immediately to 100 percent competitive bidding; is
19 that right?

20 A Yes.

21 Q Sorry, Mr. Wilson. Because we're on the
22 phone, I can't tell if you're looking for something
23 on your papers. Are you going to be responding to my
24 question?

25 A I responded yes.

1 Q Oh. That would explain the long silence,
2 because I didn't hear that. Thank you. And you
3 understand that that is a more rapid rate than is
4 available under the MRO statute?

5 A No, I'm not aware of.

6 Q Did you -- strike that. Are you aware of
7 the differences between an ESP and an MRO?

8 A Just in broad terms. I'm not aware of all
9 the details, no.

10 Q Okay. What distinctions between those
11 two -- what distinctions between an ESP and an MRO
12 are you familiar with?

13 A I'm not going to speculate on that. I
14 don't have any particular ones I can describe at this
15 time, no.

16 Q Okay. Do you agree that the Public
17 Utilities Commission of Ohio, in setting rates and
18 establishing rate plans, should consider the
19 interests of consumers, the utility, and third
20 parties?

21 A I'll agree.

22 Q Okay. Do you agree that a utility's
23 ability to provide stable service is important to
24 consumers?

25 A Yes.

1 Q Sorry, there's paper shuffling. I thought
2 I heard you say yes. Can you confirm that?

3 A I did say yes.

4 Q Okay. And do you agree that a utility's
5 ability to maintain financial integrity is similarly
6 important to consumers?

7 A Yes.

8 Q It's true, isn't it, that you do not
9 sponsor any testimony regarding the effect of your
10 proposal upon DP&L's ability to maintain stable
11 service?

12 A That's correct.

13 Q And you don't sponsor any testimony
14 regarding whether the effect of your proposal would
15 affect DP&L's ability to maintain its financial
16 integrity, right?

17 A Correct.

18 Q Do you believe that a more rapid
19 movement -- strike that. Your testimony identifies
20 certain price benefits to customers if DP&L were to
21 move more rapidly to a 100 percent competitive
22 bidding, right?

23 A Correct.

24 Q Do you believe that in addition to those
25 specific price benefits that you identify, that there

1 are nonquantifiable benefits associated with a more
2 rapid move to 100 percent competitive bidding?

3 A That's a rather vague question, but I think
4 almost anything can be quantified. I guess I can
5 answer yes.

6 Q Just to be clear, when you say anything can
7 be quantified, some things are easier to quantify,
8 like price differences; and other things can be quite
9 difficult to quantify, is that right?

10 A I agree.

11 Q And, for example, do you believe that the
12 more rapid transition to competitive bidding would
13 promote the business climate within Dayton Power and
14 Light Company's service territory?

15 A Promote the business climate? I believe it
16 would enhance the competitiveness of the retail
17 market.

18 Q And it would enhance the competitiveness of
19 the retail market beyond merely lowering the price;
20 is that right?

21 A Yes.

22 Q And that's a benefit of a more rapid move
23 to competition that would be very difficult to
24 quantify?

25 A Yes.

1 Q I think the answer to this question is
2 pretty clear from your earlier answer, but it's true,
3 isn't it, that you don't sponsor any testimony on
4 whether DP&L's ESP is more favorable in the aggregate
5 than an MRO?

6 A Yes.

7 Q At any time were you asked to conduct any
8 analysis to determine whether DP&L's ESP is more
9 favorable than an MRO?

10 A No.

11 Q Did you read Jeff Malinak's testimony, the
12 portion of it addressing his opinion that an ESP is
13 in fact more favorable than an MRO?

14 A No.

15 Q Give me just a moment here, Mr. Wilson.
16 You cite on page 4 of your testimony, answer 7, the
17 Duke and First Energy auctions.

18 A Yes.

19 Q Did you consider -- strike that. First of
20 all, did you review the Commission's decision in the
21 AEP ESP proceeding?

22 A I've reviewed parts of it, yes.

23 Q Did you review the parts of it that address
24 the competitive bidding percentages that the
25 Commission approved for AEP?

1 A I think I did at one time, yes.

2 Q And are you aware that the Commission
3 approved an ESP for AEP that did not transition to
4 100 percent competitive bidding in year one?

5 A Yes.

6 Q Why didn't you address the AEP decision in
7 your testimony?

8 MS. YOST: I'm going to object. To the
9 extent that answer involves the provision of
10 information which is protected by attorney-client
11 privilege, I'm going to instruct you not to answer.

12 BY MR. SHARKEY:

13 Q Can you answer that question without
14 revealing communications between yourself and
15 Ms. Yost?

16 A In that question I noted that two other
17 utilities were transitioning very rapidly, and AEP
18 was slower. It was not -- it was not notable with
19 regard to the question of other utilities that are
20 transitioning more quickly.

21 Q Do you have an understanding that DP&L has
22 made requests for certain charges in this case that
23 are intended to allow DP&L to maintain its financial
24 integrity?

25 A Yes.

1 Q And you don't have -- strike that. You
2 don't sponsor any testimony suggesting that DP&L's
3 requests for those charges are unreasonable or
4 unfounded, correct?

5 A Correct.

6 Q Would you agree with me that your proposal
7 for 100 percent competitive bidding in year one would
8 be expected to adversely affect DP&L's financial
9 integrity?

10 A I haven't evaluated that.

11 Q Would you agree it would be expected to
12 affect DP&L's revenue and profitability?

13 A That would seem to be -- to reasonably
14 follow. But I haven't evaluated that.

15 Q Do you believe -- actually, strike that.
16 The Duke auction that you referred to in your
17 testimony, do you know if that was a result of a
18 stipulation that was entered into in the Duke case?

19 A I don't recall specifically, no.

20 Q The First Energy auction that you referred
21 to in your testimony, do you know if it was First
22 Energy's proposal to have 100 percent competitive
23 bidding?

24 A I don't recall, no.

25 MR. SHARKEY: Mr. Wilson, that is all the

1 questions that I have for you. Can we go off the
2 record?

3 (Discussion off the record.)

4 MS. YOST: If the company does order a copy
5 of the deposition transcript, Lee, I would ask that I
6 be the person to receive that.

7 MR. SHARKEY: Lee, just so we're clear,
8 DP&L will order a copy of the transcript, and we
9 would like it to be e-mailed to me by close of
10 business Thursday. And I know that Mr. Wilson has
11 certain rights to review the transcript. I don't
12 know if you would make that available to him in
13 Bethesda, Maryland or not. Melissa, I'm not sure if
14 you're ordering the transcript or not.

15 MS. YOST: Not at this time. Mr. Wilson
16 does assert his right to read and make any and all
17 necessary corrections. If one can be provided to him
18 for his review, how do you go about doing that?

19 THE REPORTER: We can send Mr. Wilson a
20 copy to review. But, Ms. Yost, I'm still confused as
21 to whether you are actually ordering a copy or not.
22 Are you ordering a copy for yourself?

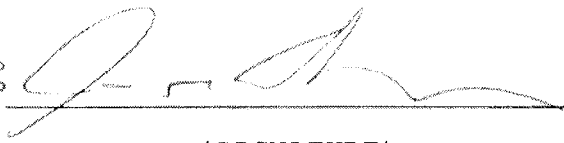
23 MS. YOST: No.

24 (Signature having not been waived, the
25 deposition of JAMES WILSON was concluded at 9:58 a.m.)

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ACKNOWLEDGEMENT OF DEPONENT

I, JAMES WILSON, do hereby acknowledge that I have read and examined the foregoing testimony, and the same is a true, correct and complete transcription of the testimony given by me, and any corrections appear on the attached Errata sheet signed by me.

March 15, 2013 

(DATE)

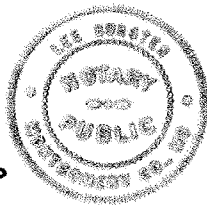
(SIGNATURE)

1 CERTIFICATE OF SHORTHAND REPORTER-NOTARY PUBLIC

2 I, Lee Bursten, the officer before whom the
3 foregoing deposition was taken, do hereby certify
4 that the foregoing transcript is a true and correct
5 record of the testimony given; that said testimony
6 was taken by me stenographically and thereafter
7 reduced to typewriting under my direction; and that I
8 am neither counsel for, related to, nor employed by
9 any of the parties to this case and have no interest,
10 financial or otherwise, in its outcome.

11 IN WITNESS WHEREOF, I have hereunto set my
12 hand and affixed my notarial seal this 14th day of
13 March, 2013.

14 My commission expires April 23, 2013.



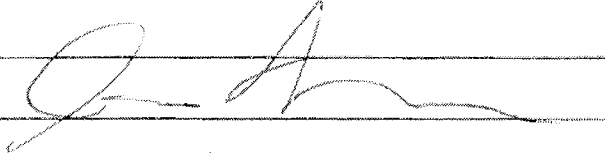
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19 LEE BURSTEN
20 NOTARY PUBLIC IN AND FOR
21 THE STATE OF MARYLAND
22
23
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1 ERRATA SHEET

2 IN RE: Application of The Dayton Power and
 3 Light Company

4 RETURN BY: _____

5	PAGE	LINE	CORRECTION AND REASON
6	8	13	"G+6" should read "G+T"
7	_____	_____	_____
8	_____	_____	_____
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24	March 15 2013	_____	
25	(DATE)		(SIGNATURE)

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Commission of Ohio Docketing Information System on

3/20/2013 2:51:45 PM

in

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 James Wilson electronically filed by Mr. Jeffrey S Sharkey on behalf of The Dayton Power and Light Company