

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 14-401-EL-RDR

TESTIMONY OF
NATHAN C. PARKE

IN SUPPORT OF THE STIPULATION
AND RECOMMENDATION

- ☐ **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 Nathan Parke. 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 Manager, Regulatory Operations.

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

A. I received a Bachelor of Arts degree in Business Administration with a concentration in Management from Wilmington College in Wilmington, Ohio in 2002. I have been employed by DP&L since 2002.

Q. How long have you been Manager of Regulatory Operations?

A. I assumed my present position in November, 2010. Prior to that time, I held various positions in the Regulatory Operations division, including Supervisor and Rate Analyst. Prior to Regulatory Operations, I spent over five years as an analyst in the Power Production division of DP&L. During that time, I was involved in O&M and Capital spending plans, generation forecasting including modeling for the Corporate Plan, power plant evaluations, and overall performance reporting of the generation fleet.

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

3 A. In my current position, I have overall responsibility for designing, tracking, and
4 ensuring cost recovery for several of DP&L's rate riders. I am involved in evaluating
5 regulatory and legislative initiatives, and regulatory commission orders that affect the
6 Company's rates and overall regulatory operations. I report to the Director of
7 Regulatory Operations.

8 **Q. Have you previously provided testimony before the Public Utilities Commission of**
9 **Ohio ("PUCO" or the "Commission"), any other state commission or the Federal**
10 **Energy Regulatory Commission ("FERC")?**

11 A. Yes. I have sponsored testimony before the PUCO in the Company's Fuel Rider Case
12 Nos. 09-1012-EL-FAC and 11-5730-EL-FAC, as well as the Company's Electric
13 Security Plan Case No. 12-426-EL-SSO.

14 **Q. What is your involvement with the Economic Development Rider (EDR)**
15 **specifically?**

16 A. I am one of the key members of a cross-functional team that develops and administers
17 unique arrangements. I am responsible for designing, tracking, and ensuring cost
18 recovery of the EDR.

19 **II. PURPOSE OF TESTIMONY**

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

1 A. The purpose of this testimony is to support the Stipulation and Recommendation
2 ("Stipulation") filed in this matter on July 8, 2014, because it is the product of serious
3 negotiations among knowledgeable parties, benefits customers and the public interest,
4 and does not violate any important regulatory principle or practice.

5 **III. THE STIPULATION AND RECOMMENDATION**

6 **Q. Are you familiar with the Stipulation in this case?**

7 A. Yes. I was one of the negotiators for DP&L in the settlement negotiations in which the
8 Staff participated.

9 **Q. Can you describe the principal terms of the Stipulation?**

10 A. Yes. The Stipulation resolves issues raised in the April 22, 2014 Staff Review and
11 Recommendation. Specifically, this stipulation clarifies that incremental administrative
12 costs relating to unique arrangements will be included in future EDR true-up filings.
13 DP&L will not seek recovery of administrative costs relating to billing, filing
14 applications, case expense, annual reporting, nor time spent by its regulatory operations
15 personnel. DP&L agrees to provide supporting documentation of the incremental costs.

16 **IV. THE COMMISSION'S CRITERIA FOR EVALUATING**
17 **STIPULATIONS**

18 **Q. What criteria does the Commission use to decide whether to approve a Stipulation**
19 **and Recommendation?**

1 A. The Commission has in the past applied, and should use in considering this Stipulation,
2 the following three regulatory principles or criteria: First, is the Stipulation a product of
3 serious bargaining among capable, knowledgeable parties? Second, taken as a package,
4 does the Stipulation benefit ratepayers and the public interest? Third, does the
5 Stipulation violate any important regulatory principle or practice?

6 **A. The Stipulation is the Product of Serious Bargaining**
7 **among Knowledgeable Parties**

8 **Q. For the first criterion or principle, was the Stipulation the product of serious**
9 **bargaining among capable, knowledgeable parties?**

10 A. Yes. The settlement negotiations involved all the parties in the proceeding. Numerous
11 negotiating sessions were held. The Signatory Parties to the Stipulation represent a
12 wide spectrum of diverse interests including, without limitation, the interests of a
13 regulated utility and the Commission Staff which is tasked with balancing the interests
14 of all parties to a case. All of the Signatory Parties were represented by skilled men and
15 women with years of experience in regulatory matters before this Commission who
16 possessed extensive information, and the negotiations were at arm's length. All had the
17 benefit of experienced legal counsel. Countless hours were devoted to the negotiating
18 process.

19 **Q. Did all parties have an opportunity to participate in the negotiations?**

20 A. Yes. As described above, there were settlement conferences, and all parties expressing
21 interest in this proceeding were invited to participate. In addition, draft settlement

1 proposals were circulated to interested parties for their review, comment, and
2 consideration.

3 **B. The Stipulation Benefits the Public Interest**

4 **Q. Turning to the second criterion or principle, can you describe the benefits of the**
5 **Stipulation to ratepayers and the public interest?**

6 A. Yes. The Stipulation addresses and incorporates some of the recommendations
7 contained in the Review and Recommendation filed by the Staff on April 22, 2014 in
8 this proceeding and provides clarification on incremental administrative cost going
9 forward.

10 **C. The Stipulation Does Not Violate any Important**
11 **Regulatory Principle**

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

14 A. No. The Stipulation does not violate any important regulatory principle or practice.

15 **V. CONCLUSION AND RECOMMENDATION**

16 **Q. What is your recommendation with respect to the Stipulation?**

17 A. I recommend that the Commission approve it in its entirety and without modification.

18 **Q. Does this conclude your testimony in support of the Stipulation?**

19 A. Yes, it does.

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

7/21/2014 11:24:48 AM

in

Case No(s). 14-0401-EL-RDR

Summary: Testimony of Nathan C. Parke in support of the Stipulation electronically filed by Mrs. Jessica E Kellie on behalf of The Dayton Power and Light Company