

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 14-831-EL-UNC

TESTIMONY OF
DONA R. SEGER-LAWSON
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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DIRECT TESTIMONY OF
DONA R. SEGER-LAWSON
ON BEHALF OF
THE DAYTON POWER AND LIGHT COMPANY

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Dona R. Seger-Lawson. My business address is 1065 Woodman Drive,
4 Dayton, Ohio 45432.

5 **Q. By whom and in what capacity are you employed?**

6 A. I am employed by The Dayton Power and Light Company ("DP&L" or "Dayton" or the
7 "Company") as Director, Regulatory Operations.

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

9 A. I received a Bachelor of Science degree in Business Administration with majors in
10 Finance and Management from Wright State University in Dayton, Ohio in 1992. I
11 earned a Masters Degree in Business Administration with a Finance Administration
12 concentration also from Wright State University in August of 1997. I have been
13 employed by DP&L in the Regulatory Operations division since 1992.

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

15 A. I assumed my present position on August 25, 2002. Prior to that time, I held various
16 positions in the Rates/Pricing Services/Regulatory Operations division, my most recent
17 prior position being that of Manager, Regulatory Operations, beginning in February 2001.

18 **Q. What are your responsibilities in your current position?**

19 A. I have overall responsibility for all base rate development, for both retail and wholesale
20 electric rates. I am responsible for evaluating regulatory and legislative initiatives, and

21 commission orders that impact the Company's retail and wholesale rates and overall
22 regulatory operations.

23 **Q. Have you previously provided testimony before the Public Utilities Commission of**
24 **Ohio ("PUCO" or the "Commission")?**

25 A. Yes. I have sponsored testimony in Case No. 99-220-GA-GCR; Case No. 00-220-GA-
26 GCR; DP&L's Electric Transition Plan Case, No. 99-1687-EL-ETP; DP&L's Extension of
27 the Market Development Period Case, No. 02-2779-EL-ATA; in Opposition to the
28 Complaints in Case Nos. 03-2405-EL-CSS, and 04-85-EL-CSS; in the Company's Rate
29 Stabilization Period Case, No. 05-276-EL-AIR, in the Company's 2008 Electric Security
30 Plan Case, No. 08-1094-EL-SSO, in the Company's 2012 Electric Security Plan Case No.
31 12-426-EL-SSO, and in the Company's currently pending Storm Cost Recovery Case No.
32 12-3062-EL-RDR.

33 **II. PURPOSE OF TESTIMONY**

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

35 A. The purpose of my testimony is to discuss and support the reasonableness of the
36 Stipulation and Recommendation ("Stipulation") entered into by DP&L and the PUCO
37 Staff ("Staff") (collectively the "Signatory Parties"). The Commission should approve the
38 Stipulation filed in this matter on July 22, 2014 and issue its Opinion and Order in
39 accordance with the recommendations made in the Stipulation because the Stipulation is
40 the product of serious negotiations among knowledgeable parties, it benefits customers
41 and the public interest, and it does not violate any important regulatory principle.

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

43 A. Yes. The Stipulation provides that the Company has calculated its earned return on equity
44 for 2013, as adjusted by specific items contemplated by the Commission in Case No.
45 09-786-EL-UNC, to be 7.8 percent. The Signatory Parties stipulate, agree, and
46 recommend that the Commission find that such returns do not constitute significantly
47 excessive earnings for DP&L with respect to DP&L's ESP in 2013.

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

49 A. As demonstrated below, the Commission should approve the Stipulation because it
50 represents a fair and reasonable resolution to the issues raised in the May 15, 2014 filing
51 concerning DP&L's determination that significantly excessive earnings in 2013 did not
52 occur.

53 **III. COMMISSION'S CRITERIA FOR EVALUATING STIPULATIONS**

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

56 A. The Commission has applied in the past, and should use in considering this Stipulation,
57 the following three regulatory criteria to evaluate and approve a stipulation: First, is the
58 Stipulation a product of serious bargaining among capable, knowledgeable parties?
59 Second, taken as a package, does the Stipulation benefit ratepayers and the public
60 interest? Third, does the Stipulation violate any important regulatory principle?

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

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

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

67 A. Yes. No party has moved to intervene in this proceeding. In negotiations leading to the
68 Stipulation, DP&L and Staff were represented by experienced, knowledgeable counsel,
69 who have appeared before the Commission in numerous other proceedings, and are
70 experienced negotiators and are knowledgeable about the subject matter at issue. The
71 Signatory Parties have participated in numerous proceedings before the Commission, are
72 knowledgeable in regulatory matters and represent a broad range of interests. Therefore,
73 the Stipulation represents a product of serious bargaining among capable, knowledgeable
74 parties.

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

77 A. Yes. The Stipulation benefits DP&L customers and the public interest. This Stipulation
78 provides benefits to the public by allowing for a speedy and fair resolution of the case,
79 and avoids an unnecessary hearing when it is undisputed that DP&L's earnings are not
80 excessive.

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

83 A. No. The Stipulation complies with all relevant and important regulatory practices and
84 principles. The Stipulation is consistent with Commission rules and is designed to
85 comply in all material respects with the requirements of Ohio Rev. Code § 4928.143(F).
86 Therefore, the Stipulation does not violate any important regulatory principle.

87

88 Q. Does this conclude your testimony?

89 A. Yes, it does.

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Summary: Testimony of Dona R. Seger-Lawson in Support of the Stipulation and Recommendation electronically filed by Mrs. Claire E Hale on behalf of The Dayton Power & Light Company