

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

THE DAYTON POWER AND LIGHT COMPANY

**CASE NO. 16-0395-EL-SSO
CASE NO. 16-0397-EL-AAM
CASE NO. 16-0396-EL-ATA**

**DIRECT TESTIMONY OF
NATHAN C. PARKE**

OCTOBER 11, 2016

- MANAGEMENT POLICIES, PRACTICES, AND ORGANIZATION**
- OPERATING INCOME**
- RATE BASE**
- ALLOCATIONS**
- RATE OF RETURN**
- RATES AND TARIFFS**
- OTHER**

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TESTIMONY OF
NATHAN C. PARKE
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 Nathan Parke. My business address is 1065 Woodman Drive, Dayton, Ohio
4 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 the "Company")
7 as Manager, Regulatory Operations.

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

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

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

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

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

21 A. In my current position, I have overall responsibility for designing, tracking, and ensuring
22 cost recovery for several of DP&L's riders. I am involved in evaluating regulatory and

1 legislative initiatives, and regulatory commission orders that affect the Company's rates
2 and overall regulatory operations.

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

5 A. Yes. I have sponsored testimony before the PUCO in the Company's Fuel Rider Case
6 Nos. 09-1012-EL-FAC and 11-5730-EL-FAC, Economic Development Rider Case No.
7 14-401-EL-RDR, the Company's Electric Security Plan ("ESP") Case No.
8 12-426-EL-SSO, as well as the Company's Distribution Rate Case No. 15-1830-EL-AIR.

9 **II. PURPOSE OF TESTIMONY**

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

11 A. The purpose of this testimony is to support the overall rate plan and related tariff changes,
12 support a modification to the Reconciliation Rider to recover a deferred regulatory asset,
13 and support a placeholder Distribution Decoupling Rider. My testimony supports the
14 request for deferral authority relating to the over and/or under collection of the Clean
15 Energy Rider supported by Company Witness Hale, Standard Offer Rate supported by
16 Company Witness Brown, Reconciliation Rider and Distribution Decoupling Rider that I
17 support, and the Distribution Investment Rider ("DIR") supported by Company Witness
18 Adams.

19 **Q. Are you sponsoring any Exhibits?**

20 A. Yes. I am sponsoring Exhibit NCP-1, which is a table that shows tariff changes, and
21 Exhibit NCP-2, which includes the detailed calculations for the Reconciliation Rider.

1 **III. REQUEST FOR DEFERRAL AUTHORITY**

2 **Q. Please explain the Company's request for deferral authority.**

3 A. The request for deferral authority is related to new true-up riders the Company is
4 requesting. The Company is proposing several new true-up riders: a Standard Offer
5 Rate, Reconciliation Rider, Distribution Decoupling Rider, Clean Energy Rider, and
6 Distribution Investment Rider. The Clean Energy Rider and Distribution Investment
7 Rider will have future applications for recovery; this request is for deferral authority until
8 such applications have been filed. The other riders have proposed rates that, if approved
9 and implemented, will have actual expenses different from the amounts collected.
10 Therefore, the Company needs authority to defer these variances and create a regulatory
11 asset or liability to recognize the amounts due to or from customers. This will also allow
12 the Company to match revenues and expenses in the appropriate periods.

13 **IV. RATE PLAN AND TARIFFS**

14 **Q. What is DP&L's rate plan?**

15 A. DP&L's rate plan is to update the current PUCO No. 17 Generation Tariffs to a new
16 PUCO No. 18 to coincide with a similar Distribution proposal in Case No. 15-1830-EL-
17 AIR. This update to the tariff sheets will bring Generation Tariffs in-line with the current
18 needs after generation rates were blended with the Competitive Bid Process ("CBP") in
19 the current Electric Security Plan ("ESP"). Many older tariffs that no longer apply are
20 proposed to be eliminated and the proposed tariffs that will apply are being renumbered
21 to better organize the Tariff sheets. The proposed tariffs in this case represent
22 simplifications of our current Competitive Bid Rate ("CB Rate"), Competitive Bid True-
23 up ("CBT") Rider, and Alternative Energy Rider ("AER") supported by Company

1 Witness Brown. The revised tariffs will also include a new Distribution Investment Rider
2 supported by Company Witness Adams, and a new Distribution Modernization Rider
3 (“DMR”) which is supported by witness Jackson for the purpose, and witness Hale for
4 the rate design. The maximum charge provisions that are currently contained in G12,
5 G13, D19, and D20 are proposed to be modified as further explained later in my
6 testimony. DP&L is proposing modifications to the G8 Alternate Generation Supplier
7 Coordination Tariff and G9 Competitive Retail Generation Service Tariff to align them
8 with the current practice implemented from Commission Orders in 12-426-EL-SSO, and
9 other minor operating changes further supported below. DP&L also proposes to continue
10 its current Energy Efficiency Rider, Economic Development Rider, and Transmission
11 Cost Recovery Rider – Non-bypassable (“TCRR-N”) that are in place today. Exhibit
12 NCP-1 details the current tariffs, proposed tariffs in the Distribution rate case, and the
13 proposed tariff changes in this case.

14 **Q. How will the new PUCO No. 18 be implemented?**

15 A. DP&L proposes in its pending distribution rate case and in this case to create a new
16 PUCO No. 18 tariff book. The new version will be filed promptly after the Commission
17 issues orders in those pending cases.

18 **Q. Why is DP&L proposing the new PUCO No. 18 at this time?**

19 A. There are changes to the Distribution tariffs proposed in the Distribution Rate case, and
20 significant changes to the Generation tariffs in this case. Many tariffs are also being
21 eliminated as they are no longer necessary since the CBP has been implemented. Now is
22 the appropriate time to clean-up and renumber tariffs to simplify and make them easier to
23 understand.

1 **Q. What specific Tariff changes are you supporting?**

2 A. I am supporting changes to the G8 Alternate Generation Supplier Coordination Tariff and
3 G9 Competitive Retail Generation Service Tariff.

4 **Q. What changes are you proposing for the G8 Tariff?**

5 A. I am supporting changes to update and clarify certain sections, more specifically:

- 6 • Section 2.1 – Removed redundant language and provided clarity
- 7 • Section 4.1 – Removed the charge and added Shopping and Net Metering
8 indicators to the customer information list
- 9 • Section 7.2 – Added additional language regarding PJM reconciliation and data
- 10 • Section 8.1 – Updated interval meter requirement to 200 kW to reflect current
11 processes
- 12 • Section 8.2 – Indicated that new interval meters will be wireless
- 13 • Section 10.1 – Added clarifying language on billing services agreement, net
14 metering, logo specifications, and early termination fee billing; removed language
15 on fees for dual, rate-ready and consolidated billing
- 16 • Section 12.4 – Updated collateral calculation to reflect true default risk now that
17 100% of the Standard Service Offer is served through the CBP
- 18 • Section 18 – Updated the charge for technical support
- 19 • Section A – Moved manual interval meter read charge to G9 to reflect current
20 processes
- 21 • Section A.3. – Moved switching fee language from G9 to G8 to reflect current
22 processes, and
- 23 • Other minor grammar, definition consistency, and renumbering changes.

1 **Q. What changes are you proposing for the G9 Tariff?**

2 A. I am supporting changes to be consistent with the above mentioned updates to the G8
3 Tariff, more specifically:

- 4 • Indicated that new interval meters will be wireless
- 5 • Moved switching fee language to G8 to reflect current processes, and
- 6 • Moved manual interval meter read charge to G9 to reflect current processes; and
7 updated the charge for manual interval meter reads.

8 **Q. Why is the Company proposing these changes at this time?**

9 A. Many of the revisions are merely to reflect changes that have already been implemented
10 consistent with the outcome of DP&L's last ESP case. The other changes are simply
11 updates to terms and clarifying language for the changing needs of the regulatory
12 environment and market.

13 **Q. Are there other proposed tariff changes at this time?**

14 A. There are three proposed riders in the Distribution Rate case, Case No. 15-1830-EL-AIR.
15 The rates and riders in this case assume the Uncollectible Rider will be approved in that
16 case. In the event that it is not, DP&L will need to make adjustments in this case to
17 address uncollectible costs in each proposed rate/rider. Additionally, to the extent the
18 Commission determines that this case is a more appropriate forum, DP&L requests
19 approval of the Storm Cost Recovery Rider, Uncollectible Rider, and Regulatory
20 Compliance Rider that are fully supported in Case No. 15-1830-EL-AIR.

21 **V. RECONCILIATION RIDER**

22 **Q. What is the Reconciliation Rider?**

1 A. The Reconciliation Rider in DP&L's current Tariff book was approved in the
2 Commission's September 4, 2013 Opinion and Order in Case No. 12-426-EL-SSO. This
3 proposal modifies the Reconciliation Rider to allow DP&L to recover a regulatory asset
4 related to the deferral of Ohio Valley Electric Corporation ("OVEC") related costs. The
5 rider will have an annual true-up instead of the previous quarterly true-up.

6 **Q. Is the Reconciliation Rider approved in the 12-426-EL-SSO case no longer**
7 **applicable?**

8 A. It is no longer applicable since the Company now supplies 100% of the Standard Offer
9 through the Competitive Bid Process. The current Reconciliation Rider Tariff has a final
10 rate in place and will soon be filed for a \$0.0 rate. This proposal simply uses the same
11 name and Tariff Sheet, but for a different purpose.

12 **Q. Why is OVEC deferral recovery appropriate in the Reconciliation Rider?**

13 A. The Reconciliation Rider will recover costs associated with the Commission's September
14 17, 2014 Order in DP&L's generation separation Case No. 13-2420-EL-UNC, which
15 required DP&L to sell its OVEC generation into PJM's day-ahead markets. This rider is
16 proposed as the mechanism to recover the difference between DP&L's OVEC costs and
17 the associated PJM revenue, to the extent that those amounts were not recovered through
18 DP&L's Fuel rider.

19 **Q. How will this rider be charged to customers?**

20 A. The Reconciliation Rider will be charged to all distribution customers. It will be
21 allocated to Residential, Non-residential, and Private Outdoor Lighting based on base

1 distribution revenue, from the previous year. The rate is set based on a projected number
2 of customers, and it will be a per-customer charge.

3 **Q. Where are the rate calculations for this rider?**

4 A. The rate calculations are included as Exhibit NCP-2.

5 **Q. What is the basis for the dollar amounts in Exhibit NCP-2?**

6 A. The requested dollars represent net costs through December 31, 2015 that total
7 \$10,461,463. DP&L will file annually to true-up recovery and request additional dollars
8 as necessary.

9 **VI. DISTRIBUTION DECOUPLING RIDER**

10 **Q. What is the Distribution Decoupling Rider?**

11 A. This rider is proposed as a placeholder tariff that initially will be set at zero and will be
12 implemented if needed as a result of DP&L's filed Energy Efficiency Portfolio case.

13 **Q. Why is DP&L making this proposal now?**

14 A. DP&L has a pending distribution rate case in which the level of its distribution revenue
15 will be set. That distribution rate case contains volumetric rates, and a continuation of
16 DP&L's energy efficiency programs will cause DP&L to experience less distribution
17 revenue. This rider will decouple the distribution revenue from the kWh reductions
18 realized through energy efficiency programs. In the Senate Bill 310 rule implementation
19 case (14-1411-EL-ORD), on page 20 of the December 17, 2014 Commission Order, the
20 Commission stated that the ESP is the appropriate place to set the recovery of costs
21 through a rider separate from the Energy Efficiency Rider.

1 **Q. How will this rider be charged to customers?**

2 A. The Distribution Decoupling Rider will be charged to all distribution customers, and will
3 be calculated as a percentage of base distribution charges.

4 **VII. MAXIMUM CHARGE PROVISION**

5 **Q. What is the Maximum Charge Provision?**

6 A. DP&L's Maximum Charge ("max charge") provision is contained in Secondary and
7 Primary tariffs and limits a customer's total average bill in \$/kWh. This provision
8 benefits non-residential customers who have very low load factors by capping the
9 average rate they may be charged on a monthly basis.

10 **Q. What is the Company's proposal relating to the Maximum Charge Provision?**

11 A. The Company's proposal is to reset the remaining components of the max charge
12 provision and establish a process for setting the rate for future true-up filings.

13 **Q. What components are included in the Maximum Charge Provision?**

14 A. The Maximum Charge provision only applies to tariffs with demand charges, not energy
15 charges. Components with demand charges have a kWh rate that is used in lieu of the
16 demand charge when the provision applies. Through this ESP, the Company proposes
17 that the generation rate be a kWh charge; therefore the remaining current components
18 with demand rates are the Distribution Charge, the Service Stability Rider ("SSR"), and
19 the Transmission Cost Recovery Rider – Non-bypassable, which are subject to the
20 Maximum Charge provision. All three components are non-bypassable.

21 **Q. Why is this change included in the ESP?**

1 A. DP&L made a proposal to change its max charge provision in its previous Electric
2 Security Plan (Case No. 12-426-EL-SSO). Through that case, DP&L was ordered to
3 increase the average rate threshold by 2.5% per year. The Company is proposing the new
4 methodology for how the provision is calculated and applied because DP&L is proposing
5 to change the SSO rate structure to an all energy charge, and because in the Company's
6 last ESP, the Commission Staff stated that the "maximum charge provision should be
7 reevaluated at the end of the ESP term"; Staff's position was described in the September
8 4, 2013 Order on page 40 in Case No. 12-426-EL-SSO.

9 **Q. How and why are you proposing to change the rate methodology?**

10 A. The current components are inconsistent in the amount of charge relative to the average
11 rate charged to other customers in the class. The table below shows the average rate
12 charged to the class, the current max charge rate, and a proposed rate using this
13 methodology. The Non-max average is the average \$/kWh rate calculated from
14 customers not billed the max rate, but the normal combination of \$/kW and \$/kWh rate
15 for each component. The proposed max charge rate is 2 times the average rate for
16 Secondary; the Primary rate is 2.5 times the average rate of non-max charge customers.
17 The table below shows current average and proposed \$/kWh rates based on 12 months of
18 2015:

<u>Secondary:</u>	<u>Distribution</u>	<u>SSR</u>	<u>TCRR-N</u>	<u>Total</u>
Non-max Average	\$0.0112245	\$0.0081107	\$0.0053024	\$0.0246376
Current Max Rate	\$0.0119858	\$0.0248410	\$0.0159850	\$0.0528118
Proposed <i>(2 times average)</i>	\$0.0224490	\$0.0162215	\$0.0106048	\$0.0492753
<u>Primary:</u>				
Non-max Average	\$0.0048976	\$0.0066907	\$0.0042073	\$0.0157956
Current Max Rate	\$0.0042860	\$0.0249517	\$0.0150087	\$0.0442464

Proposed **\$0.0122439** **\$0.0167267** **\$0.0105183** **\$0.0394889**
(2.5 times average)

1 **Q. Why are 2 times the average and 2.5 times the average appropriate?**

2 A. The goal was to simplify the rate, make the components consistent, minimize cost shifts
3 between customers, and minimize significant changes to customer's bills. The
4 adjustment of 2 times the average and 2.5 times the average accomplishes those goals.

5 **Q. Are the rates shown in the table the proposed rates in the tariffs?**

6 A. The table is showing how the methodology will work. The three components should be
7 initially modified at the same time using this methodology. Company Witness Hale uses
8 this methodology in developing the proposed DMR max charge rate for this case. This
9 methodology should be used in updating the Distribution rate in its proceeding, and the
10 methodology should also be used in the annual true-up of TCRR-N. A one-time
11 adjustment to the rates in the table is appropriate, and then each component can be
12 updated based on the outcome of each component's case. In other words, the one-time
13 reset shown above should take place at the same time, but new rates going forward
14 should be set on the 2 and 2.5 times the average methodology.

15 **Q. What will be the result to customers with these new rates?**

16 A. The total max charge rate is slightly less than it is today. These small changes will
17 slightly decrease bills of customers that currently benefit from DP&L's max charge
18 provisions.

19 **Q. Why is it important to establish a process for setting the rate?**

1 A. The TCRR-N is an annually adjusted rider. Having this methodology in place will assure
2 that the rate inconsistencies do not develop over time as that component is reset each
3 year.

4 **Q. How is the max charge triggered, and do you propose any changes to that process?**

5 A. The billing system calculates a customer's charges using the standard rates and then
6 again using max charge rates, and then bills the lesser amount. There are no changes
7 proposed to this process.

8 **Q. Are the specific components of the maximum charge relevant to billing?**

9 A. No, changing the individual components while maintaining the overall total will not
10 cause variances in bills or the customers charged. A customer is either billed on all
11 maximum charge rates, or none; it is not an individual component calculation.

12 **VIII. CONCLUSION**

13 **Q. Please summarize your testimony.**

14 A. The overall rate plan, including the tariff changes, request for deferral authority,
15 Distribution Decoupling Rider, and Reconciliation Rider, is appropriate and should be
16 approved.

17 **Q. Does this conclude your direct testimony?**

18 A. Yes.

Current Tariff List - PUCO No. 17		Action	Proposed Tariff List - PUCO No. 18	
Tariff No.	Tariff Description		Tariff No.	Tariff Description
D01	Table of Contents	N	D01	Table of Contents
D02	Tariff Index	N	D02	Tariff Index
D03	Applications and Contract For Service	N	D03	Applications and Contract For Service
D04	Credit Requirements of Customer	N	D04	Credit Requirements of Customer
D05	Billing and Payment for Electric Service	N	D05	Billing and Payment for Electric Service
D06	Disconnection/Reconnection of Service	N	D06	Disconnection/Reconnection of Service
D07	Meters and Metering Equipment: Location and Installation	N	D07	Meters and Metering Equipment: Location and Installation
D08	Service Facilities: Location and Installation	N	D08	Service Facilities: Location and Installation
D09	Equipment on Customer's Premises	N	D09	Equipment on Customer's Premises
D10	Use and Character of Service	N	D10	Use and Character of Service
D11	Emergency Electrical Procedures	N	D11	Emergency Electrical Procedures
D12	Extension of Electric Facilities	N	D12	Extension of Electric Facilities
D13	Extension of Electric Facilities to House Trailer Parks	N	D13	Extension of Electric Facilities to House Trailer Parks
D14	Definitions and Amendments	N	D14	Definitions and Amendments
D15	Additional Charges	N	D15	Additional Charges
D16	Open Access Terms and Conditions	N	D16	Open Access Terms and Conditions
D17	Residential	N	D17	Residential
D18	Residential Heating	N	D18	Residential Heating
D19	Secondary	N	D19	Secondary
D20	Primary	N	D20	Primary
D21	Primary-Substation	N	D21	Primary-Substation
D22	High Voltage	N	D22	High Voltage
D23	Private Outdoor Lighting	N	D23	Private Outdoor Lighting
D24	School	R	D24	Reserved For Future Use (Case No. 15-1830-EL-AIR)
D25	Street Lighting	N	D25	Street Lighting
D26	Miscellaneous Service Charges	N	D26	Miscellaneous Service Charges
D27	Reserved For Future Use	R	D27	Uncollectible Rider (Case No. 15-1832-EL-ATA)
D28	Universal Service Fund Rider	N	D28	Universal Service Fund Rider
D29	Reconciliation Rider	R	D29	Reconciliation Rider
D30	Storm Cost Recovery Rider	R	D30	Storm Cost Recovery Rider (Case No. 15-1832-EL-ATA)
D31	Reserved For Future Use	R	D31	Regulatory Compliance Rider (Case No. 15-1832-EL-ATA)
D32	Reserved For Future Use	R	D32	Distribution Decoupling Rider
D33	Excise Tax Surcharge Rider	N	D33	Excise Tax Surcharge Rider
D34	Switching Fees	N	D34	Switching Fees
D35	Interconnection Service	N	D35	Interconnection Service
D36	Reserved For Future Use	R	D36	Distribution Investment Rider
D37	Reserved For Future Use	R	D37	Distribution Modernization Rider
D38	Energy Efficiency Rider	N	D38	Energy Efficiency Rider
D39	Economic Development Rider	N	D39	Economic Development Rider
T01	Table of Contents	N	T01	Table of Contents
T02	Tariff Index	N	T02	Tariff Index
T03	Application and Contract For Service	N	T03	Application and Contract For Service
T04	Credit Requirements of Customer	N	T04	Credit Requirements of Customer
T05	Billing and Payment for Electric Service	N	T05	Billing and Payment for Electric Service
T06	Use and Character of Service	N	T06	Use and Character of Service
T07	Definitions and Amendments	N	T07	Definitions and Amendments
T08	Transmission Cost Recovery Rider – Non-bypassable	N	T08	Transmission Cost Recovery Rider – Non-bypassable
T09	Transmission Cost Recovery Rider – Bypassable	2 E		
T10-T15	Reserved For Future Use	E		
G01	Table of Contents	N	G01	Table of Contents
G02	Tariff Index	N	G02	Tariff Index
G03	Application and Contract For Service	N	G03	Application and Contract For Service
G04	Credit Requirements of Customer	N	G04	Credit Requirements of Customer
G05	Billing and Payment for Electric Service	N	G05	Billing and Payment for Electric Service
G06	Use and Character of Service	N	G06	Use and Character of Service
G07	Definitions and Amendments	N	G07	Definitions and Amendments
G08	Alternate Generation Supplier Coordination Tariff	R	G08	Alternate Generation Supplier Coordination Tariff
G09	Competitive Retail Generation Service	R	G09	Competitive Retail Generation Service
G10	Standard Offer Residential	2 R	G10	Standard Offer Rate
G11	Standard Offer Residential Heating	2 R	G11	Reserved for Future Use
G12	Standard Offer Secondary	2 R	G12	Clean Energy Rider
G13	Standard Offer Primary	2 E		
G14	Standard Offer Primary-Substation	2 E		
G15	Standard Offer High Voltage	2 E		
G16	Standard Offer Private Outdoor Lighting	2 E		
G17	Standard Offer School	2 E		
G18	Standard Offer Street Lighting	2 E		
G19	Competitive Bidding Rate	3 E		
G20	Reserved for Future Use	E		
G21	Cogeneration	4 E		
G22	Reserved for Future Use	E		
G23	Adjustable Rate	4 E		
G24-G25	Reserved for Future Use	E		
G26	Alternative Energy Rider	E		
G27	PJM RPM Rider	2 E		
G28	Fuel Rider	2 E		
G29	Service Stability Rider	3 E		
G30	Competitive Bid True-Up Rider	5 E		

Legend	
N	No Change
R	Revised
E	Eliminate
1	Proposed tariff
2	Not applicable after 100% CBP
3	Renumbering tariffs for better organization
4	No longer applicable
5	Proposing to include functions in Standard Offer Rate

* Transmission and Generation tariffs with a "N" action designation may include proposed changes to version numbers and language references

The Dayton Power and Light Company
Case No. 16-0395-EL-SSO
Summary of Proposed Reconciliation Rider Rates

Data: Actual & Estimated

Exhibit NCP-2

Type of Filing: Original

Page 1 of 4

Work Paper Reference No(s): None

Witness Responsible: Nathan C. Parke

<u>Line</u>	<u>Description</u>	<u>Unit</u>	<u>Rate</u>	<u>Source</u>
(A)	(B)	(C)	(D)	(E)
1	Reconciliation Rider Rates			
2	Residential	\$/month	\$ 1.30	Page 2, Col (H), Line 2
3	Non-Residential	\$/month	\$ 4.67	Page 2, Col (H), Line 3
4	Private Outdoor Lighting	\$/month	\$ 0.52	Page 2, Col (H), Line 9

The Dayton Power and Light Company
Case No. 16-0395-EL-SSO
Summary of Proposed Reconciliation Rider Rates

Data: Actual & Estimated
 Type of Filing: Original
 Work Paper Reference No(s): None

Exhibit NCP-2
 Page 2 of 4

Witness Responsible: Nathan C. Parke

<u>Line</u> (A)	<u>Description</u> (B)	<u>Annual Revenue Requirement</u> (C) Page 3, Line 6	<u>Distribution Revenue (\$)</u> (D) (Internal Records)	<u>Allocators</u> (E) (E) = (D) / Sum (D)	<u>Allocated Rev. Requirement</u> (F) (F) = (C) * (E)	<u>Forecasted Bills</u> (G) (RJA Exhibit-3)	<u>Proposed Rates (per Bill)</u> (H) (H) = (F) / (G)
1	Revenue Requirement	\$ 10,767,587					
2	Residential		\$ 142,086,900	66.93%	\$ 7,206,902	5,531,690	\$ 1.30
3	Non-Residential		\$ 67,899,719	31.98%	\$ 3,443,995	737,613	\$ 4.67
4	Secondary		\$ 54,738,408			728,887	
5	Primary		\$ 11,842,680			5,866	
6	Primary Substation		\$ 594,268			96	
7	High Voltage		\$ 29,160			108	
8	Streetlighting		\$ 695,203			2,656	
9	Private Outdoor Lighting		\$ 2,300,582	1.08%	\$ 116,690	226,038	\$ 0.52

The Dayton Power and Light Company
Case No. 16-0395-EL-SSO
Summary of Proposed Reconciliation Rider Rates
January 2017 - December 2017

Data: Actual & Estimated

Exhibit NCP-2

Type of Filing: Original

Page 3 of 4

Work Paper Reference No(s): None

Witness Responsible: Nathan C. Parke

<u>Line</u> (A)	<u>Description</u> (B)	<u>Balance Jan 1, 2017</u> (C)	<u>Source</u> (G)
1	OVEC Deferral	\$ 10,461,163	Internal Records
2	Carrying Costs	\$ <u>278,501</u>	Page 4, Col (H)
3			
4	Total	\$ 10,739,664	Line 1 + Line 2
5	Gross Revenue Conversion Factor	<u>1.0026</u>	Adjustment for CAT
6	Total to be Recovered	\$ 10,767,587	Line 4 * Line 5

The Dayton Power and Light Company
Case No. 16-0395-EL-SSO
Summary of Proposed Reconciliation Rider Rates
January 2017 - December 2017

Data: Actual & Estimated
Type of Filing: Original
Work Paper Reference No(s).: None

Exhibit NCP-2
Page 4 of 4
Witness Responsible: Nathan C. Parke

		MONTHLY ACTIVITY							CARRYING COST CALCULATION	
Line (A)	Period (B)	First of Month Balance (C)	Additional Charges (D)	Amount Collected (CR) (E)	NET AMOUNT (F) (F) = (D) + (E)	End of Month before Carrying Cost (G) (G) = (C) + (F)	Carrying Cost @ 5.29% (H) (H) = (G) * (5.29% / 12)	End of Month Balance (I) (I) = (G) + (H)	Less: One-half Monthly Amount (J) (J) = - (F) * 0.5	Total Applicable to Carrying Cost (K) (K) = (G) + (J)
1	Jan-17	\$ 10,461,163		\$ (894,972)	\$ (894,972)	\$ 9,566,191	\$ 44,144	\$ 9,610,334	\$ 447,486	\$ 10,013,677
2	Feb-17	\$ 9,610,334		\$ (894,972)	\$ (894,972)	\$ 8,715,363	\$ 40,393	\$ 8,755,755	\$ 447,486	\$ 9,162,849
3	Mar-17	\$ 8,755,755		\$ (894,972)	\$ (894,972)	\$ 7,860,783	\$ 36,626	\$ 7,897,409	\$ 447,486	\$ 8,308,269
4	Apr-17	\$ 7,897,409		\$ (894,972)	\$ (894,972)	\$ 7,002,437	\$ 32,842	\$ 7,035,279	\$ 447,486	\$ 7,449,923
5	May-17	\$ 7,035,279		\$ (894,972)	\$ (894,972)	\$ 6,140,307	\$ 29,041	\$ 6,169,348	\$ 447,486	\$ 6,587,793
6	Jun-17	\$ 6,169,348		\$ (894,972)	\$ (894,972)	\$ 5,274,376	\$ 25,224	\$ 5,299,600	\$ 447,486	\$ 5,721,862
7	Jul-17	\$ 5,299,600		\$ (894,972)	\$ (894,972)	\$ 4,404,628	\$ 21,390	\$ 4,426,018	\$ 447,486	\$ 4,852,114
8	Aug-17	\$ 4,426,018		\$ (894,972)	\$ (894,972)	\$ 3,531,046	\$ 17,539	\$ 3,548,585	\$ 447,486	\$ 3,978,532
9	Sep-17	\$ 3,548,585		\$ (894,972)	\$ (894,972)	\$ 2,653,613	\$ 13,671	\$ 2,667,283	\$ 447,486	\$ 3,101,099
10	Oct-17	\$ 2,667,283		\$ (894,972)	\$ (894,972)	\$ 1,772,311	\$ 9,786	\$ 1,782,097	\$ 447,486	\$ 2,219,797
11	Nov-17	\$ 1,782,097		\$ (894,972)	\$ (894,972)	\$ 887,125	\$ 5,883	\$ 893,008	\$ 447,486	\$ 1,334,611
12	Dec-17	\$ 893,008		\$ (894,972)	\$ (894,972)	\$ (1,964)	\$ 1,964	\$ 0	\$ 447,486	\$ 445,522
13										
14					Total		\$ 278,501			

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing testimony has been served via electronic mail

upon the following counsel of record, this 11th day of October, 2016:

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Summary: Testimony Direct Testimony of Nathan C. Parke - October 11, 2016 electronically filed by Mr. Charles J. Faruki on behalf of The Dayton Power and Light Company