

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 THOMAS A. RAGA

OCTOBER 11, 2016

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

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1 **I. INTRODUCTION**

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

3 A. My name is Thomas A. Raga. My business address is 1065 Woodman Drive, Dayton,
4 Ohio 45432.

5 **Q. In what capacity are you employed?**

6 A. I am President and Chief Executive Officer of The Dayton Power and Light Company
7 (“DP&L”).

8 **Q. How long have you been in your present position?**

9 A. I assumed my present position in February, 2015. I have been employed by DP&L since
10 2010, initially as its Director of Government Relations. In 2012, I was appointed
11 Executive Director of the DP&L Foundation and added DP&L’s community relations
12 function to the expanded job of Director of Government Relations & Community
13 Relations. Later, I was named Vice President of External Relations adding DP&L’s
14 environmental, health and safety, corporate communications and resource planning teams
15 to my group. Prior to my current position, I served as Vice President of Public Relations
16 for DP&L.

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

18 A. I am part of the team responsible for ensuring that our customers receive safe and reliable
19 electric services and that those services are provided in accordance with applicable
20 federal and state laws and regulations. I am a member of the leadership team responsible
21 for developing and implementing the long-term strategy for the business. I am also
22 involved in external efforts relating to governmental and regulatory affairs, customers,

1 interacting with state and community leaders and regulators on matters relevant to
2 DP&L's business in Ohio. I am responsible for the Company's community relations,
3 economic development efforts, energy efficiency, resource planning and corporate
4 communications as well as DP&L's charitable contributions.

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

6 A. I received a Bachelor of Science degree in Agricultural Economics and Business
7 Management from Cornell University. I was employed for twelve years working in
8 management, marketing and sales for Copart, Inc. During that time, I was elected to local
9 office as a township trustee in Warren County, Ohio. In 2000, I was elected to the Ohio
10 House of Representatives. After completing six years of service in the legislature, I
11 joined Sinclair Community College in Dayton, Ohio, as its Sr. Director of Regional
12 Strategy and Development. Later, at Sinclair, I worked as Vice President of
13 Advancement.

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

16 A. Yes. I have sponsored testimony before the Commission in Case No. 15-1830-EL-AIR,
17 DP&L's pending distribution rate case.

18 **Q. What are the purposes of this testimony?**

19 A. The purposes of this testimony are to: (1) provide an overview and high-level summary
20 of DP&L's proposal and the underlying reasons for this filing; and (2) introduce the
21 witnesses who will be addressing these issues and others in greater detail.

1 **II. SUMMARY OF PROPOSAL AND UNDERLYING REASONS FOR THE FILING**

2 **Q. What is DP&L proposing in this proceeding?**

3 A. DP&L is proposing an Electric Security Plan (“ESP”) for a term of January 1, 2017
4 through December 31, 2023. The ESP among other things, will (a) retain customers’
5 option to shop for a competitive electric supplier, (b) maintain the 100% competitive
6 bidding structure for non-shopping customers (c) introduce a distribution investment rider
7 to support continued investment in distribution system reliability (d) introduce a clean
8 energy rider that will facilitate future investment in renewable and advanced
9 technologies, and (e) maintain DP&L’s financial integrity and its ability to provide
10 reliable, safe and stable customer service. The ESP proposal also addresses items such as:
11 simplifying the tariff sheets applicable to the price-to-compare, requesting recovery of
12 approximately \$10M of regulatory assets, and establishing new riders, initially set at
13 zero, such as a distribution decoupling rider, related to energy reductions from DP&L’s
14 energy efficiency programs.

15 **Q. Can you provide an overview of DP&L’s proposal for a Distribution Modernization**
16 **Rider (“DMR”)?**

17 A. Yes. As discussed in detail in the testimony of DP&L witness Jackson, the Commission
18 should approve a DMR for DP&L so that it can maintain its financial integrity and
19 continue to provide safe and stable service.

20 **Q. Can you explain why it is important that DP&L maintain its financial integrity?**

21 A. Yes. As explained in more detail in Company witness Jackson's testimony, without a
22 DMR, DP&L would (a) not have sufficient cash flows to meet its normal course

1 obligations, including but not limited to its operating expenses and planned capital
2 expenditures; (b) face a downgrade by credit rating agencies to below investment grade;
3 (c) be unable to pay down debt to appropriately capitalize the business; and (d) be unable
4 to provide a reasonable return to equityholders.

5 **Q. Will customers benefit from the DMR?**

6 A. Yes, customers rely upon DP&L to provide stable and safe transmission and distribution
7 service, and they would be adversely affected if DP&L could not do so. In addition, by
8 maintaining DP&L's investment grade rating, it will have access to less expensive debt,
9 which will benefit customers.

10 **III. OTHER SUPPORTING WITNESSES**

11 **Q. Please identify the witnesses who are filing supportive testimony and the areas that**
12 **each will cover.**

13 A. The following witnesses are submitting testimony in the following areas in support of the
14 Company's ESP:

<u>Witness</u>	<u>Topic</u>
Robert J. Adams	Distribution Investment Rider rate design; typical bill impacts
Eric R. Brown	Competitive bidding process; renewable energy in competitive bidding process; competitive bidding prices; Standard Offer Rate design
David J. Crusey	Projected market prices
Claire E. Hale	DMR rate design; Clean Energy Rider;
Kevin L. Hall	Distribution Investment Rider
Craig L. Jackson	DP&L's financial statements; DP&L's request for a DMR; cost of long-term debt; significantly excessive earnings test
Robert J. Lee	Competitive Bidding Plan
R. Jeffrey Malinak	Financial need of DPL Inc.; ESP v. MRO test
Nathan C. Parke	Overall rate plan; tariff changes; Reconciliation Rider; Distribution Decoupling Rider
Thomas A. Raga	Overview of case filing

1 **IV. CONCLUSION**

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

3 **A. Yes.**

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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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