

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

**DIRECT TESTIMONY OF
MICHAEL P. PELL
ON BEHALF OF
THE CITIZENS TO PROTECT DP&L JOBS**

Q. Please state your name for the record.

A. Michael P. Pell

Q. By whom are you employed?

A. I am President/CEO of First State Bank, 19230 State Route 136 in Winchester, Adams County, Ohio 45697.

Q. Are you a resident of Adams County?

A. I am a life-long resident of Adams County.

Q. Do you have any affiliation with The Citizens to Protect DP&L Jobs?

A. Yes I am a member and spokesperson of that association.

Q. What is The Citizens To Protect DP&L Jobs?

A. This is an unincorporated association whose members include business owners, property owners, taxpayers and residents in and around the Adams County area. The name registration was recently filed with the Ohio Secretary of State on February 15, 2017.

Q. What is the purpose of The Citizens To Protect DP&L Jobs?

A. The primary mission of the group is to protect and preserve local jobs that are directly and indirectly impacted by the Dayton Power & Light Company's proposed closing of the Stuart and Killen generating stations. Additionally, the group is working with local officials, residents and the business community in Adams County to protect and promote the existing local tax base, school districts, local infrastructure and the local economy from the adverse consequences of the proposed closing of these generating plants.

Q. Are you generally familiar with the Adams County business community, its local economy, the school districts and other community infrastructure?

A. Yes I am. In my position with First State Bank, I have close relationships with the Adams County business community and its residents and the local economy. I am also Executive Director of Leadership Adams. I have five children so I am familiar with the local school district.

Q. Can you describe in more detail the membership and the interests of The Citizens to Protect DP&L Jobs?

A. Yes. The membership is currently a core group of influential business and community leaders in Adams County who are extremely concerned with the threatened closing of the Stuart and Killen plants which have been a major employer in Adams County and the region for years and which constitute a major component of the property tax base in Adams County.

Members include property owners, business owners, taxpayers, residents and parents of school-aged children in Adams County. Members include retirees of DP&L, members of the Manchester Local School District Board of Education, members and managers of the Adams County Regional Water District, and the Superintendent of the Adams County Board of Development Disabilities.

Membership in the group has expanded quickly as word of the threatened closure of the plants has spread.

Q. What is the purpose of your testimony?

A. The purpose of this testimony is to present the position and concerns of The Citizens To Protect DP&L Jobs with respect to DP&L's threatened closure of the Stuart and Killen generating stations and the enormous adverse impact that closing will have on all facets of the Adams County community.

Q. When did you first learn that DP&L was threatening to close the Stuart and Killen plants?

A. Only very recently. Until a Stipulation was entered around January 30, 2017, DP&L was seeking PUCO approval of an Electric Security Plan which would have kept the Stuart and Killen plants operating until at least December, 2026. It was not until press releases were issued with the Stipulation that it was suggested that DP&L would close the Stuart and Killen plants.

Q. Have the Stuart and Killen stations played an important role in the Adams County community over the years?

A. Absolutely. For over 40 years, the Stuart and Killen generating stations have played an important role in the Adams County community. Adams County was an advantageous location for the two power plants, over 5000 acres of land bordering the Ohio River and providing a roadway for coal transportation and an abundant water supply. The plants were welcomed by the citizens of Adams County who provided a dedicated and skilled work force that kept these plants in operation 24 hours a day, seven days a week for years.

Q. Have generations of Adams County residents been employed at the plants?

A. Yes and I can say this based on personal knowledge as my father worked most of his DP&L career at the Stuart Generating Station from where he retired. Generations of Adams County residents worked at the plants and associated facilities.

Q. Please identify Exhibit A attached to your testimony.

A. This is a profile of the Adams County demographics prepared by the Ohio Office of Research. This public information gives information concerning the Adams County demographics, tax base, education and infrastructure. Adams County is a very rural

county and has a poverty rate of 25.3%, second only to Athens County with the State Average of 15.9%. Removing approximately \$44 million from the local economy will significantly impact this poverty rate.

Q. Based on your knowledge and experience in Adams County, what impact will closure of the plants have on the Adams County community?

A. There are direct consequences and indirect consequences that will cripple Adams County for years to come. These consequences impact not just Adams County residents, business owners and taxpayers, but the region and state as a whole. The cascading adverse consequences will create a huge vacuum in southern Ohio that will necessitate a major commitment from state, regional and federal agencies to correct.

Q. Give us some examples please.

A. First, DP&L directly or indirectly employs nearly 700 persons at the Stuart and Killen plants including 490 DP&L employees and 200 employees of contractors retained by DP&L to provide services at the plants. DP&L is Adams County largest employer and the lost annual payroll would approximate \$35 million annually. This employment base is a major component of the Adams County work force as Adams County is a rural county with only 28,000 residents. With such a small population, the adverse effects of the closure cannot be absorbed in the local economy.

Second, the two facilities generate approximately \$9,000,000 in annual property tax for Adams County and other political subdivisions, accounting for over 25% of the subdivisions' annual revenue of approximately \$31 million. The Manchester Local School District alone receives \$5,600,000 of that tax revenue. Adams County received

over \$750,000 in tax revenue from the facilities accounting for 32% of the County's general fund.

Third, the threatened closing would also damage the local economy and business. Lost local sales tax revenue would cause substantial harm to Adams County and the surrounding areas. The loss of jobs and local income will have cascading effects on all local business, will likely lead to local business failures, will impose financial hardships on families and will disrupt not only the local economy but the social fabric of the community as well.

Q. Does the Citizens Group have other concerns with the threatened closing?

A. Yes. The closing would impact not just the two generating stations but also over 5000 acres of land along the Ohio River, coal handling and transportation infrastructure, transmission lines and other infrastructure.

DP&L has not addressed the true full cost of closing these plants, including on-going maintenance, environmental clean-up and decommissioning. These plants should not be allowed to become "zombie plants", shuttered, rusting and decaying facilities with environmental consequences and potential contamination of soil and drinking water. Such blighted facilities will constitute a drag on future economic development and deepen the loss of tax revenues in Adams County.

Q. What action are you requesting that the PUCO take in this case?

A. We urge the PUCO to fully investigate and scrutinize DP&L's proposed shut down of these plants. Not long ago before the stipulation was entered with a few parties, DP&L was urging this Commission to adopt a rate stabilization rider which would have kept the

plants in operation for at least another ten (10) years to 2026. DP&L has offered no explanation as to why the sudden shift in its position.

The Commission should also fully investigate and scrutinize DP&L's unilateral shuttering of these plants without any effort undertaken to transfer the plants to another affiliate or third party or sell the plants to a competitive bidder. The Commission should consider the implications on Ohio ratepayers, Ohio taxpayers, Ohio businesses and state and federal agencies.

The Commission should also fully investigate and scrutinize the threatened closure on Ohio's coal fired generation and the impact on grid portfolio reliability not just in Ohio but throughout the region.

Finally, the Commission should require DP&L to fully address all the costs of plant closure including on-going maintenance, environmental compliance and decommissioning of the plants.

Ultimately, we urge this Commission to deny any request or action by DP&L to shut down the Stuart and Killen plants.

Q. Does this conclude your direct testimony?

A. Yes it does.

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Summary: Testimony Direct Testimony of Michael P. Pell on Behalf of The Citizens to Protect DP&L Jobs electronically filed by John F Stock on behalf of Citizens to Protect DP&L Jobs