BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In The Matter Of The Application Of The Dayton Power And Light Company To Establish A Standard Service Offer In The Form Of An Electric Security Plan.))))	CASE NO. 16-395-EL-SSO
In The Matter Of The Application Of The Dayton Power And Light Company For Approval Of Revised Tariffs.))))	CASE NO. 16-396-EL-ATA
In The Matter Of The Application Of The Dayton Power And Light Company For Approval Of Certain Accounting Authority.)))	CASE NO. 16-397-EL-AAM

SUPPLEMENTAL DIRECT TESTIMONY OF JOHN FINNIGAN ON BEHALF OF OHIO ENVIRONMENTAL COUNCIL AND ENVIRONMENTAL DEFENSE FUND

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1		I. INTRODUCTION
2	Q.	PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
3	A.	My name is John Finnigan and my address in 128 Winding Brook Lane, Terrace Park,
4		Ohio 45174.
5	Q.	ARE YOU THE SAME JOHN FINNIGAN WHO PREVIOUSLY FILED DIRECT
6		TESTIMONY IN THIS PROCEEDING?
7	A.	Yes.
8	Q.	WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?
9	A.	I recommend that the Commission reject the Amended Stipulation filed by The Dayton
10		Power and Light Company ("DP&L" or "Company") on March 14, 2017 (the
11		"Stipulation").
12	Q.	WHY DO YOU RECOMMEND THAT THE COMMISSION REJECT THE
13		STIPULATION?
14	A.	While the Stipulation reduces the amount of revenues that DP&L can collect under Rider
15		DMR, the Stipulation does not address the fundamental flaws that I discussed in my
16		direct testimony. The Stipulation still allows DP&L to collect transition revenues and
17		does not follow the Commission's policy for grid modernization riders. Moreover, under
18		DP&L's original proposal, a significant portion of the Rider DMR revenues would have
19		been used to pay for grid modernization. The Stipulation states that the Rider DMR
20		revenues can be used for either debt reduction or grid modernization, without specifying
21		how much can be spent for either one. So DP&L could choose to spend all of the
22		revenues on debt reduction, and not use any of the revenues for grid modernization. Per
23		Craig Jackson's original testimony, the Rider DMR revenues to be collected under the

Stipulation will be insufficient to protect DP&L's financial integrity, so now it does not
 appear that DP&L will use any of the Rider DMR revenues for grid modernization. In
 this respect, the Stipulation is worse than DP&L's original proposal.

- 4 Q. HAVE ANY CHANGES OCCURRED SINCE YOUR DIRECT TESTIMONY
 5 THAT YOU WOULD LIKE TO ADDRESS?
- 6 Yes. On March 8, 2017, the Commission announced its PowerForward initiative to A. 7 modernize the grid. The Commission should be applauded for launching this initiative. 8 This announcement makes an even more compelling case that the Commission should 9 require DP&L to file a business plan and cost/benefit study for grid modernization in this 10 docket. The plan should include distribution automation, voltage optimization, AMI 11 deployment, and customer and CRES provider access to customer energy usage data. 12 The Commission has already approved grid modernization plans for Duke Energy and 13 AEP, and FirstEnergy has filed a preliminary business plan for grid modernization, which 14 is awaiting Commission approval. The Commission should require DP&L to begin the 15 grid modernization process in this docket. Otherwise, DP&L's grid modernization 16 process could be delayed by a few years, to the disadvantage of its customers. 17 II. CONCLUSION 18 DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT TESTIMONY? 0. 19 Yes. A.

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been served upon the following

parties by electronic mail this 29th day March, 2017.

<u>/s/ Miranda Leppla</u> Miranda R. Leppla

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