

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :  
Public Hearing for Dayton :  
Power and Light Company : Case Nos. 15-1830-EL-AIR  
for an Increase in : 15-1831-EL-AAM  
Electric Distribution : 15-1832-EL-ATA  
Rates for Accounting :  
Authority and for Approval:  
of Revised Tariffs. :

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PROCEEDINGS

before Patricia A. Schabo, Hearing Examiner, at the  
Dayton City Council, Council Chambers, 101 West Third  
Street, Second Floor, Dayton, Ohio, called at 1:00  
p.m. on Tuesday, May 8, 2018.

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APPEARANCES:

Dayton Power and Light Company  
By Michael Schuler  
1065 Woodman Drive  
Dayton, Ohio 45402

Faruki, Ireland, Cox, Rhinehart & Dusing, PLL  
By Jeffrey S. Sharkey  
500 West Second Street  
Dayton, Ohio 45402

On behalf of the Dayton Power & Light  
Company.

Bruce E. Weston, Ohio Consumers' Counsel  
By Terry Etter  
Assistant Consumers' Counsel  
65 East State Street, 7th Floor  
Columbus, Ohio 43215

On behalf of the Residential Consumers of  
Dayton Power & Light Company.

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1 Tuesday Afternoon Session,  
2 May 8, 2018.

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4 THE EXAMINER: Good afternoon. Welcome.  
5 The Public Utilities Commission of Ohio is assigned  
6 for public hearing at this time and place in Case  
7 Nos. 15-1830-EL-AIR, 15-1831-EL-AAM and  
8 15-1832-EL-ATA being In the Matter of the Application  
9 of the Dayton Power and Light Company for an Increase  
10 in Electric Distribution Rates for Accounting  
11 Authority and for Approval of Revised Tariffs.

12 My name is Trish Schabo. I'm an  
13 Attorney-Examiner that has been assigned by the  
14 Public Utilities Commission of Ohio to preside over  
15 this hearing. To my left is Commissioner Johnson.  
16 Would you like to make any remarks?

17 COMMISSIONER JOHNSON: Well, I just want  
18 to say my name is Tom Johnson. I'm a Commissioner at  
19 the Public Utilities Commission, and I want to  
20 welcome each of you to be here and to participate in  
21 any way in this procedure. And it is something that,  
22 your testimony here, I will hear it but also it  
23 becomes part of the record and it's part of what the  
24 Commission looks at when they decide cases such as  
25 this. Again, it's a very important part of the

1 process, and I welcome all of you here.

2 THE EXAMINER: Thanks, Commissioner.  
3 With us is John Ryan and Ken Norris and Matt  
4 Schilling. Mr. Norris and Mr. Schilling are from the  
5 Public Affairs Department. Mike Cody is here from  
6 the Service Monitoring and Enforcement Department.

7 And these Commission Staff members are  
8 available to you if you have questions concerning  
9 utility matters, especially if it is one that is  
10 other than the focus of today's hearing.

11 At this time, I would like to take  
12 appearances on behalf of the parties beginning with  
13 the Company.

14 MR. SHARKEY: Thank you, your Honor, Jeff  
15 Sharkey from the law firm Faruki, Ireland, Cox,  
16 Rhinehart and Dusing. We represent the applicant,  
17 the Dayton Power and Light Company, and I have with  
18 me Mike Schuler who is Regulatory Counsel at DP&L.

19 THE EXAMINER: Thank you.

20 MR. SHARKEY: Thank you.

21 THE EXAMINER: There are numerous other  
22 parties that have intervened. Are there any other  
23 parties here that would like to make an appearance?

24 MR. ETTER: Yes, your Honor, on behalf of  
25 the Residential Utility Customers, the Office of the

Ohio Consumers' Counsel Bruce Weston, Consumers' Counsel; Terry Etter, Assistant Consumers' Counsel. We're at 65 East State Street, Columbus, Ohio, 43215. Also with me today is Molly McGuire from our Communications Department, and I'll be glad to answer any questions that anybody has.

THE EXAMINER: Thank you so much.

The subject of today's public hearing is the Dayton Power and Light Company's application for an increase in Electric Distribution Rates which is accompanied by an Application for Approval of Accounting Authority and a Revised Tariff. DP&L filed its application on November 30th, 2017. DP&L is requesting to increase its revenue requirement by \$65.8 million.

The Staff of the Public Utilities Commission filed its Report and Recommendation on May 12th, 2018. In its report, Staff recommends limiting the increase to a range of between 23.2- and \$28.1 million. It is worth noting that the Staff's report is just a recommendation. The final decision will ultimately be made by the Commission.

Local public hearings are scheduled in this case today and on Thursday and are only one aspect of the process. There's also an evidentiary

1 hearing scheduled to take place in the Commission's  
2 offices in Columbus. Notice of that evidentiary  
3 hearing was published in local papers to start on May  
4 the 14th, 2018.

5 Because that notice was published, we  
6 will open the record and address some preliminary  
7 issues at that time; however, just yesterday we did  
8 issue an entry continuing the more substantial part  
9 of that evidentiary hearing to June the 6th, 2018.  
10 Again, those are held in the Commission's offices in  
11 Columbus, Ohio. I did say June 6th hopefully.

12 Our purpose today is to receive comments  
13 from the public regarding DP&L's application. This  
14 afternoon is not a question and answer session,  
15 although representatives from the Company, from Ohio  
16 Consumers' Counsel and from Staff may be able to  
17 speak to any questions or concerns at the end of the  
18 hearing.

19 Today's hearing is being transcribed by a  
20 court reporter. Any testimony given will be  
21 incorporated into the official record in the case and  
22 it will be reviewed and considered by the Commission  
23 in making any final decision on the application.

24 If you do plan to testify, please speak  
25 clearly so that the court reporter can accurately

1 reflect your comments. Also, if you have a prepared  
2 written statement, it would be helpful if you can  
3 provide a copy of that to the court reporter. If you  
4 decide you do not wish to testify, you may submit any  
5 written comments under Case No. 15-1830-EL-AIR on the  
6 Public Utilities Commission website or by mail.

7 When you arrived, you were offered the  
8 opportunity to sign up to testify. After I finish  
9 babbling on here, I will begin calling the witnesses  
10 forward in the order that they have signed up.

11 Before you give your comments, I'll ask  
12 you to state your name and your address and then I  
13 will swear you in. After you testify, the parties  
14 and I will be committed to ask any clarifying  
15 questions about your statement. Should you decide  
16 you do not want to testify when I call your name, you  
17 can pass on to the next witness. And once you finish  
18 testifying or if you're here just to observe, feel  
19 free to leave at any time that you wish.

20 The Commission appreciates your  
21 participation in today's hearing, and we'll just  
22 begin calling the witnesses forward.

23 Charles Shank. Good afternoon. Would  
24 you state your name and your address.

25 MR. SHANK: Charles Shank, 1062



1 Hollowcreek Court, Miamisburg, Ohio.

2 (Witness placed under oath.)

3 - - -

4 CHARLES SHANK

5 being first duly sworn, as prescribed by law, was  
6 examined and testified as follows:

7 DIRECT TESTIMONY

8 MR. SHANK: I've been retired for six  
9 years. I am a retiree of DP&L, but I'm not here  
10 representing them. I am representing hopefully the  
11 people.

12 I'm like a lot of homeowners in the area,  
13 I live in Montgomery County, Miamisburg, Ohio. Part  
14 of everything is going to taxes. Our bills have  
15 doubled from 2- to \$500. Now they want to take and  
16 triple it. DP&L would like to triple the electric  
17 bill.

18 This has got to have an impact on  
19 development, the local economy. And there has to be  
20 some stop to this. I see, I have it in my notes and  
21 from knowledge, but storm recovery costs, they've  
22 been doing this for years and I've never seen where  
23 they ever stopped recouping their storm recovery  
24 costs from a storm.

25 I know the first storm that I was aware

1 of, it was 13 years ago in January. They've done  
2 several storms since then. That money never falls  
3 off as they get it back. They keep generating money.

4 This is where our electric bills go up.  
5 Mine has doubled. Nothing's changed. Same five  
6 people in the house -- well, not same five people,  
7 but outside of not five people but same house,  
8 nothing's changed, but my electric bill has doubled.  
9 I've done everything I can to conserve. So we need  
10 to do something.

11 DP&L never used to be a company that was  
12 out to line their pockets. They used to be a company  
13 that you could be proud of to work for and service  
14 the people. They are no longer that. They've cut  
15 their workforce so far back that they have to work  
16 their people over and over and over hours, and I was  
17 one of them. I got to where I couldn't take it  
18 anymore. My body wore out.

19 But their service is horrible. Even to  
20 call in, you can't pay a bill on the phone. They  
21 won't take it. They put you into automated pay, bill  
22 pay. So everywhere on here I see things about homes  
23 and businesses and stuff on here for recouping money,  
24 they're already recouping money because they're not  
25 spending money on those homes and businesses.

1           They have outages that go for days at  
2 times. They used to go for hours before. They don't  
3 even go into homes now for service. They don't have  
4 the qualified people. They hire contractors, pay  
5 premium price for them for what they could pay to  
6 train their own people for it.

7           They could cut their rate, the money that  
8 they're spending, but they don't. They want all  
9 their money up front to hold onto it and it's got  
10 worse and worse I'd say in the last 13 years of  
11 holding onto the money they want instead of being a  
12 service company that they used to be.

13           If you go down to Duke, Duke makes money  
14 but with most of these storms, they fill with their  
15 own people and they get their stuff done and then  
16 come to people like DP&L because they have enough  
17 people to do their work. DP&L doesn't. They don't  
18 have enough people to man a normal storm yet alone a  
19 big storm. They don't have qualified people just to  
20 go do normal, everyday meter reading, meter testing.

21           All this stuff that's in your service,  
22 home delivery, they don't have people for that. They  
23 don't have people that actually go into businesses  
24 anymore to check stuff. It's only what they have to  
25 do mandated by the PUCO.

1           Anyway, I'm just tired. Like I say, the  
2 storm bill and this kind of stuff, they don't need  
3 this. They've already got it. They should have to  
4 ask for it, not be given an open hand. I don't know  
5 how many of -- I know of at least three storms  
6 they're continuously collecting money. That's why  
7 our bills are going up and never drop. Anyway,  
8 that's what I've got to say.

9           THE EXAMINER: Thank you, Mr. Shank.

10           Rachael Belz. Good afternoon. Raise  
11 your right hand.

12           (Witness placed under oath.)

13                                 - - -

14                                 RACHAEL BELZ

15 being first duly sworn, as prescribed by law, was  
16 examined and testified as follows:

17                                 DIRECT TESTIMONY

18           THE EXAMINER: If you could state your  
19 name and your address before you begin, I'd  
20 appreciate it.

21           MS. BELZ: My name is Rachael Belz. Give  
22 my business address? This is a business this  
23 regards. It's Ohio Citizen Action, 2330 Victory  
24 Parkway, Cincinnati, Ohio, 45206.

25           THE EXAMINER: Thank you.

MS. BELZ: My name is Rachael Belz. I'm the Executive Director of Ohio Citizens Action. We're the premier grassroots mobilizing and organizing payment in the midwest with 32,000 members throughout Ohio. I'm here today representing our members in the Dayton Power and Light territory.

Since 2016, our organizers have been raising awareness among Dayton Power and Light customers about the utility's proposals -- a piece of the proposal to increase the fixed rate customer charge by 223 percent.

We've laid out our opposition to this increase based on the fact that it penalizes homeowners who have made efficiency and renewable upgrades. This disincentivizes investments in renewables and efficiencies, disproportionately harms low income and senior households and generally subsidizes or would subsidize DP&L's dirtiest and least competitive coal plant.

In addition, if approved, all customers would have to pay the increased \$114 per year for this increased fixed charge no matter who they've chosen as their energy supplier. Basically, if approved, anyone who receives a bill from Dayton Power and Light would have to pay this huge annual

1     increase.

2                   The feedback we've received from our  
3     field and phone contacts indicates thousands of  
4     members and DP&L customers agree with us. Many DP&L  
5     customers are on fixed incomes and retired. They  
6     should not be made to bear the burden for DP&L's bad  
7     business decisions.

8                   For decades, DP&L, like the other three  
9     major Ohio utilities have doubled down on coal  
10    investments while simultaneously avoiding upgrading  
11    their plants until forced to do so. Why aren't  
12    shareholders being asked to take on any of this  
13    burden? Why is DP&L yet again trying to reach into  
14    their own customers' pockets to pay for bad  
15    decisions?

16                  We've seen a request from all the  
17    utilities, including DP&L, both at the PUCO and the  
18    legislature. They've been fast and furious the last  
19    few years. Ohioans have long paid with our health  
20    and our treasure for reliance on coal for  
21    electricity. The economic burden of transitioning to  
22    renewable energy must not be disproportionately  
23    shouldered by the same people. Thank you for the  
24    opportunity to speak this afternoon.

25                  THE EXAMINER: Melissa English.

1 MS. ENGLISH: I've decided to reserve my  
2 comments to Thursday evening's hearing.

3 THE EXAMINER: Michael Roediger. Raise  
4 your right hand.

5 (Witness placed under oath.)

6 - - -

7 MICHAEL ROEDIGER  
8 being first duly sworn, as prescribed by law, was  
9 examined and testified as follows:

10 DIRECT TESTIMONY

11 MR. ROEDIGER: My name is Michael  
12 Roediger. I'm the Director and CEO of the Dayton Art  
13 Institute and the former Vice President of the  
14 Victoria Theater Association. I come today as not  
15 representing all of the arts but certainly  
16 representing the organization that I work for in  
17 support of DP&L for being good community citizens for  
18 my more than 25 years in the arts community.

19 We work closely with DP&L through funding  
20 and they've helped us with funding. That helps to  
21 bring children to the museum at subsidized or free  
22 rates. They also help us to bring exhibitions so  
23 that the community can be better off for the quality  
24 of life we provide and to engage and educate people  
25 through art. And Dayton is rich with a wonderful

1 arts community and certainly a beautiful art  
2 collection here in the Miami Valley.

3 They've also provided us with Board  
4 leadership and counsel over the years and most  
5 recently invested in the capital improvements to the  
6 historic Dayton Art Institute which we'll be  
7 celebrating our 100th anniversary in 2019 of our  
8 founding. They are helping us to prepare for that  
9 through the funding they've given to us.

10 So I'm here to say that I support DP&L  
11 and that they support their community by giving back  
12 and improving the quality of our lives right here in  
13 Dayton and the communities that they serve.

14 THE EXAMINER: Thank you.

15 Jeff Hoagland. Raise your right hand.

16 (Witness placed under oath.)

17 - - -

18 JEFF HOAGLAND

19 being first duly sworn, as prescribed by law, was  
20 examined and testified as follows:

21 DIRECT TESTIMONY

22 MR. HOAGLAND: Good afternoon. My name  
23 is Jeff Hoagland, President and CEO of Dayton  
24 Development Coalition, 40 North Main Street, Dayton,  
25 Ohio. Thank you for allowing me to speak a little



1 bit today on behalf of Dayton Power and Light in  
2 support of their rate increase.

3 The Dayton Development Coalition is the  
4 region's economic development organization serving a  
5 14-county region, and we've been working hand in hand  
6 with DP&L as an economic development partner since  
7 1994.

8 Some of our critical projects that we've  
9 worked together that they've been instrumental in our  
10 support, in the region's support was the Wright  
11 Patterson Air Force Base, specifically the BRAC of  
12 2005 where we were at around 16,000 employees. Today  
13 we're at over 27,500 employees, the state's largest  
14 single site employer.

15 Most recently, I think most people have  
16 heard of the Fuyao project where the GM plant sat  
17 idle. Fuyao came in and purchased it with the  
18 support of Dayton Power and Light. They are now over  
19 2,300 employees with a \$600 million investment.  
20 Other projects are CareSource, Mid Mark, GE, Emerson  
21 and many more in the region.

22 DP&L is one reason why the Dayton economy  
23 is so strong today. They've been a great community  
24 supporter. And once again, on behalf of the Dayton  
25 Development Coalition, this is something we support

1 so that we can move the Dayton economy well into the  
2 future. If I could submit my letter.

3 THE EXAMINER: Yes, if you would give it  
4 to the court reporter, please. Any questions? No?  
5 Thank you.

6 MR. HOAGLAND: Thank you very much.

7 THE EXAMINER: Joe Fulford. Raise your  
8 right hand.

9 (Witness placed under oath.)

10 - - -

11 JOE FULFORD

12 being first duly sworn, as prescribed by law, was  
13 examined and testified as follows:

14 DIRECT TESTIMONY

15 MR. FULFORD: My name is Joe Fulford. I  
16 reside at 219 Orchard Drive in Oakwood just down the  
17 road.

18 So I read with interest the latest Public  
19 Utility Commission's report dated yesterday on the  
20 long-term forecast and energy requirements from 2017  
21 to 2036. Its main points, the summer peak load,  
22 looks like it's going to be a flat trend up to 2036.  
23 The residential sector will steadily decline from  
24 52-and-a-half megawatt hours to about 51.6 megawatt  
25 hours in 2036.

1                   So what's this mean for DP&L revenues?

2       Well, it means that they're down.   So I recognize  
3       that DP&L has a problem.   Their revenues are going to  
4       be down because electricity is going to be down.

5                   I read with interest from the website,  
6       the PUCO website that DP&L has requested an increase  
7       from 4.5 to 13.73 per month.   It's a bit more than a  
8       300 percent increase.   And the Staff came back and  
9       said on March 12th of this year that perhaps only a  
10      rise to 7.88 would be more in line which is about a  
11      little less than twice what we currently pay.

12                  I was glad to hear the Commission's not  
13      bound by the Staff recommendations, and I hope it  
14      will perhaps consider some other ideas to keep DP&L  
15      healthy, while not harming its lower income  
16      customers.   If you went to the grocery for your  
17      monthly supply of breakfast cereal and the grocer  
18      said, "You're in luck, we're only going to charge you  
19      two times instead of three times as much for your  
20      cereal," I'm afraid I would still have a funny look  
21      on my face.

22                  The problem with fixed electricity  
23      charges has been the source of many papers.   A great  
24      one was written recently by Consumers Union.   They're  
25      the same people that give you Consumer Reports

1 magazine, kind of a nonpartisan outfit that gives  
2 non-biased studies, and I'll leave this paper with  
3 you to read.

4 But the problems with the Staff's  
5 recommendations to you, Commissioner Johnson, is that  
6 as was stated earlier, its disproportionate impact on  
7 lower income customers, low usage customers, that is,  
8 people that have invested in energy efficiency,  
9 energy star appliances, perhaps solar, efficient  
10 windows, those people are penalized because their  
11 payback period is going to go much longer.

12 As a customer, you have less control and  
13 you could use less electricity, but it's not going to  
14 help your bill that much. So, again, the authors of  
15 this study basically pointed out that this is not a  
16 good path. It's a common path.

17 DP&L may have approached the Staff or  
18 given the PUCO Staff some myths that they have heard  
19 from many other states, that fixed charges are needed  
20 to recover distribution costs. Well, much of the  
21 distribution system is sized to meet customer max  
22 demand. That's the maximum power consumed at any one  
23 time.

24 For customer classes without a demand  
25 charge, such as residential customers, utilities have

1 argued that these distribution costs should be  
2 recovered through a fixed charge. This would  
3 allocate the costs of distribution systems equally  
4 among residential customers instead of according to  
5 how much a customer uses.

6 Another myth is that they're necessary to  
7 mitigate the cost-shifting caused by distribution  
8 generation. Concerns about potential cost-shifting  
9 from rooftop solar, for instance, are often  
10 dramatically overstated.

11 While it's true that host distributed  
12 generation customers provides less revenue to DP&L  
13 than they did prior, it's also true that they provide  
14 them with a source of very low cost power. In eight  
15 different states, studies showed that the benefits  
16 outweighed the costs ranging from 9 to 1 to 113 to 1  
17 in Arizona. Again, I'll leave these details with  
18 you.

19 Utility Commissions in many states such  
20 as yourself have largely rejected utility proposals  
21 to increase the fixed charge citing a variety of  
22 reasons. Rate shock was number one. Potential to  
23 undermine state policy goals, number two.

24 In conclusion, the push to significantly  
25 increase the fixed charge has been largely rejected

1 by regulators across the country as unnecessary and  
 2 poor public policy. Nevertheless, utilities continue  
 3 to propose higher fixed charges, as any increase in  
 4 the fixed charge helps to protect the utility from  
 5 lower revenues associated with those flat curves I  
 6 mentioned at the beginning of my talk. These flat  
 7 curves are again due to energy efficiency or maybe  
 8 rooftop solar, for any reason.

9 But it appears that some utilities are  
 10 starting to understand that the fixed rate is the way  
 11 to go. And just back in 2015, many utilities were  
 12 starting to change their fixed charge approach to the  
 13 demand side.

14 Finally, I wanted to leave something as  
 15 far as alternative solutions. Again, I was happy to  
 16 read on your website something called Power Forward.  
 17 With Power Forward, there is a day two recap on rate  
 18 making and regulation. It's a wonderful read.

19 Their solutions have nothing to do with  
 20 fixed rate charges. They talk about time of use  
 21 residential rates, incentivizing plug-in electric  
 22 vehicles to bring demand back up ever so slightly.  
 23 It's not a new idea. Many utilities across the  
 24 nation are using electric vehicle incentives to help  
 25 bring revenues back up. And of course in the Miami

Valley, we have an ozone problem. So any way we can fix that is great. And EVs are coming, so it's best to get in front of that demand load.

Finally, there was a wonderful source, and again I'll leave you the reference here from the National Renewable Energy Laboratory, and they're incentivizing rooftop solar for low income households. These are folks that are in rental units. They're never going to get access to solar or any other kinds of ways to have a material impact on their bill, on their electric bill.

And so, again, the NREL folks said that policymakers, Commissioners, regulators need to consider how best to set regulations to mitigate the impacts of rising energy costs. So I'd like to leave this up with the reporter. That's all I have today for you.

THE EXAMINER: Thank you very much. Give your papers to the court reporter.

Matt Currie.

(Witness placed under oath.)

- - -

MATT CURRIE

being first duly sworn, as prescribed by law, was examined and testified as follows:

DIRECT TESTIMONY

MR. CURRIE: Matthew Currie, 130 West Second Street, Suite 700, Dayton, Ohio. I'm here to speak out against the DP&L's proposed rate increase and the PUCO Staff report. I'm an attorney with Advocates for Basic Legal Equality. We represent low income families and individuals in a variety of matters, and I'm going to speak about one of those today representing tenants in eviction actions and homeowners in foreclosure actions.

First, I thought it would be useful to give some data from the 2015 Dayton Kettering Consolidated Plan talking about cost burdens for renters and homeowners. A cost burden is when your gross housing costs including your utility costs exceed 30 percent of your gross income.

In the City of Dayton, the shared cost burden of owner occupied housing increased from 1990 to 2013 from 21 percent to 35 percent. So in 2013, 35 percent of homeowners in the City of Dayton were a cost burden.

For rental occupied housing units during that same time period, increase was from 48 percent to 61 percent. So 61 percent of renters today in the City of Dayton are a cost burden.



In the City of Kettering, also in the DP&L territory, the share of cost burdens went up as well. For owner occupied housing, the increase from 1990 to 2013 went from 13 percent to 27-and-a-half percent. So 27-and-a-half percent of the homeowners in the City of Kettering are a cost burden. For renters in Kettering, the increase was from 32 percent to 44 percent. So 44 percent of the renters in the City of Kettering are a cost burden.

There's also a category that Kettering and Dayton looked at called severe cost burdens, and this is when a household's housing costs, including utility costs exceeds 50 percent of your gross income.

For the City of Dayton, 22.6 percent of all households are considered to be a cost burden. That's 33 percent of rental occupied households and 11 percent of owner occupied households. In Kettering, 11.7 percent of households are considered severely a cost burden; 21 percent of rental occupied households and just under 7 percent of owner occupied households. Kind of importantly, the Consolidated Plan notes that these changes are driven by a combination of decreasing incomes and rising housing costs.

1           So back to the evictions, in the City of  
2 Dayton, there's approximately 2,700 evictions filed  
3 every year. The other courts in Montgomery County,  
4 you'll see approximately 3,000 additional eviction  
5 complaints filed. The majority of these evictions  
6 are filed for nonpayment, nonpayment of rent,  
7 nonpayment of utility bills.

8           Given the cost burden information we  
9 have, I believe there's a likelihood that you'll see  
10 the increasing fixed charge will have a positive  
11 correlation to renters being evicted and homeowners  
12 facing foreclosure actions.

13           I also note that even small charges,  
14 increases in charges are extremely difficult for low  
15 income families to weather. So whether it's \$13 or  
16 \$7 or \$4 increase, if you're living on a fixed  
17 income, if you're living paycheck to paycheck, if  
18 you're barely scraping by, these increases matter and  
19 have real consequences.

20           So I think also it's important to note  
21 that by placing more of the fixed main costs into the  
22 consumer charge and outside of volumetric charge, you  
23 will see a disproportionate impact on lower income  
24 households especially households that live in smaller  
25 units, multi-family renters, because these

1 individuals typically have lower consumption charges  
2 and will be essentially subsidizing the higher income  
3 households for their use.

4 Then finally, I wanted to make reference  
5 to the PIPP rule. It's not clear when looking at the  
6 Staff report or the application that the new PIPP  
7 rule is considered. PIPP rule is critical for low  
8 income families to maintain their service and to  
9 ensure that low income households do maintain  
10 electric service. That's all I have. Thank you.

11 THE EXAMINER: Thank you.

12 Philip Leppla.

13 (Witness placed under oath.)

14 - - -

15 PHILIP LEPLA

16 being first duly sworn, as prescribed by law, was  
17 examined and testified as follows:

18 DIRECT TESTIMONY

19 MR. P. LEPLA: My name is Philip Leppla.  
20 I live at 27 West McPherson Street, Dayton, Ohio,  
21 45045. This is important enough that I'm actually  
22 here today on my lunch break on my birthday, so --

23 THE EXAMINER: Happy birthday.

24 MR. P. LEPLA: -- I just want to kind of  
25 share my story and some investments that we've made

1 in our property. And this is going to have a pretty  
2 significant impact on that kind of thing.

3 My wife and I recently just put an  
4 8.24-kilowatt solar panel system on our roof. That's  
5 a \$22,000 investment. You know, we're a young  
6 professional couple that lives in downtown Dayton.  
7 We're trying to better our property. We're trying to  
8 do the right thing, but at the same time, we are  
9 trying to make sure that we offset our own costs.  
10 We've got student loans to pay, and these are  
11 significant things that people need to consider.

12 With this solar panel system that we  
13 installed, we're going to get at least 85 percent  
14 coverage of our usage for our electric bill. Could  
15 even be higher than that since we recently switched  
16 to all LED light bulbs.

17 We both drive plug-in electric vehicles.  
18 That is the future. Car companies understand that.  
19 This is going to have a significant impact for  
20 utility companies as well. Like I said, we're trying  
21 to do the right thing and buy and invest in solar  
22 like this.

23 It's important to think about the fact  
24 that we bought these panels from a small business  
25 that's based right up the street just outside

1 Columbus in London, Ohio, named Ohio Power Solutions.  
2 They're trying to make ends meet. They provide jobs,  
3 real jobs, very good paying jobs for these people.  
4 There were four different people who worked on our  
5 system alone.

6 By creating this fixed rate increase,  
7 it's going to hurt people who use less electricity  
8 because even before you even flip that switch on,  
9 you're getting hit with this rate. Not only does it  
10 hurt people who use less energy, it's going to hurt  
11 disproportionately lower income households exactly  
12 like the gentleman was talking about before me.

13 Essentially, to sum up, not only will  
14 this hurt those that use less electricity, it's going  
15 to discourage investment in solar, it's going to  
16 discourage investment in other energy efficient  
17 applications for people's households.

18 Every dollar -- nearly every dollar, I  
19 should say, that we've invested in that solar impacts  
20 the value of our home. As a result, home values with  
21 solar go up. So if we're discouraging this kind of  
22 thing, it could have a pretty significant impact.

23 With that being said, Duke and AEP have  
24 rejected these same type of increases in fixed rates.  
25 Simply put, I just want to encourage DP&L to look to

1 that example and try to find another way to go about  
2 this because this just could have a very detrimental  
3 impact to people like my wife and I but also to  
4 especially lower income households. Thank you.

5 THE EXAMINER: Thank you very much.

6 Gary Leppla.

7 MR. G. LEPPLA: Good afternoon. My name  
8 is Gary Leppla. I'm related to that guy that just  
9 spoke coincidentally. I live at 6780 Farmersville  
10 Pike in German Township in a very rural location  
11 within this county. My office, his office too, is at  
12 2100 South Patterson.

13 THE EXAMINER: Sir, could I swear you in.

14 MR. G. LEPPLA: I'm sorry. All that was  
15 true, though.

16 (Witness placed under oath.)

17 - - -

18 GARY LEPPLA

19 being first duly sworn, as prescribed by law, was  
20 examined and testified as follows:

21 DIRECT TESTIMONY

22 MR. G. LEPPLA: A switch from usage based  
23 charges to fixed billing is contrary to everything I  
24 think we're trying to accomplish hopefully as a  
25 matter of public policy. It's a disincentive to

1 energy efficiency.

2 On a personal level, again, I live in a  
3 rural area, we invested in geothermal when we built  
4 our house a quarter of a century ago. It saved us a  
5 lot of energy usage and it was a good gamble and it  
6 was a good incentive and it worked out.

7 Additionally, this year we invested over  
8 \$40,000 in solar on our home. It's a good gamble we  
9 hope. It's the right thing to do. It reduces energy  
10 consumption. Already we see evidence that we're  
11 generating more than we're using. And what a great  
12 thing. So it's the right thing to do.

13 We don't use air conditioning much. It's  
14 the right thing not to use it we believe. We reduce  
15 our consumption, we save energy. And I think these  
16 personal issues are what matter when you look at this  
17 increase.

18 Professionally, we have clients. We have  
19 a client who built a zero net energy house in  
20 West Milton. He clearly generates more than he uses.  
21 He uses progressive construction methods, solar, all  
22 kinds of energy efficient approaches that are over my  
23 head, but he was recognized by the Office of  
24 Environmental Council for that kind of work. He's  
25 building another one in Union now.

1           People that look at those homes and buy  
2 those homes need to understand that our public policy  
3 and our incentives all support that. Insulation,  
4 solar, construction techniques, we need to  
5 incentivize all of that.

6           I agree with many comments made that this  
7 has a disproportional impact on folks trying to save  
8 money by watching their expenses. Low energy users  
9 are disproportionately impacted. They lose that  
10 opportunity on the fixed charge to save money. So  
11 that impacts the poor. There are fees before you  
12 even flip on a switch, before you even make a  
13 decision to use an air conditioner.

14           I'm glad they subsidize the arts. So do  
15 we directly by choice. Our office historically  
16 supports public radio, the Victoria Theater  
17 Association, Dayton history and the Dayton Art  
18 Institute. We don't charge higher legal fees so that  
19 we can do that. We do that because it's the right  
20 thing to do. We want to support the arts, but we  
21 want to do it by our choice, not because we pay more  
22 for our energy.

23           Fixed charges are needed because they  
24 incentivize -- I'm sorry, fixed charges are not  
25 needed because they don't increase efficiency of



1 energy uses. They don't incentivize property.

2 Are we trying to get greener? We have to  
3 support that approach. We have to incentivize that.  
4 And we can't have public policies and approvals that  
5 disincentivize, even if it's to a small degree, but  
6 that's the appearance for this rate increase request,  
7 that it's undermining our legitimate public policy  
8 goals to incentivize energy savings. Thank you.  
9 Appreciate the opportunity.

10 THE EXAMINER: That is the end of my list  
11 of people who put their names down to testify. Is  
12 there anyone now that did not sign up but who would  
13 like to make a public comment? Ma'am.

14 (Witness placed under oath.)

15 - - -

16 LEIGH ANN FULFORD

17 being first duly sworn, as prescribed by law, was  
18 examined and testified as follows:

19 DIRECT TESTIMONY

20 MRS. FULFORD: I'm Leigh Ann Fulford, and  
21 I'm married to Jeff Fulford. We do have solar  
22 panels. I just want to say real quickly, DP&L buys  
23 power from us. We had four negative bills last year.  
24 And when they buy the power from us, they buy it at  
25 half the cost of what we buy power from them.

1           So we're saving them money, solar, and we  
2   need to be incentivized to continue to do that and  
3   encourage our neighbors. So just wanted to point  
4   that out. That's all.

5           THE EXAMINER: Thank you. Anyone else?

6           We'll go off the record for five, ten  
7   minutes. At that time, we'll see if anybody else has  
8   appeared who would like to give testimony. If no one  
9   else at that time would like to give testimony, then  
10   we'll wrap things up, but for now we'll go off the  
11   record until 2:00 o'clock.

12           (Recess taken.)

13           THE EXAMINER: We're going to go back on  
14   the record. It's now 2:00 o'clock and just, again,  
15   open the podium to anyone here that would like to  
16   give public testimony.

17           All right. Seeing no one waving their  
18   hand, I would like to thank everyone for coming out  
19   today. The Commission will consider everything that  
20   was said. And if you wish to submit any further  
21   comments, you can always do so by submitting a public  
22   comment by either mailing it to the Public Utilities  
23   Commission or going to the website. Just be sure to  
24   mark it with the Case No. 15-1880-EL-AIR. And also,  
25   there is a second public hearing on Thursday evening

1 here at 6:00 p.m. We are adjourned. Thank you very  
2 much everybody.

3 (The public hearing was concluded at 2:03  
4 p.m.)

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CERTIFICATE

I do hereby certify that the foregoing is  
a true and correct transcript of the proceedings  
taken by me in this matter on Tuesday, May 8, 2018,  
and carefully compared with my original stenographic  
notes.

*Cynthia L. Cunningham*  
Cynthia L. Cunningham

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Summary: Transcript In the Matter of the Public Hearing for Dayton Power and Light Company for an Increase in Electric Distribution Rates for Accounting Authority and for Approval of Revised Tariffs, hearing held on May 8th, 2018. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Cunningham, Cindy