

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY

CASE NO. 16-0224-EL-FAC

TESTIMONY OF
JESSICA E. KELLIE

IN SUPPORT OF THE STIPULATION
AND RECOMMENDATION

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

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Jessica E. Kellie. My business address is 1065 Woodman Drive, Dayton, Ohio 45432.

Q. By whom and in what capacity are you employed?

A. I am employed by The Dayton Power and Light Company ("DP&L" or "Dayton" or the "Company") as a Program Manager in the Regulatory Operations department.

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

A. I received a Bachelor of Science degree in Business Administration with a dual major in Accounting and Finance from the Wright State University in 2009. I have been employed by DP&L since 2008.

Q. What are your responsibilities in your current position and to whom do you report?

A. In my current position, I am responsible for assisting in the development, analysis, revision, and administration of the Company's tariff schedules, rate designs, and policies. I am responsible for evaluating regulatory and legislative initiatives, and commission orders that impact the Company's retail and wholesale rates and overall regulatory operations. I report to the Senior Manager of Regulatory Operations.

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

3 **A. Yes. I have sponsored testimony before the PUCO in the Company's Fuel Rider Case**
4 **Nos. 14-117-EL-FAC and 15-42-EL-FAC and in the Company's Unique Arrangement**
5 **Case No. 14-1217-EL-AEC.**

6 **Q. What is your involvement with the Fuel Rider and the Alternative Energy Rider**
7 **(AER) specifically?**

8 **A. I was responsible for designing, tracking, and ensuring cost recovery of the Fuel Rider.**
9 **I am responsible for designing, tracking, and ensuring cost recovery of the AER. I am**
10 **one of the liaisons for the Company to the Auditors and Commission Staff regarding**
11 **both riders. I was a negotiator for the Company during settlement discussions.**

12 **II. PURPOSE OF TESTIMONY**

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

14 **A. The purpose of this testimony is to support the Stipulation and Recommendation**
15 **("Stipulation") filed in this matter on January 11, 2018, because it is the product of**
16 **serious negotiations among knowledgeable parties, benefits customers and the public**
17 **interest, and does not violate any important regulatory principle or practice.**

18 **III. THE STIPULATION AND RECOMMENDATION**

19 **Q. Are you familiar with the Stipulation in this case?**

1 A. Yes. I was one of the negotiators for DP&L in the settlement negotiations.

2 **Q. Can you describe the principal terms of the Stipulation?**

3 A. Yes. The Stipulation fully resolves the recommendations made in the
4 Management/Performance and Financial Audit of the Fuel Adjustment Clause and the
5 Alternative Energy Rider of The Dayton Power and Light Company filed on August 23,
6 2016 in this proceeding (Audit Report). The Stipulation provides a credit of
7 approximately one-hundred and six thousand dollars to retail customers and is fair to
8 both the Company and customers. From the Company's perspective, this settlement the
9 reduces the administrative costs and time burdens of further litigation. From a customer
10 perspective, if the Company were to prevail on the issues at hearing, there would be no
11 credit. Additionally, litigation expense related to the additional work performed by the
12 Auditor would be charged to customers. Therefore, it is in both the Company and
13 customer's best interests to resolve this proceeding without additional administrative
14 expense.

15 **IV. THE COMMISSION'S CRITERIA FOR EVALUATING**
16 **STIPULATIONS**

17 **Q. What criteria does the Commission use to decide whether to approve a Stipulation**
18 **and Recommendation?**

19 A. The Commission has in the past applied, and should use in considering this Stipulation,
20 the following three regulatory principles or criteria: First, is the Stipulation a product of
21 serious bargaining among capable, knowledgeable parties? Second, taken as a package,

1 does the Stipulation benefit ratepayers and the public interest? Third, does the
2 Stipulation violate any important regulatory principle or practice?

3 **Q. Does this Stipulation meet those criteria used by the Commission to evaluate and**
4 **approve a Stipulation and Recommendation?**

5 A. Yes, this Stipulation does meet the criteria applied by the Commission in past
6 proceedings.

7 **A. The Stipulation is the Product of Serious Bargaining**
8 **among Knowledgeable Parties**

9 **Q. For the first criterion or principle, was the Stipulation the product of serious**
10 **bargaining among capable, knowledgeable parties?**

11 A. Yes. No party has moved to intervene in this proceeding. In negotiations leading to the
12 Stipulation, DP&L and Staff were represented by experienced, knowledgeable counsel,
13 who have appeared before the Commission in numerous other proceedings, and are
14 experienced negotiators and are knowledgeable about the subject matter at issue. The
15 Signatory Parties have participated in numerous proceedings before the Commission,
16 are knowledgeable in regulatory matters and represent a broad range of interests.
17 Therefore, the Stipulation represents a product of serious bargaining among capable,
18 knowledgeable parties.

19 **Q. Did all parties have an opportunity to participate in the negotiations?**

20 A. Yes. The Audit Report was filed in a public docket, any interested party wishing to
21 intervene could do so.

B. The Stipulation Benefits the Public Interest

Q. Turning to the second criterion or principle, can you describe the benefits of the Stipulation to ratepayers and the public interest?

A. Yes. The Stipulation benefits DP&L customers and the public interest. As already mentioned, the Stipulation addresses all the recommendations contained in the Audit Report. Among other benefits, the Stipulation provides a credit to the Standard Offer Rate to resolve issues.

C. The Stipulation Does Not Violate any Important Regulatory Principle

Q. With respect to the third criterion or principle, does the Stipulation violate any important regulatory principle or practice?

A. No. The Stipulation does not violate any important regulatory principle or practice.

V. CONCLUSION AND RECOMMENDATION

Q. What is your recommendation with respect to the Stipulation?

A. I recommend that the Commission approve it in its entirety and without modification.

Q. Does this conclude your testimony in support of the Stipulation?

A. Yes, it does.

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Summary: Testimony in Support of the Stipulation and Recommendation electronically filed by Mrs. Jessica E Kellie on behalf of The Dayton Power and Light Company