

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The Dayton Power and Light Company for Approval of Its Plan to Modernize Its Distribution Grid	:	Case No. 18-1875-EL-GRD
	:	
In the Matter of the Application of The Dayton Power and Light Company for Approval of a Limited Waiver of Ohio Adm. Code 4901:1-18-06(A)(2)	:	Case No. 18-1876-EL-WVR
	:	
In the Matter of the Application of The Dayton Power and Light Company for Approval of Certain Accounting Methods	:	Case No. 18-1877-EL-AAM
	:	
In the Matter of the Application of The Dayton Power and Light Company for a Finding That Its Current Electric Security Plan Passes the Significantly Excessive Earnings Test and More Favorable in the Aggregate Test in R.C. 4928.143(E)	:	Case No. 20-0680-EL-UNC
	:	
In the Matter of the Application of The Dayton Power and Light Company for Administration of the Significantly Excessive Earnings Test Under R.C. 4928.143(F) and Ohio Adm.Code 4901:1-35-10 for 2018	:	Case No. 19-1121-EL-UNC
	:	
In the Matter of the Application of The Dayton Power and Light Company for Administration of the Significantly Excessive Earnings Test Under R.C. 4928.143(F) and Ohio Adm.Code 4901:1-35-10 for 2019	:	Case No. 20-1041-EL-UNC
	:	

TESTIMONY IN SUPPORT OF THE STIPULATION

OF

**JOSEPH P. BUCKLEY
RATES AND ANALYSIS DEPARTMENT
ACCOUNTING AND FINANCE DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO**

STAFF EXHIBIT __

January 4, 2021

1 Name and Employer

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

3 A. My name is Joseph P. Buckley. My business address is 180 E. Broad
4 Street, Columbus, Ohio 43215.

5

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

7 A. I am employed by the Public Utilities Commission of Ohio (PUCO or
8 Commission), as a Utility Specialist III.

9

10 Academic Background and Professional Experience

11 3. Q. Please briefly describe your educational and professional background.

12 A. I received a Bachelor of Science degree in Economics from the Ohio State
13 University and a Master of Business Administration degree from the
14 University of Dayton.

15

16 4. Q. Please describe your work experience and professional training.

17 A. I have been employed by the PUCO since 1987. Since that time I have
18 progressed through various positions and was promoted in 2000 to my
19 current position. In addition, I have worked on several joint Federal
20 Communications Commission (FCC) and National Association of
21 Regulatory Utility Commissioners (NARUC) projects and audits, and
22 served on the Midwest Independent Transmission System Operator's (now

1 Midcontinent Independent System Operator, Inc.) Finance Committee as
2 Vice-Chairman and Chairman. Also, in 2011, I was awarded the
3 professional designation Certified Rate of Return Analyst (CRRRA) by the
4 Society of Utility and Regulatory Financial Analysts. This designation is
5 awarded based upon experience and successful completion of a written
6 examination.

7 In 2000, I earned the Certified in Financial Management (CFM)
8 designation, awarded by the Institute of Management Accountants. Also, I
9 attended The Annual Regulatory Studies Program sponsored by NARUC
10 and The Training for Utility Management Analyst also sponsored by
11 NARUC.

12
13 5. Q. Have you testified in previous cases at the PUCO?

14 A. Yes. I have testified in numerous cases before the PUCO.

15
16 Purpose of Testimony

17 6 Q. What is the purpose of your testimony?

18 A. On October 23, 2020, the Dayton Power and Light Company (DP&L or the
19 Company) filed a stipulation and recommendation (Stipulation) executed
20 by the Company, Staff, and 19 intervening parties that purports to resolve
21 all issues raised in the Smart Grid Case, the 2018 Significantly Excessive

1 Earnings Test (SEET) Case, the 2019 SEET Case, and the Quadrennial
2 Review Case.¹

3
4 Staff submits this testimony regarding the narrowly-focused issue regarding
5 how the SEET test should be conducted in light of the Supreme Court of
6 Ohio’s recent decision in *In re Ohio Edison*.²

7
8 Applicable Guidelines

9 7. Q. What sections of the Ohio Revised Code guides the evaluation of
10 Significant Excessive Earnings for DP&L and other Ohio Electric
11 Distribution Utilities (EDUs)?

12 A. R.C 4928.143(E) and R.C. 4928.143(F) guide the evaluation of SEET
13 when an EDU is under an electric security plan (ESP). R.C. 4928.143(F)
14 states that “with regard to the provisions that are included in an electric
15 security plan under this section, the commission shall consider, following
16 the end of each annual period of the plan, if any such adjustments resulted
17 in excessive earnings as measured by whether the earned return on common
18 equity of the electric distribution utility is significantly in excess of the

¹ *In the Matter of the Application of The Dayton Power and Light Company for Approval of Its Plan to Modernize Its Distribution Grid*, Case Nos. 18-1875-EL-GRD, et. al. (Stipulation and Recommendation) (October 23, 2020).

² *In re Determination of Existence of Significantly Excessive Earnings for 2017 Under the Elec. Sec. Plan for Ohio Edison Co.*, Slip Opinion No. 2020-Ohio-5450.

1 return on common equity that was earned during the same period by
2 publicly traded companies, including utilities, that face comparable
3 business and financial risk, with such adjustments for capital structure as
4 may be appropriate. In making its determination of significantly excessive
5 earnings under this division, the commission shall, for affiliated Ohio
6 electric distribution utilities that operate under a joint electric security plan,
7 use the total of the utilities' earned return on common equity.
8 *Consideration also shall be given to the capital requirements of future*
9 *committed investments in this state.”* (Emphasis added).

10
11 8. Q. What are some additional factors, besides the earned return on equity
12 (ROE) calculations discussed above, that the Commission considers in
13 evaluating what is significantly excessive?

14 A. The Commission considers certain factors, such as, “the electric utility's
15 most recently authorized ROE, the electric utility's risk, including the
16 following: whether the electric utility owns generation; whether the ESP
17 includes a fuel and purchased power adjustment or other similar
18 adjustments; the rate design and the extent to which the electric utility
19 remains subject to weather and economic risk; capital commitments and
20 future capital requirements; indicators of management performance and
21 benchmarks to other utilities; and innovation and industry leadership with
22 respect to meeting industry challenges to maintain and improve the

1 competitiveness of Ohio’s economy, including research and development
2 expenditures/investments in advanced technology, and innovative practices;
3 and the extent to which the electric utility has advanced state policy.”³
4

5 9. Q. Is there an established SEET threshold for 2018 and 2019?

6 A. From November 1, 2017 through December 18, 2019, DP&L operated
7 pursuant to an approved ESP plan, which was initially filed on March 13,
8 2017 (ESP 3). On November 21, 2019, the PUCO issued a supplemental
9 order modifying ESP 3, and as a result DP&L filed a Notice of Withdrawal
10 of its ESP 3 Application and requested to revert to the ESP rates that were
11 in effect prior to ESP 3, the ESP 1 Rates. The Notice of Withdrawal was
12 approved by the PUCO on December 18, 2019. Under the ESP 1, a SEET
13 threshold was not established
14

15 DP&L 2018 and 2019 Earnings

16 10. Q. Using information that DP&L provided in 2018 (Case No.19-1121-EL-
17 UNC) and 2019 (Case No. 20-1041-EL-UNC) as part of its SEET filings,
18 what would be the calculated ROEs?

³ *In the Matter of the Investigation into the Development of the Significantly Excessive Earnings Test Pursuant to Amended Senate Bill 221 for Electric Utilities*, Case No. 09-786-EL-UNC, (Opinion and Order) (June 30, 2010) at page 29.

1 A. Listed below are the ROEs for the 2018 and 2019 SEET filings with the
2 DMR included in net income and no other exclusions or adjustments.

	2018	2019
Net Income	\$86,695	\$125,042
DMR	\$82,570	\$70,596
Average Equity	\$387,883	\$459,324
ROE	22.35%	27.22%

3 11. Q. Does Staff agree with DP&L’s calculation of the SEET ROE?

4 A. No. As permitted in Section 4828.143(E) of the Revised Code, and stated in
5 the Staff Report in Case No. 15-1830-EL-AIR, issued on March 3, 2018,
6 Staff would have adopted the same hypothetical capital structure used in
7 the previous rate case of 52.48 percent debt and 47.52 percent equity. That
8 would have changed the average equity and the ROEs as detailed below.

Capital Structure from Rate Case

	2018	2019
Net Income	\$86,695	\$125,042
DMR	\$82,570	\$70,596
Average Equity ⁴	\$532,875	\$552,107

⁴ See Staff Attachment #3

ROE 16.27% 22.65%

1 12. Q. How does Staff evaluate earnings for the other electric distribution
2 companies in Ohio?

3 A. Staff uses adjusted financial information of the companies that make up the
4 SPDR Select Sector Fund – Utility (XLU) (Comparable Group) and then
5 applies an adder, which is the standard deviation of the average ROEs of
6 the Comparable Group multiplied by 1.64 (using a 95 percent confidence
7 threshold). The sum of the average ROE of the Comparable Group when
8 combined with the adder results in the earnings threshold

9
10 13. Q. Why did Staff use the components of XLU as its comparable group?

11 A. XLU is the most widely traded utility electronically traded fund (ETF) and
12 the components are selected by an independent third party that is not
13 involved in this proceeding. This independence removes any bias in
14 selecting the comparable group. That is one reason Staff would advocate
15 having an independent party selecting the comparable companies.

16
17 In addition, Staff believes the use of XLU not only removes bias from the
18 selection of the comparable group, but that it also fosters use of a simple
19 and transparent process that produces consistent reasonable results. Having

1 more parties understand the process will allow greater participation in the
2 review. Finally, the Commission used this approach in multiple previous
3 SEET cases to determine the comparable ROE.

4
5 14. Q. Why did Staff adopt the standard deviation approach in establishing the
6 adder to the ROE?

7 A. In previous SEET cases (Case No.11-4571-EL-UNC and Case No. 11-
8 4572-EL-UNC), the Commission used this approach in establishing the
9 adder to the XLU comparable group ROE.

10
11 15. Q. If this methodology is utilized what would be the subsequent refund?

12 A. It would lead to a refund of approximately \$3.7 million in 2018 and \$57.4
13 million in 2019, as detailed below:

Case No. 19-1121-EL-UNC

Calculation of Refund for DP&L Customers 2018 (000)

	Staff Threshold
(1) SEET - Adjusted Net Income	\$86,695
(2) SEET - Adjusted Average Equity	\$532,875
(3) SEET - Earned ROE (1/2)	16.27%

(4) SEET - Staff ROE Threshold ⁵	15.73%
(5) Allowed Income at the ROE Threshold (2*4)	\$83,821
(6) Excessive Net Income (1-5)	\$2,874
(7) Tax Gross Up Factor	1.28
(8) Pre Tax Revenue (6*7)	\$3,678

Case No. 20-1041-EL-UNC

Calculation of Refund for DP&L customers 2019	(000)
	Staff Threshold
(1) SEET - Adjusted Net Income	\$125,042
(2) SEET - Adjusted Average Equity	\$552,107
(3) SEET - Earned ROE (1/2)	22.65%
(4) SEET - Staff ROE Threshold ⁶	14.53%
(5) Allowed Income at the ROE Threshold (2*4)	\$80,221
(6) Excessive Net Income (1-5)	\$44,821
(7) Tax Gross Up Factor	1.28

⁵ See Staff Attachment 1

⁶ See Staff Attachment 2

(8) Pre Tax Revenue (6*7)

\$57,371

1 16. Q. As stated in the Commission's June 30, 2010 order in Case No. 09-786-EL-
2 UNC, shown above, the Commission will give due consideration to capital
3 commitments and future capital requirements among other things. Have
4 DP&L or AES (DP&L's parent) made any capital commitments that Staff
5 believes should be given special consideration?

6 A. Yes, as outlined in the AES SEC 10-K report, DP&L is projecting to spend
7 an estimated \$621 million on capital projects from 2020 through 2022.
8 DP&L expects to finance this construction with a combination of cash on
9 hand, short-term financing, long-term debt and cash flows from operations.
10 In December 2018, DP&L filed a Distribution Modernization Plan with the
11 PUCO proposing to invest \$576 million in capital projects over the next 20
12 years, which includes leveraging technologies to modernize and improve
13 the sustainability of the grid, and enhancing customer experience and
14 security, as well as to allow DP&L to leverage and integrate distributed
15 energy resources into its grid, including community solar, energy storage,
16 microgrids and electric vehicle charging infrastructure.

17
18 The AES Corporation provided a capital contribution of \$150 million to
19 DP&L on June 26, 2020 to enable DP&L to improve its infrastructure and
20 modernize its grid while maintaining liquidity. In addition, as more fully
21 described in DP&L's June 17, 2020 8-K filing, AES has provided a

1 statement of intent to contribute an additional \$150 million to DPL or
2 DP&L in 2021 to enable smart grid investment.

3
4 17. Q. Did the Staff make any additional adjustments to DP&L's net income or
5 equity?

6 A. Staff did not make any additional adjustments. Staff will typically use
7 Moody's or S&P adjusted financial statements in calculating ROEs. For
8 any additional modifications Staff will wait for the Commission through its
9 orders to instruct Staff to make alterations. This is to increase transparency
10 and remove bias in removing items suggested by the company or
11 intervening parties.

12
13 18. Q. What is Staff's recommendation?

14 A. Based on the AES Corporation's commitment to provide a capital
15 contribution of \$300 million to DP&L to improve its infrastructure and
16 modernize its grid, Staff believes that DP&L has made a substantial
17 commitment to invest in Ohio. The investment exceeds what would be
18 customary to maintain its system and therefore Staff believes that DP&L
19 has satisfied the criteria of the SEET test and recommends that no refund is
20 appropriate at this time.

21
22 19. Q. Does this conclude your testimony?

1 A. Yes it does. However, I reserve the right to submit supplemental testimony
2 as described herein, as new information subsequently becomes available or
3 in response to positions taken by other parties.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the **Testimony of Joseph P. Buckley in Support of the Stipulation** has been served upon the below-named counsel via electronic mail, this 4th day of January, 2021.

/s/ Steven L. Beeler

Steven L. Beeler

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Staff's Calculation of SEET Threshold for 2018

Staff Attachment #1

Moody's ID	Name	2018 Net Income As Reported	2018 Net Income As Adjusted	2018 Equity As Reported	2018 Equity As Adjusted	2017 Equity As Reported	2017 Equity As Adjusted	Average Equity As Reported	Average Equity As Adjusted	ROE As Reported	ROE As Adjusted
mdy_id-600008559	AES Corporation	\$ 1,203,000,000	\$ 881,900,000	\$ 4,087,000,000	\$ 3,688,000,000	\$ 3,302,000,000	\$ 2,783,500,000	\$ 3,694,500,000	\$ 3,235,750,000	37.18%	27.25%
mdy_id-600040267	Alliant Energy Corp	\$ 522,300,000	\$ 419,512,000	\$ 4,785,700,000	\$ 4,522,682,000	\$ 4,382,200,000	\$ 4,131,912,500	\$ 4,583,950,000	\$ 4,327,297,250	12.07%	9.69%
mdy_id-600041243	Ameren Corporation	\$ 815,000,000	\$ 481,940,000	\$ 7,631,000,000	\$ 7,561,000,000	\$ 7,184,000,000	\$ 7,124,000,000	\$ 7,407,500,000	\$ 7,342,500,000	11.10%	6.56%
mdy_id-40000	American Electric Power Company Inc.	\$ 1,923,800,000	\$ 1,678,584,000	\$ 19,137,200,000	\$ 18,898,556,000	\$ 18,298,900,000	\$ 18,119,281,000	\$ 18,718,050,000	\$ 18,508,918,500	10.39%	9.07%
mdy_id-820490307	American Water Works Company Inc.	\$ 567,000,000	\$ 492,196,000	\$ 5,864,000,000	\$ 5,855,000,000	\$ 5,385,000,000	\$ 5,381,000,000	\$ 5,624,500,000	\$ 5,618,000,000	10.09%	8.76%
mdy_id-600008901	CMS Energy Corporation	\$ 657,000,000	\$ 483,396,000	\$ 4,755,000,000	\$ 4,661,000,000	\$ 4,441,000,000	\$ 4,380,000,000	\$ 4,598,000,000	\$ 4,520,500,000	14.53%	10.69%
mdy_id-600046600	Consolidated Edison Inc.	\$ 1,382,000,000	\$ 589,670,000	\$ 16,726,000,000	\$ 16,541,000,000	\$ 15,418,000,000	\$ 15,276,000,000	\$ 16,072,000,000	\$ 15,908,500,000	8.69%	3.71%
mdy_id-243115	Dominion Energy Inc	\$ 2,447,000,000	\$ 1,605,478,800	\$ 20,107,000,000	\$ 21,104,040,000	\$ 17,142,000,000	\$ 18,064,810,000	\$ 18,624,500,000	\$ 19,584,425,000	12.49%	8.20%
mdy_id-600020607	DTE Energy Company	\$ 1,120,000,000	\$ 852,496,250	\$ 10,237,000,000	\$ 10,437,750,000	\$ 9,512,000,000	\$ 9,688,000,000	\$ 9,874,500,000	\$ 10,062,875,000	11.13%	8.47%
mdy_id-809360313	Duke Energy Corporation	\$ 2,666,000,000	\$ 2,280,619,500	\$ 43,817,000,000	\$ 43,632,506,000	\$ 41,739,000,000	\$ 41,500,840,000	\$ 42,778,000,000	\$ 42,566,673,000	6.26%	5.36%
mdy_id-600035657	Edison International	\$ (302,000,000)	\$ 1,546,140,000	\$ 12,652,000,000	\$ 11,373,740,000	\$ 13,885,000,000	\$ 12,687,500,000	\$ 13,268,500,000	\$ 12,030,620,000	-2.51%	12.85%
mdy_id-494500	Entergy Corporation	\$ 862,555,000	\$ 1,071,388,070	\$ 9,063,707,000	\$ 8,650,739,540	\$ 8,190,318,000	\$ 7,823,406,150	\$ 8,627,012,500	\$ 8,237,072,845	10.47%	13.01%
mdy_id-552500	Eversource Energy	\$ 1,040,519,000	\$ 794,812,500	\$ 11,642,387,000	\$ 11,503,902,000	\$ 11,241,812,000	\$ 11,121,427,000	\$ 11,442,099,500	\$ 11,312,664,500	9.20%	7.03%
mdy_id-600055789	Exelon Corporation	\$ 2,010,000,000	\$ 741,052,500	\$ 30,764,000,000	\$ 30,769,500,000	\$ 29,896,000,000	\$ 29,860,800,000	\$ 30,330,000,000	\$ 30,315,150,000	6.63%	2.44%
mdy_id-600041596	FirstEnergy Corp.	\$ 1,348,000,000	\$ 893,728,000	\$ 6,814,000,000	\$ 6,680,000,000	\$ 3,925,000,000	\$ 3,785,000,000	\$ 5,369,500,000	\$ 5,232,500,000	25.76%	17.08%
mdy_id-276230	NextEra Energy Inc.	\$ 6,638,000,000	\$ 3,103,241,600	\$ 34,144,000,000	\$ 34,602,252,000	\$ 28,236,000,000	\$ 28,645,900,000	\$ 31,190,000,000	\$ 31,624,076,000	20.99%	9.81%
mdy_id-404200	NiSource Inc	\$ (50,600,000)	\$ 440,943,000	\$ 5,750,900,000	\$ 5,242,400,000	\$ 4,320,100,000	\$ 4,248,600,000	\$ 5,035,500,000	\$ 4,745,500,000	-1.07%	9.29%
mdy_id-609400	Pinnacle West Capital Corporation	\$ 511,047,000	\$ 209,996,884	\$ 5,222,915,000	\$ 5,164,916,274	\$ 5,006,690,000	\$ 4,955,617,744	\$ 5,114,802,500	\$ 5,060,267,009	10.10%	4.15%
mdy_id-600038414	PPL Corporation	\$ 1,827,000,000	\$ 1,128,590,000	\$ 11,657,000,000	\$ 11,658,500,000	\$ 10,761,000,000	\$ 10,765,500,000	\$ 11,209,000,000	\$ 11,212,000,000	16.30%	10.07%
mdy_id-444900	Public Service Enterprise Group Inc	\$ 1,438,000,000	\$ 893,950,000	\$ 14,377,000,000	\$ 14,216,675,000	\$ 13,847,000,000	\$ 13,658,850,000	\$ 14,112,000,000	\$ 13,937,762,500	10.32%	6.41%
mdy_id-600046021	Sempra Energy	\$ 1,050,000,000	\$ 1,228,540,000	\$ 17,158,000,000	\$ 16,873,840,000	\$ 12,690,000,000	\$ 12,489,800,000	\$ 14,924,000,000	\$ 14,681,820,000	7.15%	8.37%
mdy_id-694000	Southern Company	\$ 2,226,000,000	\$ 1,009,380,250	\$ 24,723,000,000	\$ 26,047,000,000	\$ 24,167,000,000	\$ 25,525,500,000	\$ 24,445,000,000	\$ 25,786,250,000	8.63%	3.91%
mdy_id-827125	WEC Energy Group Inc	\$ 1,060,500,000	\$ 1,062,523,373	\$ 9,819,300,000	\$ 10,034,208,803	\$ 9,491,800,000	\$ 9,794,868,900	\$ 9,655,550,000	\$ 9,914,538,851	10.70%	10.72%
mdy_id-600054932	Xcel Energy Inc.	\$ 1,261,000,000	\$ 1,018,902,000	\$ 12,222,000,000	\$ 12,008,048,000	\$ 11,455,000,000	\$ 11,270,235,000	\$ 11,838,500,000	\$ 11,639,141,500	10.83%	8.75%
Total		\$ 34,223,121,000	\$ 24,908,980,727	\$ 343,157,109,000	\$ 341,727,255,616	\$ 313,916,820,000	\$ 313,082,348,294	\$ 328,536,964,500	\$ 327,404,801,955	10.45%	7.61%

Standard Deviation	7.75%	4.95%
95% Confidence	1.64	1.64
Adder	12.71	8.12
2018 SEET Threshold	23.16%	15.73%

Staff's Calculation of SEET Threshold for 2019

Staff Attachment #2

Symbol	Company Name	Index Weight	S&P Adjusted Net Income	S&P Adjusted Common Equity 2018	S&P Adjusted Common Equity 2019	Average Common Equity	ROE
NEE	NextEra Energy Inc	14.47%	3,769.0	34,144.0	37,005.0	35,575	10.59%
D	Dominion Energy Inc	8.11%	1,341.0	20,107.0	29,607.0	24,857	5.39%
DUK	Duke Energy Corp	7.87%	3,694.0	43,817.0	44,860.0	44,339	8.33%
SO	Southern Co	7.26%	4,739.0	24,723.0	27,505.0	26,114	18.15%
AEP	American Electric Power	5.10%	1,921.1	19,028.4	19,632.2	19,330	9.94%
EXC	Exelon Corp	4.49%	2,936.0	27,410.0	32,224.0	29,817	9.85%
SRE	Sempra Energy	4.31%	1,692.0	14,880.0	17,671.0	16,276	10.40%
XEL	Xcel Energy Inc	4.21%	1,372.0	12,222.0	13,239.0	12,731	10.78%
WEC	WEC Energy Group Inc	3.77%	1,134.0	9,788.9	10,113.4	9,951	11.40%
ED	Consolidated Edison Inc	3.54%	1,343.0	16,726.0	18,022.0	17,374	7.73%
ES	Eversource Energy	3.54%	909.1	11,486.8	12,630.0	12,058	7.54%
PEG	Public Service Enterprise Grp	3.27%	1,693.0	14,377.0	15,089.0	14,733	11.49%
FE	FirstEnergy Corp	3.00%	900.0	6,814.0	6,975.0	6,895	13.05%
AWK	American Water Works Co Inc	2.85%	621.0	5,864.0	6,121.0	5,993	10.36%
EIX	Edison Intl	2.68%	1,284.0	10,459.0	13,303.0	11,881	10.81%
PPL	PPL Corp	2.42%	1,745.0	11,657.0	12,991.0	12,324	14.16%
DTE	DTE Energy Co	2.41%	1,167.0	10,237.0	11,672.0	10,955	10.65%
ETR	Entergy Corp	2.39%	1,241.2	8,844.3	10,223.7	9,534	13.02%
AEE	Ameren Corp	2.25%	828.0	7,631.0	8,059.0	7,845	10.55%
CMS	CMS Energy Corp	2.09%	680.0	4,755.0	5,018.0	4,887	13.92%
EVRG	Evergy Inc.	1.68%	669.9	10,028.2	8,571.9	9,300	7.20%
ATO	Atmos Energy Corp	1.52%	532.0	5,750.0	6,128.0	5,939	8.96%
LNT	Alliant Energy Corp	1.50%	557.2	4,585.7	5,205.1	4,895	11.38%
NI	Nisource Inc	1.19%	328.0	4,870.9	5,106.7	4,989	6.57%
PNW	Pinnacle West Capital (AZ)	1.07%	538.3	5,222.9	5,430.7	5,327	10.11%
AES	AES Corp	1.05%	302.0	3,208.0	2,996.0	3,102	9.74%
CNP	Centerpoint Energy Inc	0.99%	674.0	6,318.0	6,619.0	6,469	10.42%
*NRG	NRG Energy	0.97%					
	Total		38,611	354,955	392,018	373,486	10.34%

Holdings and weightings as of 6:46 PM ET 04/20/2020

*NRG Energy was removed from the calculation due to having a negative balance for Common Equity in 2018

Standard Deviation	2.56%
95% Confidence	1.64
Adder	4.19%
2019 SEET Threshold	14.53%

Staff's Adjustment Calculations to DP&L's Equity

Staff Attachment #3

Line #	Value Description	Value (\$000)	Source
1	Debt (%)	52.48%	<i>Case No. 15-1830-EL-AIR O&O adopting Stipulation</i>
2	Equity (%)	47.52%	<i>Case No. 15-1830-EL-AIR O&O adopting Stipulation</i>
3	2017 DP&L Debt and Equity Capital	\$ 1,123,722	<i>S&P Debt and Equity (Capital), Adj., Staff Attachment #4</i>
4	2018 DP&L Debt and Equity Capital	\$ 1,119,016	<i>S&P Debt and Equity (Capital), Adj., Staff Attachment #4</i>
5	2019 DP&L Debt and Equity Capital	\$ 1,204,666	<i>S&P Debt and Equity (Capital), Adj., Staff Attachment #4</i>
6	2017 DP&L Calculated Equity	\$ 533,993	<i>Line 3 * 2</i>
7	2018 DP&L Calculated Equity	\$ 531,757	<i>Line 4 * 2</i>
8	2019 DP&L Calculated Equity	\$ 572,457	<i>Line 5 * 2</i>
9	2018 Average Equity	\$ 532,875	<i>Average of Lines 6 + 7</i>
10	2019 Average Equity	\$ 552,107	<i>Average of Lines 7 + 8</i>


The Dayton Power and Light Company > CreditStats Direct® > Capital Structure

In Millions of the reported currency.

Template:	Adjusted	Restatement:	Latest Filings
Period Type:	Annual	Order:	Latest on Right
Currency:	Reported Currency	Conversion:	Historical
Units:	S&P Capital IQ (Default)	Decimals:	Capital IQ (Default)

Capital Structure							
For the Fiscal Period Ending	Most Recent 3 Yrs. Unweighted Avg.	12 months Dec-31-2014	12 months Dec-31-2015	12 months Dec-31-2016	12 months Dec-31-2017	12 months Dec-31-2018	12 months Dec-31-2019
Currency	USD	USD	USD	USD	USD	USD	USD
Adjustment Status	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed
Minority Interest							
+ Preferred Stock, Adj.	0	13.7	13.7	0	0	0	0
+ Common Stock, Adj.	416.47	1,143.4	1,212.7	362.3	330.7	445.3	473.4
Equity, Adj.	416.47	1,157.1	1,226.4	362.3	330.7	445.3	473.4
Debt, Adj.	732.67	963.93	903.23	983.91	793.02	673.72	731.27
Debt and Equity (Capital), Adj.	1,149.13	2,121.03	2,129.63	1,346.21	1,123.72	1,119.02	1,204.67
Avg. Adj. Capital For Return on Capital	1,172.73	2,128.93	2,125.33	1,737.92	1,234.97	1,121.37	1,161.84
Equity, Adj.	416.47	1,157.1	1,226.4	362.3	330.7	445.3	473.4
- Intangibles & Other Long-Term Assets	(198.43)	(203.8)	(207.7)	(240.6)	(192.9)	(190.8)	(211.6)
Tangible Net Worth, Adj.	218.03	953.3	1,018.7	121.7	137.8	254.5	261.8
Last Update Date	NA	Mar-26-2015	Mar-30-2016	Oct-16-2018	Oct-16-2018	Feb-28-2019	Mar-11-2020

Company Last Updated: Mar-11-2020 3:51:30 AM EST.

S&P Credit Ratings and Research provided by 

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Case No(s). 18-1875-EL-GRD, 18-1876-EL-WVR, 18-1877-EL-AAM, 20-0680-EL-UNC, 19-1121-EL-UNC

Summary: Testimony in Support of the Stipulation of Joseph P. Buckley Rates and Analysis
Department Accounting and Finance Division Public Utilities Commission of Ohio
electronically filed by Mrs. Kimberly M Naeder on behalf of PUCO