

OCC EXHIBIT NO. _____

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The)
Dayton Power and Light Company for an)
Increase in its Electric Distribution Rates.) Case No. 20-1651-EL-AIR

In the Matter of the Application of The)
Dayton Power and Light Company for)
Accounting Authority.) Case No. 20-1652-EL-AAM

In the Matter of the Application of The)
Dayton Power and Light Company for)
Approval of Revised Tariffs.) Case No. 20-1653-EL-ATA

**DIRECT TESTIMONY
OF
WM. ROSS WILLIS**

On Behalf of
The Office of the Ohio Consumers' Counsel
65 East State Street, 7th Floor
Columbus, Ohio 43215

August 25, 2021

TABLE OF CONTENTS

| | PAGE |
|--------------------------------|-------------|
| I. INTRODUCTION | 1 |
| II. PURPOSE OF TESTIMONY | 3 |
| III. RATE BASE..... | 6 |
| IV. OPERATING INCOME | 10 |
| V. CONCLUSION..... | 12 |

ATTACHMENTS:

WRW Attachment A
WRW Schedules
WRW Attachment B
WRW Attachment C
WRW Attachment D
WRW Attachment E
WRW Attachment F

*Direct Testimony of Wm. Ross Willis
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 20-1651-EL-AIR, et al.*

1 **I. INTRODUCTION**

2

3 ***Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.***

4 ***A1.*** My name is Wm. Ross Willis. My business address is 65 East State Street,
5 Columbus, Ohio 43215.

6

7 ***Q2. BY WHOM ARE YOU EMPLOYED?***

8 ***A2.*** I am employed by the Office of the Ohio Consumers' Counsel ("OCC").

9

10 ***Q3. WHAT IS YOUR CURRENT POSITION WITH THE OCC AND WHAT ARE***
11 ***YOUR DUTIES?***

12 ***A3.*** I am a Senior Regulatory Analyst and Electric Industry Team Leader within the
13 Department of Analytical Services. My duties include performing analysis of
14 impacts on the utility bills of residential consumers with respect to regulated
15 utility filings before the Public Utilities Commission of Ohio ("PUCO"), and
16 PUCO-initiated investigations. I examine utility financial and asset records to
17 determine operating income, rate base, and the revenue requirement, on behalf of
18 residential consumers.

19

20 ***Q4. WOULD YOU BRIEFLY STATE YOUR EDUCATIONAL BACKGROUND?***

21 ***A4.*** I earned a Bachelor of Business Administration Degree that included a major in
22 finance and a minor in management from Ohio University in December 1983. In

*Direct Testimony of Wm. Ross Willis
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 20-1651-EL-AIR, et al.*

1 November 1986, I attended the Academy of Military Science and received a
2 commission in the Air National Guard. I have also attended various seminars and
3 rate case training programs sponsored by the PUCO and the National Association
4 of Regulatory Utility Commissioners ("NARUC").

5

6 ***Q5. PLEASE OUTLINE YOUR WORK EXPERIENCE.***

7 ***A5.*** I joined the PUCO in February 1984 as a Utility Examiner in the Utilities
8 Department. I held several technical and managerial positions with the PUCO
9 over my 30-plus year career. I retired from the PUCO on December 1, 2014. My
10 most recent position with the PUCO was Chief, Rates Division within the Rates
11 and Analysis Department. In that position, my duties included developing,
12 organizing, and directing PUCO Staff during rate case investigations and other
13 financial audits of public utility companies subject to its jurisdiction. The
14 determination of revenue requirements in connection with rate case investigations
15 was under my purview. I joined the OCC in October 2015.

16

17 My military career spans 27 honorable years of service with the Ohio National
18 Guard. I earned the rank of Lieutenant Colonel, and I am a veteran of the war in
19 Afghanistan. I retired from the Air National Guard in March 2006.

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PUCO Case No. 20-1651-EL-AIR, et al.*

1 ***Q6. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUCO?***

2 ***A6.*** Yes, WRW Attachment A has a list of cases in which I presented testimony
3 before the PUCO.

4
5 ***II. PURPOSE OF TESTIMONY***

6
7 ***Q7. WHAT IS THE PURPOSE OF YOUR TESTIMONY?***

8 ***A7.*** The purpose of my testimony is to support OCC objections Nos. 1, 4, 5, 6, 7, 8,
9 10, 11 to the July 26, 2021, the PUCO Staff Report of Investigation (“Staff
10 Report”). The Staff Report was issued in response to Dayton Power and Light
11 Company’s (“DP&L” or “Utility”) request (“Application”) to increase rates to
12 customers by \$119,634,391.¹
13
14 I will address OCC objections related to operating income and rate base, as well
15 as OCC’s objection regarding enforcement of the “rate freeze” from DP&L’s first
16 electric security plan (“ESP I”). I will also support the overall revenue
17 requirement recommended by OCC, which reflects the rate of return being
18 sponsored by OCC witness Christopher Walters and vegetation management
19 sponsored by OCC witness James Williams. Specifically, my testimony supports
20 OCC rate base objections related to incentive compensation, capitalized storm
21 costs and depreciation reserve. I will also support OCC operating income

¹ November 30, 2020, DP&L Application for an Increase in Distribution Rates.

*Direct Testimony of Wm. Ross Willis
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 20-1651-EL-AIR, et al.*

1 objections related to trade association dues and memberships, depreciation
2 expense, revenue, and travel and entertainment expenses.

3

4 ***Q8. WHAT IS THE LEVEL OF REVENUE INCREASE TO DP&L CONSUMERS***
5 ***RECOMMENDED BY THE STAFF REPORT?***

6 ***A8.*** The Staff Report recommends a revenue increase to DP&L consumers. The lower
7 bound increase that the PUCO Staff recommends is \$61,115,418 and the upper
8 bound increase is \$66,665,151.²

9

10 ***Q9. DO YOU RECOMMEND A REVENUE INCREASE FOR DP&L***
11 ***CONSUMERS?***

12 ***A9.*** No. OCC recommends rates to DP&L consumers be frozen at the current levels as
13 supported in OCC's August 5, 2021, Motion to Dismiss DP&L's Application for
14 a Rate Increase.

15

16 As explained in the Motion to Dismiss³, in late 2019, DP&L unilaterally decided
17 to withdraw its third electric security plan ("ESP III") and revert to its first
18 electric security plan ("ESP I").⁴ In DP&L's ESP I case, OCC, DP&L, and others

² July 26, 2021, Staff Report of Investigation Case No. 20-1651-EL-AIR, et al.

³ August 5, 2021, Motion to Dismiss DP&L's Application for Rate Increase.

⁴ See *In re Application of the Dayton Power & Light Co. for Approval of its Elec. Sec. Plan*, Case No. 08-1094-EL-SSO, Second Finding & Order (December 18, 2019).

Direct Testimony of Wm. Ross Willis
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 20-1651-EL-AIR, et al.

1 reached a settlement, and part of that settlement was an agreement that DP&L's
2 base rates would be frozen for the duration of ESP I.⁵

3

4 When DP&L reverted to ESP I in late 2019, the PUCO allowed DP&L to begin
5 charging consumers, for the third time, more than \$75 million per year under its
6 so-called "Rate Stabilization Charge" or "RSC." OCC opposed (and continues to
7 oppose) the Rate Stabilization Charge as an unlawful charge to consumers. But if
8 the PUCO is going to allow DP&L to continue to charge consumers under the
9 Rate Stabilization Charge because it was included in the ESP I settlement, then
10 the PUCO should also enforce the other terms of the ESP I settlement, including
11 the distribution rate freeze. It would be unjust and unreasonable for DP&L to
12 benefit from charging consumers millions for the Rate Stabilization Charge but to
13 simultaneously allow DP&L to avoid its commitment to a distribution rate freeze.

14

15 If the PUCO denies OCC's Motion to Dismiss, however, OCC stands by its
16 objections to the PUCO Staff Report of Investigation (Staff Report) filed on July
17 26, 2021.

⁵ *Id.*, Stipulation & Recommendation at 10 (February 24, 2009); Opinion & Order at 5, 9 (June 24, 2009).

1 ***Q10. IF THE PUCO DENIES OCC'S MOTION TO DISMISS, WHAT IS OCC'S***
2 ***RECOMMENDED REVENUE INCREASE TO DP&L CONSUMERS?***

3 ***A10.*** OCC recommends a revenue increase of approximately \$43.3 million. See WRW
4 Schedules. The PUCO Staff recommends a revenue increase range between
5 approximately \$61.1 million to approximately \$66.6 million. OCC's
6 recommendation is based on the rate base, operating income, rate of return, and
7 vegetation management objections to the Staff Report.

8
9 **III. RATE BASE**

10
11 ***Q11. WOULD YOU PLEASE EXPLAIN YOUR OBJECTION TO CHARGING***
12 ***CONSUMERS FOR EARNINGS-BASED INCENTIVE COMPENSATION***
13 ***THAT DP&L HAS INCLUDED IN ITS RATE BASE?***

14 ***A11.*** Yes. In the Staff Report, the PUCO Staff recommended that starting with the
15 PUCO's Opinion and Order in this case and going forward, that DP&L exclude
16 from base rates all capitalized earnings-based incentive compensation.⁶ It appears,
17 however, that the Staff did not exclude any such capitalized earnings-based
18 incentive compensation from rate base in this case.⁷ If this is not removed from
19 rate base, then consumers will be paying for shareholder costs charged to rate
20 base, which would be unjust and unreasonable.

⁶ July 26, 2021, Staff Report of Investigation at 10.

⁷ *Id* at 10.

*Direct Testimony of Wm. Ross Willis
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 20-1651-EL-AIR, et al.*

1 ***Q12. WERE YOU ABLE TO DETERMINE THE AMOUNT OF CAPITALIZED***
2 ***EARNING-BASED INCENTIVE COMPENSATION INCLUDED IN RATE***
3 ***BASE THAT DP&L CONSUMERS PAY FOR?***

4 ***A12.*** No. I can determine only some cash bonus' that were part of capitalized storm
5 costs that I will address in my next objection. I attempted through discovery to
6 obtain the information necessary to determine the amount of earning-based
7 capitalized incentive compensation in rate base since the date certain (September
8 30, 2015) in the last rate case (Case No. 15-1830-EL-AIR), but DP&L was either
9 unwilling or unable to provide it. Attached to my testimony is WRW Attachment
10 B pages 1-6 that includes the non-responsive discovery.

11
12 ***Q13. DOES DP&L HAVE FINANCIAL INCENTIVES FOR ITS OWN***
13 ***EMPLOYEES?***

14 ***A13.*** Yes. DP&L has both short-term and long-term incentive compensation plans that
15 includes cash bonuses, stock-based awards, and restricted stock awards.⁸

16
17 ***Q14. WHAT IS YOUR RECOMMENDATION TO THE PUCO REGARDING***
18 ***CONSUMERS PAYING FOR CAPITALIZED INCENTIVES INCLUDED IN***
19 ***RATE BASE?***

20 ***A14.*** I recommend the PUCO require DP&L to identify the amount of earning-based
21 capitalized incentive compensation for its employees included in rate base since

⁸ OCC INT-2-30, OCC RPD 2-2 Attachment 1, OCC RPD 2-2 Attachment 2, OCC RDP 2-2 Attachment 3.

Direct Testimony of Wm. Ross Willis
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 20-1651-EL-AIR, et al.

1 the date certain in the last rate case and exclude it from the revenue requirement.
2 DP&L has capitalized approximately \$156 million since the last rate case and
3 should be required to identify the total amount of financial incentives it is asking
4 consumers to pay for.⁹ Based on PUCO precedent, financial incentive
5 compensation is not necessary in the provision of electric service to consumers
6 and, if awarded to employees, should be paid for by shareholders, not consumers.
7

8 ***Q15. WHAT IS THE PUCO'S PRECEDENT REGARDING CHARGING***
9 ***CONSUMERS FOR FINANCIAL INCENTIVES?***

10 ***A15.*** In its Opinion and Order in Case Numbers 17-38-EL-RDR and 18-230-EL-RDR,
11 the PUCO concluded that, “the Commission has previously addressed the issue of
12 incentive compensation in a number of rate cases and rider proceedings. In these
13 prior cases, the Commission has concluded that, to the extent that a public utility
14 awards financial incentives to its employees for achieving financial goals,
15 shareholders are the primary beneficiary and, therefore, that portion of the
16 incentive compensation should not be collected from consumers. In re Duke
17 Energy Ohio, Inc., Case No. 18-397-EL-RDR, Finding and Order (July 31, 2019)
18 at ¶ 17; In re Duke Energy Ohio, Inc., Case No. 16-664-EL-RDR, Finding and
19 Order (May 15, 2019) at ¶ 16; In re Duke Energy Ohio, Inc., Case No. 15- 534-
20 EL-RDR, Opinion and Order (Oct. 26, 2016) at ¶¶ 20, 44; In re Ohio American
21 Water Co., Case No. 09-391-WS-AIR, Opinion and Order (May 5, 2010) at 20-

⁹ Schedule B-1 line 17 \$983,656,278 less June 18, 2018, Settlement Exhibit 2 B-1 line 17 in Case No 15-1830-EL-AIR of \$827,575,284.

Direct Testimony of Wm. Ross Willis
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 20-1651-EL-AIR, et al.

1 22, Entry on Rehearing (June 23, 2010) at 11-12; In re Ohio Edison Co., The
2 Cleveland Electric Illuminating Co., and The Toledo Edison Co., Case No. 07-
3 551-EL-AIR, et al., Opinion and Order (Jan. 21, 2009) at 17, Entry on Rehearing
4 (Feb. 2, 2011) at 4-5.”¹⁰

5

6 ***Q16. PLEASE EXPLAIN YOUR OBJECTION RELATED TO WHETHER***
7 ***CONSUMERS SHOULD PAY FOR CAPITALIZED STORM COSTS.***

8 ***A16.*** The PUCO Staff Report failed to address capitalized storm cost that are either
9 inappropriate for collection from consumers altogether or inappropriate for
10 inclusion in rate base. Since date certain in the last rate case, DP&L recorded 19
11 major storms and booked to plant in service \$28.9 million in storm costs. OCC
12 recommends an adjustment of \$16.8 million to remove administrative and general
13 overheads, operation and maintenance expenses, cash bonuses, meals, picnics and
14 parties, travel, and office supplies that do not qualify for rate base, rate of return
15 recovery.

16

17 Capitalized costs such as cash bonuses and picnics and parties should be excluded
18 from the revenue requirement altogether as they are not necessary in the provision
19 of electric service to consumers and should be paid for by shareholders, not
20 consumers. The other items identified above would be more appropriate for
21 recovery in the Storm Cost Rider (if at all) as an operating expense and not

¹⁰ June 17, 2020, Opinion and Order at 28, Case Nos. 17-38-EL-RDR, 18-230-EL-RDR.

*Direct Testimony of Wm. Ross Willis
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 20-1651-EL-AIR, et al.*

1 included in rate base and collected through a return on and return of capital.
2 WRW Attachment C provides a summary of my plant in service adjustment by
3 storm date.
4

5 ***Q17. DO DEPRECIATION RESERVE AND DEPRECIATION EXPENSE ALSO***
6 ***NEED TO BE ADJUSTED AS A RESULT OF THE CAPITALIZED STORM***
7 ***COSTS YOU RECOMMEND EXCLUDING FROM CONSUMERS' RATES?***

8 ***A17.*** Yes. Depreciation reserve and depreciation expense will need to be adjusted. I
9 will discuss the depreciation expense adjustment in the operating income section
10 of my testimony. Depreciation reserve should be reduced by (\$485,717) resulting
11 from the plant in service adjustment to exclude the capitalized storm costs I
12 recommended. WRW Attachment D provides a summary of my depreciation
13 reserve adjustment for the exclusion of certain capitalized storm costs.
14 Depreciation reserve will also need to be further reduced once the capitalized
15 incentives are identified and removed from plant-in-service.
16

17 **IV. OPERATING INCOME**
18

19 ***Q18. PLEASE EXPLAIN YOUR OBJECTION TO CHARGING CONSUMERS***
20 ***FOR TRADE ASSOCIATION DUES AND MEMBERSHIPS.***

21 ***A18.*** Included in the PUCO Staff's adjustment to test year expenses on Schedule C-
22 3.27, the PUCO Staff excluded \$14,535 associated with trade association dues

*Direct Testimony of Wm. Ross Willis
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PUCO Case No. 20-1651-EL-AIR, et al.*

1 and memberships from test year expenses. The PUCO Staff indicated that
2 consumers should not be required to pay for them, and recovery in rates is
3 inappropriate¹¹. Additionally, the PUCO Staff Report has identified a portion of
4 the Edison Electric Institute (EEI) dues attributable to lobbying expense.¹²

5
6 While OCC agrees with the PUCO Staff's rationale for excluding these expenses,
7 the PUCO Staff did not go far enough. OCC recommends reducing test year
8 operating expenses by \$241,572, as the DP&L has failed to meet its burden of
9 proof that these expenses are ordinary and necessary in the provision of electric
10 service to consumers. WRW Attachment E provides a summary of my dues and
11 memberships adjustment.

12

13 ***Q19. WOULD YOU PLEASE EXPLAIN YOUR RELATED ADJUSTMENT TO***
14 ***DEPRECIATION EXPENSE?***

15 ***A19.*** Yes. The PUCO Staff Report failed to recommend an adjustment to depreciation
16 expense related to the plant-in service capitalized storm costs or incentive
17 compensation. OCC recommends an adjustment to reduce depreciation expense
18 by (\$218,428) associated with the capitalized storm cost adjustment discussed in
19 the rate base section of my testimony. Depreciation expense will need to be
20 further reduced once capitalized incentive compensation are identified and

¹¹ Staff Report at 19.

¹² *Id.*

*Direct Testimony of Wm. Ross Willis
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 20-1651-EL-AIR, et al.*

1 removed from plant-in-service. WRW Attachment F provides a summary of my
2 depreciation expense adjustment.

3

4 ***Q20. DO YOU AGREE WITH THE PUCO STAFF'S ADJUSTMENT TO REDUCE***
5 ***OPERATING INCOME BY (\$5,019,523) RELATED TO TEST YEAR***
6 ***REVENUES?***

7 ***A20.*** No. This adjustment is unreasonable because it is without substantive explanation
8 or documented support.

9

10 ***Q21. PLEASE EXPLAIN YOUR OBJECTION TO CHARGING CONSUMERS***
11 ***FOR TRAVEL AND ENTERTAINMENT EXPENSES.***

12 ***A21.*** OCC recommends an adjustment to the unadjusted test year operating expenses to
13 remove travel and entertainment savings arising from the COVID-19 pandemic.
14 OCC recommendation would reduce test year operating income by (\$952,488) as
15 the amounts were not spent. WRW Attachment G provides a summary of my
16 travel and entertainment expense adjustment.

17

18 **V. CONCLUSION**

19

20 ***Q22. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.***

21 ***A22.*** (1) No distribution rate increase due to OCC's Motion for a rate freeze.

*Direct Testimony of Wm. Ross Willis
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PUCO Case No. 20-1651-EL-AIR, et al.*

1 (2) If the PUCO denies OCC's motion for a distribution rate freeze, OCC

2 recommends a revenue increase of \$43.3 million.

3 (3) OCC recommends the PUCO order DP&L to provide OCC and PUCO Staff

4 the information on incentive compensation and to require adjustments necessary

5 to remove all impacts on the revenue increase and overall revenue requirements.

6

7 ***Q23. DOES THIS CONCLUDE YOUR TESTIMONY?***

8 ***A23.*** Yes. However, I reserve the right to incorporate new information that may

9 subsequently become available. I also reserve the right to supplement my

10 testimony if DP&L, the PUCO Staff, or other parties submit new or corrected

11 information in connection with this proceeding. And I reserve the right to

12 supplement my testimony in this case should any of the Staff Report's findings,

13 conclusions or recommendations change. Additionally, should I receive the

14 electronic schedules and workpapers I have asked the PUCO for, I reserve the

15 right to supplement my testimony.

CERTIFICATE OF SERVICE

I hereby certify that a copy of this *Direct Testimony of Wm. Ross Willis* was served on the persons stated below *via* electronic transmission, this 25th day of August 2021.

/s/ Christopher Healey
Christopher Healey
Assistant Consumers' Counsel

The PUCO's e-filing system will electronically serve notice of the filing of this document on the following parties:

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Testimony before The Public Utilities Commission of Ohio

Ohio Power Company – Case No. 20-585-EL-AIR, et al.

Dayton Power & Light Company – Case No. 20-140-EL-AAM

Vectren Energy Delivery of Ohio, Inc. - Case No. 19-29-GA-ATA

East Ohio Gas Company d/b/a Dominion Energy Ohio – Case No. 18-1908-GA-UNC, et al.

Ohio Gas Company – Case No. 18-1903-GA-WVR

Dayton Power & Light Company – Case No. 16-395-EL-SSO, et al.

Suburban Natural Gas – Case No. 18-1205-GA-AIR

*Ohio Edison Company, The Cleveland Electric Illuminating Company
and The Toledo Edison Company - Case No. 16-481-EL-UNC, et al.*

Aqua Ohio, Inc. – Case No. 18-337-WW-SIC

Columbia Gas of Ohio, Inc. – Case No. 17-2202-GA-ALT

Ohio Power Company – Case No. 18-1007-EL-UNC

Dayton Power & Light Company – Case No. 15-1830-EL-AIR

Commission Ordered Investigation (TCJA) – Case No. 18-47-AU-COI

Ohio Gas Company – Case No. 17-1139-GA-AIR

Aqua Ohio, Inc. – Case No. 16-907-WW-AIR

Globe Metallurgical, Inc. - Case No. 16-737-EL-AEC

Ohio Power Company - Case No. 13-2385-EL-SSO

Aqua Ohio, Inc. – Case No. 13-2124-WW-AIR

Camplands Water LLC. - Case No. 13-1690-WW-AIR

Duke Energy Ohio, Inc. - Case No. 12-1685-GA-AIR

Duke Energy Ohio, Inc. - Case No. 12-1682-EL-AIR

Ohio American Water Company - Case No. 11-4161-WS-AIR

Water and Sewer LLC. - Case No. 11-4509-ST-AIR

Aqua Ohio, Inc. - Case No. 09-1044-WW-AIR

Ohio American Water Company – Case No. 09-391-WS-AIR

Duke Energy Ohio, Inc. - Case No. 08-709-EL-AIR

*Ohio Edison Company, The Cleveland Electric Illuminating Company
and The Toledo Edison Company - Case No. 07-551-EL-AIR*

Northeast Ohio Natural Gas Corp. - Case No. 03-2170-GA-AIR

Water and Sewer LLC. – Case No. 03-318-WS-AIR

Southeast Natural Gas Company – Case No. 01-140-GA-AEM

Masury Water Company - Case No. 00-713-WW-AIR

Akron Thermal, Limited Partnership - Case No. 00-2260-HT-AEM

GTE North, Inc. - Case No. 87-1307-TP-AIR

The Cleveland Electric Illuminating Company - Case No. 85-675-EL-AIR

The Dayton Power and Light Company
Case No. 20-1651-EL-AIR

Overall Financial Summary
For the Twelve Months Ended May 31, 2021

Schedule A-1
Page 1 of 1

| Line No. | Description | Schedule Reference | Jurisdictional Proposed Test Year | Staff | | OCC |
|----------|---|------------------------------------|-----------------------------------|-----------------------|-----------------------|-----------------------|
| | | | | Lower Bound | Upper Bound | Proposed Test Year |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | Rate Base as of Date Certain | B-1, Line 27 | \$ 796,383,774 | \$ 783,477,925 | \$ 783,477,925 | \$ 767,161,475 |
| 2 | | | | | | |
| 3 | Current Operating Income | C-1, Column C, Line 17 | \$ (31,516,062) | \$ 8,117,198 | \$ 8,117,198 | \$ 20,341,372 |
| 4 | | | | | | |
| 5 | Earned Rate of Return | Line 3 / Line 1 | -3.96% | 1.64% | 1.04% | 2.65% |
| 6 | | | | | | |
| 7 | Requested Rate of Return | D-1a, Column G, Line 7 | 7.71% | 7.05% | 7.59% | 7.01% |
| 8 | | | | | | |
| 9 | Required Operating Income | Line 1 * Line 7 | \$ 61,401,189 | \$ 55,213,345 | \$ 59,490,025 | \$ 53,778,019 |
| 10 | | | | | | |
| 11 | Operating Income Deficiency | Line 9 - Line 3 | \$ 92,917,251 | \$ 47,096,148 | \$ 51,372,827 | \$ 33,436,648 |
| 12 | | | | | | |
| 13 | Gross Revenue Conversion Factor | A-2, Line 38 | 1.29978 | 1.29767 | 1.29767 | 1.29767 |
| 14 | | | | | | |
| 15 | Revenue Deficiency | Line 11 * Line 13 | <u>\$ 120,771,561</u> | <u>\$ 61,115,418</u> | <u>\$ 66,665,151</u> | <u>\$ 43,389,848</u> |
| 16 | | | | | | |
| 17 | Revenue Increase Requested (No Mirrored | E-4, Pg 1, Line 54 - Pg 2, Line 54 | \$ 119,634,391 | | | |
| 18 | CWIP Revenue Offset) | | | | | |
| 19 | | | | | | |
| 20 | Adjusted Operating Revenues | C-1, Line 1, Column C | \$ 244,408,723 | \$ 245,484,967 | \$ 245,484,967 | \$ 250,504,490 |
| 21 | | | | | | |
| 22 | Revenue Requirements | Line 15 + Line 20 | <u>\$ 365,180,284</u> | <u>\$ 306,600,385</u> | <u>\$ 312,150,118</u> | <u>\$ 293,894,338</u> |
| 23 | | | | | | |
| 24 | Net Increase | Line 15 / Line 20 | 49% | 25% | 27% | 17% |
| | | | | Midpoint | \$ 63,890,285 | |

The Dayton Power and Light Company
Case No. 20-1651-EL-AIR

Jurisdictional Rate Base Summary
As of June 30, 2020

Work Paper Reference No(s):
Schedules B-2, B-3, B-5, and B-6

Schedule B-1
Page 1 of 1

| Line No. | Description | Schedule Reference | Company Proposed Amount | Staff Proposed Amount | OCC Proposed Amount | OCC Adjustment |
|----------|--|--------------------|-------------------------|-------------------------|-------------------------|------------------------|
| (A) | (B) | (D) | (C) | | | |
| 1 | Plant in Service | | | | | |
| 2 | Production | Not Applicable | \$ - | \$ - | \$ - | |
| 3 | Transmission | B-2 | \$ - | \$ - | \$ - | |
| 4 | Distribution | B-2 | \$ 1,849,422,825 | \$ 1,848,833,714 | \$ 1,832,031,547 | (\$16,802,167) |
| 5 | General | B-2 | \$ 29,894,160 | \$ 29,821,316 | \$ 29,821,316 | |
| 6 | Other: Intangible | B-2 | \$ 32,991,442 | \$ 32,577,474 | \$ 32,577,474 | |
| 7 | Total Plant In Service | Sum Lines 2 thru 6 | <u>\$ 1,912,308,427</u> | <u>\$ 1,911,232,504</u> | <u>\$ 1,894,430,336</u> | <u>\$ (16,802,167)</u> |
| 8 | | | | | | |
| 9 | Reserve for Accumulated Depreciation | | | | | |
| 10 | Production | Not Applicable | \$ - | \$ - | \$ - | |
| 11 | Transmission | B-3 | \$ - | \$ - | \$ - | |
| 12 | Distribution | B-3 | \$ 889,702,753 | \$ 889,413,965 | \$ 888,928,248 | (\$485,717) |
| 13 | General | B-3 | \$ 16,555,039 | \$ 16,552,745 | \$ 16,552,745 | |
| 14 | Other: Intangible | B-3 | \$ 22,394,356 | \$ 22,207,028 | \$ 22,207,028 | |
| 15 | Total Reserve for Accumulated Depreciation | Sum Lines 10 - 14 | <u>\$ 928,652,148</u> | <u>\$ 928,173,738</u> | <u>\$ 927,688,022</u> | <u>\$ (485,717)</u> |
| 16 | | | | | | |
| 17 | Net Plant In Service | Line 7 - Line 15 | \$ 983,656,278 | \$ 983,058,766 | \$ 966,742,315 | \$ (16,316,450) |
| 18 | | | | | | |
| 19 | Construction Work In Progress 75% Complete | None Requested | | | | |
| 20 | | | | | | |
| 21 | Working Capital Allowance | B-5 | \$ 9,649,258 | \$ - | \$ - | |
| 22 | | | | | | |
| 23 | Customers' Advances for Construction | B-6 | \$ - | \$ - | \$ - | |
| 24 | | | | | | |
| 25 | Other Rate Base Items | B-6 | \$ (196,921,762) | \$ (199,580,840) | \$ (199,580,840) | |
| 26 | | | | | | |
| 27 | Jurisdictional Rate Base | Sum Lines 17 - 25 | <u>\$ 796,383,774</u> | <u>\$ 783,477,926</u> | <u>\$ 767,161,475</u> | |

The Dayton Power and Light Company
Case No. 20-1651-EL-AIR

Jurisdictional Proforma Net Operating Income Statement
For the Twelve Months Ending May 31, 2021

Work Paper Reference No(s).:
None

Schedule C-1
Page 1 of 1

| Line No. | Description | Adjusted Jurisdictional Revenue & Expenses | Proposed Increase | Proforma Jurisdictional Revenue & Expenses |
|----------|--|--|---------------------|--|
| (A) | (B) | (C) | (D) | (E) = (C) + (D) |
| 1 | Operating Revenues | \$ 250,504,490 | \$ 43,389,848 | \$ 293,894,338 |
| 2 | | | | |
| 3 | <u>Operating Expenses</u> | | | |
| 4 | Operation & Maintenance | \$ 111,381,806 | \$ 225,277 | \$ 111,607,083 |
| 5 | Depreciation and Amortization Expenses | \$ 57,567,515 | \$ - | \$ 57,567,515 |
| 6 | Taxes - Other Than Income Taxes | \$ 66,797,386 | \$ 112,814 | \$ 66,910,200 |
| 7 | Operating Expenses Before Income Taxes | <u>\$ 235,746,707</u> | <u>\$ 338,091</u> | <u>\$ 236,084,798</u> |
| 8 | | | | |
| 9 | NOI before Income Taxes | \$ 14,757,783 | \$ 43,051,757 | \$ 57,809,540 |
| 10 | | | | |
| 11 | State Income Taxes | \$ 1,765,439 | \$ 726,887 | \$ 2,492,326 |
| 12 | Federal Income Taxes | \$ (7,349,028) | \$ 8,888,223 | \$ 1,539,195 |
| 13 | Total Income Taxes | <u>\$ (5,583,588)</u> | <u>\$ 9,615,110</u> | <u>\$ 4,031,521</u> |
| 14 | | | | |
| 15 | Total Operating Expenses | \$ 230,163,118 | \$ 9,953,201 | \$ 240,116,319 |
| 16 | | | | |
| 17 | Net Operating Income | \$ 20,341,372 | \$ 33,436,647 | \$ 53,778,019 |
| 18 | | | | |
| 19 | Rate Base | <u>\$ 767,161,475</u> | | <u>\$ 767,161,475</u> |
| 20 | | | | |
| 21 | Rate of Return | <u>2.65%</u> | | <u>7.01%</u> |

The Dayton Power and Light Company
Case No. 20-1651-EL-AIR

Adjusted Test Year Jurisdictional Operating Income
For the Twelve Months Ending May 31, 2021

Work Paper Reference No(s).:

None

Schedule C-2

Page 1 of 2

| Line No. | Description | Unadjusted Revenue & Expenses | Adjustments | Adjusted Revenue & Expenses | OCC Adjustments |
|----------|---|-------------------------------|-------------------------|-----------------------------|-------------------------------------|
| (A) | (B) | (C) | (D) | (E) = (C) + (D) | |
| 1 | OPERATING REVENUES | | | | |
| 2 | Distribution Revenues | \$ 350,794,843 | \$ (108,425,877) | \$ 242,368,966 | \$ 5,019,523 C-3.24 |
| 3 | Other Retail Revenues | \$ - | \$ 1,076,244 | \$ 1,076,244 | |
| 4 | Other Operating Revenues | \$ 31,342,285 | \$ (24,283,005) | \$ 7,059,280 | |
| 5 | Total Operating Revenues | <u>\$ 382,137,128</u> | <u>\$ (131,632,638)</u> | <u>\$ 250,504,490</u> | |
| 6 | | | | | |
| 7 | OPERATING EXPENSES | | | | |
| 8 | Operation and Maintenance Expenses | | | | |
| 9 | Production Expense | \$ 30,095,649 | \$ (30,095,649) | \$ - | |
| 10 | Transmission Expense | \$ 117,955 | \$ (117,955) | \$ - | |
| 11 | Distribution Expense | \$ 52,112,265 | \$ (12,664,994) | \$ 39,447,271 | (\$2,000,000) , (\$2,748,050) C-3.9 |
| 12 | Customer Accounts Expense | \$ 35,638,434 | \$ (20,577,086) | \$ 15,061,348 | |
| 13 | Customer Service & Information Expense | \$ 15,910,307 | \$ (15,470,483) | \$ 439,824 | |
| 14 | Administrative & General Expense | \$ 59,897,897 | \$ (3,464,534) | \$ 56,433,363 | (\$227,037) , (\$952,488) C-3.27 |
| 15 | Total Operating and Maintenance Expense | <u>\$ 193,772,507</u> | <u>\$ (82,390,701)</u> | <u>\$ 111,381,806</u> | |
| 16 | Depreciation and Amortization Expenses | | | | |
| 17 | Depreciation | \$ 62,638,830 | \$ (7,757,455) | \$ 54,881,375 | (\$218,428) C-3.15 |
| 18 | Amortization. & Depletion Of Utility Plant | \$ 2,933,634 | \$ (247,494) | \$ 2,686,140 | |
| 19 | Net Amortization of Regulatory Credits/Debits | \$ - | \$ - | \$ - | |
| 20 | Total Depreciation and Amortization Expenses | <u>\$ 65,572,464</u> | <u>\$ (8,004,949)</u> | <u>\$ 57,567,515</u> | |
| 21 | Taxes Other Than Income Taxes | \$ 125,689,852 | \$ (58,892,466) | \$ 66,797,386 | |
| 22 | TOTAL OPERATING EXPENSE BEFORE INCOME TAXES | <u>\$ 385,034,823</u> | <u>\$ (149,288,116)</u> | <u>\$ 235,746,707</u> | |

The Dayton Power and Light Company
Case No. 20-1651-EL-AIR

Adjusted Test Year Jurisdictional Operating Income
For the Twelve Months Ending May 31, 2021

Work Paper Reference No(s):

None

Schedule C-2

Page 2 of 2

| Line No. | Description | Unadjusted Revenue & Expenses | Adjustments | Adjusted Revenue & Expenses | OCC Adjustments |
|----------|-------------------------------------|-------------------------------|------------------|-----------------------------|-----------------|
| (A) | (B) | (C) | (D) | (E) = (C) + (D) | |
| 1 | NOI BEFORE INCOME TAXES | \$ (2,897,695) | \$ 17,655,478 | \$ 14,757,783 | |
| 2 | | | | | |
| 3 | Income Taxes-State and Local | | | | |
| 4 | Current | \$ (386,844) | \$ 173,290 | \$ (213,554) | Flow Through |
| 5 | Provision for Deferred Income Taxes | \$ 3,366,860 | \$ (1,387,867) | \$ 1,978,993 | Flow Through |
| 6 | Total State & Local Income Taxes | \$ 2,980,016 | \$ (1,214,577) | \$ 1,765,439 | |
| 7 | Income Taxes-Federal | | | | |
| 8 | Current | \$ (4,730,250) | \$ 2,118,957 | \$ (2,611,293) | Flow Through |
| 9 | Provision for Deferred Income Taxes | \$ (3,132,859) | \$ (1,533,617) | \$ (4,666,476) | Flow Through |
| 10 | Deferred Investment Tax Credit | \$ (71,259) | \$ - | \$ (71,259) | |
| 11 | Total Federal Income Taxes | \$ (7,934,368) | \$ 585,340 | \$ (7,349,028) | Flow Through |
| 12 | Total Income Taxes | \$ (4,954,351) | \$ (629,237) | \$ (5,583,588) | |
| 13 | | | | | |
| 14 | Total Operating Expenses | \$ 380,080,472 | \$ (149,917,353) | \$ 230,163,118 | |
| 15 | | | | | |
| 16 | Net Operating Income | \$ 2,056,656 | \$ 18,284,715 | \$ 20,341,372 | |

INT-2-31. Referencing WPB-2.3, identify all plant additions related to short-term compensation and long-term compensation (incentive compensation) by cost tracking codes, by year since the September 30, 2015 (date certain in the last rate case) by FERC account. Please provide data in excel format.

RESPONSE: General Objections Nos. 1 (relevance), 2 (unduly burdensome). Subject to all general objections, DP&L states that the plant additions would include dollars unitized that originated in the construction work in progress account. Please see DP&L's response INT-2-32 for additional information.

Witness Responsible: Rachele Perrin

INT-2-32. Provide an excel spreadsheet and include all short term and long-term incentive compensation cost tracking code elements and charges to DP&L for construction work in progress and retirement work in progress for AES and DP&L employees, by year since September 30, 2015 (date certain in the last rate case).

RESPONSE: General Objections Nos. 1 (relevance), 2 (unduly burdensome), 9 (vague or undefined), 10 (possession of DP&L's unregulated affiliate). Subject to all general objections, DP&L states that short-term and long-term incentive compensation costs would not be directly charged to a construction work in progress or retirement work in progress work break down structure directly. The incentives are part of a burden base bucket and then would be charged to capital work break down structures as part of the burdening process. These burden rates are not stand-alone burden rates but rather a smaller part of a larger base that would also include paid time off accruals, as well as other employee expense burdens.

Witness Responsible: Rachele Perrin and Lauren Whitehead

INT-3-16. Referencing INT-2-32 response, is DP&L claiming it is unable to identify charges related to short-term and long-term compensation that was included in construction work in progress by year since September 30, 2015 (date certain in the last rate case)?

RESPONSE: General Objections Nos. 1 (relevance), 2 (unduly burdensome), 6 (calls for narrative answer), 9 (vague or undefined), 10 (possession of AES Ohio's unregulated affiliate), 13 (mischaracterization). AES Ohio further objects because this Interrogatory is unduly burdensome. Subject to all general objections, AES Ohio states no. Short-term and long-term incentive compensation costs are included with other expenditures in overhead allocation accounts from which only a portion is allocated monthly to construction and that the incentive component of the overhead distributions is not tracked separately within the Company's accounting system, identifying incentive costs to specific projects would necessitate a review of each overhead allocation to each construction project with a ratio applied as the incentive component based upon the cumulative charges to the overhead allocation accounts. Such an analysis would require significant time and resources to complete.

Witness Responsible: Rachele Perrin

INT-3-17. Referencing INT-2-32 response, "AES Ohio states that short-term and long-term incentive compensation costs would not be directly charged to a construction work in progress or retirement work in progress work break down structure directly." Explain in detail how short-term and long-term incentive compensation costs that are capitalized are able to be tracked and identified as required by OAC 4901:1-9-06 Retention of Records (Appendix to Rule).

RESPONSE: General Objections Nos. 1 (relevance), 2 (unduly burdensome), 3 (privileged and work product), 6 (calls for narrative answer), 9 (vague or undefined), 10 (possession of AES Ohio's unregulated affiliate), 11 (calls for a legal conclusion), 13 (mischaracterization). AES Ohio further objects because this Interrogatory is argumentative. Subject to all general objections, AES Ohio states that the amounts are tracked through the payroll overhead burden rates that are recorded on the capital projects as a percentage of direct charges that were also recorded on the capital projects.

Witness Responsible: Rachele Perrin

INT-3-18. Referencing INT-2-32 response, AES Ohio states, "The incentives are part of a burden base bucket and then would be charged to capital work break down structures as part of the burdening process. These burden rates are not stand-alone burden rates but rather a smaller part of a larger base that would also include paid time off accruals, as well as other employee expense burdens." Provide a detailed explanation of the "burden base bucket", "burden base rates", and how "these burden rates are not stand-alone burden rates but rather a smaller part of a larger base".

RESPONSE: General Objections Nos. 1 (relevance), 2 (unduly burdensome), 6 (calls for narrative answer), 9 (vague or undefined), 10 (possession of AES Ohio's unregulated affiliate), 13 (mischaracterization). Subject to all general objections, AES Ohio states that employee incentive costs along with certain other expenditures are initially charged to overhead allocation accounts ("burden base bucket"). Monthly allocation rates ("burden base rates") are used to distribute a portion of the costs that have been classified to the overhead allocation accounts as an adder to costs which are charged directly each month to construction and retirement projects. There is no tracking of the type of source charges allocated from the overhead allocation accounts to construction and retirement projects.

Witness Responsible: Rachele Perrin

INT-3-19. Referencing INT-2-32 response, explain how labor rates and employee expense burdens that are charged to capital work break down structures as part of the burdening process are able to be audited and examined for accuracy for inclusion in plant in service as part of this base distribution rate case.

RESPONSE: General Objections Nos. 1 (relevance), 2 (unduly burdensome), 3 (privileged and work product), 6 (calls for narrative answer), 9 (vague or undefined), 10 (possession of AES Ohio's unregulated affiliate), 11 (calls for a legal conclusion), 13 (mischaracterization). AES Ohio further objects because this Interrogatory is argumentative. Subject to all general objections, AES Ohio states that that labor costs and employee expense burdens are audited and examined for accuracy based upon the initial source of the expenditures. The subsequent classification of a portion of the expenditures to construction projects which is then cleared to plant in-service are audited and examined for accuracy based upon a review of the allocation rates and the reclassification of costs from overhead holding accounts to specific construction projects.

Witness Responsible: Rachele Perrin

The Dayton Power & Light Company
Case No 20-1651-EL-AIR
Plant In Service Adjustment

| Storm Dates | Oracle Captial Storm Number | SAP Captial Storm Number | Capitalied Costs | Plant In Service Adjustment | Description of Adjustments |
|----------------------|-----------------------------|--------------------------|---------------------|-----------------------------|---|
| 4/2/2016 | 051-34314 | | \$1,102,464 | (\$289,959) | A&G Overheads,Cash Bonuses, Meals |
| 6/23/2016 | 051-34315 | | \$500,517 | (\$37,720) | A&G Overheads,Cash Bonuses, Meals |
| 8/27/2016 | 051-34316 | | \$364,211 | (\$43,507) | A&G Overheads,Cash Bonuses, Meals |
| 2/28/2017-3/1/2017 | 051-34318 | | \$230,039 | (\$15,723) | A&G Overheads,Cash Bonuses, Meals |
| 4/5/2017 | 051-34319 | | \$72,039 | (\$4,628) | A&G Overheads,Cash Bonuses, Meals |
| 6/5/2017 | 051-34321 | | \$135,439 | (\$9,198) | A&G Overheads,Cash Bonuses, Meals |
| 7/11/17 - 7/12/17 | 051-34324 | | \$853,706 | (\$47,016) | A&G Overheads,Cash Bonuses, Meals |
| 7/21/2017 | 051-34325 | | \$264,763 | (\$16,501) | A&G Overheads,Cash Bonuses, Meals |
| 4/3/2018 | 051-34327 | DUSDY.01.12.0006 | \$239,522 | (\$119,445) | A&G Overheads, O&M, Cash Bonuses, Picnics & Parties |
| 10/20/2018 | 051-34328 | DUSDY.01.12.0004 | \$256,933 | (\$119,111) | A&G Overheads, O&M, Cash Bonuses, Meals |
| 11/15/2018 | 051-34329 | DUSDY.01.12.0007 | \$1,198,039 | (\$808,636) | A&G Overheads, O&M, Cash Bonuses, Meals, Travel |
| 12/27/2018 | 051-34330 | DUSDY.01.12.0001 | \$273,555 | (\$180,187) | A&G Overheads, O&M, Cash Bonuses, Meals |
| 12/31/2018 | 051-34331 | DUSDY.01.12.0005 | \$209,718 | (\$138,007) | A&G Overheads, O&M, Cash Bonuses, Meals |
| 1/19/2019 | 051-34332 | DUSDY.01.12.0008 | \$1,302,850 | (\$626,932) | Office Supplies, A&G Overheads, O&M, Cash Bonuses, Meals, Travel |
| 2/25/2019 | 051-34333 | DUSDY.01.12.0003 | \$777,041 | (\$337,955) | A&G Overheads, O&M, Cash Bonuses, Picnics & Parties, Meals, Travel |
| 3/14/2019 | 051-34334 | DUSDY.01.12.0009 | \$1,645,981 | (\$1,058,410) | A&G Overheads, O&M, Cash Bonuses, Picnics & Parties, Meals, Travel |
| 5/27/2019, 5/28/2019 | | DUSDY.01.12.0010 | \$18,601,133 | (\$12,320,985) | A&G Overheads, O&M, Cash Bonuses, Picnics & Parties, Meals, Travel, Office Supplies |
| 12/30/2019 | | DUSDY.01.12.0011 | \$571,636 | (\$421,974) | A&G Overheads, O&M, Cash Bonuses, Picnics & Parties, Meals |
| 1/11/2020 | | DUSDY.01.12.0012 | \$320,625 | (\$206,273) | A&G Overheads, O&M, Cash Bonuses, Meals |
| | | | <u>\$28,920,211</u> | <u>(\$16,802,167)</u> | |

The Dayton Power & Light Company
Case No 20-1651-EL-AIR
Depreciation Reserve Adjustment

| Account Number | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 364 Poles, Towers & Fixtures | (\$2,969) | (\$6,684) | (\$7,428) | (\$147,404) | (\$134,417) | (\$242,858) |
| | | | | | | |
| 365 Overhead Conductor & Devices | (\$2,413) | (\$5,430) | (\$6,035) | (\$119,766) | (\$109,214) | (\$242,858) |
| | | | | | | |
| Total Depreciation Reserve Adjust. | | | | | | (\$485,717) |

- (a) Half year 2016
- (b) Full year 2016, half year 2017
- (c) Full year 2016 & 2017
- (d) Full year 2016, 2017, 2018, half year 2019
- (e) Date certain June 30, 2020 half year 2016-2020

The Dayton Power & Light Company
Case Number 20-1651-EL-AIR
Dues Adjustment

Source: OCC 2nd Set INT 2-16 - Attachment 1 (6/10/21)
Dues - Detail Updated Through April 2021 Actuals

| FERC | Vendor | Actual | Projection* |
|----------|---|-----------------------|-------------|
| | | June 2020 -April 2021 | May 2021 |
| 560 | EEI | 5,250 | |
| 560 | IEEE | 614 | |
| 560 | Utilities Tech Council | 3,550 | |
| | Total Acct. 560 | 9,414 | |
| 571 | International Society of Arboriculture | 400 | |
| 580 | Dayton Area Chamber of Commerce EPI Foundation | 75 | |
| 580 | International Right of Way Association | 270 | |
| 580 | ISA | 300 | |
| 580 | Ohio St Bar | 395 | |
| | Total Acct. 580 | 1,040 | |
| 593 | ISA | 405 | |
| 902 | NDG | | |
| 908 - EE | Association of Energy Services Professionals** | | |
| 908 - EE | Designlights Consortium** | | |
| 908 | PRSA | 310 | |
| | Total Acct. 908 | 310 | |
| 909 | Association of Energy Services Professionals | | |
| 920 | | | 807 |
| 921 | AICPA | 771 | |
| 921 | Air and Wast Mgmt Assoc | - | |
| 921 | American Industrial Hygiene Association | - | |
| 921 | ASIS International | - | |
| 921 | Board Cert Safe Pro | - | |
| 921 | CFA Institute | 90 | |
| 921 | Dayton Area Chamber of Commerce EPI Foundation | 75 | |
| 921 | Dayton Bar Association | 210 | |
| 921 | Dayton Business Committee | 6,188 | |
| 921 | D.C. Bar | 199 | |
| 921 | Delaware State Bar | 36 | |
| 921 | Disaster Recovery Institute International | 53 | |
| 921 | EEI | 133,959 | |
| 921 | HR Certification Institute | 49 | |
| 921 | IABC | 98 | |
| 921 | IEEE | 235 | |
| 921 | IFO - Institute of Financial Operations | 86 | |
| 921 | Indiana Bar | 45 | |
| 921 | Indiana CPA Society | 99 | |
| 921 | Indianapolis Bar Association | 125 | |
| 921 | Institute of Financial Operations | 64 | |
| 921 | Institute of Management Accountants | 63 | |
| 921 | Insitiute of Supply Chain Management | - | |
| 921 | Information Systems Audit and Control Assoc. | 43 | |
| 921 | National Association of Black Accountants | 48 | |
| 921 | New Jersey Bar Association | 218 | |
| 921 | North American Electric Reliability Corporation | 400 | |
| 921 | OATI | - | |
| 921 | Ohio Bar | 731 | |
| 921 | Professional Licensing Agency | 103 | |
| 921 | Project Mgmt Institute | 206 | |
| 921 | PRSA | 115 | |
| 921 | Rotary Club of Dayton | 786 | |
| 921 | Society for Human Resources | 64 | |
| 921 | Supreme Court of Ohio | 45 | |
| 921 | Whitman Requardt and Associates | 160 | |
| 921 | WorldatWork | - | |
| | Total Acct. 921 | 145,365 | 9,642 |
| 923 | | | 6,863 |
| 925 | | | 679 |

The Dayton Power & Light Company
Case Number 20-1651-EL-AIR
Dues Adjustment

Source: OCC 2nd Set INT 2-16 - Attachment 1 (6/10/21)
Dues - Detail Updated Through April 2021 Actuals

| FERC | Vendor | Actual | Projection* |
|-------|------------------------------|-----------------------|-------------|
| | | June 2020 -April 2021 | May 2021 |
| 930.1 | Rotary Club of Dayton | 71 | |
| 930.2 | EEI | 64,788 | |
| 930.2 | Hawthorn Club | 5,878 | |
| | Total Acct. 930.2 | 70,666 | 2,318 |
| 931 | | | 22 |
| 935 | Utilities Technology Council | 15,855 | 959 |
| | Total | 243,526 | 21,290 |

| <u>Subtotals by FERC Expense Accounts (**):</u> | | Allocation to | | |
|---|---------|---------------|--------------|--------------------|
| | | Total by FERC | Distribution | Total Distribution |
| 560 | 9,414 | 9,414 | 25.00% | 2,353 |
| 571 | 400 | 400 | 0.00% | - |
| 580 | 1,040 | 1,040 | 100.00% | 1,040 |
| 593 | 405 | 405 | 100.00% | 405 |
| 902 | - | - | 100.00% | - |
| 908 | 310 | 310 | 100.00% | 310 |
| 909 | - | - | 100.00% | - |
| 920 | - | 807 | 93.10% | 751 |
| 921 | 145,365 | 9,642 | 90.89% | 140,885 |
| 923 | - | 6,863 | 92.62% | 6,356 |
| 925 | - | 679 | 79.28% | 538 |
| 930.1 | 71 | 71 | 85.93% | 61 |
| 930.2 | 70,666 | 2,318 | 99.36% | 72,517 |
| 931 | - | 22 | 93.29% | 20 |
| 935 | 15,855 | 959 | 97.14% | 16,334 |
| Total | 243,526 | 21,290 | | 241,572 |

*Forecasted amounts above include the following specific memberships, allocated proportionally among the FERC accounts shown above:

| | |
|---|--------|
| OEUI (Ohio Electric Utility Institute) | 417 |
| Edison Electric Institute (UARG) | 16,405 |
| OAUG (Oracle Applications & Technology Users Group) | - |

** These two items were removed from the Adjusted Test Year through Schedule C-3.5 and are therefore excluded from the subtotals by FERC account.

Please note that non-distribution costs are removed from the revenue requirement via allocation percentages calculated on Schedule B-7.1 which allocates A&G costs between distribution, transmission, and other DP&L non-regulated businesses with the allocation percentages then flowing to Schedule 2.1.

The Dayton Power & Light Company
Case No 20-1651-EL-AIR
Depreciation Expense Adjustment

| Storm Dates | Plant In Service Adjustment | Yearly Totals | 50% Acct. 364 Poles, Towers & Fixtures | Acct. 364 Depreciation Accrual Rate | Annual Acct. 364 Depreciation Exp. Reduction | 50% Acct. 365 Overhead Conductor & Devices | Acct. 365 Depreciation Accrual Rate | Annual Acct. 365 Depreciation Exp. Reduction |
|----------------------|-----------------------------|----------------|--|-------------------------------------|--|--|-------------------------------------|--|
| 4/2/2016 | (\$289,959) | | | 3.20% | | | 2.60% | |
| 6/23/2016 | (\$37,720) | | | | | | | |
| 8/27/2016 | (\$43,507) | | | | | | | |
| 2016 Total | | (\$371,186) | (\$185,593) | | (\$5,939) | (\$185,593) | | (\$4,825) |
| 2/28/2017-3/1/2017 | (\$15,723) | | | 3.20% | | | 2.60% | |
| 4/5/2017 | (\$4,628) | | | | | | | |
| 6/5/2017 | (\$9,198) | | | | | | | |
| 7/11/17 - 7/12/17 | (\$47,016) | | | | | | | |
| 7/21/2017 | (\$16,501) | | | 3.20% | | | 2.60% | |
| 2017 Total | | (\$93,066) | (\$46,533) | | (\$1,489) | (\$46,533) | | (\$1,210) |
| 4/3/2018 | (\$119,445) | | | 3.20% | | | 2.60% | |
| 10/20/2018 | (\$119,111) | | | | | | | |
| 11/15/2018 | (\$808,636) | | | | | | | |
| 12/27/2018 | (\$180,187) | | | | | | | |
| 12/31/2018 | (\$138,007) | | | 3.20% | | | 2.60% | |
| 2018 Total | | (\$1,365,386) | (\$682,693) | | (\$21,846) | (\$682,693) | | (\$17,750) |
| 1/19/2019 | (\$626,932) | | | 3.20% | | | 2.60% | |
| 2/25/2019 | (\$337,955) | | | | | | | |
| 3/14/2019 | (\$1,058,410) | | | | | | | |
| 5/27/2019, 5/28/2019 | (\$12,320,985) | | | | | | | |
| 12/30/2019 | (\$421,974) | | | 3.20% | | | 2.60% | |
| 2019 Total | | (\$14,766,256) | (\$7,383,128) | | (\$236,260) | (\$7,383,128) | | (\$191,961) |
| 1/11/2020 | (\$206,273) | | | 3.20% | | | 2.60% | |
| 2020 Total | | (\$206,273) | (\$103,137) | | (\$3,300) | (\$103,138) | | (\$2,682) |
| Grand Total | (\$16,802,167) | (\$16,802,167) | (\$8,401,084) | | (\$268,835) | (\$8,401,085) | | (\$218,428) |

The Dayton Power & Light Company
Case No. 20-1651-EL-AIR
Travel & Entertainment Savings

OCC 3rd Set INT 3-11 Attachment 1

| | | | | Unadjusted Test Year | Adjusted Test Year Per B.7 Allocations |
|--|-----------------|---------------|-----------------|-------------------------|---|
| Sum of Document Currency Value | Column Labels | | | | |
| Row Labels | 6 | 7 | 8 | Grand Total | |
| TM&E Exp-Non-Travel-Business-Entertainment | \$ - | | | \$ - | \$ 18.45 |
| 593000 | \$ 202.54 | | | \$ 202.54 | \$ 202.54 |
| 921000 | \$ (202.54) | | | \$ (202.54) | \$ (184.09) |
| TM&E Exp-Non-Travel-Business-Meals | \$ (276,869.41) | \$ 704,387.94 | \$ (187,902.65) | \$ 239,615.88 | \$ 217,786.87 |
| 921000 | \$ (276,869.41) | \$ 704,387.94 | \$ (187,902.65) | \$ 239,615.88 | \$ 217,786.87 |
| TM&E Exp-Travel-Entertainment | \$ (15.39) | | | \$ (15.39) | \$ (41.00) |
| 426400 | \$ 29.72 | | | \$ 29.72 | \$ - |
| 921000 | \$ (45.11) | | | \$ (45.11) | \$ (41.00) |
| TM&E Exp-Travel-Meals-Individual | \$ (7.00) | \$ 10.89 | | \$ 3.89 | \$ 4.53 |
| 580000 | | \$ 10.89 | | \$ 10.89 | \$ 10.89 |
| 921000 | \$ (7.00) | | | \$ (7.00) | \$ (6.36) |
| TM&E Exp-Travel-Transport-Airfare | \$ 2,275.53 | | | \$ 2,275.53 | \$ 23.14 |
| 184000 | \$ - | | | \$ - | \$ - |
| 560000 | \$ 2,275.53 | | | \$ 2,275.53 | \$ - |
| 593000 | \$ 253.97 | | | \$ 253.97 | \$ 253.97 |
| 921000 | \$ (253.97) | | | \$ (253.97) | \$ (230.83) |
| TM&E Exp-Travel-Transport-Car Rental | \$ 205.63 | | \$ 180.62 | \$ 386.25 | \$ 12.01 |
| 184000 | \$ - | | | \$ - | \$ - |
| 560000 | \$ 205.63 | | \$ 180.62 | \$ 386.25 | \$ - |
| 593000 | \$ 131.83 | | | \$ 131.83 | \$ 131.83 |
| 921000 | \$ (131.83) | | | \$ (131.83) | \$ (119.82) |
| TM&E Exp-Travel-Transport-Mileage Reimbursement | \$ 7,945.58 | \$ 11,710.19 | \$ 8,200.29 | \$ 27,856.06 | \$ 27,606.38 |
| 184000 | \$ 0.00 | \$ (0.00) | \$ 0.00 | \$ (0.00) | \$ - |
| 560000 | \$ 220.24 | | | \$ 220.24 | \$ - |
| 570000 | | | \$ 31.05 | \$ 31.05 | \$ 30.16 |
| 580000 | \$ 150.36 | \$ 82.23 | | \$ 232.59 | \$ 232.59 |
| 593000 | \$ 213.49 | \$ 87.02 | | \$ 300.51 | \$ 300.51 |
| 902000 | \$ 7,523.80 | \$ 11,198.25 | \$ 7,724.58 | \$ 26,446.63 | \$ 26,446.63 |
| 903000 | | \$ 96.60 | \$ 80.50 | \$ 177.10 | \$ 177.10 |
| 908000 | | \$ 134.55 | | \$ 134.55 | \$ 134.55 |
| 921000 | \$ (162.31) | \$ 111.54 | \$ 364.16 | \$ 313.39 | \$ 284.84 |
| TM&E Exp-Travel-Transport-Parking | \$ 160.00 | \$ 1,865.00 | \$ 74.61 | \$ 2,099.61 | \$ 1,715.38 |
| 184000 | \$ - | | | \$ - | \$ - |
| 560000 | \$ 160.00 | | \$ 55.00 | \$ 215.00 | \$ - |
| 590000 | | \$ 15.00 | | \$ 15.00 | \$ 15.00 |
| 909000 | | | \$ 12.00 | \$ 12.00 | \$ 12.00 |
| 921000 | | \$ 1,850.00 | \$ 7.61 | \$ 1,857.61 | \$ 1,688.38 |
| Travel - Other | \$ 13.00 | | | \$ 13.00 | \$ 0.19 |
| 184000 | \$ - | | | \$ - | \$ - |
| 560000 | \$ 13.00 | | | \$ 13.00 | \$ - |
| 593000 | \$ 2.14 | | | \$ 2.14 | \$ 2.14 |
| 921000 | \$ (2.14) | | | \$ (2.14) | \$ (1.95) |
| Grand Total | \$ (266,292.06) | \$ 717,974.02 | \$ (179,447.13) | \$ 272,234.83 | \$ 247,125.95 |

The Dayton Power & Light Company
Case No 20-1651-EL-AIR
Travel & Entertainment Unadjusted Test Year Savings

OCC 3rd Set INT-3-11 Attachment 2

| Travel & Entertainment | | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Total | B-7 | Total Unadj Savings |
|--|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|--------|---------------------|
| Travel - Other | | 1,332 | 1,332 | 1,332 | 1,332 | 1,333 | 1,333 | 1,333 | 1,333 | 1,333 | | | |
| TM&E Exp-Travel-Transport-Airfare | | 18,477 | 14,371 | 10,892 | 10,089 | 10,522 | 12,879 | 12,599 | 13,064 | 12,615 | | | |
| TM&E Exp-Travel-Lodging-Hotel | | 11,713 | 14,986 | 14,707 | 9,919 | 12,912 | 13,842 | 13,052 | 15,060 | 12,528 | | | |
| TM&E Exp-Travel-Transport-Mileage Reimbursement | | 46,615 | 44,163 | 56,971 | 43,882 | 62,562 | 60,953 | 63,041 | 60,454 | 63,852 | | | |
| TM&E Exp-Travel-Transport-Car Rental | | 878 | 1,078 | 878 | 878 | 894 | 894 | 894 | 1,094 | 894 | | | |
| TM&E Exp-Travel-Transport-Parking | | 645 | 645 | 645 | 645 | 643 | 643 | 643 | 643 | 643 | | | |
| TM&E Exp-Travel-Transport-Taxi | | 86 | 86 | 86 | 86 | 84 | 84 | 84 | 84 | 84 | | | |
| Total | | 79,744 | 76,660 | 85,511 | 66,830 | 88,950 | 90,627 | 91,645 | 91,731 | 91,948 | | | |
| Total allocated to FERC accounts as shown below: | | | | | | | | | | | | | |
| 920 | | 3,022 | 2,905 | 3,241 | 2,533 | 3,371 | 3,435 | 3,473 | 3,477 | 3,485 | 28,942 | 93.10% | 26,945 |
| 921 | | 36,114 | 34,717 | 38,725 | 30,266 | 40,283 | 41,042 | 41,503 | 41,542 | 41,641 | 345,833 | 90.89% | 314,328 |
| 923 | | 25,705 | 24,711 | 27,564 | 21,543 | 28,673 | 29,213 | 29,542 | 29,569 | 29,639 | 246,159 | 92.62% | 227,992 |
| 925 | | 2,544 | 2,445 | 2,728 | 2,132 | 2,837 | 2,891 | 2,923 | 2,926 | 2,933 | 24,359 | 79.28% | 19,312 |
| 927 | | - | - | - | - | - | - | - | - | - | - | - | 0 |
| 930.2 | | 8,684 | 8,348 | 9,312 | 7,277 | 9,686 | 9,869 | 9,980 | 9,989 | 10,013 | 83,157 | 99.36% | 82,625 |
| 931 | | 82 | 78 | 88 | 68 | 91 | 93 | 94 | 94 | 94 | 782 | 93.29% | 729 |
| 935 | | 3,594 | 3,455 | 3,854 | 3,012 | 4,009 | 4,084 | 4,130 | 4,134 | 4,144 | 34,415 | 97.14% | 33,431 |
| | | 79,744 | 76,660 | 85,511 | 66,830 | 88,950 | 90,627 | 91,645 | 91,731 | 91,948 | 763,647 | | \$705,362 |

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in

Case No(s). 20-1651-EL-AIR, 20-1652-EL-AAM, 20-1653-EL-ATA

Summary: Testimony Direct Testimony of Wm. Ross Willis On Behalf of The Office of The Ohio Consumers' Counsel electronically filed by Mrs. Tracy J Greene on behalf of Healey, Christopher