

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

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

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

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

DIRECT TESTIMONY AND EXHIBITS OF

ALEX J. KRONAUER

ON BEHALF OF

WALMART INC.

AUGUST 25, 2021

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Exhibits

Exhibit AJK-1 – Alex J. Kronauer Witness Qualifications Statement

Exhibit AJK-2 – Impact of AES Ohio's Proposed Return on Equity vs. AES Ohio's Currently Approved Return On Equity

Exhibit AJK-3 – Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2018 to Present

Exhibit AJK-4 – Calculation of Revenue Requirement Impact of AES Ohio's Proposed ROE vs. Average ROE Awarded to Distribution-Only Utilities from 2018-Present

I. Introduction

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

A. My name is Alex J. Kronauer. My business address is 2608 SE J St., Bentonville, AR 72716-0550. I am employed by Walmart Inc. ("Walmart") as a Senior Manager, Energy Services.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?

A. I am testifying on behalf of Walmart.

Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.

In 2011, I earned a Master of Business Administration at the McCombs School of Business at The University of Texas at Austin with a concentration in Finance and Investment Management. From 2011 to 2012, I was a Senior Financial Analyst at TXU Energy, a Texas-based power supplier. My duties included load forecasting and analysis. From 2012 to 2019, I was a Financial Analyst and later a Senior Financial Analyst at CyrusOne, a data center provider in Dallas. In those roles, I was involved in several power-related areas, including demand response, power procurement, and power expense forecasting. I joined Walmart in July 2019. Since joining Walmart, I have completed several utility-related training seminars. My Witness Qualifications Statement is attached as Attachment AJK-1.

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO ("COMMISSION")?

A. No.

1 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER STATE**
2 **REGULATORY COMMISSIONS?**

3 A. Yes. Regarding rate cases, I submitted testimony in Colorado Public Utilities
4 Commission Docket No. 20AL-0432E, Maryland Public Service Commission Case
5 Numbers 9645 and 9630, New Mexico Public Regulation Commission Case No. 20-
6 00238-UT, New York Public Service Commission Case No. 20-E-0380, Pennsylvania
7 Public Utility Commission Docket No. R-2021-3024601, Texas Docket No. 51802, and
8 Washington Utilities and Transportation Commission Docket UE-191024. I also
9 submitted testimony in the Public Utility Commission of Texas Docket No. 51547
10 regarding the Avangrid and PNM Resources merger and the Arkansas Public Service
11 Commission Docket No. 20-027-U regarding Demand Response. Additionally, I was
12 also called as a witness before the Arkansas Public Service Commission in Docket No.
13 16-207-R regarding Net Metering.

14 **Q. ARE YOU SPONSORING ANY EXHIBITS WITH YOUR TESTIMONY?**

15 A. Yes. I am sponsoring the exhibits listed in the Table of Contents.

16 **Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS IN OHIO.**

17 A. As stated on Walmart's website, Walmart operates 172 retail units and five
18 distribution centers, and directly employs over 54,000 associates in the State of Ohio.

1 In fiscal year ending 2021, Walmart purchased \$6.3 billion worth of goods and services
2 from suppliers, supporting over 125,000 additional jobs.¹

3 **Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS WITHIN THE SERVICE**
4 **TERRITORY OF DAYTON POWER AND LIGHT COMPANY D/B/A AES OHIO ("AES**
5 **OHIO" OR "COMPANY").**

6 A. Walmart is a large customer of AES Ohio, with 19 stores, one distribution center, and
7 related facilities that take electric service from the Company, primarily on the
8 Secondary rate schedule.

9
10 **II. Purpose of Testimony and Summary of Recommendations**

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

12 A. The purpose of my testimony is to address aspects of the Company's rate case filing
13 and to provide recommendations to assist the Commission in thoroughly and carefully
14 considering the Company's proposed rate increase.

¹ <http://corporate.walmart.com/our-story/locations/united-states#/united-states/ohio>

1 **Q. IN SETTING THE REVENUE REQUIREMENT, RETURN ON EQUITY ("ROE"), REVENUE**
2 **ALLOCATION, AND RATE DESIGN CHANGES FOR THE COMPANY, SHOULD THE**
3 **COMMISSION CONSIDER THE IMPACT OF THE PROPOSED RATE INCREASE ON**
4 **CUSTOMERS?**

5 A. Yes. Electricity is a significant operating cost for businesses such as Walmart. When
6 electric rates increase, the increased cost puts pressure on consumer prices and on
7 the other expenses required by a business to operate, impacting not only the business
8 but potentially the end-use customers it serves. The Commission should thoroughly
9 and carefully consider the global impact on customers when examining AES Ohio's
10 requested revenue requirement and ROE, in addition to all other facets of this case,
11 to ensure that any increase in the Company's rates is the minimum amount necessary
12 to provide safe, adequate, and reliable service, while also providing AES Ohio the
13 opportunity to recover its reasonable and prudent costs and earn a reasonable return
14 on its investment.

15 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS TO THE COMMISSION.**

16 A. My recommendations to the Commission are as follows:

17 1. The Commission should find that the ROE requested by the Company is
18 unreasonably high, especially when viewed in light of:

19 a. The customer impact of the resulting revenue requirement increase;

20 b. Recent rate case ROEs approved by the Commission;

21 c. Recent rate case ROEs approved by other state regulatory commissions;

22 and

1 d. The Company's currently approved ROE.

2 2. Walmart does not take a position on the Company's proposed Cost of Service
3 Study ("COSS"); however, to the extent that alternative cost of service models or
4 modifications to the Company's model are proposed by other parties, Walmart
5 reserves the right to address any such proposals.

6 3. If the Commission determines that the appropriate revenue requirement is less
7 than that proposed by the Company, the Commission should apply any reduction
8 in revenue requirement in a manner that keeps customer classes at their
9 respective costs of service and reduces interclass subsidies where possible.

10 **Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR POSITION ADVOCATED**
11 **BY THE COMPANY INDICATE WALMART'S SUPPORT?**

12 A. No. The fact that an issue is not addressed herein or in related filings should not be
13 construed as an endorsement of any filed position.

14
15 **III. Revenue Requirement and Cost of Capital**

16 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED REVENUE**
17 **REQUIREMENT INCREASE IN THIS DOCKET?**

18 A. My understanding is that the Company proposes an annual base rate revenue
19 requirement increase of approximately \$120.8 million for the test year ending May
20 31, 2021. See Direct Testimony of Bruce R. Chapman, p. 14, lines 4-6 and Direct
21 Testimony of Craig A. Forestal, p. 3, lines 3-7.

1 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED ROE AND**
2 **WEIGHTED AVERAGE COST OF CAPITAL ("WACC") IN THIS DOCKET?**

3 A. My understanding is that the Company proposes an ROE of 10.50 percent based on
4 the range of 9.4 percent to 10.7 percent. See Direct Testimony of Adrien M. McKenzie,
5 p. 4, lines 2-4 and p. 18, lines 8-10. The Company proposes a cost of long-term debt
6 of 4.44 percent and a capital structure of 53.87 percent equity, 46.13 percent debt for
7 a proposed overall WACC of 7.71 percent. See Direct Testimony of Dustin J. Illyes, p.
8 3, lines 5 and 18 and p. 4, lines 12-13.

9 **Q. IS WALMART CONCERNED ABOUT THE REASONABLENESS OF THE COMPANY'S**
10 **PROPOSED ROE?**

11 A. Yes, a 10.50 percent ROE is unreasonably high, especially when viewed in light of:
12 1. The customer impact of the resulting revenue requirement increases;
13 2. Recent rate case ROEs approved by the Commission;
14 3. Recent rate case ROEs approved by other state regulatory commissions; and
15 4. The Company's currently approved ROE.

16
17 **A. Customer Impact**

18 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S CURRENTLY APPROVED ROE?**

19 A. My understanding is that the Company's currently authorized ROE is 9.999 percent.²

² In the Matter of the Application of The Dayton Power and Light Company for an Increase in its Electric Distribution Rates, Case No. 15-1830-EL-AIR, Opinion and Order (issued Sep. 26, 2018), p. 24.

1 **Q. HAVE YOU CALCULATED AN ESTIMATE OF THE IMPACT TO CUSTOMERS OF THE**
2 **DIFFERENCE BETWEEN THE CURRENTLY AUTHORIZED ROE OF 9.999 PERCENT AND**
3 **THE 10.50 PERCENT ROE PROPOSED BY THE COMPANY?**

4 A. Yes. Holding rate base constant and using the Company's proposed cost of debt and
5 capital structure, the revenue requirement impact of the difference between the
6 currently authorized ROE of 9.999 percent and the Company's proposed 10.50
7 percent ROE is approximately \$2.9 million, or 2.4 percent of the proposed revenue
8 requirement increase. See Exhibit AJK-2.

9
10 ***B. Recent ROEs Approved by the Commission***

11 **Q. IS THE COMPANY'S PROPOSED ROE SIGNIFICANTLY HIGHER THAN THE ROEs**
12 **APPROVED BY THIS COMMISSION IN RECENT YEARS?**

13 A. Yes. In addition to the Company's last rate case, where the Commission approved an
14 ROE of 9.999 percent, in Case No. 17-0032-EL-AIR, the Commission approved a 9.84
15 percent ROE for Duke Energy Ohio Inc.³

³ See *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates*, Case No. 17-0032-EL-AIR, Opinion and Order (issued Dec. 19, 2018), p. 92.

1 **Q. DO YOU DRAW ANY CONCLUSIONS REGARDING THE REASONABLENESS OF THE ROE**
2 **REQUESTED BY AES OHIO IN LIGHT OF THIS RECENT RATE CASE DECIDED BY THE**
3 **COMMISSION?**

4 The Company's proposed 10.50 percent ROE is counter to recent ROEs awarded by
5 this Commission.

6
7 ***C. National Utility Industry ROE and Weighted Equity Cost Trends***

8 **Q. HOW DOES THE COMPANY'S PROPOSED ROE COMPARE TO ELECTRIC ROEs**
9 **APPROVED BY OTHER UTILITY REGULATORY COMMISSIONS IN 2018, 2019, 2020,**
10 **AND SO FAR IN 2021?**

11 A. According to data from S&P Global Market Intelligence ("S&P Global"), a financial
12 news and reporting company, the average of the 126 reported electric utility rate case
13 ROEs authorized by commissions for investor-owned utilities in 2018, 2019, 2020, and
14 so far in 2021, is 9.51 percent. *See* Exhibit AJK-3. By year, the average approved ROE
15 was 9.55 percent in 2018, 9.64 percent in 2019, 9.39 percent in 2020, and 9.48 percent
16 so far in 2021. *Id.* The range of reported authorized ROEs for this same period is 8.20
17 percent to 10.50 percent, and the median authorized ROE is 9.50 percent. *Id.* As such,
18 the Company's proposed 10.50 percent ROE is counter to broader electric industry
19 trends.

1 Q. SEVERAL OF THE REPORTED AUTHORIZED ROEs ARE FOR VERTICALLY INTEGRATED
2 UTILITIES. WHAT IS THE AVERAGE AUTHORIZED ROE IN THE REPORTED GROUP FOR
3 DISTRIBUTION-ONLY UTILITIES?

4 A. S&P Global reports that the average authorized electric ROE for distribution-only
5 utilities like AES Ohio over the same time period is 9.28 percent. *Id.* Indeed, as
6 reflected in Figure 1, from 2018 to present, no distribution-only utility has been
7 awarded an ROE greater than or equal to 10.00 percent.

8 Q. IF THE ROE REQUESTED BY AES OHIO WERE APPROVED, HOW WOULD IT COMPARE
9 TO OTHER AWARDED ROES SINCE 2018?

10 A. As shown in Figure 1, if AES Ohio were awarded a 10.50 percent ROE it would be the
11 single highest approved electric ROE for a distribution-only utility from 2018 to
12 present.

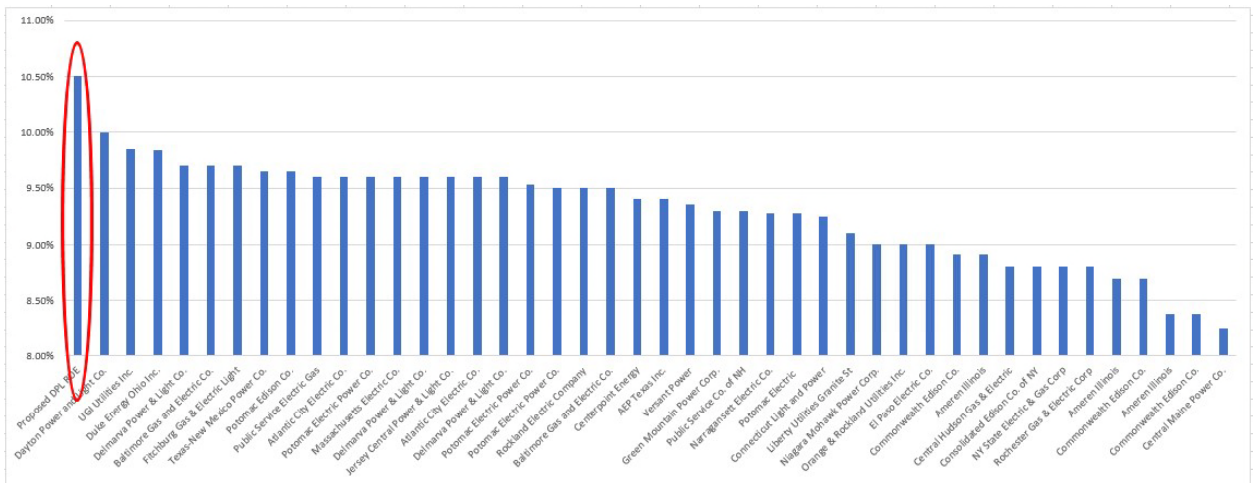


Figure 1. AES Ohio Proposed 10.50 Percent ROE Versus Authorized ROEs for Distribution-only Utilities, 2018 through Present. Source: Exhibit AJK-3.

1 **Q. WHAT IS THE DIFFERENCE IN REVENUE REQUIREMENT BETWEEN THE COMPANY'S**
2 **PROPOSED 10.50 PERCENT ROE AND THE 9.28 PERCENT AVERAGE AUTHORIZED ROE**
3 **FOR DISTRIBUTION-ONLY ELECTRIC UTILITIES FROM 2018 TO PRESENT?**

4 A. The difference in the revenue requirement between the 10.50 percent ROE proposed
5 by the Company versus the 9.28 percent average authorized ROE for distribution-only
6 electric utilities is approximately \$6.9 million, or roughly 5.7 percent of the Company's
7 proposed revenue deficiency. See Exhibit AJK-4.

8 **Q. IS WALMART RECOMMENDING THAT THE COMMISSION SHOULD BE BOUND BY**
9 **ROEs AUTHORIZED BY OTHER STATE REGULATORY COMMISSIONS?**

10 A. No. Decisions of other state regulatory commissions are not binding on the
11 Commission. Each state regulatory commission considers the specific circumstances
12 in each case in its determination of the proper ROE. Walmart is merely providing this
13 information to illustrate nationwide and industry trends in authorized ROEs.

14
15 ***D. Conclusion***

16 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION IN REGARD TO THE**
17 **COMPANY'S PROPOSED ROE?**

18 A. The Commission should reject the 10.50 percent ROE requested by AES Ohio as it is
19 inconsistent with recent ROEs approved by this Commission and other state
20 regulatory commission. Moreover, the requested ROE represents a significant
21 increase from the Company's currently authorized ROE of 9.999 percent without

1 sufficient justification for such an increase while negatively impacting customers by
2 further increasing the resulting revenue requirement sought by the Company.
3

4 **IV. Cost of Service and Revenue Allocation**

5 **Q. WHAT IS WALMART'S POSITION ON SETTING RATES BASED ON THE COST OF**
6 **SERVICE?**

7 A. Walmart advocates that rates be set based on the utility's cost of service for each rate
8 class. This produces equitable rates that reflect cost causation, send proper price
9 signals, and minimize price distortions.

10 **Q. DOES WALMART TAKE A POSITION ON THE COMPANY'S PROPOSED COSS AT THIS**
11 **TIME?**

12 A. No. However, to the extent that alternative cost of service models or modifications to
13 the Company's model are proposed by other parties, Walmart reserves the right to
14 address any such proposals.

15 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED REVENUE**
16 **ALLOCATION METHODOLOGY?**

17 A. My understanding is the Company proposes to use the class cost of service study
18 ("CCOS") results as a guide to move all customer classes to their cost of service such
19 that the Company earns the overall rate of return on 7.71 percent from each customer
20 class. See Direct Testimony of Bruce R. Chapman, p. 14, lines 4-6 and lines 15-17.

1 **Q. DOES WALMART OPPOSE THE COMPANY'S PROPOSED REVENUE ALLOCATION**
2 **METHODOLOGY?**

3 A. Walmart does not oppose the Company's proposed revenue allocation methodology.

4 **Q. IF THE COMMISSION ULTIMATELY APPROVES A REDUCED REVENUE REQUIREMENT,**
5 **WHAT IS WALMART'S RECOMMENDATION TO THE COMMISSION?**

6 A. If the Commission determines that the appropriate revenue requirement is less than
7 that proposed by the Company, the Commission should apply any reduction in
8 revenue requirement in a manner that keeps customer classes at their respective
9 costs of service per the approved cost of service study in this case.

10 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

11 A. Yes.

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EXHIBITS OF

ALEX J. KRONAUER

ON BEHALF OF

WALMART INC.

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EXHIBIT AJK-1 OF

ALEX J. KRONAUER

ON BEHALF OF

WALMART INC.

Alex J. Kronauer

Senior Manager, Energy Services

Walmart Stores, Inc.

Business Address: 2608 SE J Street, Bentonville, Arkansas 72716

Business Phone: (312) 231-6667

INDUSTRY EXPERIENCE

August 2019 – Present

Walmart Inc., Bentonville, AR

Senior Manager, Energy Services

May 2014 – July 2019

CyrusOne, Dallas, TX

Senior Financial Analyst

November 2012 – April 2014

CyrusOne, Dallas, TX

Financial Analyst

July 2011 – October 2012

TXU Energy (now Vistra Corporation), Irving, TX

Senior Financial Analyst

EDUCATION

2011 University of Texas at Austin, McCombs School of Business

MBA

2005 Colby College

B.A., Economics

INDUSTRY TRAINING

Passed the Chartered Financial Analyst (CFA) level I exam

TESTIMONY BEFORE REGULATORY COMMISSIONS

2021

Public Utility Commission of Texas Docket No. 51802/SOAH Docket No. 473-21-0478:
Application of Southwestern Public Service Company for Authority to Change Rates.

Pennsylvania Public Utility Commission Docket No. R-2021-3024601: Pennsylvania Public
Utility Commission v. PECO Energy Company – Electric Division.

New Mexico Public Regulation Commission Case No. 20-00238-UT: In the Matter of
Southwestern Public Service Company's Application for: (1) Revision of its Retail Rates under
Advice Notice No. 292; (2) Authorization and Approval to Abandon its Plant X Unit 3 Generating
Station; and (3) other Associated Relief.

Colorado Public Utilities Commission Docket No. 20AL-0432E: In the Matter of Advice No. 1835-Electric of Public Service Company of Colorado to Revise its Colorado P.U.C. No. 8 – Electric Tariff to Eliminate the Currently Effective General Rate Schedule Adjustments to Place into Effect Revised Base Rates and other Phase II Tariff Proposals to Become Effective November 19 2020.

Public Utility Commission of Texas Docket No. 51547: Joint Report and Application of Texas-New Mexico Power Company, NM Green Holdings, Inc., and Avangrid, Inc. for Regulatory Approvals Under PURA §§ 14.101, 39.262 AND 39.915.

2020

New York Public Service Public Service Commission Case No. 20-E-0380: Proceeding on motion of the Commission as to the rates, charges, rules, and regulations of Niagara Mohawk Power Corporation d/b/a National Grid for electric service.

Maryland Public Service Commission Docket No. 9645: In the matter of the application of Baltimore Gas and Electric Company for an electric and gas multi-year plan.

Washington Utilities and Transportation Commission Docket UE-191024: In the matter of PacifiCorp for adjustments to its retail rates for electric energy.

Maryland Public Service Commission Docket No. 9630: In the matter of the application of Delmarva Power & Light Company for adjustments to its retail rates for the distribution of electric energy.

Arkansas Public Service Commission Docket No. 20-027-U. Issue: Demand Response participation.

2019

Arkansas Public Service Commission Docket No. 16-027. Issue: Net Metering Implementation.

KEY ACCOMPLISHMENTS

Created and maintained a Rate Monitor tool to assist Walmart’s financial planning and analysis (FP&A) team with budgeting and forecasting. Scanned state PSC websites for potential rate changes and quantified rate change impacts by location by month from general rate cases, fuel adjustments, riders, and other items.

Analyzed, pitched, and secured executive approval for CyrusOne’s first green energy commitment through a municipal utility. December 2018.

Implemented demand response program utilizing CyrusOne’s backup generators, resulting in \$2.5mm of savings over 4 years (2015-2019). Demonstrated and ensured regulatory compliance.

Ohio Case Nos. 20-1651-EL-AIR, 20-1652-EL-AAM, and 20-1653-EL-ATA

Researched utility tariffs and coordinated with power utilities, contractors, and CyrusOne's commissioning teams to save over \$11mm over 3 years by minimizing utility ratchets and peak demand charges.

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EXHIBIT AJK-2 OF

ALEX J. KRONAUER

ON BEHALF OF

WALMART INC.

Impact of AES Ohio's Proposed Return on Equity vs. AES Ohio's Currently Approved Return On Equity

Line No.			Ratio	Cost Rate	Weighted Cost Rate
1	Schedule D-1	Long Term Debt	46.13%	4.44%	2.05%
2	Case No. 15-1830-EL-AIR, 15-1831-EL-AAM, 15-	Equity with Currently Approved ROE	53.87%	9.999%	5.39%
3	1832-EL-ATA, Opinion and Order, September 26, 2018	WACC with Currently Approved ROE	100%		7.43%
4	Schedule E-3.2 page 1	Rate Base		\$	796,383,774
5	3 X 4	Return on Rate Base, Currently Approved ROE		\$	59,171,314
6	Schedule D-1	Long Term Debt	46.13%	4.44%	2.05%
7	Schedule D-1	Equity with Proposed ROE	53.87%	10.50%	5.66%
8		WACC with Proposed ROE	100%		7.71%
9	Schedule E-3.2 page 1	Rate Base		\$	796,383,774
10	8 X 9	Proposed Return on Rate Base		\$	61,401,189
11	10 - 5	Difference in Return on Rate Base		\$	2,229,875
12	Schedule E-3.2 page 1	Revenue Conversion Factor			1.30
13	12 X 13	Difference in Revenue Requirement		\$	2,898,391
14	Schedule E-3.2 page 1	Proposed Revenue Deficiency		\$	120,771,561
15	13 / 14	Difference as Percent of Proposed Revenue Deficiency			2.4%

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EXHIBIT AJK-3 OF

ALEX J. KRONAUER

ON BEHALF OF

WALMART INC.

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2018 to Present

State (1)	Utility (2)	Parent Company Ticker (3)	Docket (4)	Requested ROE (5)	vertically Integrated (V) / Distribution (7)		Approved ROE (8)	Difference (9)	Applicant's Proxy Group (Y/N) (10)	ROE Fully Litigated or Settled (11)	Approved WACC (12)	Approved Equity Ratio (13)	Equity Contribution (14)
Kentucky	Kentucky Power Co.	AEP	2017-00179	10.31%		V	9.70%	(61)		Settled	6.44%	41.68%	4.04%
Oklahoma	Public Service Co. of OK	AEP	PUD 201700151	10.00%		V	9.30%	(70)		Fully Litigated	6.88%	48.51%	4.51%
Iowa	Interstate Power & Light Co.	LNT	RP-U-2017-0001	10.57%		V	9.98%	(59)	Y	Settled	7.49%	49.02%	4.89%
North Carolina	Duke Energy Progress Inc.	DUK	E-2, Sub 1142	10.75%		V	9.90%	(85)	Y	Settled	7.09%	52.00%	5.15%
Minnesota	ALLETE (Minnesota Power)	ALE	E-015/GR-16-664	10.15%		V	9.25%	(90)	Y	Fully Litigated	7.06%	53.81%	4.98%
New York	Niagara Mohawk Power Corp.	NG	17-E-0238	9.79%		D	9.00%	(79)		Settled	6.53%	48.00%	4.32%
Michigan	Consumers Energy Co.	CMS	U-18322	10.50%		V	10.00%	(50)		Fully Litigated	5.89%	40.89%	4.09%
Michigan	Indiana Michigan Power Co.	AEP	U-18370	10.60%		V	9.90%	(70)		Fully Litigated	5.76%	36.38%	3.60%
Kentucky	Duke Energy Kentucky Inc.	DUK	2017-00321	10.30%		V	9.73%	(57)	Y	Fully Litigated	6.83%	49.25%	4.79%
Connecticut	Connecticut Light and Power	ES	17-10-46	10.50%		D	9.25%	(125)		Settled	7.09%	53.00%	4.90%
Michigan	DTE Electric Co.	DTE	U-18255	10.50%		V	10.00%	(50)		Fully Litigated	5.34%	36.84%	3.68%
Washington	Avista Corp.	AVA	UE-170485	9.90%		V	9.50%	(40)		Settled	7.50%	48.50%	4.61%
Indiana	Indiana Michigan Power Co.	AEP	44967	10.60%		V	9.95%	(65)		Settled	5.51%	35.73%	3.56%
Maryland	Potomac Electric Power Co.	EXC	9472	10.10%		D	9.50%	(60)		Settled	7.03%	50.44%	4.79%
New York	Central Hudson Gas & Electric	FTS	17-E-0459	9.50%		D	8.80%	(70)		Settled	6.44%	48.00%	4.22%
Hawaii	Hawaiian Electric Co.	HE	2016-0328	10.60%		V	9.50%	(110)		Settled	7.57%	57.10%	5.42%
North Carolina	Duke Energy Carolinas LLC	DUK	E-7, Sub 1146	10.75% ‡		V	9.90%	(85)	Y	Settled	7.35%	52.00%	5.15%
Maine	Versant Power	HE	2017-00198	9.50%		D	9.35%	(15)		Fully Litigated	7.18%	49.00%	4.58%
Hawaii	Hawaiian Electric Light Co	HE	2015-0170	10.60%		V	9.50%	(110)		Settled	7.80%	56.69%	5.39%
District of Columbia	Potomac Electric Power Co.	EXC	FC-1150	10.10%		D	9.53%	(57)		Settled	7.45%	50.44%	4.81%
Delaware	Delmarva Power & Light Co.	EXC	17-0977	10.10%		D	9.70%	(40)		Settled	6.78%	50.52%	4.90%
Rhode Island	Narragansett Electric Co.	NG	4770 (electric)	10.10%		D	9.28%	(82)		Settled	6.97%	50.95%	4.73%
New Mexico	Southwestern Public Service Co	XEL	17-00255-UT	10.25%		V	9.10%	(115)	Y	Fully Litigated	7.24%	53.97%	4.91%
Wisconsin	Wisconsin Power and Light Co	LNT	6680-UR-121 (Elec)	10.00%		V	10.00%	-	Y	Settled	7.08%	52.00%	5.20%
Wisconsin	Madison Gas and Electric Co.	MGEE	3270-UR-122 (Elec)	9.80%		V	9.80%	-		Settled	7.10%	56.06%	5.49%
North Dakota	Otter Tail Power Co.	OTTR	PU-17-398	10.30%		V	9.77%	(53)	Y	Settled	7.64%	52.50%	5.13%
Ohio	Dayton Power and Light Co.	AE5	15-1830-EL-AIR	10.50%		D	9.999% *	(50)		Settled	7.27%	47.52%	4.75%
Kansas	Westar Energy Inc.	EVRG	18-WSEE-328-RTS	9.85%		V	9.30%	(55)		Settled	7.06%	51.24%	4.77%
Pennsylvania	UGI Utilities Inc.	UGI	R-2017-2640058	11.25%		D	9.85%	(140)		Fully Litigated	7.48%	54.02%	5.32%
New Jersey	Public Service Electric Gas	PEG	ER18010029	10.30%		D	9.60%	(70)		Settled	6.99%	54.00%	5.18%
Indiana	Indiana polis Power & Light Co.	AE5	45029	10.32%		V	9.99%	(33)		Settled	6.59%	39.67%	3.96%
Illinois	Ameren Illinois	AEE	18-0807	8.69%		D	8.69%	-	Y	Fully Litigated	6.99%	50.00%	4.35%
Illinois	Commonwealth Edison Co.	EXC	12-0808	8.69%		D	8.69%	-		Fully Litigated	6.52%	47.11%	4.09%
Kansas	Kansas City Power & Light	EVRG	18-KCPE-480-RTS	9.85%		V	9.30%	(55)		Settled	7.07%	49.09%	4.57%
Oregon	Portland General Electric Co.	POR	UF-335	9.50%		V	9.50%	-	Y	Settled	7.30%	50.00%	4.75%
Ohio	Duke Energy Ohio Inc.	DUK	17-0032-EL-AIR	10.40%		D	9.84%	(56)	Y	Settled	7.54%	50.75%	4.99%
Texas	Texas-New Mexico Power Co.	PNM	48401	10.50%		D	9.65%	(85)		Settled	7.89%	45.00%	4.34%
Vermont	Green Mountain Power Corp.		18-0974-TF	9.30%		D	9.30%	-		Fully Litigated	5.26%	49.85%	4.64%
Michigan	Consumers Energy Co.	CMS	U-20134	10.75%		V	10.00%	(75)		Settled	N/A	N/A	N/A
West Virginia	Appalachian Power Co.	AEP	18-0646-E-42T	10.22%		V	9.75%	(47)		Settled	7.28%	50.16%	4.89%
New Jersey	Atlantic City Electric Co.	EXC	ER18080925	10.10%		D	9.60%	(50)		Settled	7.08%	49.74%	4.79%
New York	Orange & Rockland Utilities Inc.	ED	18-E-0067	9.75%		D	9.00%	(75)		Settled	6.97%	48.00%	4.32%
Oklahoma	Public Service Company of OK	AEP	PUD201800097	10.30%		V	9.40%	(90)		Settled	6.97%	N/A	N/A
Maryland	Potomac Edison Co.	FE	9490	10.80%		D	9.65%	(115)		Fully Litigated	7.15%	52.82%	5.10%

Ohio Case Nos. 20-1651-EL-AIR, 20-1652-EL-AAM, and 20-1653-EL-ATA

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2018 to Present

State (1)	Utility (2)	Parent Company Ticker (3)	Docket (4)	Requested ROE (5)	vertically Integrated (V) / Distribution (7)		Approved ROE (8)	Difference (9)	Applicant's Proxy Group (Y/N) (10)	ROE Fully Litigated or Settled (11)	Approved WACC (12)	Approved Equity Ratio (13)	Equity Contribution (14)
Kentucky	Kentucky Utilities Co.	PPL	2018-00294	10.42%	V	4/30/2019	9.73%	(69)		Settled	N/A	N/A	N/A
Kentucky	Louisville Gas & Electric Co.	PPL	2018-00295	10.42%	V	4/30/2019	9.73%	(69)		Settled	N/A	N/A	N/A
South Carolina	Duke Energy Carolinas LLC	DUL	2018-319-E	10.50%	V	5/1/2019	9.50%	(100)		Fully Litigated	7.16%	53.00%	5.04%
Michigan	DTE Electric Co.	DTE	U-20162	10.50%	V	5/2/2019	10.00%	(50)		Fully Litigated	5.48%	37.94%	3.79%
South Carolina	Duke Energy Progress LLC	DUK	2018-318-E	10.50%	V	5/8/2019	9.50%	(100)	Y	Fully Litigated	6.99%	53.00%	5.04%
South Dakota	Otter Tail Power Co.	OTTR	EL18-021	10.30%	V	5/14/2019	8.75%	(155)	Y	Fully Litigated	7.09%	52.92%	4.63%
Hawaii	Maui Electric Company Ltd	HE	2017-0150	10.60%	V	5/16/2019	9.50%	(110)		Settled	7.43%	57.02%	5.42%
Michigan	Upper Peninsula Power Co.	EXC	U-20276	10.50%	V	5/23/2019	9.90%	(60)		Settled	6.91%	N/A	N/A
Maryland	Potomac Electric Power Co.	EXC	9602	10.30%	D	8/12/2019	9.60%	(70)		Fully Litigated	7.45%	50.46%	4.84%
Vermont	Green Mountain Power Corp.	XEL	19-1932-TF	9.16%	V	8/29/2019	9.06%	(10)		Fully Litigated	6.85%	49.46%	4.48%
Massachusetts	Northern States Power Co. - WI	XEL	4220-UR-124	N/A	V	9/4/2019	10.00%	N/A	Y	Settled	7.56%	53.49%	5.14%
Massachusetts	Massachusetts Electric Co.	NG	DP1-18-150	10.50%	D	9/20/2019	9.60%	(90)		Fully Litigated	6.92%	49.38%	4.77%
Montana	Northwestern Corp.	NWE	D2018.2.12	10.65%	V	10/29/2019	9.65%	(100)	Y	Settled	7.49%	54.46%	5.45%
Wisconsin	Wisconsin Electric Power Co.	WEC	05-UR-109	10.35%	V	10/31/2019	10.00%	(35)		Settled	7.22%	51.96%	5.20%
Wisconsin	Wisconsin Public Service Corp.	WEC	6690-UR-126	10.35%	V	10/31/2019	10.00%	(35)		Settled	7.09%	50.00%	4.68%
Louisiana	Entergy New Orleans LLC	ETR	UD-18-07	10.50%	V	11/7/2019	9.35%	(115)	Y	Fully Litigated	7.35%	50.00%	4.75%
Idaho	Avista Corp.	AVA	AVU-E-19-04	9.90%	V	11/29/2019	9.50%	(40)		Settled	6.51%	47.97%	4.27%
Illinois	Commonwealth Edison Co.	EXC	19-0387	8.91%	D	12/4/2019	8.91%	-		Fully Litigated	6.52%	47.86%	4.67%
Indiana	Northern Indiana Public Service Co.	NI	45159	10.80%	V	12/4/2019	9.75%	(105)		Settled	6.71%	50.00%	4.46%
Illinois	Ameren Illinois	AEE	19-0436	8.91%	D	12/16/2019	8.91%	-	Y	Fully Litigated	N/A	56.00%	5.88%
Georgia	Georgia Power Co.	SO	42516	10.90%	V	12/17/2019	10.50%	(40)		Fully Litigated	6.94%	N/A	N/A
Maryland	Baltimore Gas and Electric Co.	EXC	9610	10.30%	D	12/17/2019	9.70%	(60)		Settled	7.81%	52.00%	5.33%
California	Pacific Gas & Electric Co.	PGC	A-19-04-015	12.00%	V	12/19/2019	10.25%	(175)		Fully Litigated	7.55%	52.00%	5.30%
California	San Diego Gas & Electric Co.	SRE	A-19-04-017	12.38%	V	12/19/2019	10.20%	(218)		Fully Litigated	7.68%	52.00%	5.36%
California	Southern California Edison Co.	EIX	A-19-04-014	11.45%	V	12/19/2019	10.30%	(115)	Y	Fully Litigated	4.93%	33.71%	3.19%
Arkansas	Southwestern Electric Power Co.	AEP	19-008-U	10.50%	V	12/20/2019	9.45%	(105)		Settled	6.75%	50.92%	4.84%
Nevada	Sierra Pacific Power Co.	BRK-A	19-06002	10.21%	V	12/24/2019	9.50%	(71)		Settled	7.23%	51.00%	5.11%
Iowa	Interstate Power & Light Co.	LNT	RP1-2019-0001	10.25%	V	1/8/2020	10.02%	(23)	Y	Settled	6.61%	48.00%	4.22%
New York	Consolidated Edison Co. of NY	ED	19-E-0065	9.75%	D	1/16/2020	8.80%	(95)		Settled	7.11%	48.32%	4.59%
New Jersey	Rockland Electric Company	ED	ER1905052	9.60%	D	1/22/2020	9.50%	(10)		Settled	6.08%	46.56%	4.59%
Michigan	Indiana Michigan Power Co.	AEP	U-20359	10.50%	V	1/23/2020	9.86%	(64)		Settled	N/A	51.96%	5.20%
California	PacifiCorp	BRK-A	A-18-04-002	10.60%	V	2/6/2020	10.00%	(60)		Fully Litigated	6.97%	55.61%	5.17%
Colorado	Public Service Company of Colorado	XEL	19AL-0268E	10.20%	V	2/11/2020	9.30%	(90)	Y	Fully Litigated	6.51%	42.50%	4.00%
Texas	Centerpoint Energy	CNP	49421	10.40%	D	2/14/2020	9.40%	(100)		Settled	6.30%	50.00%	4.13%
Maine	Central Maine Power Co.	IBE	2018-00194	10.00%	D	2/19/2020	8.25%	(175)		Fully Litigated	7.20%	52.00%	5.07%
North Carolina	Virginia Electric & Power Co.	D	E-22 Sub 562	10.75%	V	2/24/2020	9.75%	(100)		Settled	6.45%	42.50%	4.00%
Texas	AEP Texas Inc.	AEP	49494	10.50%	D	2/27/2020	9.40%	(110)		Settled	5.61%	37.55%	3.64%
Indiana	Indiana Michigan Power Co.	AEP	45235	10.50%	V	3/11/2020	9.70%	(80)		Fully Litigated	7.21%	48.50%	4.56%
Washington	Avista Corp.	AVA	UE-190334	9.90%	V	3/25/2020	9.40%	(50)		Settled	7.99%	52.45%	5.09%
Massachusetts	Fitchburg Gas & Electric Light	UTL	DP1-19-130	10.50%	D	4/17/2020	9.70%	(80)		Settled	6.41%	48.23%	4.46%
Kentucky	Duke Energy Kentucky Inc.	DUK	2019-00271	9.80%	V	4/27/2020	9.25%	(55)	Y	Fully Litigated	5.46%	38.32%	3.79%
Michigan	DTE Electric Co.	DTE	U-20561	10.50%	V	5/8/2020	9.90%	(60)		Fully Litigated	7.19%	54.77%	5.18%
New Mexico	Southwestern Public Service Co	XEL	19-00170-UT	10.10%	V	5/20/2020	9.45%	(65)	Y	Settled	5.71%	40.98%	3.98%
Indiana	Duke Energy Indiana, LLC	DUK	45253	10.40%	V	6/29/2020	9.70%	(70)	Y	Fully Litigated			

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2018 to Present

State (1)	Utility (2)	Parent Company Ticker (3)	Docket (4)	Requested ROE (5)	vertically Integrated (V) / Distribution (7)		Approved ROE (8)	Difference (9)	Applicant's Proxy Group (Y/N) (10)	ROE Fully Litigated or Settled (11)	Approved WACC (12)	Approved Equity Ratio (13)	Equity Contribution (14)
New Hampshire	Liberty Utilities Granite St	AQN	DE-19-064	10.00%		D	9.10%	(90)		Settled	7.60%	52.00%	4.73%
Missouri	Empire District Electric Co.	AQN	ER-2019-0374	9.95%		V	9.25%	(70)		Settled	6.77%	46.00%	4.26%
Washington	Puget Sound Energy Inc.		UE-190529	9.50%		V	9.40%	(10)		Fully Litigated	7.39%	48.50%	4.56%
Maryland	Delmarva Power & Light Co.	EXC	9630	10.30%		D	9.60%	(70)		Fully Litigated	6.84%	50.53%	4.85%
Hawaii	Hawaii Electric Light Co	HE	2018-0368	10.50%		V	9.50%	(100)		Settled	7.52%	56.83%	5.40%
California	Liberty Utilities (CalPeco Electric)	AQN	A-18-12-001	10.30%		V	10.00%	(30)		Fully Litigated	7.63%	52.50%	5.25%
Vermont	Green Mountain Power Corp.		20-1407-TF	8.20%		V	8.20%	-		Fully Litigated	6.43%	49.87%	4.09%
Texas	Southwestern Public Service Co	XEL	49831	10.10%		V	9.45%	(65)	Y	Settled	7.13%	54.62%	5.16%
Hawaii	Hawaiian Electric Co.	HE	2019-0085	10.50%		V	9.50%	(100)		Settled	7.37%	56.83%	5.40%
New Jersey	Jersey Central Power & Light Co.	FE	ER20020146	10.15%		D	9.60%	(55)		Settled	7.40%	51.44%	4.94%
New York	NY State Electric & Gas Corp	IBE	19-E-0378	9.50%		D	8.80%	(70)		Settled	6.10%	48.00%	4.22%
New York	Rochester Gas & Electric Corp	IBE	19-E-0380	9.50%		D	8.80%	(70)		Settled	6.62%	48.00%	4.22%
Virginia	Appalachian Power Co.	AEP	PUR-2020-00015	9.90%		V	9.20%	(70)		Fully Litigated	N/A	N/A	N/A
Wisconsin	Madison Gas and Electric Co.	MGEE	3270-UR-123 (Elec)	9.80%		V	9.80%	-		Settled	6.95%	55.00%	5.39%
Illinois	Ameren Illinois	AEE	20-0381	8.38%		D	8.38%	-	Y	Fully Litigated	6.39%	50.00%	4.19%
Illinois	Commonwealth Edison Co.	EXC	20-0393	8.38%		D	8.38%	-		Fully Litigated	6.28%	48.16%	4.04%
Nevada	Nevada Power Co.	BRK-A	20-06003	10.08%		V	9.40%	(68)		Settled	7.14%	N/A	N/A
Washington	PacifiCorp	BRK-A	UE-191024	10.20%		V	9.50%	(70)		Settled	7.17%	49.10%	4.66%
New Hampshire	Public Service Co. of NH	ES	DE-19-057	10.40%		D	9.30%	(110)		Settled	6.87%	54.40%	5.06%
Maryland	Baltimore Gas and Electric Co.	EXC		9645		D	9.50%	(60)		Fully Litigated	6.75%	52.00%	4.94%
Michigan	Consumers Energy Co.	CMS	U-20697	10.50%		V	9.90%	(60)		Fully Litigated	5.67%	N/A	N/A
Oregon	PacifiCorp	BRK-A	UE 374	9.80%		V	9.50%	(30)		Fully Litigated	7.14%	50.00%	4.75%
Arizona	Tucson Electric Power Co.	FTS	E-1933A-19-0028	10.00%		V	9.15%	(85)		Fully Litigated	7.04%	53.08%	4.86%
Wisconsin	Wisconsin Power and Light Co	LNT	6680-UR-122 (Elec)	N/A		V	10.00%	N/A	Y	Fully Litigated	7.26%	52.53%	5.25%
Utah	PacifiCorp	BRK-A	20-035-04	9.80%		V	9.65%	(15)		Fully Litigated	7.34%	52.50%	5.07%
Kentucky	Kentucky Power Co.	AEP	C-2020-00174	10.00%		V	9.30%	(70)		Fully Litigated	6.19%	43.25%	4.02%
North Carolina	Duke Energy Carolinas LLC	DUK	D-E-7, Sub 1214	10.50%		V	9.60%	(90)	Y	Settled	7.04%	52.00%	4.99%
North Carolina	Duke Energy Progress LLC	DUK	D-E-2, Sub 1219	10.50%		V	9.60%	(90)	Y	Settled	6.92%	52.00%	4.99%
Florida	Duke Energy Florida LLC	DUK	D-20210016-EI	9.85%		V	9.85%	-	Y	Settled	N/A	N/A	N/A
Wyoming	PacifiCorp	BRK-A	20000-578-ER-20	9.80%		V	9.50%	(30)		Fully Litigated	7.19%	51.00%	4.85%
District of Columbia	Potomac Electric	EXC	FC-1156	9.70%		D	9.28%	(42)		Fully Litigated	7.17%	50.68%	4.70%
Maryland	Potomac Electric Power Co.	EXC	C-9655	10.20%		V	9.55%	(65)		Fully Litigated	7.21%	50.50%	4.82%
New Mexico	El Paso Electric Co.		C-20-00104-UT	10.30%		D	9.00%	(130)		Fully Litigated	7.18%	49.21%	4.43%
Kentucky	Kentucky Utilities Co.	PPL	C-2020-00349	10.00%		V	9.43%	(57)		Settled	NA	NA	N/A
Kentucky	Louisville Gas & Electric Co.	PPL	C-2020-00350 (elec.)	10.00%		V	9.43%	(57)		Settled	NA	NA	N/A
New Jersey	Atlantic City Electric Co.	EXC	D-ER20120746	10.30%		D	9.60%	(70)		Settled	6.99%	50.21%	4.82%
South Carolina	Dominion Energy South Carolina	D	D-2020-125-E	10.25%		V	9.50%	(75)		Settled	NA	51.62%	4.90%
Delaware	Delmarva Power & Light Co.	EXC	D-20-0149	10.30%		D	9.60%	(70)		Fully Litigated	6.80%	NA	N/A
Entire Period				126									
# of Decisions													
Average				10.17%					9.51%	(66)	6.91%	49.66%	4.72%
Average				9.93%					9.28%	(65)	6.92%	49.75%	4.61%
Average				10.29%					9.63%	(66)	6.91%	49.62%	4.78%

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2018 to Present

State	Utility	Parent Company Ticker	Docket	Requested ROE	vertically Integrated (V) / Distribution		Approved ROE	Difference	Applicant's Proxy Group (Y/N)	ROE Fully Litigated or Settled	Approved WACC	Approved Equity Ratio	Equity Contribution
					Order Date	Only (D)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
								(8) - (5)					(8) X (13)
Median	(All Utilities)			10.30%			9.50%				7.06%	50.44%	4.79%
Maximum	(All Utilities)			12.38%			10.50%				7.99%	57.10%	5.88%
Minimum	(All Utilities)			8.20%			8.20%				4.93%	33.71%	3.19%
Ohio			2	10.45%			9.92%	(53)			7.41%	49.14%	4.87%
Applicant Proxy Group				10.15%			9.54%	(61)			7.07%	51.32%	4.89%
Settled				10.23%			9.57%	(66)			7.03%	50.06%	4.78%
Fully Litigated				10.09%			9.44%	(65)			6.77%	49.18%	4.64%
2018													
# of Decisions													
Average	(All Utilities)		38	10.14%			9.55%	(59)			6.92%	48.99%	4.67%
Average	(Distribution Only)			9.96%			9.38%	(58)			6.96%	49.91%	4.68%
Average	(Distribution Only, exc. IL FRP)			10.14%			9.47%	(66)			6.99%	50.11%	4.75%
Average	(Vertically Integrated Only)			10.27%			9.68%	(60)			6.89%	48.32%	4.67%
2019													
# of Decisions													
Average	(All Utilities)		33	10.43%			9.64%	(79)			7.02%	50.33%	4.85%
Average	(Distribution Only)			9.95%			9.37%	(58)			7.05%	50.38%	4.70%
Average	(Distribution Only, exc. IL FRP)			10.29%			9.53%	(77)			7.19%	50.94%	4.84%
Average	(Vertically Integrated Only)			10.59%			9.73%	(86)			7.01%	50.32%	4.90%
2020													
# of Decisions													
Average	(All Utilities)		42	10.00%			9.39%	(62)			6.82%	49.77%	4.67%
Average	(Distribution Only)			9.83%			9.10%	(73)			6.79%	49.22%	4.48%
Average	(Distribution Only, exc. IL FRP)			10.07%			9.21%	(86)			6.86%	49.24%	4.54%
Average	(Vertically Integrated Only)			10.10%			9.55%	(56)			6.84%	50.12%	4.78%
2021													
# of Decisions													
Average	(All Utilities)		13	10.13%			9.48%	(65)			6.97%	50.05%	4.73%
Average	(Distribution Only)			10.15%			9.37%	(78)			7.04%	50.03%	4.65%
Average	(Distribution Only, exc. IL FRP)			10.15%			9.37%	(78)			7.04%	50.03%	4.65%
Average	(Vertically Integrated Only)			10.12%			9.53%	(59)			6.91%	50.06%	4.76%

Source: S&P Global Market Intelligence
Last Updated: 8/10/2021
\$ S&P incorrectly reports this value as 9.9%
Ø Utility did not file a full rate case, approved ROE based on a settlement
¥ Weighted to include ratemaking-principles rate base and ROE
µ S&P incorrectly reports this value as 9.6%

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

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

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

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

EXHIBIT AJK-4 OF

ALEX J. KRONAUER

ON BEHALF OF

WALMART INC.

Calculation of Revenue Requirement Impact of AES Ohio's Proposed ROE vs.
Average ROE Awarded to Distribution-Only Utilities from 2018-Present

	Source	Capital Component	Percent of Total Capital	Cost	Weighted Cost
1	Schedule D-1	Long-term Debt	46.13%	4.44%	2.05%
2	AJK-3	Common Equity	53.87%	9.28%	5.00%
3		Rate of Return at National Average Distribution-Only ROE			7.05%
4	Schedule E-3.2 page 1	Rate Base			
5	(3) x (4)	Return on Rate Base at National Average ROE			\$ 796,383,774 \$ 56,118,529
		Capital Component	Percent of Total Capital	Cost	Weighted Cost
6	Schedule D-1	Long-term Debt	46.13%	4.44%	2.05%
7	Schedule D-1	Common Equity	53.87%	10.50%	5.66%
8		Rate of Return at Requested ROE			7.71%
9	Schedule E-3.2 page 1	Rate Base			
10	(8) x (9)	Return on Rate Base with Proposed ROE			\$ 796,383,774 \$ 61,401,189
11	(9) - (5)	Difference in Return on Rate Base			\$ 5,282,660
12	Schedule E-3.2 page 1	Revenue Conversion Factor			1.299800
13	(11) x (12)	Difference in Revenue Requirement			\$ 6,866,401
14	Schedule E-3.2 page 1	Proposed Revenue Deficiency			\$ 120,771,561
15	(13) / (14)	Difference as a Percent of Proposed Revenue Deficiency			5.7%

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Direct Testimony and Exhibits of Alex J. Kronauer on behalf of Walmart Inc., was served by electronic mail, upon the following Parties of Record on this 25th day of August, 2021.

/s/ Carrie H. Grundmann

Carrie H. Grundmann (Ohio Bar ID 96138)

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Summary: Testimony Direct Testimony of Alex J Kronauer electronically filed by Carrie H Grundmann on behalf of Walmart Inc.