

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

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.)	

**PREFILED TESTIMONY IN RESPONSE TO OBJECTIONS TO THE STAFF
REPORT**

OF

**MATTHEW SNIDER
ACCOUNTING & FINANCE
RATES AND ANALYSIS DEPARTMENT
PUBLIC UTILITIES COMMISSION OF OHIO**

STAFF EXHIBIT__

January 18, 2022

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

2 A. My name is Matthew Snider. My business address is 180 East Broad Street,
3 Columbus, Ohio, 43215.
4

5 2. Q. By whom are you employed?

6 A. I am employed by the Public Utilities Commission of Ohio (PUCO or
7 Commission).
8

9 3. Q. What is your current position with the PUCO and what are your duties?

10 A. I am a Utility Specialist III in the Accounting & Finance Division within
11 the Rates and Analysis Department. My duties include analyzing and
12 auditing the financial statements of public utility companies, for the
13 purpose of ratemaking, that fall under the jurisdiction of the PUCO.
14

15 4. Q. Would you briefly state your educational background, experience, and
16 qualifications?

17 A. I earned a Bachelor of Science degree in Business from Miami University
18 with majors in both Finance and Accounting in May of 2009. I have also
19 completed various classes and workshops on the ratemaking process and
20 provided workpapers, research, and testimony for previous cases before the
21 Commission.
22

1 5. Q. Please outline your work experience.

2 A. Following my graduation from Miami University in 2009, I worked for
3 Winfree, Ruff & Associates, Ltd, CPAs as a tax accountant. I joined the
4 PUCO in February 2011 as a Utility Auditor 1. Since joining the PUCO, I
5 have been promoted several times until reaching my current position of
6 Utility Specialist III.

7
8 6. Q. What is the purpose of your testimony?

9 A. The purpose of my testimony is to address objections which involve
10 revenue and miscellaneous charges. My testimony will address Objection
11 10 by the Ohio Consumers' Counsel ("OCC"); Objections IV.33 and IV.34
12 by Dayton Power and Light Company, d/b/a AES Ohio ("AES" or
13 "Company"); Objections 2a., 2d. by Direct Energy Services, LLC
14 ("Direct") and finally, Objections B by the City of Dayton.

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16 7. Q. Please describe OCC's Objection 10.

17 A. OCC objects that Staff erred by making an adjustment to decrease test year
18 operating income revenues by \$5,019,523 without explanation or
19 justification.

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1 8. Q. Does Staff agree with the objection?

2 A. No, Staff does not agree with the objection. Staff accepted the Company's
3 adjustment of \$2,426,956 found on Schedule C-3.24, which reduces the
4 revenue on the Company's Schedule C-2.1 to match Schedule E-4 and the
5 billing determinants found in the Company's 2020 Long-Term Forecast
6 Report.¹ Staff also updated the Storm Cost Recovery Rider and the State
7 Excise Tax Rider to actuals from the amount forecasted in the Company's
8 original filing. These updates reduced revenue by \$1,471,664 and
9 \$1,120,903, respectively. These adjustments in total reduced the test year
10 operating revenues by \$5,019,523.

11
12 9. Q. Please describe AES's Objection IV.33.

13 A. AES objects to Staff's recommendation to reduce the average of customer
14 deposit interest expense by \$128,774. The Company believes the average to
15 be excluded should have been \$77,857 instead and is supported by the
16 supplemental testimony of Lauren Whitehead.

17
18 10. Q. Does Staff agree with the objection?

19 A. Staff does not agree with the Company's objection. The Company's
20 calculation is based on only including customer deposits that were held

¹ *In the matter of the application of the Long-Term Forecast Report*, Case No. 20-768-EL-FOR, Long-Term Forecast Report (April 14, 2020).

greater than six months.² Staff's calculation includes not only customer deposits held greater than six months but also excludes customer deposits that the Company paid no associated interest on.

11. Q. Please describe AES's Objection IV. 34.

A. AES objected to Staff's recommendation to adjust FERC Account 235 balances using a thirteen-month average. Staff did not carry forward the updated customer deposit balance to calculate interest expense in Staff Schedule C-3.16. This objection is supported by the supplemental testimony of Lauren Whitehead.

12. Q. Does Staff agree with the objection?

A. Yes. Staff did not synchronize Schedule B-6 and Schedule C-3.16. Staff should have used a thirteen-month average for both the reduction to rate base associated with customer deposits and the amount of interest paid on customer deposits.

² See R.C. 4933.17.

1 13. Q. What is Staff's revised calculation and amount of customer deposit interest
2 expense for Schedule C-3.16?

3 A. Staff's revised calculation on Schedule C-3.16 updates the amount of
4 customer deposits to the thirteen-month average. This revised amount
5 results in interest expense associated with customer deposits of \$292,650.
6 Staff's revised calculations for Schedule C-3.16 are shown on attachment
7 MS-1.
8

9 14. Q. Please describe Direct's Objection 2a.

10 A. Direct objects to Staff's adjustment to increase test year operating income
11 to reflect revenue received from competitive retail electric service provider
12 (CRES) fees, as shown in Schedule C-3.28. Because the Staff Report does
13 not identify which specific charges are included in the adjustment, direct
14 argues it is not possible to determine whether Staff has accurately
15 accounted for all CRES provider fees.
16

17 15. Q. Does Staff agree with the Objection?

18 A. Staff agrees with Direct that the Staff Report did not identify which specific
19 charges are included in the adjustment. Staff made its adjustment based on
20 reviewing the historical amount collected in FERC Account 456. It is
21 Staff's understanding that all CRES provider fees are accounted for in
22 FERC Account 456.

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16. Q. Please describe Direct’s Objection 2d.

A. Direct objects to Staff’s adjustment to increase test year operating income to reflect revenue received from CRES provider fees, as shown in Schedule C-3.28, arguing that the lack of evidence that CRES provider fees are necessary to recover incremental, identifiable costs presumes that test year revenue generated by base rates (including the Monthly Customer Charge) is sufficient to recover all costs incurred by the Company to provide the services associated with the proposed CRES provider fees.

17. Q. Does Staff agree with the Objection?

A. No, Staff does not agree with this objection. Staff’s adjustment does not attempt to comment on the necessity of, or the policy associated with, CRES provider fees. Staff’s adjustment on Schedule C-3.28 simply identifies other sources of revenue collected by the Company and recognizes that source of revenue within the revenue requirement.

1 18. Q. Has Staff revised its adjustment regarding Schedule C-3.28 from the
2 amount recommended in the Staff Report?

3 A. Yes, the Company filed updated G8 tariffs on December 16th, 2021³
4 eliminating the fees associated with manual historical customer energy
5 usage data and electronic interval meter data. Staff's revised adjustment for
6 Schedule C-3.28 removes the estimated data access fees, while still
7 recognizing additional revenue the Company will receive from CRES
8 providers. Staff's revised calculations for Schedule C-3.28 is shown on
9 attachment MS-2.

10
11 19. Q. Please describe the City of Dayton's Objection B.

12 A. City of Dayton objects that Staff did not properly identify all revenue
13 sources for AES Ohio, including any new revenue AES Ohio would receive
14 from assessing redundant service charges on customers.

15
16 20. Q. Does Staff agree with the Objection?

17 A. Staff agrees with the City of Dayton's objection. Staff did not attempt to
18 calculate or recognize any additional revenue the Company would receive
19 from assessing redundant service charges on customers.

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³ Filed pursuant to the Opinion and Order in Case No. 18-1875-EL-GRD

1 21. Q. Does this conclude your testimony?

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

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

Include Interest on Customer Service Deposits
For the Twelve Months Ending May 31, 2021

Data: 13-Month Average
Type of Filing: Original
Work Paper Reference No(s): WPC-3.16

Schedule C-3.16 Revised
Page 1 of 1
Witness Responsible: Staff

Line No.	Account No.	Description	Total Adjustment	Allocation %	Allocation Code	Jurisdictional Amount
(A)	(B)	(C)	(D)	(E)	(F)	(G) = (D) * (E)
1		Purpose and Description:				
2		Include customer deposit interest expense as the statutory rate				
3		applied to the date certain balance of customer deposits				
4		Expense				
5	431	Company proposed Interest On Customer Service Deposits	\$ 425,260	100.00%	ALLDIST	\$ 425,260
6	431	Staff's Interest Excluded on Balances of under 6 months	\$ 132,610	100.00%	ALLDIST	\$ 132,610
7						
8	431	Staff Adjusted Interest of Customer Service Deposits	\$ 292,650	100.00%	ALLDIST	\$ 292,650
9						

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

**Adjust Test Year Revenues to Include Fees from Competitive Retail Electric Service Providers
For the Twelve Months Ending May 31, 2021**

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Original
Work Paper Reference No(s).: Staff WPC-3.28

Schedule C-3.28
Page 1 of 1
Witness Responsible: Staff

Line No.	Account No.	Description	Total Adjustment	Allocation %	Allocation Code	Jurisdictional Amount
(A)	(B)	(C)	(D)	(E)	(F)	(G) = (D) * (E)
1		Purpose and Description:				
2		Adjust test year to include fees from Competitive Retail Electric Service Providers not included in forecast				
3						
4		Revenue				
5	456	Staff Adjusted Other Electric Revenue	\$ 228,200	100.00%	ALLDIST	\$ 228,200
6						
7	Supporting Calculations					
8						
9	456	Company Proposed Other Electric Revenue				\$ 10,018,499
10	456	Staff Adjusted Other Electric Revenue				\$ 10,788,753
11		Removal of Data Access Fees				\$ 542,054
	456	Revised Adjustment to Test Year Revenue				\$ 228,200

PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Prefiled Testimony Responding to Objections to the Staff Report of Matthew Snider**, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served via regular U.S. or electronic mail upon the below parties of record, this 18th day of January 2022.

/s/ Jodi Bair

Jodi Bair

Assistant Attorney General

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

Summary: Testimony Prefiled Testimony in Response to Objections to the Staff
Report of Matthew Snider, Accounting and Finance, Rates and Analysis
Department, Public Utilities Commission of Ohio electronically filed by Mrs.
Kimberly M. Naeder on behalf of PUCO