

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
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)	
Dayton Power and Light Company to)	Case No. 20-1652-EL-AAM
change accounting methods.)	

In the Matter of the Application of)	
Dayton Power and Light Company for)	Case No. 20-1653-EL-ATA
tariff approval.)	

**PREFILED TESTIMONY
OF**

**DOROTHY R. BREMER
SUBMITTED ON BEHALF OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO
REGULATORY UTILITY SERVICES DIVISION**

STAFF EX. ____

January 18, 2022

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

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

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

6 A. I am employed by the Public Utilities Commission of Ohio (PUCO or
7 Commission) as a Public Utilities Administrator within the Regulatory
8 Utility Services Division of the Rates and Analysis Department.
9

10 3. Q. Briefly summarize your educational background and work experience.

11 A. I received a Bachelor of Science in Finance from the University of Illinois
12 at Urbana-Champaign. Subsequently, I received a Juris Doctor from the
13 Ohio State University Moritz College of Law. Moreover, I have attended
14 various seminars and rate case training programs sponsored by this
15 Commission.
16 I joined the PUCO in February of 2015 as a Public Utilities Administrator
17 in the Rates and Analysis Department. I manage and participate on Staff
18 teams that review various public utilities' applications for recovery of costs,
19 including abbreviated applications to increase rates, various riders and
20 system improvement charges. Since 2020, my team also works with Staff in
21 the Service Monitoring and Enforcement Department to review the rate and
22 tariff sections of applications to increase rates.

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4. Q. Have you testified in prior proceedings before the Commission?

A. Yes, in Case Nos. 20-585-EL-AIR and 16-907-WW-AIR.

5. Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to address several objections to the Staff Report that are specifically identified in the questions and answers below. Generally, I will clarify Staff’s low load factor recommendation, respond to the customer charge objections, and provide a supplement to the Staff Report Rate Design section.

6. Q. What is the Max Charge Provision?

A. The Max Charge Provision limits the charges to certain customers with high demand but low usage. The Company must calculate and compare a customer’s total charges for three components under normal rates and max charge rates. The three components are 1) Base Distribution, 2) Rate Stabilization Charge (RSC) and 3) Transmission Cost Recovery Rider – Non-bypassable (TCRR-N). If the total charges for the three components under normal rates exceed the total under max charge rates, then the Company will bill the customer under the max charge rates for each component.

1 7. Q. What did the Company propose?

2 A. The Company proposed to rename the current maximum rate charge
3 provisions for Secondary and Primary customers to the “Low Load Factor
4 Provision” and increase the rates to limit eligibility to customers with load
5 factors of 10% or lower.
6

7 8. Q. Does Staff support increasing the max charge rates and thereby lowering
8 the load factor eligibility threshold?

9 A. Yes. However, to mitigate the significant bill increases that would occur
10 under the Company proposal, Staff recommends increasing the max charge
11 rates gradually. Table 8 in the Staff Report summarizes the rates under
12 Staff’s alternative rate design. Where the Company proposed increasing the
13 secondary max charge rate by 619% and the primary max charge rate by
14 1,162%, Staff recommends increases of 158% and 285%, respectively,
15 which are calculated at the approximate mid-point of Staff’s recommended
16 revenue requirement.
17

18 9. Q. Please summarize the objections to Staff’s recommendations to the Max
19 Charge Provision.

20 A. OMAEG in Objection E, Walmart in Objection B, Ohio Energy Group in
21 Objection 1, Kroger in Objection F and the Company in Objection 38
22 object to Staff’s recommendation arguing that it transfers cost

responsibility from low load factor customers to non-low load factor customers.

10. Q. How do you respond?

A. Staff recognizes that the Max Charge Provision caps the bills issued to secondary and primary customers with low load factors, which results in less revenues from these customers to offset the class revenue requirement used to calculate the class demand rate in a rate case, thereby increasing it. Staff supports increasing the max charge rates and thereby lowering the load factor eligibility threshold and limiting the increase to the class demand rate; however, Staff's proposal takes into account the principle of gradualism.

11. Q. Ohio Energy Group further objects to Staff's proposal on the basis that it has not provided a rate impact analysis in support of its position. How did Staff evaluate the rate impacts of the Company's load factor proposal?

A. As stated in the Staff Report, Staff relied on responses to data requests to evaluate the rate impacts to low-load factor customers. In response to Data Request No. 18, the Company shows that customers could see increases up to 50 percent or higher on their total bill under their proposed revenue requirement and load factor proposal.

1 12. Q. One Energy Enterprises in Objection 14 and IEU in Objection 5 object to
2 Staff's failure to propose demand rates for primary and secondary
3 customers. Why didn't the Staff Report include Staff calculated demand
4 rates for secondary and primary customers and their respective typical
5 bills?

6 A. Staff calculated rates to illustrate the impact of Staff's recommendations on
7 customer rates. Detailed test year usage data is needed to calculate the
8 secondary and primary demand rates; these figures change when the max
9 charge rates change. Staff could not request the test year usage data
10 corresponding to Staff's max charge rate recommendations prior to filing
11 the Staff Report. This additional information was provided in response to
12 Data Request No. 156 after the Staff Report was filed. The attached
13 appendix includes updates to Staff Report Tables 6 and 7. It also includes
14 the associated bill impacts, which reflect assumptions consistent with the
15 Staff Report. Specifically, they reflect the approximate midpoint of Staff's
16 base distribution revenue requirement and include rider rates as proposed
17 by the Company in its Application. They also correct the secondary class
18 customer charges as referenced in OMAEG Objection D, Kroger Objection
19 E, and Company Witness Teuscher's supplemental testimony.
20

1 13. Q. OCC in Objection 23, OPAE in Objection 3, IGS in Objection F and the
2 Company in Objection 37 object to Staff's recommended residential
3 customer charge of \$9.75. How do you respond?

4 A. Staff's calculation was based on the traditional methodology used in
5 previous rate cases, the minimum compensatory method. Under this
6 methodology, the customer charge is designed to recover costs that vary
7 directly with the number of customers, such as the cost of the meter, service
8 drop, line transformer and customer billing. Staff's calculation is consistent
9 with prior rate cases; Staff's calculation of the carrying cost percentage is
10 supported in Staff workpapers. Staff Witness Schaefer addresses issues
11 regarding distributed energy resources and energy efficiency incentives.
12

13 14. Q. OCC in Objection 22 objects to the Staff Report's recommendation to
14 allocate 66.70% of base distribution charges to residential consumers
15 because residential consumers should pay no more than 63.10% of base
16 distribution charges. Ohio Energy Group in Objection 3 objects to the
17 amount of the increases/decreases in distribution rates outlined in the Staff
18 Report for Primary, Primary Substation and High Voltage customers. How
19 does Staff respond?

20 A. Staff reviewed the Cost of Service Study filed by the Company and found
21 that it is a reasonable indicator of the cost responsibility of each customer
22 class.

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15. Q. Please summarize OEE’s Objection 13.

A. My understanding is that OEE objects to Staff’s acceptance of the COSS because the methodology differs from billing practices, the methodology uses a non-coincident peak, Staff relied on the 1992 NARUC manual, and the load research study was based on historical data.

16. Q. Do you agree with the objection?

A. No. Non-coincident peak methodology is an accepted methodology to allocate costs for a distribution system. A COSS analyzes the utility’s total costs to serve and the results can be utilized to determine the relative cost to serve each class and to help determine the individual class revenue requirement. The results are informative, but not prescriptive such that rate design must match precisely. Other methodologies may be appropriate; however, the scope of our review does not include evaluating and comparing alternatives.

17. Q. Does this conclude your testimony?

A. Yes.

Secondary Service

	Current	Applicant		Staff	
		Proposed	Increase	Proposed	Increase
	\$	\$	%	\$	%
Customer Charges:					
Unmetered Service	14.16	15.20	7.34	\$ 14.68	3.67
Single Phase	16.73	15.91	-4.90	\$ 16.68	-0.30
Three Phase	25.77	30.24	17.35	\$ 28.49	10.55
Demand Charge:					
per kW	3.6569905	5.5571065	51.96	4.805277	31.40

Primary Service

	Current	Applicant		Staff	
		Proposed	Increase	Proposed	Increase
	\$	\$	%	\$	%
Customer Charge	242.12	275.72	13.88	275.72	13.88
Demand Charge: per kW	2.0325100	4.1733540	105.33	3.2083571	57.85
Reactive Demand Charge: per kVar	0.6984153	0.3676695	-47.36	0.8316463	19.08

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

**Typical Bill Comparison
Secondary Single Phase**

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Original
Work Paper Reference No(s).: None

Schedule E-5
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Witness Responsible: Robert J. Adams

Line No.	Rate Code	Level of Demand (kW)	Level of Usage (kWh)	Current Bill	Base Distribution Increase / (Decrease)	Energy Efficiency Rider (Decrease)	Current Total Bill Increase / (Decrease)	Proposed Total Bill	% Change
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) = Sum (F) to (G)	(I) = (E) + (G)	(J) = (G) / (E)
1	1PSEC	5	750	\$87.19	\$5.69	(\$1.59)	\$4.10	\$91.29	4.70%
2		5	1,500	\$136.90	\$5.69	(\$3.17)	\$2.52	\$139.42	1.84%
3		10	1,500	\$154.60	\$11.43	(\$3.17)	\$8.26	\$162.86	5.34%
4		25	5,000	\$449.19	\$28.66	(\$10.58)	\$18.08	\$467.27	4.03%
5		25	7,500	\$596.24	\$28.66	(\$15.87)	\$12.79	\$609.03	2.15%
6		25	10,000	\$743.28	\$28.66	(\$21.16)	\$7.50	\$750.78	1.01%
7		50	15,000	\$1,170.11	\$57.36	(\$31.74)	\$25.62	\$1,195.73	2.19%
8		50	25,000	\$1,752.68	\$57.36	(\$52.90)	\$4.46	\$1,757.14	0.25%
9		200	50,000	\$4,005.62	\$229.61	(\$105.81)	\$123.80	\$4,129.42	3.09%
10		200	100,000	\$6,918.43	\$229.61	(\$211.61)	\$18.00	\$6,936.43	0.26%
11		300	125,000	\$8,905.86	\$344.44	(\$264.51)	\$79.93	\$8,985.79	0.90%
12		500	200,000	\$14,303.38	\$574.09	(\$423.22)	\$150.87	\$14,454.25	1.05%
13		1,000	300,000	\$22,739.14	\$1,148.24	(\$634.83)	\$513.41	\$23,252.55	2.26%
14		1,000	500,000	\$34,300.40	\$1,148.24	(\$1,058.05)	\$90.19	\$34,390.59	0.26%
15		2,500	750,000	\$56,717.33	\$2,870.67	(\$1,587.08)	\$1,283.59	\$58,000.92	2.26%
16		2,500	1,000,000	\$70,782.55	\$2,870.67	(\$2,116.10)	\$754.57	\$71,537.12	1.07%

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

Typical Bill Comparison
Secondary Three Phase

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Original
Work Paper Reference No(s).: None

Schedule E-5
Page 6 of 11
Witness Responsible: Robert J. Adams

Line No.	Rate Code	Level of Demand (kW)	Level of Usage (kWh)	Current Bill	Base Distribution Increase / (Decrease)	Energy Efficiency Rider (Decrease)	Current Total Bill Increase / (Decrease)	Proposed Total Bill	% Change
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) = Sum (F) to (G)	(I) = (E) + (G)	(J) = (G) / (E)
1	3PSEC	5	500	\$73.51	\$8.46	(\$1.06)	\$7.40	\$80.91	10.07%
2		5	1,500	\$145.69	\$8.46	(\$3.17)	\$5.29	\$150.98	3.63%
3		10	1,500	\$163.40	\$14.20	(\$3.17)	\$11.03	\$174.43	6.75%
4		25	5,000	\$457.99	\$31.43	(\$10.58)	\$20.85	\$478.84	4.55%
5		25	7,500	\$605.04	\$31.43	(\$15.87)	\$15.56	\$620.60	2.57%
6		25	10,000	\$752.08	\$31.43	(\$21.16)	\$10.27	\$762.35	1.37%
7		50	25,000	\$1,761.47	\$60.13	(\$52.90)	\$7.23	\$1,768.70	0.41%
8		200	50,000	\$4,014.42	\$232.38	(\$105.81)	\$126.57	\$4,140.99	3.15%
9		200	125,000	\$8,383.64	\$232.38	(\$264.51)	(\$32.13)	\$8,351.51	-0.38%
10		500	200,000	\$14,312.18	\$576.86	(\$423.22)	\$153.64	\$14,465.82	1.07%
11		1,000	300,000	\$22,747.94	\$1,151.01	(\$634.83)	\$516.18	\$23,264.12	2.27%
12		1,000	500,000	\$34,309.20	\$1,151.01	(\$1,058.05)	\$92.96	\$34,402.16	0.27%
13		2,500	750,000	\$56,726.13	\$2,873.44	(\$1,587.08)	\$1,286.36	\$58,012.49	2.27%
14		2,500	1,000,000	\$70,791.35	\$2,873.44	(\$2,116.10)	\$757.34	\$71,548.69	1.07%
15		5,000	1,500,000	\$111,813.37	\$5,744.15	(\$3,174.15)	\$2,570.00	\$114,383.37	2.30%
16		5,000	2,000,000	\$139,559.77	\$5,744.15	(\$4,232.20)	\$1,511.95	\$141,071.72	1.08%

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

Typical Bill Comparison
Primary Service

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Original
Work Paper Reference No(s): None

Schedule E-5
Page 7 of 11
Witness Responsible: Robert J. Adams

Line No.	Rate Code	Level of Demand		Level of Usage	Current Bill	Base Distribution Increase / (Decrease)	Energy Efficiency Rider (Decrease)	Current Total Bill Increase / (Decrease)	Proposed Total Bill	% Change
		(kW)	(kVar)	(kWh)						
(A)	(B)	(C)		(D)	(E)	(F)	(G)	(H) = Sum (F) to (G)	(I) = (E) + (G)	(J) = (G) / (E)
1	PRI	5	2.4	1,000	\$316.72	\$39.80	(\$1.33)	\$38.47	\$355.19	12.15%
2		5	2.4	2,500	\$401.43	\$39.80	(\$3.34)	\$36.46	\$437.89	9.08%
3		10	4.8	5,000	\$562.78	\$46.00	(\$6.67)	\$39.33	\$602.11	6.99%
4		25	12.1	7,500	\$766.14	\$64.61	(\$10.01)	\$54.60	\$820.74	7.13%
5		25	12.1	10,000	\$906.53	\$64.61	(\$13.34)	\$51.27	\$957.80	5.66%
6		50	24.2	20,000	\$1,570.19	\$95.62	(\$26.68)	\$68.94	\$1,639.13	4.39%
7		50	24.2	30,000	\$2,126.18	\$95.62	(\$40.02)	\$55.60	\$2,181.78	2.62%
8		200	96.9	50,000	\$3,867.48	\$281.68	(\$66.71)	\$214.97	\$4,082.45	5.56%
9		200	96.9	75,000	\$5,257.45	\$281.68	(\$100.06)	\$181.62	\$5,439.07	3.45%
10		200	96.9	100,000	\$6,647.40	\$281.68	(\$133.41)	\$148.27	\$6,795.67	2.23%
11		500	242.2	250,000	\$16,245.80	\$653.79	(\$333.53)	\$320.26	\$16,566.06	1.97%
12		1,000	484.3	500,000	\$32,243.03	\$1,273.97	(\$667.05)	\$606.92	\$32,849.95	1.88%
13		2,500	1,210.8	1,000,000	\$65,948.90	\$3,134.53	(\$1,334.10)	\$1,800.43	\$67,749.33	2.73%
14		5,000	2,421.6	2,500,000	\$156,364.78	\$6,235.47	(\$3,335.25)	\$2,900.22	\$159,265.00	1.85%
15		10,000	4,843.2	5,000,000	\$310,553.95	\$12,437.34	(\$6,670.50)	\$5,766.84	\$316,320.79	1.86%
16		25,000	12,108.1	7,500,000	\$506,695.55	\$31,042.95	(\$10,005.75)	\$21,037.20	\$527,732.75	4.15%
17		25,000	12,108.1	10,000,000	\$639,908.55	\$31,042.95	(\$13,341.00)	\$17,701.95	\$657,610.50	2.77%
18		50,000	24,216.1	15,000,000	\$1,011,215.40	\$62,052.29	(\$20,011.50)	\$42,040.79	\$1,053,256.19	4.16%

PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Prefiled Testimony of Dorothy R. Bremer**, 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

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

Summary: Testimony Prefiled Testimony of Dorothy R. Bremer Submitted on Behalf
of the Staff of the Public Utilities Commission of Ohio, Regulatory Utility Services
Division electronically filed by Mrs. Kimberly M. Naeder on behalf of PUCO