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BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY  
CASE NO. 05-276-EL-AIR

REBUTTAL TESTIMONY  
OF MARK S. GUERRIERO, P.E.

OCTOBER 31, 2005

- MANAGEMENT POLICIES, PRACTICES, AND ORGANIZATION
- OPERATING INCOME
- RATE BASE
- ALLOCATIONS
- RATE OF RETURN
- RATES AND TARIFFS
- OTHER

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1 **I. INTRODUCTION**

2 **Q. Please state your name.**

3 A. My name is Mark Guerriero.

4 **Q. Did you file Direct and Supplemental testimony in this matter?**

5 A. Yes, I did.

6 **Q. What is the purpose of this Rebuttal testimony?**

7 A. The purpose of this Rebuttal testimony is to respond to Anthony J. Yankel's testimony,  
8 pp. 6-8, regarding the calculation of DP&L's jurisdictional allocators. I sponsored the  
9 forecast monthly generation and peak demand for April 1 through September 30, 2005.  
10 Rick Ullett is the witness responsible for the historical data for October 1, 2004 through  
11 March 31, 2005. Mr. Yankel does not understand the amount of shopping on DP&L's  
12 system, which causes the conclusions that he draws to be flawed.

13 **II. *MR. YANKEL MISUNDERSTANDS THE SCALE OF HIS***  
14 ***OBSERVATION CONCERNING THE FORECAST***  
15 ***PORTION OF DP&L'S JURISDICTIONAL ALLOCATORS***

16 **Q. In his testimony (p. 6, lines 9-19), Mr. Yankel states:**

17 **"Yes, there is another major area where the Company's filing**  
18 **does not follow the Stipulation. DP&L makes two kinds of**  
19 **sales: Retail and Wholesale. DP&L also stands ready to supply**  
20 **the needs of the Shopping customers who purchase their**  
21 **generation from CRES providers. It is my understanding that**  
22 **DP&L includes both Retail service and Standing-by functions**  
23 **as Provider of Last Resort (POLR) services. Even so, there are**  
24 **obvious differences between the functions. Stand-by services**  
25 **provided by DP&L has nothing to do with the energy related**

26 **costs, such as fuel, emissions, etc., that occurred on a historical**  
27 **basis. There is no such thing as a Stand-by energy related**  
28 **costs, and such costs should not be factored into the allocation,**  
29 **or the development of costs for the RSS rate. Allocations**  
30 **should involve only Retail and Wholesale services actually**  
31 **rendered by DP&L."**

32 **Does Mr. Yankel accurately describe the methodology that you used to provide data**  
33 **that was used to calculate jurisdictional allocators?**

34 A. Yes, Mr. Yankel is correct in stating that DP&L's forecast includes its entire system load,  
35 and therefore includes sales by Non-Affiliated CRES providers. DP&L evaluated the  
36 significance of shopping sales to Non-Affiliate CRES providers at the time the forecast  
37 was made and determined that such sales were too insignificant to exclude from the  
38 forecast model for 2005.

39 **Q. In his testimony (p. 7, lines 7-19), Mr. Yankel further states:**

40 **"This approach greatly underestimates the quantity of energy**  
41 **that is sold as Wholesale because the POLR requirements**  
42 **include both Retail (actually rendered services) and stand-by**  
43 **services for customers receiving competitive generation from**  
44 **CRES providers."**

45 **Do you also agree with Mr. Yankel's conclusion that DP&L's inclusion of these sales**  
46 **greatly underestimates wholesale energy?**

47 A. While Mr. Yankel is correct that my inclusion of unaffiliated CRES provider sales in  
48 DP&L's calculation would tend to cause the jurisdictional allocator to be overstated, Mr.  
49 Yankel fails to realize that sales by unaffiliated CRES providers are only three  
50 hundredths of one percent (0.03%) of the sales on DP&L's system. The inclusion of

51 those sales figures has an insignificant effect on the calculation of jurisdictional  
52 allocators.

53 **Q. Has DP&L evaluated the impact that excluding those sales by unaffiliated CRES**  
54 **providers would have on the calculation of the Jurisdictional Allocator?**

55 A. Yes. DP&L identified actual non-affiliate shopping sales during the last six months of  
56 the test period and has removed those sales from the calculation of the Jurisdictional  
57 Allocator. Exhibit 1 of my testimony shows that the exclusion of CRES provider sales  
58 from the calculation did not change the end result, because the amount of sales by  
59 unaffiliated CRES providers was too small to effect the calculation. In both Exhibit 1 of  
60 my testimony and Summary WPA-5.2 filed with the 60-day update the Jurisdictional  
61 Allocator is 85.98%.

62 **Q. Does this conclude this testimony?**

63 A. Yes, it does.

**CERTIFICATE OF SERVICE**

I certify that a copy of the Rebuttal Testimony of Mark Guerriero has been served via regular U.S. mail, postage prepaid, upon the following counsel, this 31st day of October, 2005:

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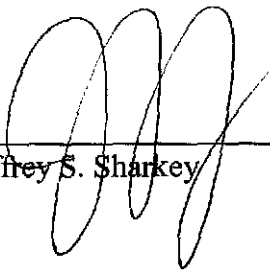
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THE DAYTON POWER AND LIGHT COMPANY

Case No. 05-276-EL-AIR

Determination of Jurisdictional Allocators - Monthly Generation (MWHs)  
12 Months Ending September 30, 2005

Data: 6 Months Actual and 6 Months Forecast

Type of Filing: Revised

Work Paper Reference No(s): None

Summary WPA-5.2

Page 1 of 1

Witness Responsible:  
Rick Ullett / Mark Guerriero

Line No.	Month	Monthly Generated MWH		Total (D = B + C)	Source (E)
		Wholesale (B)	POLR (C)		
1	October 2004	354,443	1,139,335	1,493,778	Generation System Records  Company Forecast Minus Non-Affiliate Shopping Sales
2	November 2004	75,150	1,033,127	1,108,277	
3	December 2004	214,388	1,308,155	1,522,543	
4	January 2005	201,686	1,362,902	1,564,588	
5	February 2005	143,142	1,174,677	1,317,819	
6	March 2005	140,383	1,241,751	1,382,134	
7	April 2005	134,000	1,010,524	1,144,524	
8	May 2005	213,000	1,191,538	1,404,538	
9	June 2005	234,000	1,353,562	1,587,562	
10	July 2005	264,000	1,463,545	1,727,545	
11	August 2005	242,000	1,460,552	1,702,552	
12	September 2005	235,000	1,287,580	1,522,580	
13					
14	Total	2,451,192	15,027,248	17,478,440	
15					
16	Jurisdictional Percentage			85.98%	