HB 239 Proponent Testimony David J. Crusey, Director, Commercial Operations The Dayton Power & Light Company May 30, 2017

Chairman Seitz, Vice Chair Carfagna, Ranking Member Ashford, and members of the House Public Utilities Committee, thank you for the opportunity to provide proponent testimony on House Bill 239.

My name is Dave Crusey and I have been employed for 28 years at The Dayton Power and Light Company (DP&L) and currently serve as the Director of Commercial Operations.

As one of Ohio's four electric distribution utilities, DP&L safely and efficiently provides distribution and transmission services to approximately 520,000 customers located in West Central Ohio. We are proud of our 100+ years of service to the residents and businesses in our 24 county service territory.

Dayton Power and Light is <u>supportive</u> of HB 239 which provides a long-term solution for our commitment as a shareholder in the Ohio Valley Electric Corporation (OVEC). DP&L owns approximately 5% of OVEC.

In my many duties for DP&L, I also serve as a representative on the OVEC operating committee. Unlike other generation resources, the OVEC operating board requires unanimity for all major business decisions. For example, this includes significant decisions on expenditures and ownership interests. As a result, while our state regulatory structure has evolved, we still have our obligation as a part-owner of OVEC and must make the necessary expenditures to keep it operating.

In my view, these plants are run in a lean and efficient manner. Operating costs must be approved by the OVEC board and many of the OVEC owners operate in merchant markets with a keen focus on controlling OVEC's costs and overall economics especially given the challenges created by current market conditions.

We are seeking a sensible path to recover the net of our costs and revenues. This legislation balances the interests of customers with the co-owners of OVEC by providing stability for continued operation of this important national security generation resource.

I thank the committee for this opportunity to provide testimony on House Bill 239. I would be happy to answer any questions you may have at this time.