

FILED

January 12, 2018

**INDIANA UTILITY
REGULATORY COMMISSION**

45038

Joint Petitioner's Exhibit 1

VERIFIED DIRECT TESTIMONY

OF

MARK E. MILLER

ON BEHALF OF

AES OHIO GENERATION, LLC

**DIRECT TESTIMONY OF MARK E. MILLER
PRESIDENT
AES OHIO GENERATION, LLC**

Q1. Please state your name, by whom you are employed and your title.

A1. My name is Mark E. Miller. I am employed by the AES US Services, LLC ("AES Services") as the President for AES Ohio Generation, LLC ("AOG").

Q2. What are your job responsibilities?

A2. I am responsible for the safe, efficient and environmentally-compliant operations of Dayton Power & Light-operated competitive generating assets and represent the company in its interests in the co-owned units with Dynegy and AEP.

Q3. Please describe your professional and educational qualifications.

A3. I received my operational training through the US Navy Nuclear Program from August 1979 through October 1988. I continue to pursue a finance degree through distance learning and have completed various executive leadership programs throughout my time with AES. Working for the AES Corporation for over 28 years, I have filled numerous senior management roles, which include overall responsibility for the safe and efficient operation of a range of technologies including coal, gas, hydro, wind, solar and energy storage generation assets as well as transmission and distribution.

Q4. What is the purpose of your verified direct testimony?

A4. My testimony provides support of the Verified Joint Petition of AES Ohio Generation, LLC and Montpelier Generating Station, LLC ("Montpelier Generating") which is requesting Commission approval for the sale of the Montpelier generation station

(“Montpelier Station”) and related equipment and land, and for a continuation of the Commission’s August 9, 2000 Order in Cause No. 41685 (“41685 Order”) where it declined to exercise jurisdiction over what is now AOG or the Montpelier Station except with respect to certain specified requirements.

Q5. Please describe the proposed sale to Montpelier Generating and the requested relief.

A5. Joint Petitioners seek Commission approval for the sale to Montpelier Generating of AOG’s entire interest in the Montpelier Station, which is located in Wells County, Indiana. The primary assets at the Montpelier Station are four combustion turbines with a nameplate capacity totaling 236 MW. The sale includes those generators plus all the ancillary property that is at the site. That ancillary property includes generation step-up transformers, interconnecting and metering equipment that ties-in to a transmission line owned by Indiana Michigan Power Company (“IMPC”), oil tanks and oil inventory, control room facilities and control equipment, telecommunications equipment used to provide real-time information to IMPC, AOG, and PJM Interconnection, LLC, and spare parts. In addition, the real property at the site, which includes approximately 101 acres of land, including “buffer land” that is adjacent to the Montpelier Station but not within the fenced area, is part of the sale.

In addition, Joint Petitioners are asking that the Commission continue to decline jurisdiction over Montpelier Generating and the Montpelier Station subject to largely the same conditions under which the Commission declined jurisdiction over AOG and the Montpelier Station in 2000. Finally, Joint Petitioners are asking the Commission to find that upon closing of the transaction, none of those conditions will continue to apply to OAG, which would then no longer be a utility under Indiana law.

1 **Q6. The 2000 order in Cause No. 41685 was issued to DPL Energy, Inc. Please explain**
2 **the relationship of that entity to AOG.**

3 A6. They are the same entity. DPL Energy, Inc. was originally incorporated in Ohio in 1996.
4 In 2001, DPL Energy, Inc. was reconstituted under a changed name and Ohio registration
5 to DPL Energy, LLC. In 2015, a couple years after DPL Energy's parent company was
6 purchased by The AES Corporation, the name of the entity was changed AES Ohio
7 Generation, LLC. At all times, DPL Energy and AES Ohio Generation has been owned
8 100% by DPL Inc. At no time was the Montpelier Station transferred or sold to any other
9 entity.

10 **Q7. You stated that the relief sought included a Commission order continuing to decline**
11 **jurisdiction subject to "largely the same conditions" as in the 2000 order. What do**
12 **you mean by that?**

13 A7. Many of the conditions in that 2000 order related to the original construction of the
14 Montpelier Station and appear to have no continued applicability. In addition, as discussed
15 by Montpelier Generating witness James Maiz, Montpelier Generating is seeking
16 clarification that a condition relating to the need to obtain future approval for a future sale
17 of the Montpelier Station is limited to sales or transfers to an unaffiliated entity and not
18 applicable to internal corporate reorganizations.

19 **Q8. What effect will the sale have on Indiana retail customers?**

20 A8. There should be zero direct effects. Neither AOG nor Montpelier Generating have retail
21 sales customers in Indiana. Montpelier Generating, like AOG, is committing not to make
22 any such retail sales absent a further Commission order. There should also be zero to

negligible indirect effects. AOG has been selling all the output of the Montpelier Station into competitive wholesale markets administered by PJM. Montpelier Generating will continue to sell into competitive wholesale markets. While it may have a slightly different bidding strategy than AOG had, the effects on wholesale prices and the indirect effect that wholesale prices may have on retail prices would be extremely small: the 236 MW of capacity from the Montpelier Station is a tiny fraction of the overall PJM market that includes approximately 178,000 MW of generation capacity. <http://pjm.com/-/media/markets-ops/ops-analysis/capacity-by-fuel-type-2017.ashx?la=en>

Q9. Is the sale of the Montpelier Station in the public interest?

A9. Yes. The proposed sale will result in a new owner who intends to operate the Montpelier Station, which will continue to provide the benefits that the Commission identified in the order in Cause No. 41685. That is, the Montpelier Station in the hands of Montpelier Generating will continue to support electric reliability in Indiana and will do so with minimal or no effect on the reliability of the interconnecting transmission company or any neighboring system and with its output subject to FERC oversight, regulation and market forces.

Q10. Does this conclude your testimony?

A10. Yes.

VERIFICATION

I, Mark E. Miller, President of AES Ohio Generation, LLC, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.



Mark E. Miller

Dated: 1/12/18