

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio	:	
Edison Company, The Cleveland Electric	:	Case No. 14-1297-EL-SSO
Illuminating Company and The Toledo	:	
Edison Company for Authority to Provide	:	
for a Standard Service Offer Pursuant to	:	
R.C. 4928.143, in the Form of an Electric	:	
Security Plan.	:	

**PREFILED TESTIMONY  
OF  
TAMARA S. TURKENTON  
REGULATORY SERVICES DIVISION  
RATES & ANALYSIS DEPARTMENT  
PUBLIC UTILITIES COMMISSION OF OHIO**

**Staff Exhibit \_\_\_\_\_**

**September 18, 2015**

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

2 A. My name is Tamara S. Turkenton. 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 as Chief of the  
7 Regulatory Services Division of the Rates and Analysis Department.  
8

9 3. Q. Please briefly summarize your educational background and work experi-  
10 ence.

11 A. I received a Bachelor of Business Administration in Finance and Business  
12 Pre-Law (BBA) from Ohio University. I also received a Master of Busi-  
13 ness Administration (MBA) degree from Capital University and a Master of  
14 Tax Laws (MT) degree from Capital Law School.  
15

16 I have been employed by the Commission since June 1994 and involved in  
17 the Electric Fuel Component (EFC) section, the Telecommunications sec-  
18 tion, the Competitive Retail Electric Service (CRES) section working on  
19 electric deregulation and SB 3, and the Rates & Tariffs section working on  
20 electric utility rates, tariffs, and rules. In April 2009, I was assigned to the  
21 Accounting and Electricity Division working on many aspects of SB 221. I

1 currently serve as the Chief of the Regulatory Services Division of the  
2 Rates and Analysis Department.

3  
4 4. Q. Have you testified in prior proceedings before the Commission?

5 A. Yes.

6  
7 5. Q. What is the purpose of your testimony in this proceeding?

8 A. On August 4, 2014, Ohio Edison Company, The Cleveland Electric Illum-  
9 inating Company and The Toledo Edison Company (Companies) filed an  
10 application for an Electric Security Plan (ESP) in accordance with Section  
11 4928.143, of the Ohio Revised Code.

12  
13 My testimony addresses Staff's support of the Companies' use of an Elec-  
14 tric Security Plan, rather than a Market Rate Offer (MRO). In support of  
15 this position, Staff has compared the terms and conditions of the Com-  
16 panies' ESP to determine if they are more favorable to customers in the  
17 aggregate than the expected results that would otherwise apply under an  
18 MRO.

19  
20 Additionally, my testimony discusses the proposed Pilot Program included  
21 in the Companies' Supplemental Stipulation, filed on May 28, 2015, which

1 provides certain customers the ability to opt out of the Non-Market Based  
2 Services Rider (Rider NMB).

3 **Comparison between the ESP and the MRO**

4 6. Q. Do you believe the proposed ESP is more favorable in the aggregate than  
5 an MRO?

6 A. Yes, when all provisions of the ESP application are considered along with  
7 Staff recommendations filed in this case, I believe the ESP application is  
8 more favorable in the aggregate than an MRO application would be.  
9

10 7. Q. Please describe what you have considered in regard to the ESP verses MRO  
11 test for this application.

12 A. Generation rates for 100% of the standard service offer (SSO) load are  
13 based on market based auction prices and as a result, there should be no dif-  
14 ference between market based generation rates under an MRO filing or an  
15 ESP filing. However, the Companies proposed in their original application,  
16 filed on August 4, 2014, to provide \$3.0 million of shareholder funds for  
17 economic development over the term of the proposed ESP. Staff considers  
18 the Companies' \$3.0 million commitment to be a quantitative benefit of the  
19 proposed ESP. In addition, the Stipulation filed by various parties on  
20 December 22, 2014 includes an additional \$7.2 million of shareholder

1 funded commitments to assist at-risk populations, promote energy effi-  
2 ciency and promote the retail competitive markets. If these terms are  
3 approved by the Commission, the additional \$7.2 million should be  
4 included in the quantitative benefits.

5  
6 8. Q. Please describe the qualitative benefits you considered in your conclusion.

7 A. In particular, the Staff believes that an ESP filing provides the most flexi-  
8 bility in order to achieve outcomes that are advantageous for all of the par-  
9 ties involved. For example, as discussed in the application, the proposed  
10 ESP commits to the continuation of the current Delivery Capital Recovery  
11 Rider (DCR). This DCR is similar to distribution investment riders  
12 approved by the Commission for other utilities in Ohio. The structure of  
13 the DCR provides an economical and efficient process which enables the  
14 Companies to make investments in their distribution system, which  
15 improves both the safety and reliability of the distribution system. Further  
16 details of Staff's recommendations in regard to the DCR are discussed in  
17 the Direct Testimony of Staff witness McCarter.

18  
19 9. Q. What else have you considered in making your recommendation?

20 A. I have also considered the qualitative benefits associated with the Com-  
21 panies' proposal to implement a supplier web portal as well as making  
22 other changes to the Companies' Electric Service Regulations and Supplier

1 tariffs that enhance the retail market and help mitigate potential barriers to  
2 competition. Further details of Staff's recommendations in regard to sup-  
3 plier web portal and retail enhancements are discussed in the Direct Testi-  
4 mony of Staff witness Schaefer.

5 **Pilot Program (Opt-out of Rider NMB)**

6 10. Q. The Supplemental Stipulation filed by various parties on May 28, 2015 pro-  
7 vides for the creation of a Pilot Program that would allow certain customers  
8 to opt out of Rider NMB. Does Staff have any comments in regard to the  
9 proposed Pilot Program?

10 A. Yes, Staff is concerned about the possible impacts to other non-participat-  
11 ing ratepayers if the Pilot Program is approved. It is Staff's understanding  
12 that there are a number of customers that represent a significant portion of  
13 the Companies' peak load that would be eligible for the program. Also, the  
14 Companies have indicated that they have not performed any studies to esti-  
15 mate potential impacts to non-participating customers. Another concern is  
16 that the Pilot Program is limited to a certain set of customers associated  
17 with Ohio Energy Group and Industrial Energy Users-Ohio, Nucor Steel  
18 Marion, Inc., and Material Sciences Corporation. As a result of these con-  
19 cerns, Staff does not recommend approval of the Pilot Program as pro-  
20 posed.

1    11.    Q.    Doe this conclude your testimony?

2            A.    Yes, it does. However, I reserve the right to submit supplemental testi-  
3                    mony as described herein, as new information subsequently becomes avail-  
4                    able or in response to positions taken by other parties.

## PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Prefiled Testimony of Tamara S. Turkenton** submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, hand-delivered, and/or delivered via electronic mail, upon the following parties of record, this 18<sup>th</sup> day of September, 2015.

*/s/ Steven L. Beeler*

**Steven L. Beeler**

Assistant Attorney General

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Summary: Testimony Prefiled Testimony of Tamara S. Turkenton submitted by Assistant Attorney General Steven Beeler on behalf of the Staff of the Public Utilities Commission of Ohio. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio