

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Columbia Gas of Ohio, Inc. for Approval of)	
Demand Side Management Programs for)	Case No. 16-1309-GA-UNC
its Residential and Commercial Customers.)	

In the Matter of the Application of)	
Columbia Gas of Ohio, Inc. for Approval to)	Case No. 16-1310-GA-AAM
Change Accounting Methods.)	

**DIRECT TESTIMONY OF
JOHN PATRICK “JACK” KEEGAN
ON BEHALF OF
THE RETAIL ENERGY SUPPLY ASSOCIATION**

September 6, 2016

1 **Q1. Please introduce yourself.**

2 A1. My name is John Patrick “Jack” Keegan. I am the Manager, Regulatory Affairs and
3 Government Relations for Just Energy. My business address is 5251 Westheimer Rd.,
4 Suite 1000, Houston, Texas 77056.

5
6 **Q2. What are your current job responsibilities?**

7 A2. I am responsible for Just Energy’s legislative and regulatory affairs in Michigan, Illinois,
8 Indiana and Ohio. I also serve as the Ohio Gas Chair of the Retail Energy Supply
9 Association. I interact on a regular basis with public service commissions, legislators and
10 stakeholders on issues related to the development of the natural gas and electric retail
11 markets.

12
13 **Q3. What is your educational background?**

14 A3. I hold Bachelor of Art degree in Political Science, with minors in English and
15 International Studies, from The Ohio State University.

16
17 **Q4. On whose behalf are you testifying today?**

18 A4. I am testifying on behalf of the Retail Energy Supply Association (“RESA”).¹
19

20 **Q5. Please describe briefly the operations of RESA.**

21 A5. RESA is a non-profit trade association of independent corporations involved in the
22 competitive supply of electricity and natural gas. RESA and its members are actively

¹ The testimony in this filing represents the position of RESA as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

involved in the development of retail and wholesale competition in electricity and natural gas markets throughout the United States. RESA advocates for vibrant and sustainable competitive retail energy markets as a better alternative for consumers than monopoly-protected utility regulation. Some of the members of RESA have certificates from the Public Utilities Commission of Ohio (“Commission”) to operate as competitive retail natural gas service (“CRNGS”) providers in the State of Ohio.

Q6. What is the purpose of your testimony?

A6. My testimony supports the Stipulation filed in this proceeding, specifically paragraph 9 of the Stipulation related to the rebate on learning thermostats.

Q7. Can you describe paragraph 9 of the Stipulation?

A7. Yes. Paragraph 9 of the Stipulation sets the rebate amount for learning thermostats in Columbia Gas of Ohio, Inc.’s (“Columbia”) Simple Energy Solutions program. Specifically, that paragraph states:

Columbia agrees to provide a rebate of \$75 per learning thermostat with its Simple Energy Solutions program. Columbia also agrees to engage in discussions with RESA, IGS, and Staff on mechanisms to streamline and/or enhance the rebate process associated with the Simple Energy Solutions program.

Q8. Do you believe the rebate amount is appropriate?

A8. Yes, for three reasons. First, the rebate amount accounts for the many brands and models of learning thermostats available to customers. For example, Honeywell manufactures and sells the Honeywell Lyric Round Wi-Fi Thermostat, the Honeywell RTH9590WF1011 Wi-Fi Smart thermostat and the Honeywell RET97A5E Wi-Fi Smart

1 Thermostat in addition to the Honeywell RTH9580WF Wi-Fi Smart Thermostat.² Also
2 available to consumers are the Nest Learning Thermostat with Built-In Wi-Fi and the
3 ecobee Homekit Enabled E3 Thermostat with Build-In Wi-Fi, among other types of
4 learning thermostats.³ The stipulated rebate amount takes into consideration the range of
5 models and brands of learning thermostats.

6 Second, the rebate amount accounts for the pricing of available learning
7 thermostats. For example, Home Depot sells online both the Honeywell Lyric Round
8 Wi-Fi Thermostat RCH9310WF5003 and the Honeywell RTH9580WF Wi-Fi Smart
9 Thermostat for \$199.99.⁴ Lowe's sells the Nest Learning Thermostat with Built-In Wi-Fi
10 for \$249.00 and the ecobee Homekit Enabled E3 Thermostat with Built-in Wi-Fi for
11 \$249.00.⁵ Sales tax would also have to be added to these prices which further increases
12 the cost of the thermostat. The wide ranges of models and prices support the stipulated
13 rebate amount of \$75 for smart thermostats.

14 Third, in addition to paying for a learning thermostat, there are other costs related
15 to installing learning thermostats. A smart thermostat will require installation and
16 possibly additional wiring, a new wall plate and repainting if the dimensions of the new
17 thermostat vary from the old thermostat's dimensions. Adding all of these costs to a Nest
18 thermostat, for instance, would put the minimum price for the consumer at well over
19 \$300, a significant cost for consumers who in most instances already have older working
20 thermostats.

² See http://www.honeywellstore.com/store/products.asp?friendly_url=thermostats (accessed September 6, 2016).

³ See e.g. <http://www.lowes.com/pl/Smart-thermostats-Thermostats-Heating-cooling/4294721048> (accessed September 6, 2016).

⁴ See <http://www.homedepot.com/b/Electrical-Smart-Home-Smart-Thermostats/Honeywell/N-5yc1vZc7clZqr/Ntk-SemanticSearch/Ntt-thermostats?Ntx=mode+matchall&NCNI-5> (accessed September 6, 2016).

⁵ See <http://www.lowes.com/pl/Smart-thermostats-Thermostats-Heating-cooling/4294721048> (accessed September 6, 2016).

1 The stipulated \$75 rebate amount for learning thermostats is reasonable given all
2 of these factors. The program is intended to encourage customer participation in the
3 Simple Energy Solutions program. In my opinion, the stipulated rebate amount is
4 appropriate and should be approved by the Commission.

5
6 **Q9. Was the Stipulation, including Paragraph 9, the product of serious bargaining?**

7 A9. Yes. Although RESA did not intervene in the proceeding until July 27, 2016, it was an
8 active participant in settlement discussions related to the Stipulation. Each party to the
9 proceeding was invited to and did in fact participate in discussions related to the
10 Stipulation. Moreover, the final language in Paragraph 9 of the Stipulation is a result of
11 negotiations between the parties in the proceeding, and that language includes not just the
12 rebate amount but also Columbia's commitment to engage in further discussions on ways
13 to streamline and/or enhance the rebate process associated with the Simple Energy
14 Solutions program.

15 **Q10. Does RESA see a benefit to Paragraph 9 in the Stipulation?**

16 A10. Yes. Paragraph 9 presents two benefits. First, the learning thermostat rebate opportunity
17 encourages customers to move to the next level of thermostat technology that customers
18 might not otherwise implement, thereby improving energy efficiency. Learning
19 thermostats are not just programmable thermostats. For example, models with the proper
20 functionality allow consumers to learn from their own usage behavior, allow consumers
21 to control the climate in the location remotely, display energy consumption in real-time,
22 and can even adjust temperature by sensing when a home is empty. Rebates for learning
23 thermostats through Columbia's DSM program promote the installation and
24 implementation of this specific energy efficiency measure and technology.

1 Second, Paragraph 9 of the Stipulation requires Columbia to engage in further
2 discussions with RESA to streamline and/or enhance the rebate process. Streamlining
3 and/or enhancing the rebate process could encourage additional customers to participate
4 in the rebate program and in turn, increase energy efficiency.

5
6 **Q11. Do you believe that paragraph 9 supports a finding that the Stipulation is in the**
7 **public interest?**

8 A11. Yes. As I indicate above, there are many benefits to the increased use of learning
9 thermostats. As well, any enhancements or streamlining of the rebate program would
10 provide benefits to customers in the form of increased rebate participation and installation
11 and use of learning thermostats.

12
13 **Q12. Does this conclude your testimony?**

14 A12. Yes, but I reserve the opportunity to supplement my testimony.

CERTIFICATE OF SERVICE

The Public Utilities Commission of Ohio's e-filing system will electronically serve notice of the filing of this document on the parties referenced on the service list of the docket card who have electronically subscribed to the case. In addition, the undersigned certifies that a courtesy copy of the foregoing document is also being served (via electronic mail) on 6th day of September 2016 upon all persons/entities listed below:

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Summary: Testimony -- Direct Testimony of John Patrick "Jack" Keegan electronically filed by Mrs. Gretchen L. Petrucci on behalf of Retail Energy Supply Association