

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates.)	Case No. 17-32-EL-AIR
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.)	Case No. 17-33-EL-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.)	Case No. 17-34-EL-AAM
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Modify Rider PSR.)	Case No. 17-872-EL-RDR
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Amend Rider PSR.)	Case No. 17-873-EL-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.)	Case No. 17-874-EL-AAM
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service.)	Case No. 17-1263-EL-SSO
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Amend its Certified Supplier Tariff, P.U.C.O. No. 20.)	Case No. 17-1264-EL-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Defer Vegetation Management Costs.)	Case No. 17-1265-EL-AAM
)	

In the Matter of the Application of Duke)
Energy Ohio, Inc., to Establish) Case No. 16-1602-EL-ESS
Minimum Reliability Performance)
Standards Pursuant to Chapter 4901:1-)
10, Ohio Administrative Code.

PREFILED TESTIMONY IN RESPONSE TO OBJECTIONS TO THE STAFF
REPORT

OF

MATTHEW SNIDER
RESEARCH & POLICY DIVISION
RATES AND ANALYSIS DEPARTMENT
PUBLIC UTILITIES COMMISSION OF OHIO

STAFF EXHIBIT____

July 2, 1018

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

2 A. My name is Matthew Snider. My business address is 180 East Broad Street,
3 Columbus, Ohio, 43215.

4

5 2. Q. By whom are you employed?

6 A. I am employed by the Public Utilities Commission of Ohio (PUCO or
7 Commission).

8

9 3. Q. What is your current position with the PUCO and what are your duties?

10 A. I am a Utility Specialist III in the Research & Policy Division within the
11 Rates and Analysis Department. My duties include analyzing and auditing
12 the financial statements of Public Utility Companies, for the purpose of
13 ratemaking, that fall under the jurisdiction of the PUCO.

14

15 4. Q. Would you briefly state your educational background, experience and
16 qualifications?

17 A. I earned a Bachelor of Science in Business from Miami University with
18 majors in both Finance and Accounting in May of 2009. I have also
19 completed various classes and workshops on the ratemaking process and
20 provided workpapers, research, and testimony for previous cases before the
21 Commission.

22

1 5. Q. Please outline your work experience.

2 A. Following my graduation from Miami University in 2009. I went to work
3 for Winfree, Ruff & Associates, Ltd, CPAs as a tax accountant. After
4 working there for two years, I joined the Public Utilities Commission in
5 February 2011 as a Utility Auditor 1. Since joining the PUCO, I have been
6 promoted several times to my current position of Utility Specialist III.
7

8 6. Q. What is the purpose of your testimony?

9 A. The purpose of my testimony is to address the Ohio Consumers' Counsel
10 (OCC) Objection 3 pertaining to the Staff Report's calculation of adjusted
11 residential customer charge revenue.
12

13 **Operating Income**

14

15 7. Q. Please describe OCC's objection.

16 A. OCC contends that the Staff of the PUCO (Staff) failed to recognize the
17 growth being experienced in the residential service (RS) rate class, and that
18 the Staff Report should have annualized residential customer bills using the
19 last month of the test year.¹
20

¹ *In the Matter of the Application of Duke Energy Ohio, Inc. for an Increase in Electric Distribution Rates*, Case No. 17-32-EL-AIR, et al., Objections to the Staff Report by OCC at 7 (Oct. 26, 2017) (*Duke Rate Case*).

1 8. Q. Does Staff agree with the objection that it failed to recognize the growth
2 being experienced in the RS rate class?

3 A. No, Staff disagrees with the objection. Staff adjusted test year revenue to
4 reflect all actual billing determinants for the entire test year. Included in
5 Staff's adjustment is an increase of 19,853 to the RS bill count. Staff
6 believes this approach was reasonable in order to account for the growth in
7 residential customers currently being experienced by the Company.
8

9 9. Q. Does Staff have any additional concerns with the objection as filed?

10 A. Yes. OCC is asking Staff to consider annualizing only the RS customer
11 bills based on the last month of the test year. Staff believes there are
12 potential problems with this approach. One potential problem is that other
13 tariff classes are not experiencing the same level of growth as the RS class.
14 For consistency purposes, Staff believes it was appropriate to update the
15 billing determinants to actual across all tariff classes.
16 Another potential problem is that even though Duke Energy Ohio is
17 experiencing RS customer growth on a year-over-year basis, they do not
18 have consistent growth on a monthly basis. Annualizing the last month of
19 the test period ignores the impact of seasonality and could result in
20 overstating or understating the number of customer bills depending on the
21 month being used for annualization. Staff believes it would be unreasonable
22 to simply take the last month of the test year and annualize it.

1

2 10. Q. Does this conclude your testimony?

3 A. Yes, it does. However, I reserve the right to submit supplemental
4 testimony, as new information subsequently becomes available or in
5 response to positions taken by other parties.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Pre-filed Testimony Responding to Objections to the Staff Report of Matthew Snider has been served upon the below-named counsel via electronic mail, this 2nd day of July, 2018.

/s/ Steven L. Beeler

Steven L. Beeler

Parties of Record:

Jeanne.kingery@duke-energy.com
Elizabeth.watts@duke-energy.com
Rocco.d'ascenzo@duke-energy.com
fdarr@mwncmh.com
mpritchard@mwncmh.com
mkurtz@BKLawfirm.com
kboehm@BKLawfirm.com
jkylercohn@BKLawfirm.com
William.michael@occ.ohio.gov
Kevin.moore@occ.ohio.gov
Christopher.healy@occ.ohio.gov
Bojko@carpenterlipps.com
dressel@carpenterlipps.com
cmooney@ohiopartners.org
mfleisher@elpc.org
charris@spilmanlaw.com
dwilliamson@spilmanlaw.com
lbrandfass@spilmanlaw.com
paul@carpenterlipps.com
dborchers@bricker.com
dparram@bricker.com
eakhbari@bricker.com
tdougherty@theOEC.org
mleppla@theOEC.org

joliker@igsenergy.com
mnugent@igsenergy.com
slessor@calfee.com
jlang@calfee.com
talexander@calfee.com
mkeaney@calfee.com
mdortch@kravitzllc.com
rparsons@kravitzllc.com
jdortch@kravitzllc.com
whitt@whitt-sturtevant.com
campbell@whitt-sturtevant.com
glover@whitt-sturtevant.com
mjsettineri@vorys.com
glpetrucci@vorys.com
rsahli@columbus.rr.com
Tony.mendoza@sierraclub.org
jnewman@environlaw.com
rdove@attorneydove.com

ATTORNEY EXAMINERS

Stacie.Cathcart@puco.ohio.gov
Nicholas.Walstra@puco.ohio.gov

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Summary: Testimony Prefiled Testimony in Response to Objections to the Staff Report of Matthew Snider electronically filed by Ms. Tonnetta Scott on behalf of PUC