

**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

MARCHIA RUTHERFORD
RATES AND ANALYSIS DEPARTMENT
PUBLIC UTILITIES COMMISSION OF OHIO

STAFF EXHIBIT____

July 2, 2018

1 **Name and Employer**

2
3 1. Q. Please state your name and business address.

4 A. My name is Marchia Rutherford. My business address is 180 E. Broad
5 Street, Columbus, Ohio 43215.
6

7 2. Q. By whom are you employed and in what capacity?

8 A. I am employed by the Public Utilities Commission of Ohio (PUCO or
9 Commission) as a Utility Specialist in the Rates and Analysis Department.
10
11

12 **Academic Background and Professional Experience**

13
14 3. Q. Please briefly describe your educational and professional background.

15 A. I received a Bachelor of Science Degree in Business Administration from
16 Franklin University, and a Master of Business Administration Degree from
17 Ashland University.
18

19 4. Q. Please describe your work experience.

20 A. I came to the Public Utilities Commission in February, 1989 as a Utility
21 Rate Analyst 2. My current position is a Utility Specialist. I have held

1 various positions in Rates and Analysis, and have been involved with utility
2 rates and tariff issues in electric, gas, and water for over 29 years.

3
4 5. Q. Have you testified in previous cases at the PUCO?

5 A. Yes. I have testified in numerous cases before the PUCO, including
6 distribution rate proceedings.

7
8 **Purpose of Testimony**

9
10 6. Q. What is the purpose of your testimony?

11 A. I will be addressing issues pertaining to the Rates and Tariffs section of the
12 Staff Report of Investigation (Staff Report). I will specifically address
13 objections to the Staff Report related to the Straight Fixed Variable rate
14 design and the Supplier Tariff.

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16 **Responses to the Objections**

17
18 7. Q. The Environmental Defense Fund, Environmental Law & Policy Center,
19 Natural Resources Defense Council, and Ohio Environmental Council
20 (collectively, Environmental Intervenors) object to Staff's recommendation
21 to the extent that Staff suggests it may be appropriate to adopt a demand
22 charge rate design in the future, once smart meters are fully deployed in

1 Duke's service territory, and Staff's statement endorsing the idea that rates
2 reflect costs.¹ How do you respond?

3 A. The Staff Report does state that once the Applicant deploys demand meters
4 that are capable of measuring an individual customer's monthly demand, a
5 proxy for demand charges may no longer be necessary.² That statement is
6 accurate. The Staff Report did not state that the Commission should adopt a
7 demand based rate design for residential customers without taking into
8 account other important principles like energy conservation, as pointed out
9 by the Environmental Intervenors. But, as indicated in the Staff Report,
10 Staff believes that the installation of demand meters will provide additional
11 individual customer load data that will assist in determining what rate
12 design is more appropriate to achieve the intended PowerForward/smart
13 grid initiatives.³ Staff does not agree with the assertion that Staff
14 recommended a blanket approval of a demand based residential rate design.
15

16 8. Q. The Retail Energy Supply Association's (RESA) Objection 7 objects to
17 Staff not evaluating whether the Supplier Tariff, Sheet No. 20 charge is just
18 and reasonable.⁴ How do you respond?

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 Environmental Intervenors at 4 (Oct. 26, 2017) (*Duke Rate Case*).

² *Duke Rate Case*, Staff Report at 33 (Sept. 26, 2017).

³ *Id.*

⁴ *Duke Rate Case*, Objections to the Staff Report by RESA at Objection No. 7 (Oct. 27, 2017).

1 A. Staff reviews tariffs in a proposed application when the Company is
2 proposing tariff modifications. Because the Company did not propose
3 changing the current tariff, Staff did not review the cost related charge in its
4 investigation of the Company's application and disagrees with RESA that it
5 had an obligation to do so.

6

7 9. Q. Does this conclude your testimony?

8 A. Yes it does. However, I reserve the right to submit supplemental testimony
9 as new information subsequently becomes available.

10

11

12

CERTIFICATE OF SERVICE

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

/s/ Steven L. Beeler

Steven L. Beeler

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This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

7/2/2018 10:13:06 AM

in

Case No(s). 17-0032-EL-AIR, 17-0033-EL-ATA, 17-0034-EL-AAM, 17-0872-EL-RDR, 17-0873-EL-ATA, 1

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