

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of       )  
Vectren Energy Delivery of Ohio, Inc.       )  
for Approval of an Increase in Gas        )  
Rates    )

Case No. 18-0298-GA-AIR

---

**TESTIMONY  
OF  
MATTHEW SNIDER  
RESEARCH AND POLICY DIVISION  
RATES AND ANALYSIS DEPARTMENT**

---

**STAFF EXHIBIT NO. \_\_\_\_\_**

January 22, 2019

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.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

5. Q. Please outline your work experience.

A. Following my graduation from Miami University in 2009, I worked for Winfree, Ruff & Associates, Ltd, CPAs as a tax accountant. After working there for two years, I joined the PUCO in February 2011 as a Utility Auditor 1. Since joining the PUCO, I have been promoted several times until reaching my current position of Utility Specialist III.

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

A. The purpose of my testimony is to address objections which involve both rate design and miscellaneous charges. My testimony will address objections 2 and 3 by Ohio Partners for Affordable Energy (OPAE), objections 1 and 5 by the Environmental Law & Policy Center (ELPC), and objections 11 through 16 by the Ohio Consumers' Counsel (OCC).

7. Q. Please describe ELPC's objection 1.

A. ELPC objects that the Staff Report recommends limiting annual spending to \$5.6 million on conservation programs and also objects to the increase to residential and small commercial fixed charges, which would reduce the overall price signal for customers to invest in efficiency measures.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

8. Q. How does Staff respond to the objection?

A. Staff Witness Suzanne Williams will be addressing the Staff’s recommendations in regards to annual spending on conservation programs but Staff does not agree with the ELPC’s objection as it pertains to price signals and a customer’s proclivity to invest in efficiency measures. Staff contends the current rate design sends an accurate price signal in regards to the Company’s distribution costs and a customer’s investment in efficiency measures will continue to reduce the amount of the commodity consumed.

9. Q. Please describe OPAE’s objection 2.

A. OPAE objects to the Staff Report’s recommendations for miscellaneous charges because the Staff Report does not contain the information to support Staff’s recommendations.

10. Q. How does Staff respond to the objection?

A. Staff agrees with OPAE that the Staff Report does not detail all the information necessary to calculate Staff’s recommended miscellaneous charges, but this information can be found in Staff DR#61. In Staff DR#61, Staff requested the Company justify the costs associated with performing various miscellaneous charges. If the Company was unable to substantiate the proposed increase, Staff recommended either an adjusted miscellaneous

1 charge or recommended the current miscellaneous charge remain  
2 unchanged.

3  
4 11. Q. Please describe OCC's objections 11 through 13, OPAE's objection 3 and  
5 the ELPC's objection 5.

6 A. OCC, OPAE and the ELPC object to the Staff Report's residential customer  
7 charge and straight fixed variable (SFV) rate design. The objections  
8 contend that SFV reduces the price signal for conservation and  
9 disproportionately impacts low-income customers. OPAE and ELPC also  
10 contend Staff failed to consider alternative rate designs, such as a  
11 decoupling rider mechanism.

12  
13 12. Q. How does Staff respond to OCC, OPAE and the ELPC's objections?

14 A. Staff disagrees with the notion that it should have considered an alternative  
15 rate design. The Company adopted SFV for residential customers in Case  
16 No. 07-1080-GA-AIR and did not seek any modifications to the residential  
17 rate design in the current proceeding. Furthermore, nearly every gas  
18 company regulated by the PUCO has adopted some form of SFV. Staff  
19 believes that by supporting the previously approved rate design it is merely  
20 being consistent with past precedent for not only this Company, but also for  
21 similar gas companies that fall under the PUCO's jurisdiction.

1 13. Q. Please describe OCC's objections 14 and 15.

2 A. OCC objects to Staff's recommendation to increase the residential customer  
3 fixed charge, instead of placing the incremental base rate increase in a  
4 volumetric component. OCC further contends that by only placing the  
5 increase in the fixed charge, there is a disproportionate impact to low usage  
6 residential customers when compared to large residential users.

7

8 14. Q. How does Staff respond to this objection?

9 A. Staff's approach of placing the entire increase in the fixed charge is  
10 consistent with the rate design as approved in the Company's last base rate  
11 case.

12

13 15. Q. What is OCC's objection 16?

14 A. OCC states that the Staff Report erred by not recommending a revenue  
15 decoupling mechanism to accompany the adding of a volumetric  
16 component to residential base rates.

17

18 16. Q. How does Staff respond to this objection?

19 A. Staff did not recommend a decoupling mechanism in this case because  
20 Staff is not recommending that any volumetric component be added to  
21 residential base rates, nor did the Company propose to alter their current  
22 fixed rate design for residential customers.

1    17.    Q.    Does this conclude your testimony?

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

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the **Testimony of Matthew Snider** has been served upon the below-named counsel via electronic mail, this 22<sup>Th</sup> day of January, 2018.

/s/Werner L. Margard III

**Werner L. Margard III**

Assistant Attorney General

### Parties of Record:

Mark A. Whitt (0067996)  
Andrew J. Campbell (0081485)  
Shannon K. Rust (0090182)  
Christopher T. Kennedy (0075228)  
Whitt Sturtevant LLP  
The KeyBank Building, Suite 1590  
88 East Broad Street  
Columbus, Ohio 43215  
whitt@whitt-sturtevant.com  
campbell@whitt-sturtevant.com  
rust@whitt-sturtevant.com  
kennedy@whitt-sturtevant.com

Frank P. Darr (0025469)  
Matthew R. Pritchard (0088070)  
McNees Wallace & Nurick LLC  
21 East State Street, 17TH Floor  
Columbus, OH 43215  
fdarr@mcneeslaw.com  
mpritchard@mcneeslaw.com

William J. Michael (0070921)  
Amy Botschner-O'Brien (0074423)  
Christopher Healey (0086027)  
Assistant Consumers' Counsel  
Office of the Ohio Consumers' Counsel  
65 East State Street, 7th Floor  
Columbus, Ohio 43215-4213  
William.michael@occ.ohio.gov  
amy.botschner.obrien@occ.ohio.gov  
christopher.healey@occ.ohio.gov

*Counsel for the Office of the Ohio  
Consumers' Counsel*

Colleen L. Mooney (0015668)  
Ohio Partners for Affordable Energy  
PO Box 12451  
Columbus, OH 43212-2451  
cmooney@ohiopartners.org

*Counsel for Ohio Partners for  
Affordable Energy*



P. Jason Stephenson (21839-49)  
Vectren Corporation  
One Vectren Square  
211 N.W. Riverside Drive  
Evansville, Indiana 47708  
jstephenson@vectren.com

*Counsel for Vectren Energy Delivery Of  
Ohio, Inc.*

Steven D. Lesser (0020242)  
N. Trevor Alexander (0080713)  
Mark T. Keaney (095318)  
Calfee, Halter & Griswold LLP  
41 S. High St., 1200 Huntington  
Center  
Columbus OH 43215  
slesser@calfee.com  
mkeaney@calfee.com  
talexander@calfee.com

*Counsel for the City of Dayton and  
Honda North America, Inc.*

Joseph Olikier (0086088)  
Michael Nugent (0090408)  
IGS Energy  
6100 Emerald Parkway  
Dublin, Ohio 43016  
joliker@igsenergy.com  
mnugent@igsenergy.com

*Counsel for IGS Energy*

Darryl Brown (0062635)  
Deputy Director & Senior  
Supervisory Attorney  
88th ABW Legal Office  
5135 Pearson Road  
Wright-Patterson AFB OH 45433-  
5319  
Darryl.Brown@us.af.mil

Madeline Fleisher (0091862)  
Environmental Law & Policy Center  
21 West Broad St., 8th Floor  
Columbus, OH 43215  
mfleisher@elpc.org

Robert Kelter (PHV-2685-2018)  
Senior Attorney  
Environmental Law & Policy Center  
35 E. Wacker Drive, Suite 1600  
Chicago, IL 60601  
rkelter@elpc.org

*Counsel for the Environmental Law &  
Policy Center*

Michael J. Settineri (0073369)  
Gretchen L. Petrucci (0046608)  
Vorys, Sater, Seymour and Pease LLP  
52 East Gay Street  
Columbus, OH 43215  
mjsettineri@vorys.com  
glpetrucci@vorys.com

*Counsel for the Retail Energy Supply  
Association*

Robert J. Friedman  
(OH PHV 20930-2019)  
AFLOA-JACE-ULFSC  
139 Barnes Drive, Suite 1  
Tyndall AFB, FL 32403  
Robert.Friedman.5@us.af.mil

*Counsel for Federal Executive Agencies*

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**1/22/2019 3:00:50 PM**

**in**

**Case No(s). 18-0298-GA-AIR**

Summary: Testimony of Matthew Snider electronically filed by Ms. Tonnetta Scott on behalf of PUC